

Doctoral Dissertations

Editor

Ken H. Johnson

Florida International University
College of Business Administration
Dept of Finance and Jerome Bain Real Estate Institute
Miami, FL 33199

305 348-2774 (Phone)

305 348-4182 (Fax)

kenh.johnson@fiu.edu

This section of the *Journal of Real Estate Literature* 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.

Birkenmaier, Julie M. University of Missouri–Saint Louis, 2006. Providing Access to Affordable Credit to the Poor: Evaluating the Effectiveness of Credit Counseling for Building Assets.

This dissertation contributes to the extant literature on credit counseling and asset enhancement. The issue of asset building is considerably intertwined with current social welfare policy. For example, programs have become available whereby low-income families can seek Homeownership Education and Counseling (HEC) in order to allow them to better access mortgage credit markets. This work examines the effectiveness of credit counseling on credit scores. Employing data from a not-for-profit organization that provides HEC, credit scores for 203 clients are analyzed. Results reveal that while client age and initial credit score, among others, are significant variables, important work remains to be done to uncover attributes that positively enhance the second credit score. A separate focus group of credit counselors provides additional insight into the process. The most interesting result, perhaps, from the focus group is the impression that the sub-prime lending harms the credit process.

Chatfield, Hyun Kyung. University of Nevada–Las Vegas, 2006. Merger and Acquisition Activities in the Hospitality Industry.

Mergers and Acquisitions (M&As) within the hospitality industry between 1984 and 2004 are investigated in this dissertation. Special interest is paid to returns of targeted and acquiring firms, industry segment, nature of acquisition, and method of payment. Additionally, the work examines the influence of Real Estate Investment Trust (REIT) and public status on Cumulative Abnormal Returns (CARs). Overall findings appear to be mixed. Bidder CARs are slightly positive and significant, which is consistent with the synergy motive for M&As. In addition, in

support of information asymmetry and signaling arguments, bidder CARs are higher for cash offers versus those for stock. In contrast to earlier studies, targeted CARs are higher for stock offers than those for cash suggesting characteristics that are possibly unique to the hospitality industry. Considering mergers, bidder returns are slightly positive; however, no statistical impact is found for tender offers. Finally, there is no association between method of payment and nature of acquisition.

Han, Lu. Stanford University, 2006. Effects of Uncertainty on Home Purchase Decisions Over the Life Cycle.

This work examines the impact of uncertainty on home purchase decision making in the presence of costly transactions. Chapter One employs a life cycle framework and derives a stopping rule for optimal home purchase. In this setting, effects of price uncertainty on the home purchase decision depend on the expected future consumption path of homeowners. In addition, findings indicate that welfare costs, associated with property price uncertainty, are reduced when households are motivated by hedging. Chapter Two is empirical in nature and examines households' self-insurance behavior in the purchase decision under price and income uncertainty. A random-effect Type 2 Tobit model is used to explain households' joint decisions on purchase timing and size. Results reveal: (a) households' response to price risk depends on its expected future housing consumption path, and (b) households facing greater income variance acquire more property in order to offset future income shocks.

Iyomon, Olumese.** Morgan State University, 2006. Race and Foreclosure Patterns in Baltimore City.

Race and foreclosure have always been topics of interest in the real estate literature. This work combines these two issues and investigates the relationship between housing foreclosure and race in Baltimore, Maryland. The work provides an overview of lending practices relating to high foreclosure rates, foreclosure pattern, trends, possible causes, and remedies. Foreclosure rates are analyzed across community demographics such as race, income, education, and housing type. The findings indicate that foreclosure rates tend to increase with income in minority neighborhoods while a declining pattern is observed across non-minority communities. In general, the data reveals a strong positive correlation between foreclosure rates and minorities.

Jauregui, Andres. Auburn University, 2006. Three Essays on Real Estate, Environmental, and Urban Economics Using the Hedonic Price Model Technique.

This work links, through the common econometric technique of hedonic modeling, three different topics from the areas of real estate economics, environmental economics, and urban economics. The effect of real estate agents on house prices that are located within a close proximity of environmental disamenities is addressed first. The model controls for asymmetric information differences about the existence of environmental disamenities between buyers, sellers, and the real estate professionals involved in the transaction. Hedonic predicted price estimates (with and without agents) are compared at various distances from landfills. The second topic addresses the impact of "open space" in agricultural areas. Unique to this topic is the division of property price by portion of value associated with housing versus land amenities. The final topic addresses estimates of demand for neighborhood dissimilarities attempting to explain neighborhood choice.

