

**National Chengchi University**  
**Graduate School of Land Economics**

(4)&(5)

Housing Market and Housing Policy  
Dr. Chin-Oh Chang

**HOUSING ECONOMICS AND HOUSING MARKET**

I. Introduction: Housing Economics

1. Macro vs. Micro Housing Economics
2. Market Mechanism: Demand, Supply, and Price, Quantity
3. Competitive Market
4. Access-Space Trade-Off Model

II. Housing Demand

1. Demand Curve
2. Demand Factors
3. Income and Price Elasticities
4. Housing Demand, Need, Requirement, and Preference
5. Types of Housing Demand

III. Housing Supply

1. Supply Curve
2. Types of Housing Supply New old pre-sales/Stock Flow
3. Supply Factors
4. Housing Industry: Public/ Private/ Informal Sector

IV. Housing Price

1. Housing Quantity and Quality
2. Value Price and Rental Price
3. Cost of Capital
4. Market Price
5. Housing Costs

## V. Housing Market

1. The Characteristics of Housing Market
2. Market Equilibrium
3. Types of Housing Market Activity
4. Housing Submarkets
5. Succession and Filtering
6. Neighborhood Dynamic

## VI. Housing Market in Taiwan

1. Demand Side
2. Supply Side
3. Market Operation
4. Public and Private Markets

## VII. Housing Market Issues in Taiwan

1. Housing Price
2. Housing Vacancy
3. Housing Cycle
4. Housing Transaction/ Speculation
5. Housing Information
6. Housing Market Institution

## **QUESTIONS**

1. Can the access-space trade-off model explain the residential structure in Taiwan?  
Why? (Choosing any city or town in Taiwan as an example to explain)
2. Would you choose one case in Taiwan to list its housing costs and to analyze its housing value and rent in the market?
3. Do you think income elasticity in Taiwan is higher or lower than that in the US?  
Why?
4. Do you think the filtering process can explain the housing market in Taiwan?  
Why?
5. Would you choose one case in Taiwan to estimate the indexes of housing price and housing expenditure to annual income, and gross rent multiple (GRM)?  
Comment these figures.
6. According to your observation, What kind of imperfect housing market exist in Taiwan?

## **REFERENCES**

- \*1. Mills, E. & Hamilton, B. (1994). Urban Economics (5<sup>th</sup> Ed.), pp.196-219
2. Maclennan, D. (1982). Housing Economics, pp.1-35
3. Grigsby, W. G. (1963). Housing Markets and public Policy, pp.30-83
4. Olsen, E. O. (1969). “A competitive Theory of the Housing Market”, American Economic Review, Vol. 49, No. 4, pp.612-621
5. Grigsby, W. et al., (1983), “The Dynamics of Neighborhood Change and Decline”, Mimeo, pp.1-34
6. Smith, W. (1970), Housing, pp.96-148
7. Carn, et al., (1988), Real Estate Market Analysis, Chapters 4 & 7, pp. 65-82, 116-141
8. Montgomery, et al ed., (1985), Housing in America, pp.49-54
9. Malpezzi, et al., (1985), “Housing Demand in Developing Countries”, World Bank Working Paper, Executive Summary
10. Yang, et al., (1986), “Living Standard and Housing Demand Research in Taiwan”, pp. 128-141, 328-334
11. Urban and Housing Dept., CEPD, (1983), “Analysis of Housing Market Research”, pp.18-59
12. Chang, Chin-Oh, (1990), “Housing Problems and Housing Policies Research”, Chapter 3, pp.54-112
13. Tsai, H. H., (1990), “The Characteristics of Housing Market of Taiwan”
14. 何東波(1999), “都市地區住宅過濾現象之檢驗—以台南市為例”
15. McRae, Hamish (1994), “Home Economics”

(\*Required Reading)