

Welcome to the first issue in the 12th volume of the *International Journal of Housing Markets and Analysis*. A core strength of this journal is the diversity of the published research in each issue whilst at the same time retaining the core focus on housing markets. This diversity is also aligned with the varying levels of housing research associated with each country which range from developing countries to fully developed (and times, congested) countries. Although developing countries have the advantage of learning from the lessons of fully developed countries, they also can observe the challenges they will potentially face because of the increased complexities and competing interests. Owing to the evolving nature of housing markets, there will always been a need for research into how to provide economically feasible and sustainably acceptable housing for an increasing global population. The increasing interest of this journal is based on this premise, being there are vastly more housing challenges than research solutions provided to-date. In today's marketplace, housing is leading the real estate and property research agendas rather than following the commercial sectors as was the case previously. Hence, there is a strong interest in housing from an ever-increasing number of stakeholders as evidenced by the nine papers in this issue.

The first paper from Australia investigated the potential for unique housing provision challenges, including housing shortages, to be addressed via the adoption of offsite construction methods. The research identified barriers associated with implementation, primarily relating to cost uncertainty, which were further complicated by the availability of limited offsite construction cost data and information accessible in the public domain. The analysis examined three offsite construction projects in detail and then identified three emerging themes relating to cost. These related to:

- the total costs of delivering residential housing project via offsite construction techniques;
- cost variations associated with offsite construction residential housing projects primarily because of uncertainties; and
- cash flow dynamics associated with residential offsite construction projects.

The second paper from Indonesia examined patterns related to decision-making relationships and dual motives for purchasing housing by first home buyers and also families. The data were sourced via questionnaires distributed to home buyers over a three-year period with the results confirming that purchasers have a consumption motive when buying a residence, and also they behave in a rational manner. In contrast, investors prefer to buy an apartment and tend to follow heuristics. It was also found that purchasing a house is an important decision in one's life; therefore, these decisions tended to involve parents or relatives.

The third paper from the USA investigated the association between speed bumps and home values. The starting point was that it is accepted that speed bumps invite varied responses from homeowners, drivers and policymakers. Initial results relating to variations in the number of bumps traversed suggest that speed bumps are associated with reduced residential property values. A subsequent examination of a second neighbourhood estimated a treatment effect of speed bump installation and underscored the original findings. An anonymous online survey was conducted to highlight factors that may drive the negative relationship between speed bumps and home values. The findings from the



survey implied that whilst older homeowners and also homeowners with children may approve of speed bumps, the level of approval is less than the disapproval of those who do not approve of speed bumps. The fourth paper from Ghana analysed institutional and market constraints to housing development whilst highlighting the differences between the two constraints. It also sought to provide relevant public and private-sector policy recommendations for housing development. The participants in the research indicated that land tenure arrangements, land litigation risk, difficult land registration process and lengthy procedures when securing building permits and the cost of land acquisition were all major factors which significantly affected residential real estate development. In addition, difficulty in accessing development funds, an underdeveloped mortgage market, high interest rates and the expensive cost of labour and construction materials were some of the other factors constraining housing development.

The fifth paper from the USA used mathematical models to capture the spreading of epidemics to explain the expansion of mortgage default events. The authors examined the state of infectiousness and death to represent the subsequent steps of payment delinquency and default, respectively. As the local economic structure influences regional unemployment which is a strong driver of mortgage default, the analysis modelled interdependencies of regional mortgage default rates through employment conditions as well as based on vicinity. An estimation of key parameters of the model is proposed and based on a large sample of loan-level data. The findings consider the model's forecast accuracy which confirms an above average performance when compared to accepted approaches including linear regression and logit models. The findings provide important insights into the dynamics of mortgage defaults and its spatial spreading.

The sixth paper from Finland examined the externalities ranging from regional homeownership to individual-level entrepreneurship. The methodology used probit models of entrepreneurship with regional homeownership where control variables as regressors are estimated. A rental housing market deregulation experiment which caused exogenous variation in a regions' homeownership is exploited to identify causal effects on entrepreneurship. The findings confirmed that higher levels of homeownership in a region lead to greater levels of entrepreneurship. Further analysis when considering that homeownership tends to have detrimental labour market effects suggests that homeownership encourages entrepreneurship by leading to less paid work opportunities. These results support earlier studies where self-employment and entrepreneurship, especially during poor economic times, are partly motivated by poor employment opportunities.

The seventh paper examines housing markets in the UK, Australia and Japan with the focus placed on the mortgage demand behaviour of households in these regions. The emphasis of the research relates to factors that affect household mortgage demand, housing demand and also the loan to value ratio. Though homeownership is a preferred tenure and the mortgages are "recourse" loans, housing markets in these three regions operate via different mortgage market institutional structures. The findings showed that the income elasticity of mortgage demand differs despite the income elasticity of housing demand being relatively similar. Furthermore, mortgage institutions that pose constraints for borrowers also determine the extent of mortgage demand. It was also found that other factors such as demography, economic conditions also play an important role in determining levels of mortgage and housing demand. The eighth paper from Malta analysed the housing market and production sector performance using quarterly data from 2005Q1 to 2016Q4. A multivariate autoregressive distributed lag approach was used where an industrial expansion and development indicator-producer price index (*ppi*) and unemployment (*uem*) is

used with volatility index (*vix*) and fertility rate (*frate*) as control variables. The findings showed that any disequilibrium over the long-run equilibrium among these variables was subsequently corrected by movement in the housing market via real residential property prices. In instances of economic disequilibrium, the long-run impacts on the housing market are positive for *ppi* and *vix* however were negative for *frate* and *eum*. The observed direction of the impacts over the short-run was the same over the long-run for all variables.

The ninth and final paper investigates the potential existence of a long-run causal relationship between house prices and unemployment rates in eight major European countries. It was argued that there have been few studies to-date which have investigated the direct link between house prices and employment or unemployment. The methodology used a bootstrap panel Granger causality approach which accounted for cross-sectional dependence, slope heterogeneity and structural breaks to detect the direction of causality. Overall the findings supported the existence of unidirectional causality running from house prices to unemployment where the implications from this study are important for both households and also for policymakers concerned with ensuring economic and financial stability.

This journal continues to maintain the high quality of published research coupled with increased submission levels and an associated higher rejection rate. For authors, there is a strong encouragement to engage with the editor prior to submission to ensure their paper is relevant and in an acceptable format for publication. This includes ensuring the submitted paper conforms to the author guidelines for the journal which in turn will reduce the time the paper spends in the review process; for example, the length of the paper should be between 6-8,000 words to be entered into the review process. Please contact the editor directly if I can be of assistance prior to submission and/or discuss the procedure for admission into the review process. If you are interested in submitting a research paper or reviewing potential publications, please contact the editor direct at ijhma@ijhma.com.

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