

Doctoral Dissertations

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This section of the *Journal* publishes summaries/abstracts of dissertations related to a broad cross-section of real estate issues. Areas of interest include, but are not limited to, government policy and planning, real estate business and industry issues, property, contract and transaction types, real estate decision-making processes, market analysis, and related methodological and theoretical issues. If you are aware of any real estate-related dissertation(s) that may not appear in standard sources and that you think would be of interest to our readers, please contact the editor.

Ali, Magdy Fattouh. George Mason University, 2003. Stock Market Bubbles, Time-Varying Risk Premia, and Monetary Policy: Should the Fed Respond to Asset Price Fluctuations?*

This dissertation investigates the recent popular phenomenon of asset market bubbles. A key finding is that a large, time-varying risk premium is associated with contractionary monetary policy. Therefore, contractionary monetary policy should not be used to pop a speculative bubble due to its fundamental devaluation of the asset market in question. In other words, the use of monetary policy to pop speculative bubbles will cause asset prices to fall further than if the bubbles popped on their own. Four well-known price bubbles (the U.S. stock market crash of the 1920s; the Japanese equity and real estate bubble in the 1980s, the East Asian bubble of the 1990s and the U.S. stock market bubble of the late 1990s) are analyzed, and the results confirm the hypothesis. Furthermore, allowing the bubble to burst on its own and then using expansionary monetary policy to contain the fallout appears to be sound policy.

Bradley, Betsy Hunter. Case Western Reserve University, 2002. Maintenance Matters: Building Maintenance as Culture and Practice.

This dissertation examines the issue of building maintenance from technological, social and cultural standpoints and follows the historical development of building maintenance practiced by commercial building managers, maintenance engineers and homeowners. Unfortunately, neither technological developments nor new language that reframes the problem can change the long held belief in America that maintenance is a necessary evil. This in turn has led to the practice of maintenance at a middle level where experts in various fields exert influence and shape work, but seldom rise to national prominence. Examining the strategies that have been developed to manage building maintenance over time leads to the conclusions of this study. First, building maintenance is a modern and malleable practice that has been shaped by

misaligned responsibilities. Second, maintenance matters because it cannot be avoided, despite the long-promoted possibility for a maintenance-free environment.

Cline, Eric Arthur. Michigan State University, 2002. *The Impact of an Urban Stormwater Constructed Wetland on Residential Property Values: A Case Study of the Tollgate Wetland.***

This work investigates the impact, if any, of one type of stormwater control, a constructed wetland, on residential property values near the Tollgate Wetland in Lansing, Michigan. Using a case study design, the study included interviews with local real estate experts, a survey of nearby residents, and develops a hedonic pricing model to test for the affect of wetlands on property value. The hedonic model results indicate that the approximate wetlands do not influence property value. However, the anecdotal evidence from surveys and expert interviews suggest that individuals in the area indirectly value the Tollgate Wetlands.

Giambona, Erasmo. The University of Connecticut, 2003. *Performance Measurement Under Differential Information.**

In the first part, an investigation is conducted to determine whether managers of firms announcing open-market stock repurchases have information superior to outside investors. To address this issue, a new measure of performance based on a partially revealing rational expectations model is developed. This measure is conditioned on the level of public information conveyed by security price and therefore may help discern if managers possess superior information. This measure is then applied to a sample of real estate investment trusts that have announced open-market stock repurchases. The results indicate strong support for the undervaluation hypothesis.

Gorlorwulu, John Dolosiakol. Cornell University, 2002. *Airport Activity and Labor Productivity in United States Metropolitan Regions.*

In the last decade, air transportation in the United States has expanded significantly. Using theoretical insights from regional science, urban economics and recent empirical studies on U.S. economic growth, this work develops and uses a conceptual framework and econometric modeling to examine for the effect of regional airport activity on regional economic activity. Data for 295 U.S. metropolitan statistical areas (MSAs) is employed. The results show a positive and statistically significant relationship between airport activity levels, measured as enplanements, and labor productivity, measured as the average wage per job, for U.S. MSAs. In addition, there is significant evidence to suggest that regional specialization in producer services has a positive effect on the level of airport activity while specialization in consumer services tends to be associated negatively with airport activity.

