

CRP6621 Real Estate Research

Research Papers

Two research papers are required; one in some aspect of housing market analysis or housing economics and a second in some dimension of office market economics. The emphasis of both papers is empirical analysis of demand, supply or market phenomena.

Housing Market Analysis Research: A complete market analysis typically consists of an investigation of demand, an assessment of recent changes in supply and an attempt to relate demand and supply in a set of conclusions about the market. A complete market analysis would require too much time and effort for one-half the paper requirement for a three credit course. Therefore, students doing research in the area of housing market analysis should focus their efforts on either demand or supply.

Demand analyses typically employ secondary data (the U.S. Census, state and local projections and estimates of intercensal changes in population and private estimates of changes in population and income). A research paper of this type would estimate demand for a particular housing type (singles rental housing, empty nester condominiums, ownership housing, “starter” homes, etc.) in a particular geographic submarket.

Supply analyses usually focus on recent additions to supply and seek to measure the particular features and services provided (i.e., 2 bedroom, 1-1/2 bath, 1185 square feet, presence or absence of various features (screened porches, fireplaces, etc.) rent, occupancy and absorption. These data are almost always collected from primary sources.

As with the demand approach, students seeking to perform a supply analysis should first select a particular housing type and then define a specific geographic area within which data will be collected.

Both the supply and the demand analysis types of research papers should present the research topic, present the analysis and conclusions, briefly describe the methodology employed and seek to explain the findings. The paper should conclude with a critique of the strengths and weaknesses of the research.

Housing Economics Research: Students may also elect to undertake research which examines the dynamics of housing markets from a more narrowly focused perspective. Projects of this type will usually be of either the demand or supply variety but will focus on a particular, detailed aspect of demand or supply.

Example projects are defining geographic submarkets for condominium conversions, changes in housing demand due to marriage, sales and resales of apartment buildings in northeast Atlanta, and turnover rates in racially or economically transitional neighborhoods.

The distinctive features of the more focused research project, as compared with the housing market analysis project, is that the more focused project examines a particular aspect of supply or demand and first hypothesizes an expected relationship (for example, the hypothesis in the “changes in demand associated with marriage” research could be that, due to social conventions and prior living arrangements, demand increases less than 0.5 units per marriage). After “testing” the hypothesis in a case study, the author should attempt to explain the findings. Housing market analysis researchers, on the other hand, are concerned with measuring the present state of either supply or demand and with characterizing and explaining the state of demand or supply.

Office Market Economics: The widespread availability of current office market data (Dorey’s, CoStar, etc.) provides a platform for more detailed and intricate analyses of office market economics and renders a market supply analysis too simple and easy to qualify for a research paper topic. We will have to organize access to one of the data services recent reports through a subscriber, but that has not proven too difficult in the past.

The objective of the research should be to develop an understanding of a particular aspect of office supply, demand or market behavior. Sample research questions are testing the accuracy of “standards” used to link estimates of future employment to the demand for office space, quantification of informal observations that edge city office submarkets are more automobile oriented than their urban predecessors, or calculation of precise price/demand relationships. These topics could be operationalized via a time series analysis of the relationship between net office absorption and growth in particular types of employment (i.e., empirically measure “rule of thumb” standards), comparatively analyze the morphology of multiple office submarkets, analyze the historic relationship between vacancies and rents for particular submarkets, etc. Field work projects are also possible, for example attempting to discern relationships between architectural quality and market performance, uncovering the usually obscure dimensions of lease terms (escalation clauses of various types, tenant refurbishment allowances, discounts, lease lengths, etc.) or testing hypotheses regarding market driven variations of building types (i.e., development of smaller, mid-rise buildings in fiscally constrained time periods and larger, more elaborate structures in flush periods).

Two page proposals for either the housing market analysis research or the housing economics research are due on February 1 and the final papers are due on March 1. Two page proposals for the office market economics research are due on March 8 and the papers are due on April 24. The proposals should specify the research questions as precisely as possible, then indicate the data that will be used to answer the question and specify how the data will be obtained.

**Real Estate Research
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Course Schedule**

Week 1	Introduction/Course Administration History of Real Estate Development
Week 2	Urban Development Patterns
Week 3	Trends in Real Estate/Retail
Week 4	Real Estate Research: Overview
Week 5	Housing Market Analysis: Supply Housing Market Analysis: Demand
Week 6	Housing Market Analysis: Interaction of Supply and Demand Real Estate Research: Institutional Organization
Week 7	Housing Forum Real Estate Research: Practitioner Perspective
Week 8	Housing Economics: Demand Housing Economics: Demand
Week 9	Housing Economics: Supply Housing Economics: Markets
Week 10	Filtering Gentrification
Week 11	Housing Finance: Bubble Trouble? Office Markets
Week 12	Office Market Analysis <i>In Rem</i> Policy
Week 13	Inclusionary Zoning Contemporary Issues and Future Directions

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Course Description

The primary focus of the course is real estate research.

The primary objective is to introduce students to the particular types of empirical analyses undertaken to inform decisions regarding whether, what and how much to develop from a market, supply or demand perspective. Analyses examined will include market analyses, highest and best use analyses, market opportunity analyses, pricing studies/marketability analyses, consumer research and the applicability of prospective and retrospective survey research to real estate research questions.

The variations on these analyses which are used to inform the purchase or securitization of developed properties will also be discussed. The land use focus for most of the specific analyses will be housing. Empirical approaches to assessing office markets will be examined but less extensively.

Finally, some of the institutions which promote, educate and regulate professional real estate research activity will be described and discussed.

Two papers are required: one in housing market or housing economics research and one in office market research. A separate memo describing the options for papers will be distributed.

Grades will be determined according to the following conventions:

Housing Market Research Paper	30%
Office Market Research Paper	30%
Final Examination	30%
Class Participation	<u>10%</u>
Total	100%