

EC 451 Syllabus
Housing Economics and Public Policy
Spring 2022

Instructor: Tim Murray, PhD
Office: 227 Scott Shipp Hall

Email: murrayta@vmi.edu
Office Hours: By appointment

Textbook

There will be no required textbook in this class, all course material and readings will be provided in class. However, the following textbooks may serve as helpful reference material for additional reading:

- *Housing Policy in the United States*, Alex F. Schwartz (3rd edition)
- *Real Estate Principles: A Valuation Approach*, David Ling and Wayne Archer (4th edition)
- *Urban Economics and Real Estate: Theory and Policy*, John F. McDonald and Daniel P. McMillen (2rd edition)

Prerequisites

EC 300 – Intermediate Microeconomics or permission of the instructor

Course Description

This course is designed for students who are interested in the economics of housing markets. This course will discuss:

- Housing market fundamentals
- The supply and demand of housing, distinguishing between homeownership and rental markets
- House valuation models
- The nature of housing cycles
- Housing affordability and public policy
- Discrimination in housing and mortgage markets
- Homeownership in retirement

Grading and Assignments

Homework and Reading Assignments	15%
Housing Policy Assignment	15%
2 Midterm Exams	20% each
Final Exam	30%

Grading Scale

A	90-100	B	80-89	C	70-79	D	60-69	F	0-59
----------	--------	----------	-------	----------	-------	----------	-------	----------	------

Homework and Reading Assignments

Homework and Reading assignments along with their due dates will be posted on Canvas. Late assignments will be receive a grade of 0. Homework will be a large part of how you learn in this class and the readings will be necessary to participate in class discussion. The lowest homework grade will be dropped.

Submitting Assignments: Homework assignments will be submitted on Canvas as a PDF (this can be done using apps on your phone like Cam Scanner or in the library). It is up to you to ensure that your upload is clear and shows all of the problems.

The reason for submitting your assignments on Canvas is so that you can have your assignment in front of you as we go over the problems on the day they are due.

Housing Policy Assignment

Students will be required to write a short paper investigating a policy related to housing. Details on this assignment can be found at the end of the syllabus

Exams

There will be two midterm exams and a comprehensive final exam. Midterm exam dates will be announced in class and on Canvas. Students requesting an alternative time must inform me prior to the exam.

Course Outline

The following is a tentative list of concepts and topics that will be discussed throughout the course. Any changes be announced on Canvas.

1. **Introduction**

- Types of Housing
- Why Housing Matters
- Housing Data and Trends
- Housing as a Consumption Good and Investment Good

2. **Homeownership**

- Market Valuation
- Financing Homeownership and Mortgages
- Effects of Time and Risk on Value

3. **Renting**

- The Benefits of Renting
- Leases
- Homeownership as an Investment

EXAM 1

4. **Supply and Demand of Housing**

- Demand
 - Demographics
 - Taxes
 - Interest Rates
- Supply
 - Regulation
 - Construction and Building Costs
- Housing Cycles

5. **Housing Affordability and Public Policy**

- Zoning

- Rent Control
- Community Development Block Grants
- Low-Income Housing Tax Credit
- Public Housing

6. **Discrimination in Housing Markets**

- Discrimination in Residential Markets
- Discrimination in Mortgage Markets
- Government Response to Discrimination

EXAM 2

7. **Housing and Retirement**

- Bequests
- Housing Equity Extraction
 - Moving
 - Reverse Mortgages
 - Reduction of Home Improvement

8. **Other Topics if Time Permits**

FINAL EXAM

Work for Grade Policy and Standards of Conduct

It is your responsibility to carefully read and understand these policies both from VMI and the Department. Copies of these policies are available on Canvas.

Students with Disabilities

VMI abides by Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 which mandate reasonable accommodations are provided for all Cadets with documented disabilities. If you have a registered disability and may require some type of instructional and/or examination accommodations, please contact me early in the semester so that I can provide or facilitate provision of accommodations you may need. If you have not already done so, you will need to register with the Office of Disabilities Services, the designated office on Post to provide services for Cadets with disabilities. The office is located on the 2nd floor of the VMI Health Center. Please call or stop by the office of LTC Sarah Jones, Director of Disabilities Services, for more information, 540-464-7667 or email at: jonesl10@vmi.edu.

Statement of Diversity and Inclusion

VMI values human diversity in all its richly complex and multi-faceted forms, whether expressed through race and ethnicity, culture, political and social views, religious and spiritual beliefs, language and geographic characteristics, gender, gender identities and sexual orientations, learning and physical abilities, age, and social or economic classes. We respect the value of every member of the class, and everyone in the class is encouraged to share their unique perspective as an individual, not as a representative of any category. Multicultural and intercultural awareness and competencies are key leadership skills. College is supposed to challenge assumptions and to provide new and sometimes uncomfortable ways of looking at issues. If you feel uncomfortable regarding content or perspectives that are presented or discussed by me, your professor, guest speakers, or other cadets, please contact me immediately so that we can discuss those issues. I also ask that you let me know your preferred gender pronoun. Your suggestions on how to incorporate diversity in this course in a meaningful way are appreciated and encouraged.

Housing Policy Assignment

Housing markets, rental markets, homeownership decisions, and neighborhood formation are influenced by a number of government policies at the state, local, and federal level. The purpose of this assignment is to learn more about one of these policies and the impact on housing. You will research a policy you choose and prepare a 4-5 page paper. You can choose to investigate any one of the following policies in the context generally or for a specific locality:

- Redlining
- Discrimination in housing and mortgage markets
- Residential zoning
- Rent control
- Housing subsidies and vouchers
- Public Housing
- Housing equity extraction for retirees
- Other topics with instructor approval

Timeline

Select Topic	January 30
Summary of Policy	March 6
First Draft	April 4
Final Paper	May 1

After you submit the first draft, you will schedule a meeting with me where we will discuss the paper. Failure to schedule this meeting will result in a zero for the paper.

