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Editor-in-Chief

Journal of Real Estate Economics

Dear Editor,

I am pleased to resubmit our manuscript, “*A Novel Proxy of Latent Rental Housing Demand: Evidence from US Markets*,” for your consideration at the *Journal of Real Estate Economics*.

Following your prior editorial decision and the thoughtful reviewer feedback, we undertook substantial revisions to clarify the paper’s empirical contribution and to better align the manuscript with the journal’s emphasis on rigorous econometric analysis. Key changes include:

- A rewritten empirical strategy section that explicitly separates causal identification via instrumental variables from predictive validation exercises.
- A revised discussion section that emphasizes the policy, investor, and renter implications of our findings, and omits the previous segmentation framework which reviewers found less central.
- Expanded robustness checks, placebo tests, and clearer articulation of the behavioral mechanism captured by the Rental Density Index (RDI).

We believe these changes materially strengthen the paper. The manuscript now presents a well-identified causal estimate of crowding pressure on future rent growth using a novel demand-side proxy, and demonstrates its value in forecasting frameworks across multiple horizons.

Given the *Journal of Real Estate Economics*'s focus on housing market dynamics and methodological innovation, we respectfully resubmit this revised manuscript and hope you find it suitable for reconsideration.

We are grateful for the opportunity to improve the work and thank you for your time and consideration.

Sincerely,

Matt Larriva, CFA

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