Greenberg, Michael R. Rutgers–New Brunswick, 2002. *Measuring Regional Capacity.*

This study develops a new approach for redevelopment planning in the nuclear regions dependent on the U.S. Department of Energy's (U.S.DOE) Environmental Management program. By examining the impact of DOE activities on indicators of regional capacity, planners in the affected regions may better understand the available social, political and cultural resources. After comparing the levels of the regional capacity in DOE regions to the levels found in nearby non-DOE regions and to the U.S. average, this work finds that the three more rural DOE regions are lagging significantly behind their matched non-DOE regions in regional capacity. In addition, policy recommendations are developed in this work for U.S.DOE regions.

Haider, Muhammad Murtaza. University of Toronto, 2003. *Spatio-Temporal Modeling of Housing Starts in the Greater Toronto Area.*

This dissertation offers a spatio-temporal analysis of housing starts in the greater Toronto area. When housing units were disaggregated by structural type, several significant results developed. First, this study finds that high development charges in the suburbs encouraged low-rise, low-density development. Second, the results of this work indicate that the post-1991 housing market is significantly more restrained, and it has adopted a self-correcting regime in which prices and construction activity remained very close to the aggregate trend. Furthermore, the greater Toronto area remains a mono-centric region, where accessibility for most activities declines with distance from the central business district. Third, spatial choice models show that the spatial choices of real estate developers differ by housing type. Specifically, the location patterns of apartment housing are different from those for other housing types.

Hinnant-Bernard, Thessalenuere. Iowa State University, 2002. *Mortgage Lending in Middle America: Subprime and Predatory Lending.*

Two manuscripts, related broadly to discrimination in residential lending, are produced in this dissertation. The first article discusses subprime lending in the city of Des Moines, Iowa using HMDA (Home Mortgage Disclosure Act) data. The results of the first article reveal that African-Americans, low-income applicants and applicants receiving loans for home refinance have a greater probability of experiencing reverse redlining. Using qualitative data from a survey of Des Moines residents along with information from the Iowa Attorney General's office, the second article finds that abusive practices are occurring and that many predatory loans are designed with the intention of failing.

Kim, Annette Miae. University of California–Berkeley 2002. *Making a Market: The Institutions Supporting Ho Chi Minh City's Urban Land Development Market.*

This study investigates how a private land and real estate market in Ho Chi Minh City, Vietnam emerged where many supposed market fundamentals are missing. With an undeveloped legal system, foreign capital flight, an undeveloped banking sector, and interventionist government policies, conventional theory suggests that private land markets should have extreme difficulty emerging in this environment. Yet, this is exactly what has happened in Ho Chi Minh City. This work hypothesizes and finds that a set of institutional factors shape and support agents engaging in new economic activity. Furthermore, it is this very activity that appears to be the proximate cause of recent real estate market formation in Ho Chi Minh City. These results challenge our current understanding of the essentials for market formation.

Lai, Whuei-Wen. Ohio State University, 2003. *Are United States Household Portfolios Efficient?*

In this work the theoretical mean-variance efficient portfolio model was modified to incorporate human wealth and their primary residence. Treasury bills act as the proxy for the risk-free asset while eight traded assets were selected to represent the set of risky assets available to household investors: combined stock index, large stocks, small stocks, the average return series for individual stocks in the CRSP Decile 10 (smallest) stock portfolio to proxy business ownership, corporate bonds, long-term government bonds, intermediate government bonds and Ibbotson Associate's real estate return series. The results of simulations indicate that individuals with relatively high risk aversion should invest in intermediate government bonds and real estate for a 15-year horizon. On the other hand, individuals with relatively low risk aversion should invest in real estate, small stock funds and business ownership for a 15-year horizon. Interesting, no matter the level of risk aversion, real estate should appear in the efficient portfolio.

