

DSGE framework, The model features two sectors, heterogeneity in households' discount factors and collateral constraints tied to housing values. There are patient and impatient households. Other sectors include final good and wholesaling firms and a Taylor rule CB. Goal is to study sources and consequences of fluctuations in the US housing market.

shocks includes the following: z_t intertemporal preference shock, τ_t labour supply shock, j_t housing preference shock, $u_{p,t}$ cost shocks, $u_{R,t}$ monetary shock, productivity innovations ($u_{C,t}$, $u_{H,t}$, $u_{K,t}$).

Estimation: parameters of the model are estimated using Bayesian methods