



2nd Workshop Real Estate Economics

October 4 – 5, 2012
DIW · Berlin · Germany



HELMUT SCHMIDT
UNIVERSITÄT

Universität der Bundeswehr Hamburg



Outline – 2nd Real Estate Workshop

Among the factors that caused the world-wide market jitters of 2008 were developments on the U.S. real estate market. The market jitters rapidly spread from the United States to European real estate markets. For example, market conditions severely deteriorated in the real estate markets in Spain, Ireland, and the Copenhagen region in Denmark. Recent developments in Germany exhibited tremendously increasing prices, especially in the big cities and metropolitan areas. Disparities in the development of regional real estate markets may have profound implications for a countries' economic landscape.

The aim of this workshop is to provide researchers with a platform to discuss cutting-edge research results that shed light on important questions relevant for the analysis of real estate markets: Do recent developments in the German real estate market signal the beginning of a new bubble? Do developments in regional real estate markets help to forecast irrational exuberance and market frenzies? And how can policymakers and investors forecast developments in real estate markets? Can monetary and tax policies help to prevent speculative bubbles in real estate markets? Will the governments raise real estate taxes to finance their budget deficits which increased during the crisis?

This workshop provides researchers to present theoretical, empirical and policy-oriented research on

- forecasting developments in real estate markets,
- real estate markets and macroeconomic stability,
- real estate markets and demographic change and
- real estate markets and spatial economics.

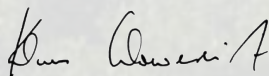
Message

from the Governing Mayor of Berlin, Klaus Wowereit

After reunification, construction cranes dominated Berlin's skyline for a long time. They were a sign of a new beginning after decades of division and, at the same time, a clear indicator that the German capital was increasingly appreciated by investors. And although Berlin's cityscape is now marked by more and more completed buildings, the construction cranes are still there. Both large-scale projects and many medium and smaller investments illustrate that Berlin still has an excellent international reputation as a real estate market. Neither the financial and economic crisis nor the Euro crisis have undermined this position. As positive as this development may be, however, it forces us to bear in mind the social impact of urban development. "Gentrification" is a term that describes the socioeconomic restructuring of urban districts, and it has become a hot-button word that owes its controversial character to the way these changes are experienced.

As a consequence, we must ensure that along with the welcome investment in real estate, there is consensus between political decision-makers and citizens about how much the city should change. This dialogue must, of course, be conducted in a spirit of openness, tolerance, and social cohesion – in other words, the values that make up Berlin's unique appeal and quality of life.

Questions like these are also linked to the topic of the 2nd Workshop: Real Estate Economics in Berlin. My thanks go to the European University Viadrina, the Helmut Schmidt University of the Federal Armed Forces Hamburg, and DIW (German Institute for Economic Research) for hosting this event and to the speakers who will be looking at all aspects connected to real estate. I would like to wish you and all the other participants an inspiring and fruitful conference and a wonderful stay in Berlin.



Klaus Wowereit
Governing Mayor of Berlin



© Senatskanzlei

Message

from the Federal Minister of Transport, Building and Urban Development

An analysis of the last financial and economic crisis, with a particular focus on the role of the real estate industry, will illustrate that, unlike in other countries, where real estate markets proved to be accelerators of the financial crisis, they were a real anchor of stability in Germany. One of the reasons for this positive development is not least the fact that our general conditions are very stable and were developed for the long term. They prevent the German real estate market from turning into an El Dorado for highly speculative investment properties and focus more on long term value. Therefore we would do well to continue to concentrate our policy on stability. The German real estate market is, of course, also subject to fluctuations. After years of stagnation, we are now faced with quite substantial price increases, mainly in conurbations. I believe that the reason for this development is the renaissance of investment in real estate, a conservative – in the true sense of the word – form of investment, which not long ago was derided as not being profitable compared to financial market products with a high return in a short period of time. In the current public debt crisis, residential property is particularly popular since it is considered to be crisis-proof. A favourable financing environment and increasing incomes boost this development even further.

- Construction has picked up again as a result of increasing demand. And it is urgently required, because there is a lack of dwellings in our large cities. However, now we are noticing an increase of investment, which shows us: German real estate markets are in good shape and they react to the high demand.
- It is difficult to predict whether the new construction boom will suffice to absorb the demand for properties or whether prices will go up again, since there are great differences in the real estates markets in Germany, depending on the region.
- The development of real estate prices thus is and will remain exciting and an extremely important matter for our national economy. A large part of our assets is invested in property. Price fluctuations have an effect on every property owner, investor and tenant.

- This is why we need tools and models to give us a complete and transparent picture of the developments in the real estate markets. Transparency is key for the functioning and competitiveness of markets, for useful investments and last but not least for a targeted policy.

I therefore very much appreciate the fact that the European University Viadrina and the Helmut Schmidt University of the Federal Armed Forces have worked together with the German Institute for Economic Research (DIW) to organize the 2nd Workshop on Real Estate Economics to address these questions from a scientific point of view and discuss recent developments in the real estate markets.

I hope that all participants learn a lot of new and interesting facts and engage in lively discussions.



Dr. Peter Ramsauer

Federal Minister of Transport, Building and Urban Development



BMVBS/Fotograf: Frank Ossenbrink

Dear Participants,

The purchase and rental prices for residential real estates are exploding in urban areas. The fear of the consequences of the euro crisis draws more capital into the real estate industry. Speculative bubbles in real estate markets can cause substantial economic cost, as last observed in Spain.

The Government of the Free and Hanseatic City of Hamburg quite recently responded to the rising prices and the growing shortage of housing by having shortened the approval process and initiating 6,000 additional housing units per year for the benefit of economically less powerful citizens.

The analysis of the consequences of political and administrative decisions has long been the subject of economic research. In particular, questions of causality are a fascinating subject, whereat not uncommonly there is no consensus on the causes of developments – and therewith the political responsibility. In either case reliable, scientific based early warning systems are required, so that politics can counteract emerging real estate bubbles in sufficient time. The „2nd Workshop on Real Estate Economics“ contributes to develop such models.

I am therefore particularly pleased that the organizers have managed to gather such a large number of noted experts to the DIW Berlin. This workshop, shaping a platform to bring the latest research approaches and results together, fits perfectly to the profile of our university. As a research university with a focus on subjects of high importance for contemporary issues, we also see ourselves as counsellors for decision makers in politics and society.

I wish you all an insightful time at the DIW.



Prof. Dr. Wilfried Seidel
(President Helmut-Schmidt-University Hamburg)



© Helmut-Schmidt-University Hamburg

Dear Participants,

Real estate markets are a life vein of the economy. The past years have shown prominently, that real estate markets can drive the growth of an economy as well as contribute to its downfall. From this, valuable lessons have to be learned to ensure that real estate remains an available commodity for future economic development.

Academia has been quick to take up the task of ensuring that political and economic actors learn their respective lessons. Nevertheless there are some issues that still need to be addressed.

As a result I am exceedingly thankful for the Fritz Thyssen Foundation for supporting this 2nd Workshop in Real Estate Forecasting, to Helmut-Schmidt-University for partnering with the European University Viadrina and to the DIW for hosting this event. I congratulate the Organizers and the Program Committee for their efforts in putting this Workshop together.

Hopefully the success of this event will lead to future meetings and I will be able to welcome all participants of this second edition to a follow-up at the European University Viadrina in Frankfurt (Oder).

Best regards



Dr. Gunter Pleuger
(President European University Viadrina)



Thursday, October 4, 2012

09.30 – 10.15 Registration

10.15 – 10.30 Welcoming Address

10.30 – 12.00 Session 1: Housing Bubbles and Market Frenzies

Chair: Georg Stadtmann (European University Viadrina)

ALAIN PHOLO BALA (University of Johannesburg),

Dominique Peeters and Isabelle Thomas

Spatial Issues on a Hedonic Estimation of Rents in Brussels.

Discussant: CHRISTIAN DREGER (DIW)

KONSTANTIN KHOLODILIN (DIW)

Internet Offer Prices for Flats and their Determinants: A Cross
Section of Large European Cities.

Discussant: MORTEN SKAK

(University of Southern Denmark)

12.00 – 13.30 Lunch – DIW Buffet

13.30 – 15.00 Session 2: Forecasting Housing Markets

Chair: Renatas Kizys (University of Portsmouth)

ANDREA NOBILI (Bank of Italy) and Francesco Zollino

A Structural Model for the Housing and Credit Market in Italy.

