

“Investment Risk and the Transition into Homeownership,” with Daigyo Seo, *Journal of Regional Science*, Vol. 47, No. 2, pp. 229-253, May 2007.

Abstract:

This paper investigates the extent to which house price uncertainty affects the transition of renter households into homeownership. Using a 14-year household panel from the Panel Study of Income Dynamics during the years 1984-1997 and measures of the time-varying risk and return to owner-occupied housing, we estimate a Cox proportional hazard model of the effect of house price volatility on the transition into homeownership. Results indicate that house price uncertainty has a negative and dramatic impact on transitions into homeownership. In addition, we find that the low-wealth renters are particularly sensitive to house price risk.

Full text available at: <http://www.blackwell-synergy.com/loi/jors>