

Homeownership and New Zealand labour market flexibility: a spatial perspective

by

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What is it about?

- Homeowners have high transaction costs when moving; low geographic mobility rates.

What opinions are out there?

- Macroeconomists:
 - Less geographic mobility = less flexible labour market = higher unemployment.

What opinions are out there?

- Microeconomists:
 - Homeowners are less geographically mobile, but have HIGHER exit rates from unemployment (all else equal).

What opinions are out there?

- Theorists:



-they're still working on it.

What is it *not* about?

- It is not about unifying the macro and micro evidence

Focus of the paper

- ...but covers the macro story really well.

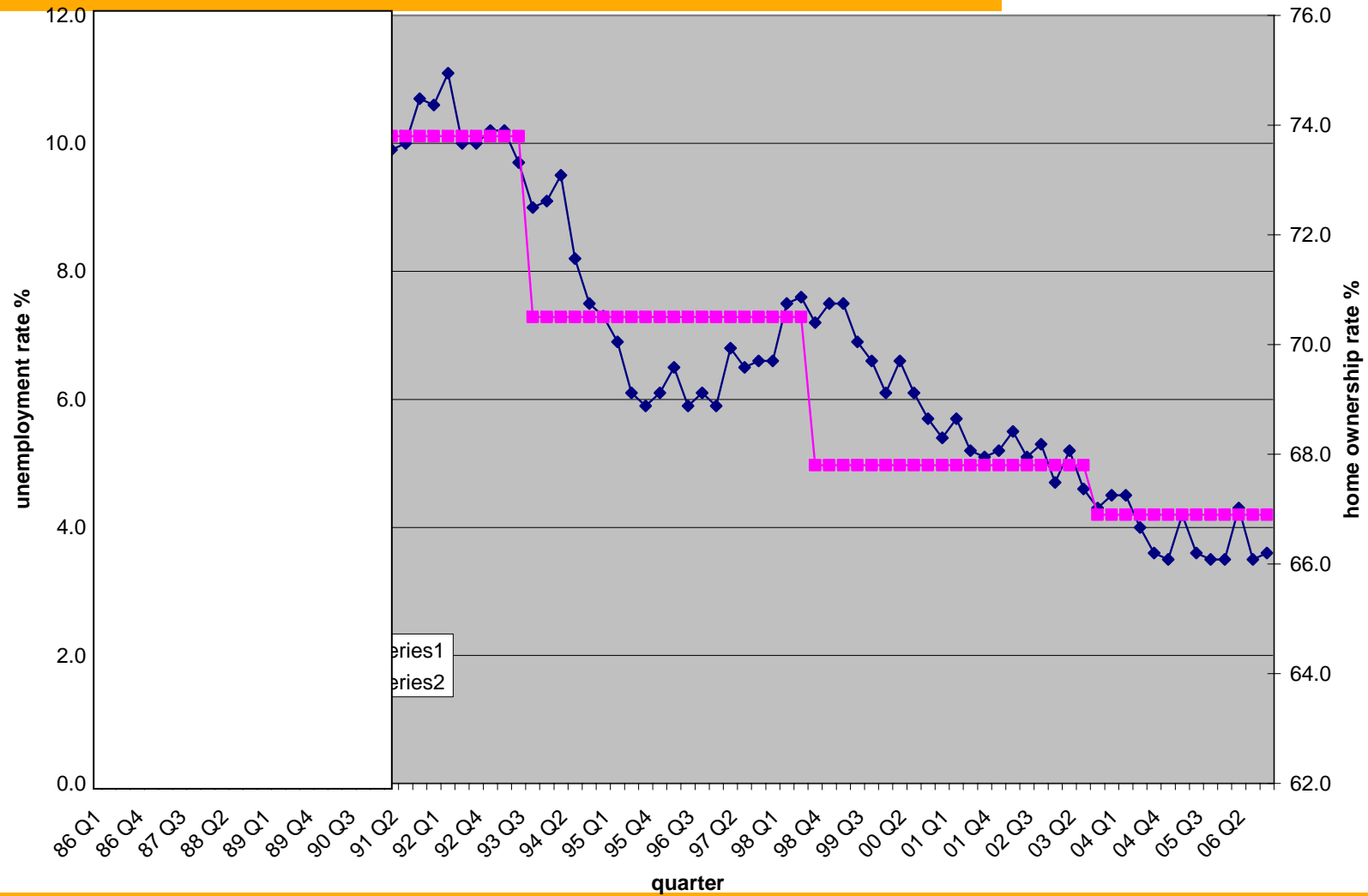
Take-away message of the paper

- The puzzle remains, but at least we know Oswald's 0.2 rule is robust in a macro setting.