Discussant: RANOUA BOUCHOUICHA (Université de Lyon)

*CHRISTIAN PIERDZIOCH (Helmut Schmidt University,
Hamburg) and Renatas Kizys*

Monetary Policy and the Equity Risk Premium on Euro Area
Real Estate Stocks.

Discussant: MARGARITA RUBIO (Bank of Spain)

15.00 – 15.30

Coffee Break: Refreshments

15.30 – 16.15

**Session 3: Regional Developments
in Housing Markets**

Chair: Christian Dreger (DIW)

*MORTEN SKAK (University of Southern Denmark),
Jørgen Lauridsen and Niels Nannerup*

House Prices and Land Regulation in the Copenhagen Area.
Discussant: KONSTANTIN KHOLODILIN (DIW)

16.15 – 18.00

**Walk over to the MauerMuseum, Checkpoint
Charlie, English speaking guided tour**

18.30

Conference Dinner – Restaurant cha cha

Friday, October 5, 2012

09.30 – 11.00

**Session 4: Housing Markets and Financial
Economics**

Chair: Konstantin Kholodilin (DIW)

*BERTRAM STEININGER (ZEW), Shaun A. Bond
and Steffen Sebastian*

The Effect of Focus on the Performance of Open
Ended Real Estate Funds.

Discussant: ALAIN PHOLO BALA (University of Johannesburg)

*SABINE GEORGI (ZIA Zentraler Immobilien Ausschuss)
and Wiebke Schroer*

The Influence of Lending Market Structure and Data Quality
on Property Bubble Forecasts.

Discussant: BERTRAM STEININGER (ZEW)

11.00 – 11.30

Refreshments

11.30 – 13.00

**Session 5: Housing Markets and the
Macroeconomy**

***Chair: Christian Pierdzioch
(Helmut Schmidt University, Hamburg)***

MARGARITA RUBIO (Bank of Spain)

and José A. Carrasco-Gallego

Macroprudential Measures, Housing Markets,
and Monetary Policy.

Discussant: RENATAS KIZYS (University of Portsmouth)

RANOUA BOUCHOUICHA (Université de Lyon) and Zied Ftit

Real Estate Markets and the Macroeconomy: A Dynamic
Coherence Framework

Discussant: ANDREA NOBILI (Bank of Italy)

13.00

Closing Remarks – Restaurant Maximilians

NEWS

400 neue Meldungen wöchentlich
400.000 News im Archiv seit 1994

AKTEURE

> 3.000 Unternehmen: News und Deals
Personalien und Karrieren
News zu Movers, Buyers und Sellers

TRANSAKTIONEN

> 6.000 Verkäufe (150+ / Monat)
> 10.000 Vermietungen (150+ / Monat)

MARKTDATEN

Sozio-ökonomische Daten u. EZH-Kennziffern
zu allen deutschen Städten u. Gemeinden
100-Cities-Survey (Marktbericht)
Büromarktdaten im Vergleich
(Mieten, Renditen, Leerstand)
EZH-Marktdaten im Vergleich
(Mieten, Renditen, Filialisierung, Toplagen)

PROJEKTE

7.000 Projekt-Datenblätter (100+ / Monat)

REFERENZKUNDEN

Austria Office REIT
BNP Paribas Real Estate
BulwienGesa
CBRE
Commerz Real Fonds
Deka Immobilien
Drees & Sommer
Ernst & Young Real Estate
Eurohypo
Helaba
Hochtief
IVG Immobilien AG
Jones Lang LaSalle
Metro Group Asset Management
RREEF Investment
SEB Immobilien-Investment
STRABAG PFS
Tishman Speyer
Union Investment