Li, Lixin. University of Nebraska–Lincoln, 2003. *Spatiotemporal Interpolation Methods in GIS.*

Using an actual real estate data set with house prices, this dissertation compares the reduction and extension methods with other spatiotemporal interpolation methods based on inverse distance weighting and kriging. The reduction method treats time as an independent dimension, whereas the extension method treats time equivalent to a spatial dimension. The study compares these methods with respect to interpolation accuracy, error-proneness to time aggregation, invariance to scaling on the coordinate axes and the type of constraints used in the representation of the interpolated data. Experimental results indicate that the extension method based on shape functions is the most accurate and the overall best spatiotemporal interpolation method.

Li, Yu. University of Pennsylvania, 2003. Three Essays on Testing and Application of Financial Theories.*

Chapter two tests competing capital structure theories by utilizing the unique legal status of real estate investment trusts (REITs). Using a sample of 148 Equity REITs, this study finds very little support for the trade-off theory although REIT debt ratios are mean reverting. In addition, the results further indicate that the issuance of long-term debt by REITs is highly sensitive to their new investment opportunities. Therefore, REITs, with limited internal cash flow, strictly prefer debt to equity, which is predicted by the pecking-order theory. These results when taken together raise an important policy issue concerning limiting internal cash flows of REITs and their funding cost. Specifically, the reduction in the minimum dividend distribution requirement from 95% to 90% for REITs brought about by the REIT Modernization Act of 1999 may not be sufficient.

Lowrance, Daniel Scott. Texas A&M University, 2002. An Examination of Agency Costs: The case of REITs.

This dissertation provides a comprehensive analysis of shareholder rights plans and mergers and acquisitions for real estate investment trusts (REITs). The goal is to investigate the forms of management, ownership structure and financial characteristics adopted by REITs, which implement anti-takeover amendments. In addition, this work seeks to determine the impact of anti-takeover amendments on REIT value and the market for corporate control. The findings indicate that while firm-specific variables can differentiate between targets and acquirers; the role of the governance structure appears to be quite limited. In fact, REITs seem to be driven by firm level performance.

Walker, Susan Kristine. University of Missouri–Saint Louis, 2003. The Prevalence of Blight and Brownfield Redevelopment in St. Louis, Missouri.

This study addresses two questions: (1) Where is blight most prevalent? (2) What determines brownfield redevelopment? The first question is addressed in the context of environmental justice and the changes within environmental policy throughout the last three decades. Measures used to locate blight include environmental, land and housing data. Once blight has been located, the second question of this study is to analyze where brownfield redevelopment efforts are occurring, both private and public. Visualization of data using GIS software found that areas of blight are predominantly located in both residential neighborhoods and commercial corridors. In addition, using data from the St. Louis area, multiple and logistic regression models support recent findings in the literature. Specifically, low-income and predominately minority communities are significant predictors of blight. Finally, there appears to be anecdotal evidence to suggest that redevelopment is now occurring at sites where in the past fear of liability under CERCLA had once brought real estate transactions to a halt.

Zimmerman, Jeffrey Allen. University of Wisconsin–Madison, 2003. Conquering the ‘Last Frontier’: Gentrification, Public Housing and the Limits of New Urbanism in the Central City.

Using Chicago's Cabrini-Green complex as a case study, this work investigates the redevelopment of public housing and unearths the significance of changes in federal housing policy on Chicago's changing urban environment. The primary argument employed in this dissertation is that the redevelopment of Cabrini-Green, orchestrated under HOPE VI, was mostly due to a remarkably deep rent gap in Chicago's central area. In the 1980s and 1990s, improving economic conditions and the intensification of the gentrification process combined to quickly change Cabrini-Green into an anomaly where public housing occupied a prime parcel of real estate in one of the most dynamic urban markets in America. At Cabrini-Green, a New Urbanist model of low-rise and mixed-income townhouses was employed to address past problems of concentrated poverty. Unfortunately, this type of redevelopment necessitated the displacement of many families occupying public housing and ultimately resulted in the creation of new far periphery areas of blight.

* Indicates dissertations in which only a chapter or a significant part of the work is devoted to government policy and planning, real estate business and industry issues, property, contract and transaction types, real estate decision-making processes, market analysis, methodological and theoretical issues, or other real estate-related issues.

** Indicates a master's thesis. This particular thesis is included due to its relevant and timely topic.

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