

# 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.

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**Chernobai, Ekaterina S.** University of Southern California–Santa Barbara, 2005. Essays on Liquidity in Financial Markets.

The first chapter in this work summarizes the literature on measures and determinants of liquidity in the residential real estate market. Many early works attempted to analyze empirically property time-on-market by applying hedonic regression to the ordinary least squares or hazard models. Unfortunately, to date, weak explanatory power is a byproduct of most of these supply-side explanations of housing liquidity. Some recent studies develop theoretical models incorporating both supply and demand sides of transactions. Theoretical results enrich the empirical investigation of housing liquidity by justifying the inclusion of many demand-side factors. This work emphasizes the importance of buyer-side characteristics in affecting equilibrium in housing transactions and gives suggestions for further research. The second chapter investigates, from a theoretical perspective, factors that may cause illiquidity in the residential housing market. Intuition suggests that future mobility increases per-period probability of buying a house at present. However, this work shows contrary results in a general equilibrium framework. A third, and final chapter, investigates empirically the impact of house-buyers' expected housing tenure on the time to purchase. A survey-based data set provides evidence that varying the type of buyer results in varying times to purchase.

**Darling, Eliza.** City University of New York, 2004. Accommodating Wilderness: Gentrification and the Production of Nature in the Adirondack Park.

Rural gentrification in the Fulton Chain region of the Adirondack Park is the subject of this dissertation. Much like its urban counterpart, gentrification in the Adirondacks is an uneven and sporadic phenomenon, manifesting itself in those areas of the Park where seasonal-home development has begun to significantly drive up residential real estate prices. The hypothesis

of this work is that State land management practices have unwittingly contributed to setting up the conditions for rural gentrification. The results of this work suggest that development capital on multiple scales, from individual owner-occupants to corporate conglomerates, has materially shaped the gentrified geography of the Park through selective investment in the built environment. However, the beneficiaries and the victims of Adirondack gentrification cannot be reduced to “outsiders” versus “locals.” Complexities of kinship, class and land tenure all contribute to mitigate and complicate the final outcome.

**Espino, Nilson A.** Rice University, 2005. Home as Investment: Housing Markets and Cultures of Urban Change in Houston.

The work is an ethnographic study of conventions, practices of participants involved in the middle-class housing market, neighborhood architectural change and their relation to the protection of real estate investments. The research explores the ways in which middle-class neighborhoods are managed, improved and controlled for the purposes of protecting and improving home values and explores the large-scale urban impacts of these behaviors and ideas. In addition, this study includes a critique of the standard model of city management insofar as it entails housing discrimination, urban segregation and spatial exclusion for the urban poor. Finally, an informal comparison with Latin American urban growth patterns is made.

**Gillen, Kevin C.** University of Pennsylvania, 2005. Three Essays in Urban Economics.

This dissertation provides three essays on urban economics. The first essay concerns spatial econometrics and urban form. Evidence of spatial autocorrelation in both house values and their hedonic residuals is found. This is in contrast to the traditional assumption of isotropy. Both house values and their hedonic residuals exhibit spatial dependence that is a function of both distance and direction. The second essay concerns itself with policy and housing economics. The findings indicate that the federal housing voucher program in Philadelphia has yielded outcomes that are contrary to the predictions of existing models. Specifically, the results indicate that the turnover rate of the housing stock in neighborhoods, which disproportionately attract vouchers, is significantly higher than housing turnover rates in otherwise similar neighborhoods. The third essay develops an economic framework of housing cap rates in cross-section as a function of their fundamental determinants, but over time these rates are modeled as an adjustment process around their equilibrium values. In cross-section, cap rates appear to accurately reflect prevailing interest rates and expectations about both future appreciation and urban expansion. In addition, the tax treatment of real property and the relative riskiness of properties appear equally important. Over time, housing market cap rates adjust to price equilibrium with much greater speed and efficiency in the renter-occupied segment of the housing market.

**Kelley, Brian W.\*\*** The University of Texas-El Paso, 2005. Testing Residential Construction and Real Estate Forecast Accuracy within a Regional Structural Equation Model.

This thesis examines the historical accuracy of 11 regressors in an econometric forecasting model for the El Paso metropolitan area. Three year increment forecasts, between 1998 and 2003, are combined for the purpose of this work. Regional forecast accuracy is a relatively new area of research and there are no structural forecast models suitable for direct comparison to the Borderplex Econometric Forecasting Model for El Paso. As a result, a random walk is used as a benchmark. In variables that exhibit positive growth rates over the study period, a random walk with drift is added to increase the competitiveness of the benchmark. Furthermore, as there is no absolute standard for forecast accuracy of the housing sector, the analysis in the study is limited to reporting the predictive accuracy of the structural equations, as opposed to evaluating accuracy.

**Leelarasamee, Yosaporn.** Texas A&M University, 2005. A Decision Support System for Income-Producing Real Estate Development Feasibility Analysis and Alternative Assessment.

This research examines theoretical underpinnings and associated advancements related to income-producing real estate development and decision support systems. Specifically, a prototype (Decision Support System–DSSVenture) is designed and evaluated. After the design and development stage, validation of DSSVenture’s data and logic models is conducted based on two case studies from well-known real estate development publications. Three operational variables (number of alternatives, time to reach decisions and coefficients of projected NPV variations) were tested. The results indicate that DSSVenture significantly enhances the comprehensiveness of the decision by increasing the number of alternatives for developers. Further, the results of this study confirm that the use of DSSVenture substantially diminishes variation of profit projection among decision makers.

