GRADUATE SCHOOL OF INTERNATIONAL STUDIES

SEOUL NATIONAL UNIVERSITY

Fall 2021

**UNDERSTANDING LAND AND HOUSING MARKETS AND POLICIES**

**Time:** Friday 09:30 - 12:30

**Place:** 140-2 #202 for Offline or Zoom Realtime Online depending on University policy

**Instructor:** Hyeok Jeong (Email: hyeokj@snu.ac.kr, Tel: 02-880-2921).

**Office Hour:** Tuesday 17:00 – 17:50 with appointment only.

# Last Update: July 30, 2021.

**Course Keywords**

Land, Housing, Market Stabilization Policies, Macroeconomic Growth and Stabilization, Life-cycle Welfare, Assets Portfolio and Inequality

**Course Description**

Main goal of this course is to understand the significance and implications of the presence of the land and housing for the evolution of the macroeconomy and its consequence on the level and the distribution of life-cycle welfare of individuals of the economy.

Despite the repeated medium cycles of sharp rise and fall of the land and housing prices since the early 20th century, in particular after the second World War in many countries, the dynamics and welfare implications of such volatile housing markets have not been well understood in the literature. These phenomena tended to spread and get exacerbated for many economies, rich or poor, since the Global Financial Crisis when the global economy started to enter the low-growth cum high-inequality era. These global trends have recently caught the attention of both policymakers and scholars, but our current understanding of the sources of and the remedies for the long-standing volatility of housing markets is still very thin. This course attempts to bridge such gap by studying a set of economic theories of land and the life-cycle assets portfolio as well as the housing market per se, and explore the empirical evidence.

For the empirical exploration, we will focus mainly on Korean housing and land markets, although we will make international comparison as much as the data allows.

The course consists of three parts: (i) main lectures by instructors, (ii) couple of special seminars by invited experts, and (iii) presentation by students. For the student presentation, a group of students including a singleton group needs to choose a specific topic about housing and land markets and policies of a benchmark country and to compare the benchmark country with other countries. This presentation needs to be developed into a policy paper, which will be the final report of the students.

**Evaluation**

Course grade will be based on (i) Group Presentation (30%), (ii) Final Report (50%), and (iii) class participation (20%). Class participation grade will be measured by (i) attendance (10%), and (ii) the quality of answers to the review questions that will be asked in class to the randomly selected students and the quality of questions that are considered to contribute to class (10%). Even though the Final Report is based on the group presentation, the grade of the Final Report consists of two parts: (i) group score which is common to all group members (20%) and (ii) individual score which is given to each individual member of the group (30%), so that it is important to specify what part of the Final Report is done by whom. Same rule applies to group presentation: group score (10%) and individual score (20%).

Keeping class etiquette is required. For example, no cell phones including text messaging is allowed. For any negative disruptions to class, negative participation grade will be given.

According to the revised SNU school rule (the 4th Clause of the Article 85), effective date of September 1st in the year 2018, any students who attend less than two-thirds of the required classes will receive a grade of “F “or “U” with exception of inevitable cases which is upon discretion of the instructor.

**Instruction for Online Class**

Due to the Covid-19 pandemic situation, we will do the lectures, presentations and discussions via Zoom. The URL of the login site of Zoom is <https://zoom.us>. You can create the login ID for Zoom by using your SNU email ID or by obtaining license from the IT Center (phone: 02-880-8282, email: [zoom\_tf@snu.ac.kr](mailto:zoom_tf@snu.ac.kr)). The Zoom meeting ID and password for this class will be informed to the registered students by emails from TA. Class materials (reading assignments, presentation files and schedules) and the announcement of the class logistics will be posted on SNU eTL.

**Course Outline**

Session 1: Introduction

Session 2: Global Landscape of Housing Markets

Session 3: Theoretical Models of Housing without Land

Session 4: Theoretical Models of Housing with Land

Session 5: Long-term Rates of Returns of Bonds, Stock, and Housing

Session 6: Empirical Exploration of Korean Housing Markets

Session 7: National Balance Sheet Approach to Land Assets

Session 8: Impacts of the Inclusion of Land for the National Productivity Growth

Session 9: Role of Finance for Housing and Consumption

Session 10: Demography and Housing Markets

Session 11: Housing and Land Policies from the Macroeconomic Growth and Stabilization Perspectives

Session 12: Housing and Land Policies from the Sustainable Development and Inequality Perspectives

Group Presentations

***Final Report*** *submission due by midnight on* ***December 17th, 2021.***

*Remark 1.* When the time constraints prevail or unexpected contingencies happen, we can rearrange the above topics and course schedule.

*Remark 2.* This syllabus is written on July 30, 2021. It may be necessary to make adjustment during the semester upon contingencies.