

**NEW COURSE OFFERING IN THE 2013 WINTER TERM****ECON 3880 C – SPECIAL STUDIES IN ECONOMICS: HOUSING ECONOMICS****Course description**

The course will apply basic microeconomic concepts to housing. In particular, it will examine housing markets, housing finance, and government intervention in housing production. Models of demand, supply, and market equilibrium will be developed, emphasizing the unique characteristics of housing—its heterogeneity, its durability, its immobility, its large adjustment (moving) costs, and its high purchase price relative to income. Welfare economics and public choice theory will be used in the study of government housing programs. The rationale, effects of government intervention in the housing market, and Canadian housing policy will be examined. Housing finance in Canada, especially mortgage loan insurance, will also be examined. Finally, the forecasting of housing demand will be studied.

**Background**

Housing is generally the single largest investment most Canadian households will make in their lifetimes. Housing plays a central role in the lives and finances of Canadian households. Real estate—including principal residences and second homes—accounts for over forty percent of the assets of households (Canada Mortgage and Housing Corporation, *2010 Canadian Housing Observer*, p. 1). In 2010, housing-related spending contributed about \$330 billion (not adjusted for inflation) to the Canadian economy, up 7.1 percent from about \$308 billion in 2009. Housing-related spending accounted for 20.3 percent of Gross Domestic Product (GDP) in 2010, up from 20.1 percent in 2009 (Canada Mortgage and Housing Corporation, *2011 Canadian Housing Observer*, p. 2).

The performance of Canadian housing during the 2008–2009 recession has been unusual. For example, it took nearly twelve years for real residential investment to regain its level on the eve of the recession in the 1990s; this time, it took only a year and a half (Bank of Canada, *Housing in Canada*, 15 June 2011). What are the reasons behind the resiliency of the Canadian housing market compared to other industrialized countries? This course will discuss some of the reasons behind the performance of the Canadian housing market in recent years. It will do so on the basis of applying economic theory to the Canadian housing market and housing policy development.

**Who should take ECON 3880 C?**

1. Those who would like to gain in-depth knowledge about Canadian housing conditions in particular, and housing markets in general.
2. Those interested in improving their capacity to use economic concepts in the context of housing and to improve their knowledge of the housing economics literature.
3. Those interested in the operation of the housing market; how it relates to other markets; the reasons for government intervention; the forms and impacts of such intervention; housing finance; and housing policy development.

4. Policy analysts and professionals who seek to work in the housing sector for various levels of government (federal, provincial, territorial, and municipal), in non-profit organizations, and in financial institutions focusing on housing finance.
5. Those who are interested in the real estate business.

### **Teaching approach**

The format of the course will be a combination of lectures, class participation, and discussions. Students will be expected to read course material before class to increase the value of their contributions to in-class discussions. They will also be expected to undertake research projects using housing data available from the Canada Mortgage and Housing Corporation and Statistics Canada Web sites.

### **The instructor**

Dr. Attah Boame is a Senior Researcher, Housing Indicators, Housing Needs Policy and Research, at the Canada Mortgage and Housing Corporation (CMHC) in Ottawa where he conducts research on Canadian housing conditions using data from Statistics Canada's Survey of Labour and Income Dynamics (SLID). He wrote the "Recent Trends in Housing Affordability and Core Housing Need" chapter for the *Canadian Housing Observer*, the flagship publication of the CMHC.

Attah received his Ph.D. from the University of Manitoba and has written on a wide range of topics including housing, trade, economic development, transportation, and non-profit organizations. He has published papers in the *Journal of Transportation Research*, *Transport Reviews*, and the *Journal of Economic Development*. He previously worked at Statistics Canada, Industry Canada, and the Canada Revenue Agency, and taught Principles of Economics at Algonquin College. He has presented research papers at the Internal Revenue Service (IRS) Research Conference in Washington, D.C., at the International Conference on Institutional Taxation Analysis in London, and at the Tax Policy Branch Seminar Series at the Department of Finance in Ottawa. He has recently taught courses in urban economics and transportation economics at Carleton University.

Attah is a past recipient of a Social Sciences and Humanities Research Council of Canada Doctoral Fellowship, a Robert L. Richardson Award for Excellence in International Trade Studies, a University of Manitoba Graduate Fellowship, and a Canadian Transportation Research Forum Scholarship.