

Accepted Manuscript

Income distribution and housing prices: An assignment model approach

Niku Määttänen, Marko Terviö

PII: S0022-0531(14)00004-0
DOI: [10.1016/j.jet.2014.01.003](https://doi.org/10.1016/j.jet.2014.01.003)
Reference: YJETH 4236

To appear in: *Journal of Economic Theory*

Received date: 6 June 2013
Revised date: 12 December 2013
Accepted date: 22 January 2014

Please cite this article in press as: N. Määttänen, M. Terviö, Income distribution and housing prices: An assignment model approach, *J. Econ. Theory* (2014), <http://dx.doi.org/10.1016/j.jet.2014.01.003>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Income Distribution and Housing Prices: An Assignment Model Approach

Niku Määttänen
ETLA and HECER*

Marko Terviö
Aalto University and HECER[†]

December 9, 2013[‡]

Abstract

We present a framework for studying the relation between the distributions of income and house prices that is based on an assignment model where households are heterogeneous by incomes and houses by quality. Each household owns one house and wishes to live in one house; thus everyone is potentially both a buyer and a seller. In equilibrium, the distribution of prices depends on both distributions in a tractable but nontrivial manner. We show how the impact of increased income inequality on house prices depends on the shapes of the distributions, and can be inferred from data. In our empirical application we find that increased income inequality between 1998 and 2007 had a negative impact on average house prices in 6 US metropolitan areas. JEL: D31, R21.

*niku.maattanen@etla.fi, The Research Institute of the Finnish Economy (ETLA) and Helsinki Center for Economic Research.

[†]marko.tervio@aalto.fi, Aalto University School of Economics and Helsinki Center for Economic Research.

[‡]We thank Essi Eerola, Pauli Murto, Ofer Setty, Otto Toivanen, Juuso Välimäki, and seminar participants at Bonn, ECARES, EIEF, EUI, Mannheim, Munich, NHH Bergen, NorMac, Nottingham, Stockholm, SOFI, UAB, and Zurich for useful suggestions. Määttänen thanks Suomen arvopaperimarkkinoiden edistämissäätiö and the Academy of Finland and Terviö thanks the European Research Council for financial support.

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات