**Course Title: Housing Economics Course Coordinator: Konstantin A. Kholodilin**

**Credit Value: 5 ECTS Contact hours: \_60\_**

**Runs in (2018/19): Semester \_1\_, Quarter \_1-2\_**

**Course Prerequisites: knowledge of corporate finance, micro- and macroeconomics, some notion of mathematics and statistical methods.**

**Open to exchange students: yes**

**Assessment Methods**

**Assessment:**

* Homeworks
* Two intermediate tests
* Final exam

**Course Outline**

*Dual nature of housing*: investment asset and consumer good.

*Choice between own and rented housing:* user cost of housing (transaction costs, mortgage payments, maintenance, property taxes, and capital gains).

*Methods of real estate valuation/appraisal*: 1) cost approach, 2) income approach, and 3) direct comparison approach. Hedonic regression as a property valuation method (input data and methodology). A special case of hedonic method: Case and Shiller approach.

*Mortgage loans and investment*: Pros and cons of loans for owner-occupier: own and borrowed capital; fixed vs. variable interest rates; importance of principal payments; refinancing. Investment: portfolio approach, real estate funds and REITs.

*Government regulations*:

1) macroprudential policies (restrictions on the bank capital - Basel Capital Accord; restrictions on the borrowers - loan-to-value ratio, debt-to-income ratio, etc.);

2) rent controls and protection of tenants from eviction;

3) tax treatment of real estate property (interest subsidy, taxation of imputed rent for owner-occupiers; stamp duty and annual property tax; housing allowance, etc.).

**At the end of the module you will have acquired:**

1. The ability to apply economic theory, models and empirical techniques to the analysis of decision making by individuals, health care providers and governments with respect to health and health care.
2. A critical awareness of the strengths and limitations of decision making and public policy in the context of health care.
3. A greater understanding of market failure, government failure and the policy options when both are prevalent.
4. An awareness of how ethical considerations become relevant in economic policy making.
5. An awareness and understanding of the full range of health ‘determinants’, including health care.
6. Skills of working critically with academic literature at the interface of theory and evidence.
7. Improved critical thinking and analytical skills.
8. Presentation, essay writing and problem solving skills.
9. Competence in independent research on selected topics