

Accepted Manuscript

Housing match quality and demand: What can we learn from comparing buyer characteristics?

Erlend Eide Bø

PII: S1051-1377(17)30276-0
DOI: [10.1016/j.jhe.2018.06.007](https://doi.org/10.1016/j.jhe.2018.06.007)
Reference: YJHEC 1589

To appear in: *Journal of Housing Economics*

Received date: 23 October 2017
Revised date: 13 March 2018
Accepted date: 16 June 2018

Please cite this article as: Erlend Eide Bø, Housing match quality and demand: What can we learn from comparing buyer characteristics?, *Journal of Housing Economics* (2018), doi: [10.1016/j.jhe.2018.06.007](https://doi.org/10.1016/j.jhe.2018.06.007)

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 proof before it is published in its final 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.



Housing match quality and demand: What can we learn from comparing buyer characteristics?*

Erlend Eide Bø[†]

June 19, 2018

JEL Codes: D83, R21, R31

Abstract

Match quality, the part of housing value to the buyer which is unique for each buyer-house match, is important in several housing market matching models, but measuring it is difficult. I suggest that similarity between buyers and sellers (at the time they bought) may be used to measure a part of match quality, which is correlated with buyer characteristics. If observable characteristics of a buyer are correlated with the buyer's preferences for housing, successive owners of houses should share characteristics. A buyer could be expected to have higher match quality if similar to the previous buyer. I use a simple matching model to show this mechanism and test this prediction using unique data with information on two "generations" of buyers. Buyers who resemble past buyers are paying more, also when a large number of observable housing, buyer and seller characteristics are controlled for. This supports the use of buyer similarity as a proxy for match quality. I use the match quality measure to indicate how search frictions affect the estimation of housing preferences in a structural housing demand model.

*I thank Marcus Hagedorn and Edwin Leuven for help and advice. Kjetil Telle and participants at Forskermøtet 2016 provided valuable comments.

[†]Statistics Norway
e-mail: eeb@ssb.no

Download English Version:

<https://daneshyari.com/en/article/7363688>

Download Persian Version:

<https://daneshyari.com/article/7363688>

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