

Author's Accepted Manuscript

Residential Land Values in the Washington, DC Metro Area: New Insights from Big Data

Morris A. Davis, Stephen D. Oliner, Edward J. Pinto, Sankar Bokka



PII: S0166-0462(16)30150-8
DOI: <http://dx.doi.org/10.1016/j.regsciurbeco.2017.06.006>
Reference: REGEC3274

To appear in: *Regional Science and Urban Economics*

Received date: 21 August 2016
Revised date: 9 June 2017
Accepted date: 20 June 2017

Cite this article as: Morris A. Davis, Stephen D. Oliner, Edward J. Pinto and Sankar Bokka, Residential Land Values in the Washington, DC Metro Area: New Insights from Big Data, *Regional Science and Urban Economics* <http://dx.doi.org/10.1016/j.regsciurbeco.2017.06.006>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting galley proof before it is published in its final citable form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

Residential Land Values in the Washington, DC Metro Area: New Insights from Big Data*

Morris A. Davis
Rutgers University

Stephen D. Oliner
American Enterprise Institute and UCLA

Edward J. Pinto
American Enterprise Institute

Sankar Bokka
FNC, Inc.

July 1, 2017

Abstract

We use a new property-level data set and an innovative methodology to estimate the price of land from 2000 to 2013 for nearly the universe of detached single-family homes in the Washington, DC metro area and to characterize the boom-bust cycle in land and house prices at a fine geography. The results show that land prices were more volatile than house prices everywhere, but especially so in the areas where land was inexpensive in 2000. We demonstrate that the change in the land share of house value during the boom was a significant predictor of the decline in house prices during the bust, highlighting the value of focusing on land in assessing house-price risk.

JEL Classification Numbers: C55, E32, R14, R23, R31, R32

Keywords: Land, Housing, House Prices, Housing Boom and Bust, Financial Crisis

*The views expressed are ours alone and do not represent those of the institutions with which we are affiliated. We received expert research assistance from Rahee Jung, Jessica Li, Lilla Lukacs, Urbashee Paul, Eleanor Qian, Benji Smith and Shuyi Yu. In addition, we received helpful comments from Norrine Brydon, John Clapp, Jeffrey Cohen, Robert Dorsey, Gabriel Ehrlich, Stuart Gabriel, David Geltner, Richard Green, William Larson, Stuart Rosenthal, Joe Tracy, Stijn Van Nieuwerburgh, Mike Viehweg, Susan Wachter, and participants at the International Conference on Collateral Risk (March 2014), the AREUEA National Conference (May 2014) and the Third and Fourth Annual International Conferences on Housing Risk (September 2014 and October 2015). We thank CoreLogic® for providing the data for the paper. We also thank the UCLA Rosalinde and Arthur Gilbert Program in Real Estate, Finance and Urban Economics for generous funding. Corresponding author: Morris A. Davis, mdavis@business.rutgers.edu.

Download English Version:

<https://daneshyari.com/en/article/5103712>

Download Persian Version:

<https://daneshyari.com/article/5103712>

[Daneshyari.com](https://daneshyari.com)