



Nanyang Technological University

## **DIVISION OF ECONOMICS**

Seminar Series

The Division of Economics invites you to a seminar by Dr Chuanqi Zhu

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- Speaker** : **Dr Chuanqi Zhu**  
*Assistant Professor*  
*Sun Yat-Sen University*
- Topic** : **"Expectation Driven Cycles in Chinese Housing Market"**
- Chairperson** : **Assistant Professor Chen Xiaoping**  
*Division of Economics*  
*School of Humanities & Social Sciences*
- Date** : **Wednesday, 18 March 2015**
- Time** : **2:30 pm to 4.00 pm**
- Venue** : **Meeting Room 5** (HSS 04-89)  
*Nanyang Technological University*  
*School of Humanities and Social Sciences*  
*14, Nanyang Drive*  
*Singapore 637332*

### **About the Speaker:**

Dr. Chuanqi Zhu received his Ph.D. in 2013 from Boston College. He joined Lingnan, SYSU in August, 2013. His research interests include Macroeconometrics, Econometric Methods for DSGE Models, Structural Breaks, Dynamic Panel Data Model, and Computational Economics.

### **Abstract:**

This paper studies role of expectation on Chinese housing market. To this end, we first use survey data and vector-autoregression (VAR) model to provide evidence on the importance of news for housing market dynamics and aggregate fluctuations. We find that innovations to expectations of rising are particularly important in explaining the macroeconomic variables during the recent housing boom in China. Then we build a dynamic stochastic general equilibrium model with housing sector to explore the transmission of "expectation" as a source of Chinese housing market dynamics.

We find that news on shocks originated in different sectors of the economy can generate booms in the housing market in accordance with the average behavior in the Chinese data. Through simulation we show that expectations on monetary policy and inflationary shocks might lead to the observed subsequence macroeconomic recession if they were not fulfilled.

### **Reservation:**

Admission is free. Please reply to [d-egc@ntu.edu.sg](mailto:d-egc@ntu.edu.sg) to confirm your attendance.