

## Course Goals and Content

The primary objective of this course is to equip students with theoretical insights and practical knowledge about urban economic processes and the dynamics of real estate markets within institutional frameworks. By delving into the intricate interplay between economic forces and regulatory landscapes, students will understand the determinants of urban structure, land use patterns, and the economic ramifications of housing market regulations. Through empirical analysis and case studies, students will explore topics such as local public finance, housing demand-supply dynamics, real estate cycles, the role of mortgage financing, housing policies, and climate change. This course integrates cutting-edge economic theories and empirical research to analyze the fundamental aspects of real estate markets. Emphasis is placed on comprehending the urban spatial structure, regulatory policies shaping cities, and the ability to forecast supply and demand dynamics. With a focus on Western Europe (including Switzerland) and the United States, students will gain a nuanced understanding of how different regulatory environments influence urban economic dynamics globally.

## Lecturer



Simon Camilo Büchler is an Assistant Professor of Finance at Miami University, Ohio. Previously, he was a Research Scientist and Director of the Price Dynamics Platform at the Massachusetts Institute of Technology (MIT) Center for Real Estate (CRE). He is also affiliated with the Urban Economics Lab Center at the MIT CRE and the Center for Regional Economic Development (CRED) at the University of Bern. Dr. Büchler has actively applied economic research to the real estate industry. His research interests include finance, public, urban, and real estate economics. Dr. Büchler received a B.A. and M.A. in Economics from the University of St. Gallen and a Ph.D. from the University of Bern, Switzerland. His thesis focused on how economic forces affect the real estate market. Email: [simon.buechler@unibe.ch](mailto:simon.buechler@unibe.ch)

## Course Content

### A Real Estate Economics: Introduction and Overview

### B Real Estate Markets

1. The size and character of real estate
2. The markets for real estate assets and real estate use
3. 4-quadrant model
4. Real estate markets and public policy

### C Location Choices

1. Household location trends and theories of suburbanization
2. The monocentric city model: historical roots & intracity analysis
3. The monocentric city model: intercity analysis
4. Firm location choices

### D Housing Supply and Demand

1. Supply Price Elasticity
2. Demand Price Elasticity
3. Land-use regulations
4. Rent Control

### E Real Estate Cycles and 'Bubbles'

1. Real estate cycles: some stylized facts
2. Exogenous cycles
3. Endogenous cycles
4. Other theoretical explanations for cyclical behavior
5. Residential vs. commercial real estate cycles

### F Homeownership

1. Spatial variation in homeownership rate
2. Should we care about the attainment of homeownership?
3. Homeownership subsidies: Justified or not?
4. What other factors determine local homeownership rates?

### G Commercial Real Estate

1. How commercial property markets operate
2. Work from home and the office market
3. Retail location, spatial competition, e-commerce

### H Climate Change and Real Estate

1. Hazard exposure
2. Market factors
3. Weather and climate disasters
4. Climate risk

## Grading

The grade will be determined by a final exam (90 minutes) consisting of essay-style and/or partitioned questions and a presentation of a topical paper (paper will be provided). The exam paper will contain three questions, and you must answer two. The exam is a 'closed book', so no notes are allowed. Paper presentations make up 50% of the assessment of students.

## Organization

The course is intended for Ph.D. and advanced master students in economics or a closely related field.

Lecture hours: 32.5 ECTS: 6

## Timetable and Registration

The course takes place from Wednesday to Friday from 9.00 to 12.15 and from 13.30 to 16.45.

Venue: University of Bern.

Lecture notes and papers are available before the lecture and can be downloaded from the University of Bern's (ILIAS) online platform.

PhD students not enrolled at the University of Bern should send their application to: [phd.applications@wti.org](mailto:phd.applications@wti.org)

Deadline for applications: August 2<sup>nd</sup>, 2024