# Discussion
# House Price Responses to Monetary Policy Surprises: Evidence from the U.S. Listings Data

Martin Groiss

University of Duisburg-Essen

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# Summary

- Daily housing listing data from the U.S. by CoreLogic
  $\rightarrow$ weekly zip-code level house price indices via hedonic regressions
- Flexible local projection with high-frequency monetary policy shocks (Swanson, 2021) for policy rate, forward guidance and quantitative easing shocks
- Findings:
  1. Immediate effect of monetary policy on house prices,
  2. ...mainly via medium- to long-term rates,
  3. ...comparable to stock price effects in the U.S.

# Contribution

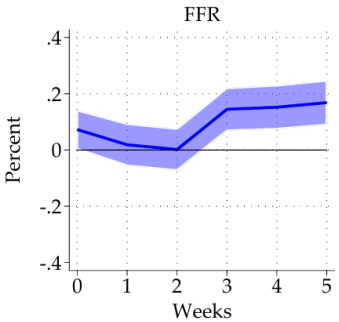
- Frequency: Annual → quarterly → monthly → weekly
  Causal short-term effect of monetary policy surprises on house prices and better fit to MP announcement frequency
- Monetary Policy: Conventional → unconventional
  Different effects of FG and QE (and FFR) – responses are driven by surprises to medium/long term rates
- Regional aggregation: country → state → MSA → zip-code
  Control for regional segmentation, but introduce spatial relation/spillovers

# Comment I - Data

- Representativeness:
  - Many observations, but what means *"the universe of all housing units [...] on the Multiple Listing Service (MLS) platforms"?*
  - Number of (other) online RE platforms, share of overall RE transactions, distribution across rural/urban regions, over time,...

- Time-series holes:
  - *"We drop properties with fewer than 5 observations per zip-code-week"*
  - How many zip-code-weeks are lost?, especially rural areas?, impact on local projections with (52) lagged indices?

# Comment II - Positive policy rate effects




- Link to literature: different to literature even for monthly (regional) US data (e.g. Fischer et al., 2021; Dias and Duarte, 2019)
- Period: pre-2008 (zero effect), post-2008 (negative effect) $\rightarrow$ inconsistent positive effect
- Problematic shocks: information effects (Jarocinski/Karadi, 2020), measurement error (IV), outlier (financial stability),...
- Temporary effect (prize puzzle): medium-term responses

# Minor comments

- How reliable are the hedonic regressions with an average of 8 observations per cell ? (e.g. $R^2$)
- Strong assumption of independent zip-code regions $\rightarrow$ Driscoll-Kraay (1998) or Conley (1999) standard errors
- Unclear instrument assessment $\rightarrow$ Stock and Watson (2018) conditions of LP-IV incl. first stage F-Statistics
- Medium-term effects $\rightarrow$ longer than 1 year (52 weeks)
- Heterogeneity dimensions endogenous to MP
  (income in 2016, population in 2010, supply elasticity in 2011)

# Questions

- What are the roles of expectations? Why do we observe such quick responses? No effect via credit volume, wages, dwelling supply, only expectations?
- Consistency of effects across countries (CZ, Europe,...) and other real estate markets (rental, commercial real estate)?

# Appendix

# References I

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# References II

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