Kim, Jin Woong.* Texas A&M University, 2006. Essays on Empirical Time-Series Modeling with Causality and Structural Change.

This dissertation contains three chapters with one devoted strictly to real estate. Chapter Two of this work examines the contemporaneous/dynamic behaviors of Real Estate Investment

Trusts (REITs) and stock returns. Traditionally employed variables are specified to explain movements in returns. October 1980 is identified as a structural break for the 1971–2004 period. REITs take the role of a causal parent after this structural break according to Directed Acyclical Graph (DAG) results. Innovation accounting shows a significantly positive response for securitized real estate holdings due to an initial shock in default risk; however, an insignificant response to stock returns is reported. In addition, negative and significant returns affect REITs in response to short-run interest rate shocks, while no effect is witnessed in stock returns. These results when taken as a whole suggest that during the econometric model set up for any time-series study, it is necessary to consider contemporaneous causality and possible structural breaks.

Li, Yanmei. Ohio State University, 2006. *The Dynamic Interaction Between Residential Mortgage Foreclosure, Neighborhood Characteristics, and Neighborhood Change.*

This dissertation employs multiple datasets from Ohio to investigate some previously omitted or understudied aspects of neighborhoods on property foreclosure. Special interest is given to racial composition of a neighborhood, economic level, housing prices, and other housing stock characteristics, as well as to the intertemporal movements in these variables. The findings suggest that foreclosures cluster in low-income minority neighborhoods and inner cities. Education, median income, and average housing cost also contribute to foreclosure likelihood. The methodologies employed in this study (Robust OLS, spatial lag models, and SUR) assist in solving problems related to spatial dependence, heteroscedasticity, and mutual non-recursive interaction between foreclosure and neighborhoods. These findings contribute to the literature and methodology in related topics, as well as to our understanding of the relationships among foreclosure and neighborhood characteristics.

Machinga, Jarod. Walden University, 2006. *Design and Effectiveness of a Real Estate Negotiation Algorithm: Residential Real Estate Purchases in New Jersey.*

This dissertation provides a theoretical framework and supporting empirical results concerning the efficacy of a multi-stage negotiation algorithm. A buy-side negotiating algorithm is developed and tested in an urban New Jersey market. The algorithm consists of a set of questions to be answered by potential buyers. For a given potential buyer, the answers to these questions result in a suggested property offer price. Forty-four potential homebuyers (effect group) used the algorithm and are compared with forty-four purchasers (control group) using the same real estate brokerage firm over the same period who did not use the algorithm. The results indicate, all else being equal, an average savings of 2.8% for the effect group. This amount can be economically interpreted as \$10,540 per purchase from the test market. Encouragement of the real estate industry to become more efficient is one implication of this study.

McCray, Sarah L. Walden University, 2006. *Examining the Relationship Between Mandatory Continuing Education and License Law Violations in the Real Estate Industry: A Management Dilemma.*

This dissertation seeks to determine the relationship between Mandatory Continuing Education (MCE) and License Law Violations (LLV) in the real estate industry. Many states have enacted MCE legislation in response to consumer demand and the perceptions of licensee misdeeds. Data is collected from the *Digest of Real Estate License Laws and Current Issues* for the years 2000 through 2004. The findings indicate no statistically significant relationship exists between continuing education hours and reported violations when evaluated on an annual basis. Interestingly, when the data are combined across all time fields, an increase in continuing education is significantly correlated with an increase in violations. This counterintuitive result suggests that the amount of education as measured by time should be set aside perhaps in favor

of course content. Additionally, it is recommended that real estate organizations consider testing agents to monitor the success of continuing education.

Quinlan, Michael.** State University of New York–Buffalo, 2006. *Living Where We Used to Work: Exploring the Modern Office Tower's Potential for High-Rise Living.*

This work investigates the efficacy of modern high-rise office towers for alternative space use. It is both general and site-specific. The high-rise building concept is thoroughly reviewed in this work. Topics covered include, but are not limited to: (a) technology that makes them possible; (b) how the centralization of cities became important; and (c) what has happened since then that degrades the value of this building type. A comparison of northeastern cities is made and a number of challenges facing this region and their central business districts are identified. Pittsburgh, Detroit, and Buffalo are reviewed and downtown living is established as a viable option in response to soft downtown commercial real estate markets. A particular modern office tower in Buffalo is selected to illustrate design challenges and feasibility concerns. Tentative conclusions and recommendations are provided concerning the feasibility of multi-use high-rise buildings.