**Limehouse, Frank F.** Clemson University, 2005. Three Essays on the Golf Industry.

This dissertation is a compilation of three essays on the golf industry. The first essay investigates the market setting for environmental certification on golf courses. Hedonic modeling reveals a significant price premium for fully certified Audubon International golf courses. In addition, the model indicates that course-specific characteristics, political and regulatory forces all influence the decision to certify. The second essay examines the joint production of golf courses and real estate developments. Empirical results show that over time golf courses are being constructed less for recreational golf and more for the assurance of green open space for adjoining homes. The third, and final, essay is an analysis of pricing differentials in the golf industry. The results indicate that an increase in the amount of competition from rival courses lowers the amount of peak-load pricing. Interestingly, indicators of course quality have an ambiguous effect on peak-load pricing.

**Liu, Yi-Kang.** George Washington University, 2005. The Performance of Structural Credit Risk Models on Commercial Mortgages: An Empirical Investigation.

This study presents both a theoretical approach to estimate the default probabilities of commercial mortgages and an empirical test on the relation between default triggers and actual default. Dissimilar from earlier studies on commercial mortgages, this work introduces two new methodologies: (1) the first-passage-time approach; and (2) the Receiver Operating Characteristic (ROC) approach. The first-passage-time approach captures the fact that default can occur any time before maturity. ROC, conversely, helps risk managers in visualizing the model performance and provides a rigorous test of predictive accuracy. Using 17,616 lockout commercial loans issued between 1995 and 2001, this work finds that the property value model provides the most accurate default prediction among all three structural models. This suggests that LTV is the key predictor in explaining default. In addition, this study does not find any statistical evidence that the ROC ratio is significantly different from the single trigger model in predicting default.

**Ma, Jun.\*** Case Western Reserve University, 2005. Risk Assessment and Sequestered Contamination Evaluation for Legacy Heavy Metal Contaminants in Cleveland Area Brownfields.

Brownfields in old industrial cities can often exhibit a legacy of heavy metal contamination. In this dissertation, the heavy metal burdens (Cd, Cr, Cu, Ni, Pb and Zn) in soils are examined for fifty-three brownfields in the Greater Cleveland area. The results indicate that the majority of these sites have heavy metal soil burdens well above background levels. In particular, seven contain lead concentrations in excess of Ohio’s industrial remediation criteria. Risk assessment

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of the heavy metals is presented for these sites using state guidance values. The results demonstrate an unexpected degree of variability in guidance values for different states, which often dramatically affects the cumulative hazard quotient posed by heavy metals for the same site using different states' criteria.

**Penick, Robert C.** University of New Orleans, 2005. Real Estate Ethics in the State of Louisiana.

This research seeks to investigate the perception of compliance, importance and helpfulness/adequacy of the National Association of REALTORS® Code of Ethics. The data for this study was gathered from a self-administered Internet web-based member survey of the Louisiana REALTORS® Association. The results indicate that Louisiana Realtors find NAR's Code of Ethics useful and adequate in general. In the compliance construct, a significant relationship occurs with the variables of: type of license held, years in the business and income from real estate. In the importance construct, a significant relationship is found with the regressors: type of license held, education level and gender. Policy implications extend from these results.

**Rowinski, Guy P.** Capella University, 2005. Commission Salespeople: A Study of Locus of Control and Attachment Variables in Commercial Real Estate.

A group of commercial real estate brokers from Columbus, Ohio are examined for attachment variables and locus of control. "Relationship selling" is quite often stressed during sales training. Here salespeople are taught to initiate, develop and maintain personal relationships with clients. These relationships, formed for the purpose of doing business, appear to be a less than acceptable model of the concept of relationship. This dissertation investigates the nature of relationships across commercial real estate brokers who excel at "relationship selling" and explores the efficacy of this strategy by employing concepts rooted in attachment theory developed by Bowlby and Ainsworth, among others.

**Zhao, Bo.** Syracuse University, 2005. Racial and Ethnic Discrimination in Urban Housing Markets: Evidence from Audit Studies.

Using data from two housing discrimination studies (1989 and 2000) and employing three different econometric techniques, this dissertation examines a variety of discriminatory behaviors practiced by real estate brokers. Utilizing a fixed-effects Poisson model, the first chapter investigates discrimination in the number of houses shown to homeseekers in 2000. The results indicate that blacks and Hispanics are shown 30% and 10% fewer units, respectively, than whites. However, no similar discrimination against Asians and Native Americans is found. The second chapter studies discrimination by brokers in discrete choices in 2000, using a fixed-effects logit model. Findings suggest that discrimination continues to be strong but also documents a downward trend in both the scope and incidence of discrimination since 1989. In the final chapter, a bivariate probit model is used to study the motives for discrimination and brokers' marketing behaviors. The results indicate that blacks and Hispanics are discriminated against because of the prejudice of both brokers and white customers. Regarding broker behavior, a preponderance of the evidence suggests that the disturbing practice of "redlining" continues to persist.

\* 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 masters thesis work.

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