TUULI VANHAPELTO

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EDUCATION

Toulouse School of Economics

Doctoral Student — *2018 - 2023 (expected)*

M.Sc. Economic Theory and Econometrics (*M2 ETE*) — *2018*

Aalto University School of Business, Department of Economics

M.Sc. in Economics and Business Administration — *2017*

B.Sc. in Economics and Business Administration — *2015*

RESEARCH INTERESTS

Housing markets, urban economics, economic geography, spatial economics

REFERENCES

Thierry Magnac
Professor
Toulouse School of Economics
University of Toulouse
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Christian Hellwig
Professor
Toulouse School of Economics
University of Toulouse
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Essi Eerola
Head of Domestic Economic Policy Process,
Bank of Finland
Research Director (on leave),
VATT Institute for Economic Research
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WORKING PAPERS

"House Prices and Rents in a Dynamic Spatial Equilibrium" (Job market paper) *2022*

House prices and rents evolve differently across regions in many countries. To study the causes and the welfare consequences of rent and price changes across space, I set up a quantitative dynamic spatial equilibrium model of housing demand and supply. In the model, changes in expected rents growth or in discounting can cause price-to-rent ratio changes. I show how to invert the model in order to recover changes in underlying economic fundamentals that would rationalize the observed rents, prices, migration and construction. I take the model to data in the case of Finland, where house prices have been diverging across regions, even if rents have not. Through the lens of the model, the rapid price divergence between big and small cities can be rationalized as the combination of an increase in the value of living in cities and decreasing discount rates. These changes have benefited renters across locations but created an important regional divergence of homeowner wealth across smaller and larger cities.

"The incidence of housing allowances: Quasi-experimental evidence" *2022*
with Essi Eerola, Teemu Lyytikäinen, Tuukka Saarimaa

This paper studies the effects of housing allowances on rents. Our research design is based on a reform that made the allowance more generous for small housing units as a quasi-experimental setting. We find that large increases in housing allowances for small housing units have little or no effect on their rents relative to larger units. Thus, the incidence of the reform is largely on allowance recipients and not on their landlords. Consistent with very moderate rent effects, we do not find evidence of recipient households responding to the increased incentive to choose small units. A possible explanation is that optimization frictions and short expected allowance spell duration limited demand responses to the reform.

"Housing Search and Liquidity in the Cross-Section of Market Segments" *2020*
with Thierry Magnac

Regional differences in house prices are often seen to be problematic, but the housing market is not only segmented along the price dimension: market segments also differ in sales times. As prices and sales times are negatively correlated in the cross-section of market segments, failing to account for sales time dispersion can leave us to underestimate the regional differences in house values. We bring together a model of frictional search in a market consisting of multiple segments with the idea of a spatial equilibrium in order to quantify the cross-segment welfare differences of home-sellers. We estimate the model using data on prices, sales times and market tightness from Finland and find important welfare costs of search frictions in illiquid market segments. Our model also suggests that on a market which clears partially through prices and partially through sales times, shocks will have effects on both. As an illustration, a uniform property tax increase would decrease the value of selling a home in every segment but by different magnitudes: a 10% tax would decrease values by 10-21% depending on the segment, and price divergence would increase.

TEACHING ASSISTANCE

Toulouse School of Economics
Applied Microeconometrics (M.Sc.), teaching assistant *2020*
Introductory Econometrics (B.Sc.), teaching assistant *2021*

Aalto University
Econometrics and Data Analysis (B.Sc.), course assistant (mainly grading) *2017*
Principles of Economics (B.Sc.) course assistant (mainly grading) *2016*

SOFTWARE

Stata, Matlab, R, QGis, Julia, LaTeX

PERSONAL DETAILS

Citizenship: Finnish
Language skills: Finnish (native), English, French, (fluent), Swedish (good), Italian (beginner)