Behavioural Sciences and Rural-Urban Development Seminar Series

Prices and the Stock Market Betas of Housing: Evidence from Micro Data

By Dr Liang Peng, Smeal College of Business, The Pennsylvania State University

2pm, Friday 29 June, 2018

Tower Meeting Room, Department of Land Economy, University of Cambridge

Summary

This paper empirically tests whether the stock market betas of house price appreciation rates vary across houses with different prices. An analysis of about 6 million repeat sales in the U.S. over the 2000 to 2015 period suggests that pricier houses tend to have lower stock market betas. This result is robust across time, holding-period duration, and MSAs with different population and GDP growth rates, and remains significant when the model includes more stock market factors.

About the speaker

Liang Peng is an Associate Professor of Risk Management and the King Fellow of Risk Management in the Smeal College of Business of the Pennsylvania State University. Liang received his PhD in Economics from Yale in 2002. His research interests include the risk and returns of commercial real estate and housing, real estate price index estimation, and economics of the housing market.

Liang serves in the editorial boards of Real Estate Economics, Journal of Real Estate Finance and Economics, and Journal of Real Estate Research and the advisory board of Real Estate Research Institute. He is the recipient of American Real Estate Society best paper award and Asian Real Estate Society best paper award. He is a fellow of the Real Estate Research Institute and a postdoctoral honoree and also a fellow of Weimer School of Advanced Studies in Real Estate and Land Economics.