Schuetz, Jenny. Harvard University, 2006. *Land, Money, and Politics: Essays on Government Intervention in Housing Markets.*

Government intervention in the housing market, specifically land use and financing regulations, are examined in this dissertation. Chapter One investigates the determinants of zoning on multifamily housing. An investigation of land use regulation from 186 communities reveals two distinct waves of zoning, each shaped by different determinants. Communities under land use regulations adopted in the 1940s and 1950s exhibit less restrictive policies. However, beginning in the 1970s, the use of special permits begins to rise and more affluent communities adopt more restrictive land use regulations. Chapter Two investigates for political manipulation in the distribution of subsidized mortgage loans in Mexico. Findings indicate weak statistical inference for political manipulation controls in the estimation of loan distribution. More specifically, the two largest lenders generally allocated loans according to their eligibility criteria. Chapter Three develops a measurable proxy for land use regulation (the ratio of multifamily units to total units permitted), provides a theoretical framework, and empirically examines the property price effects of two competing regulatory regimes. The results suggest that exclusionary zoning leads to higher property prices; however, there is no statistical evidence to support the argument for urban containment policies and property value enhancement.

Siegel, Stephan. Columbia University, 2006. *Asset Pricing and Asset Allocation in the Presence of Durable Consumption Goods.*

Two distinct works are produced in this dissertation. Chapter One investigates the implications of non-separable preferences over durable and nondurable consumption. In a rental market for durable goods that is costly (not frictionless), the standard Euler equation with respect to nondurable consumption will not hold in aggregate. Aggregate data is employed to find deviations from the frictionless model, which is consistent with non-convex adjustments for costs. Asset pricing tests are also conducted. Specifically, using household-level observations, estimations suggest that preferences are non-separable and that reasonable structural parameters characterize consumers' intertemporal utility optimizations. Chapter Two investigates the financial portfolio choice of households as a function of their exposure to real estate risk. Making use of the Panel Study of Income Dynamics data from 1984 to 2001, analysis reveals that larger real estate exposure is correlated with a lower likelihood of stock market participation and an overall general reduction in stock holdings. Also, measures of variability in homeowners'

property value are found to be associated with lower stock market participation and, conditional on participation, lower levels of equity investments.

Sperrazza, Maureen M.** Southern Connecticut State University, 2006. Realtors Define Success: A Symbolic Interaction Study.

This work examines the concept of success as it is perceived by real estate professionals from a symbolic interactionist perspective. Twenty-six participants from an urban area are interviewed and observations are conducted over a three-week period. All of the participants in this study are members of the National Association of Realtors® (NAR). Employing content analysis, agent gender and length of time in the business are investigated for their marginal effects on an agent's personal meaning of success. The results indicate that Realtors remain in the industry because of the financial compensation it offers. In addition, compensation is found as an indirect material and symbolic consequence of successful agent-client relationships. Finally, participants, on average, define success as an internal feeling of satisfaction resulting from sound relationship building.

Tcherdnitchenko, Margarita.** Concordia University (Canada), 2006. Performance of Canadian Real Estate Investment Trusts.

This thesis investigates the recent rapid growth in securitized real estate holdings in Canada. Specifically, it examines the risk-adjusted return performance in the secondary and IPO Real Estate Investment Trust (REIT) markets, as well as the interest rate sensitivity of all non-mortgage REITs traded on the Toronto Stock Exchange (TSX) during the 1996–2004 period. Findings include, but are not limited to: (a) smaller REITs offer lower risk-adjusted returns; (b) both equally and value-weighted REIT indexes outperform the market; (c) mispricing in the first but not second subperiod implies early overpricing of IPOs corrects, suggesting that more recent REIT IPOs are approximately correctly priced; (d) Canadian REITs do not outperform the market during their first year similar to REITs in the United States; and (e) REITs are more interest-rate sensitive than other equities; however, this sensitivity depends on the interest rate change proxy employed.

Trumbach, Andrew E. Nova Southeastern University, 2006. The Critical Factors Affecting the Adoption of an Internet-Based Inter-Organizational Information System: An Empirical Study of the Real Estate Industry in Florida.

This dissertation investigates the effectiveness of Internet-Based Inter-Organizational Information Systems (IBIOS) and is strictly empirical in nature. The study focuses on the IBIOS employed by the tenth largest Realtor Association that is located in the state of Florida. A survey of 243 completed questionnaires is used in this analysis. Factor analysis is conducted to determine the underlying features influencing the successful implementation and adoption of an IBIOS. The results of the analysis reveal that organizational image, management support, level of technology, reliability of Internet, number of people in office, importance of standard format, cost, direct entry, training, and intermediary IBIOS support, among others, are all important features of a successful IBIOS.

* 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 of particular interest.

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