

LSF Lunchtime Seminar:

Speculative Dynamics of Prices and Volume

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Abstract

We present a dynamic theory of prices and volume in housing cycles. In our framework, predictable price increases endogenously attract short-term buyers more strongly than long-term buyers.

Short-term buyers amplify volume by selling more frequently, and they destabilize prices through positive feedback. Our model predicts a lead-lag relationship between volume and prices, which we confirm in the 2000{2011 U.S. housing bubble. Using data on 50 million home sales from this episode, we document that much of the variation in volume arose from the rise and fall in short-term investment.

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Thursday 17th May 2018

12:30 – 1:45 pm

Location

Luxembourg School of Finance
JFK Building
29, Avenue J.F Kennedy
L-1855 Luxembourg
Ground Floor, Nancy Room

Langue

English

Registration

- Free seminar
 - Registration by e-mail to lsf-events@uni.lu (please specify full name and institution)
- Before 11 May 2018**

- Lunch is planned for registered participants

Contact

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