



FAI3007 Economics of Real Estate and Financial Cycles 7.5 credits

Ekonomiska cykler på fastighets- och finansmarknader

This is a translation of the Swedish, legally binding, course syllabus.

If the course is discontinued, students may request to be examined during the following two academic years

Establishment

Course syllabus for FAI3007 valid from Spring 2019

Grading scale

P, F

Education cycle

Third cycle

Language of instruction

The language of instruction is specified in the course offering information in the course catalogue.

Intended learning outcomes

This course aims at providing students with theoretical and empirical tools to study the interaction between real estate cycles, financial cycles and business cycles. After completing this course, students should have good knowledge about the causes of fluctuations in housing

markets, commercial real estate markets, financial markets and the overall macroeconomy. Furthermore, the student will also be able to analyze possible policy actions that can affect the occurrence of large fluctuations in real estate markets. Throughout this course students will obtain knowledge about statistical methods for analysing some commonly applied multivariate linear and nonlinear time series econometric methods.

Course contents

- Linear and nonlinear time series analysis of real estate markets, financial markets and their interactions with the overall economy.
- Real estate cycles
- Financial cycles
- Business cycles
- Asset price bubbles and financial crisis
- Valuation of real and financial assets
- Economic growth
- Monetary and fiscal policy
- Financial regulations of real estate and financial markets
- Macroeconomic forecasting

Specific prerequisites

Be a PhD student or with equivalent knowledge.

Course literature

Nonlinear Time Series Analysis, by Ruey S. Tsay and Rong Chen. WILEY

Multivariate Time Series Analysis: With R and Financial Applications, by Ruey S. Tsay. WILEY

Macroeconomics, Global Edition, by Stephen D. Williamson. Pearson.

Selected articles and papers

Examination

- INL1 - Home work, 5.0 credits, grading scale: P, F
- SEM1 - Seminars, 2.5 credits, grading scale: P, F

Based on recommendation from KTH's coordinator for disabilities, the examiner will decide how to adapt an examination for students with documented disability.

The examiner may apply another examination format when re-examining individual students.

Ethical approach

- All members of a group are responsible for the group's work.
- In any assessment, every student shall honestly disclose any help received and sources used.
- In an oral assessment, every student shall be able to present and answer questions about the entire assignment and solution.