Dirk Zähringer

T +49 (761) 38 559 403
E zaehring@thomas-daily.de

www.thomas-daily.de
Stand: Juni 2012

THOMAS DAILY

NEWS

NEU! STÄDTISCHE ÜBERSICHT

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

NEU! AKTUELLE ÜBERSICHT

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

NEU! MY TO

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

NEU! TO-INTERN

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

THOMAS DAILY

TRANSAKTIONEN

STÄDTISCHE ÜBERSICHT

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

NEU! AKTUELLE ÜBERSICHT

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

NEU! MY TO

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

NEU! TO-INTERN

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

THOMAS DAILY

PROJEKTE

STÄDTISCHE ÜBERSICHT

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

NEU! AKTUELLE ÜBERSICHT

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

NEU! MY TO

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

NEU! TO-INTERN

Über 20 weitere Städte bis 2014 erweitert
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey
Neu: Die 100-Cities-Survey

Arrival at the DIW Berlin



DIW Berlin
Mohrenstraße 58
10117 Berlin



For further Information, please visit
www.diw.de/en/

Maximilians

Friedrichstraße 185-190
10117 Berlin - Mitte



Bavarian Specialities

Knuckle of pork with bread dumplings and Sauerkraut 11,90€

Oven fresh meat loaf with Bavarian potatoe salad and fried egg 9,80€

Allgäuer Kässpatzn 8,90€
(bavarian noodles baked over with cheese and onions)

Beef goulash - served with original bread dumpling 13,50€

cha chà

Friedrichstrasse 63
10117 Berlin - Mitte



Buffet - Thai Specialities

Participants

Boeing, Tobias

European University Viadrina, Frankfurt (Oder)

Bouchouicha, Ranoua

University of Lyon

Budale, Abraham

Lagos

Croonenbroeck, Carsten

European University Viadrina, Frankfurt (Oder)

Dreger, Christian

DIW, Berlin

Georgi, Sabine

Zentraler Immobilien Ausschuss, Berlin

Hutengs, Oliver

European University Viadrina, Frankfurt (Oder)

Kholodilin, Konstantin

DIW, Berlin

Kizys, Renatas

University of Portsmouth

Nobili, Andrea

Banca d'Italia, Rome

Pholo Bala, Alain

University of Johannesburg

Pierdzioch, Christian

Universität der Bundeswehr, Hamburg

Rubio, Margarita

Bank of Spain, Madrid

Skak, Morten

University of Southern Denmark, Odense

Stadtman, Georg

European University Viadrina, Frankfurt (Oder)

Stein, Michael

University of Duisburg-Essen

Steininger, Bertram

Centre for European Economic Research, Mannheim

Yaniv, Gideon

School of Economics, Rishon LeZion

boeing@europa-uni.de

bouchouicha@gate.cnrs.fr

abrahambudale@yahoo.co.uk

croonenbroeck@europa-uni.de

cdreger@diw.de

sabine.georgi@zia-deutschland.de

hutengs@europa-uni.de

kkholodilin@diw.de

renatas.kizys@port.ac.uk

andrea.nobili@bancaditalia.it

apholo@uj.ac.za

c.pierdzioch@hsu-hh.de

margarita.rubio@bde.es

mos@sam.sdu.dk

stadtman@europa-uni.de

michael.stein@uni-due.de

steininger@zew.de

gidyan@colman.ac.il

Notes



Upcoming Events

Baltic Sea Colloquium in International Economics

February 07. – 08. 2013

Kozminski University Warsaw, Polen

<http://www.kozminski.edu.pl/en/>

About 10 – 12 presentations of currently finished working papers / work in progress will take place, Ph.D. students are very welcome as well. In overall, 20 participants are expected.

Ph.D. students can also present just one or two unfinished ideas in a somewhat shorter slot of 15 – 20 minutes including discussion.

Call for Papers

For submission, please send your paper to Stadtman@europa-uni.de

Only electronic submissions will be considered.

The deadline for submission is December 1st, 2012.

For further information, please visit

<http://www.wiwi.europa-uni.de/de/lehrstuhl/fine/makro/baltic/index.html>



EUROPA-
UNIVERSITÄT
VIADRINA
FRANKFURT
(ODER)



UNIVERSITY OF SOUTHERN DENMARK



KOZMINSKI UNIVERSITY

References:

Picture page 2/3: Herman Fries

Picture page 4/5: Karli Watson

Picture page 6/7: Wolfgang Staudt

Picture page 8/9: Asian Development Bank

Picture page 10: Patrik M. Loeff

Picture page 12/13: DIW

Picture page 14/15: Wally Gobetz