Formatting Guidelines

- 12-point Times New Roman font
- Double spaced
- References and sources in [APA format](#).
- Cover page
- Page numbers
- Each section should be properly identified
- Any tables and figures should go in a section at the end of the paper and do not count towards the pages of the paper.

Paper Guidelines

- Use any primary news source to generate a topic. The following sources are acceptable: Wall Street Journal, New York Times, Washington Post, Associated Press, Reuters, NPR, CBS, ABC, NBC, Axios, Politico, or The Hill.
- Do not use cable news sources or political websites that often blur the line between news and opinion (Fox News, CNN, MSNBC, Breitbart, The Blaze, Media Matters, The Huffington Post, BuzzFeed, The Washington Times, New York Post, Vox, The Federalist, etc.). If one of these websites is reporting it as news, you will should be able to find it from one of the other news sources that are less likely to present the information with political spin. If you cannot find it from another source, then you should question its authenticity.

- Use journal articles and government/NGO reports to dive into the issues, providing a short literature review, and then deliver your opinions on possible solutions to improve the issue or policy based on what you've researched. You can usually get all the information you need from reading the introduction, background/literature section, results, and conclusions. Many articles that will be useful for you are listed on the syllabus and we will discuss in class. You can also find these sources using Google Scholar and EconLit through the library website.
- In the summary of the policy or issue section, be fair to all sides of an argument. Make sure you include all sides of the issue, what are the pros and cons. Be thorough and be fair. Presenting one side of an issue and ignoring the other side makes your work less credible.
- Your analysis of potential solutions should be informed by the articles you read and the research you conduct. It is ok to state your opinion, but you should also discuss why other opinions or solutions may not be as optimal as yours. Again, use the summary section to inform and base your reasoning for this section.
- Brevity is better. The fewer words you can get your point across the better. Avoid using "spoken language," jargon, and colloquial phrases.
- The paper should be written in the third person, avoid first and second person (e.g., I, me, my, you, we, etc.).
- Avoid using direct quotes from a source, try to paraphrase it. It will make your writing stronger and more clear.
- See how the articles, both scholarly and news articles, are written and try to use them to help make you a better writer.
- The grading rubric that will be used can be found on the next page.

Grade	Writing Style	Grammar	Organization	Citations and Format	Introduction	Summary of Policy or Issue	Analysis of Potential Solutions	Conclusion
A 4.50-5.00 Points	Readable, well written without any distracting or tangential information. Brief and gets point across without use of jargon or colloquial phrases.	Excellent sentence structure, use of verb forms, choice of words, and punctuation.	All paragraphs have clear ideas, are organized in logical manners, have smooth transitions, and are tied together effectively.	Proper title page, pages numbered, sections clearly defined, and all sources correctly cited in APA format. Uses correct amount of sources.	Introduction clearly lays out the thesis and outline, and supports it throughout the paper. It catches the reader's interest.	Thorough review of literature and current events. Demonstrates understanding of all sides of arguments. Includes relevant statistics and graphs if needed.	Paper offers strong/persuasive supporting evidence or explanation. Exhibits thorough knowledge of subject. Important points included.	Conclusion is complete and persuasive. Is effective in capturing the gist of the argument and looks ahead.
B 4.00-4.45 Points	Readable, fairly well written. No major distractions, occasional tangential information.	Some poor sentence structure, improper use of verbs, awkward choice of words, incomplete sentences, or incorrect punctuation.	Ideas are mostly organized in a logical manner in paragraphs, although transitions do not always lead the reader to the next idea.	Missing some formatting and/or sources correctly attributed but not in correct format. Missing 1-2 sources from a category.	Introduction is relevant, has thesis and gives an outline of the paper. Shows awareness of the purpose.	Decent review of the literature and current events. Missing some key pieces but demonstrates general knowledge of the topic.	Paper offers supporting evidence or explanation for most points. Such evidence/explanation suggests adequate knowledge of subject.	Conclusion is adequate, summarizes main points, and draws appropriate inferences based upon these points. Not fully effective in concluding argument
C 3.50-3.95 Points	Writing is generally clear but may have awkward structure or unclear content.	Pattern of errors in sentence structure, use of verb forms, choice of words, punctuation or incomplete sentences.	Most paragraphs do not have a clear idea or are not organized in a logical manner. Transitions are weak.	Missing most formatting but citations attributed correctly. Lack of number of sources.	Introduction is largely irrelevant, shows little awareness of the purpose of the paper. Roadmap and topic (thesis) are unclear.	Briefly reviews literature/current events. Only presents one side. Shows surface level understanding of topic	Exhibits weak understanding of subject matter. Some obvious or important points overlooked.	Conclusion is weakly tied to analysis. New points are introduced that were not explained in the body of paper.
D 3.00-3.45 Points	Filled with distractions and or, redundancies, difficult to read.	Continuous errors: poor sentence structure, syntax punctuation, or incomplete sentences.	Paragraphs lack clear ideas, and/or are disjointed. No transitions.	No citations or citations unclear. (Zero points on paper if no citations)	Introduction is absent. No roadmap (outline) or topic.	Does no review literature/current events. Uses non-reputable sources.	Lacks supporting evidence/explanation for most points. Table missing. Several points overlooked.	Missing or poor. Not tied to analysis. Does not summarize the points that could conclude the argument.
Section Points								
Section Weight	0.5	0.5	1.0	1.0	1.5	2.0	2.0	1.5
Final Score	<i>Final Score Calculation = Sum(Section Weight * Section Score) * 2</i>							