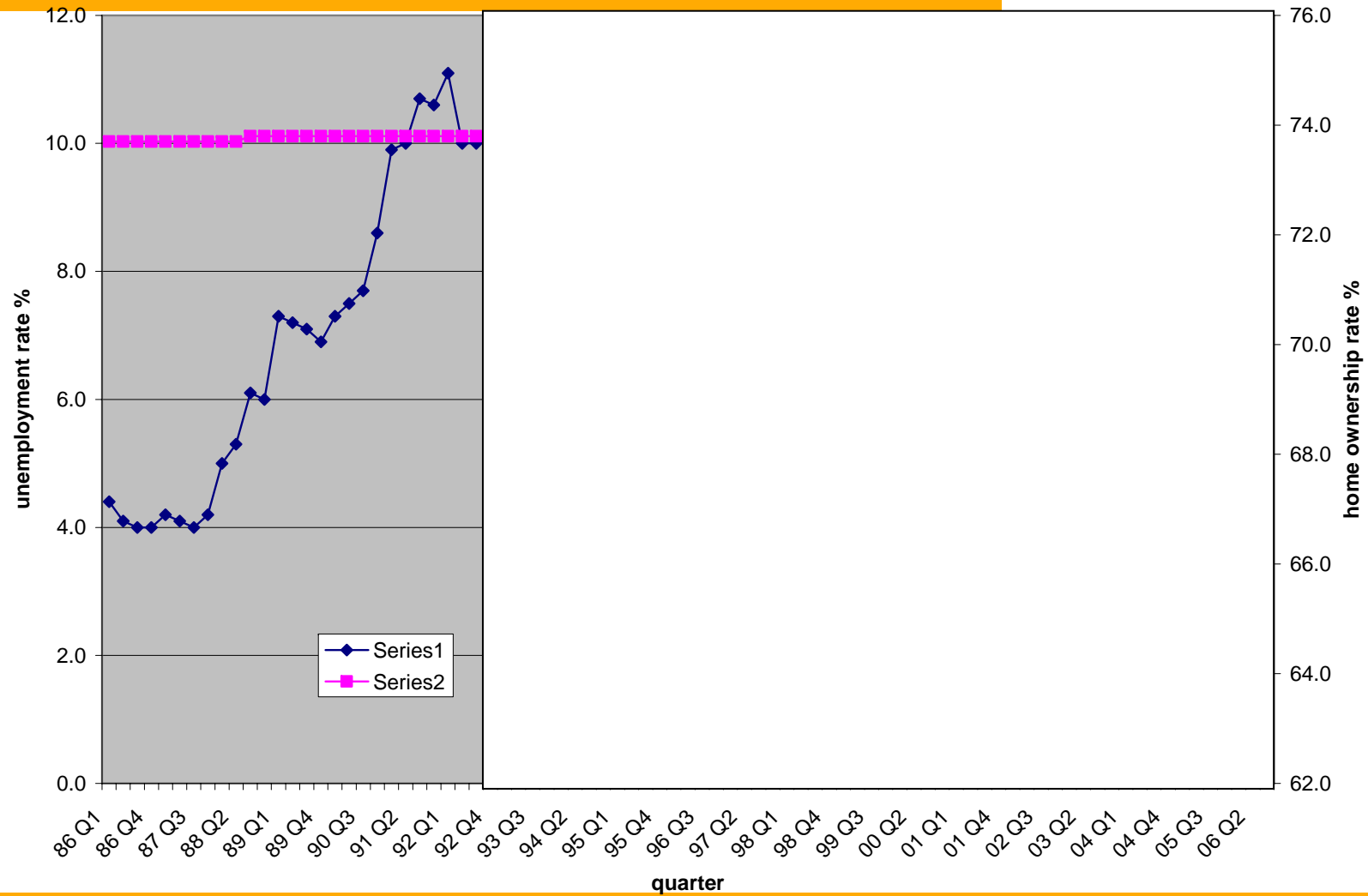
Some comments

- Oswald: explained upward trends in unemployment and ownership
- Here: Downward trends are explained.

The story in a graph



....but what about this?



Some remarks

- Looking forward on the authors making good on their future research plans.

Some remarks

- Is it possible to distinguish outright owners and purchasers?

Some remarks

- What other variables (that vary by ALM) could explain unemployment rates?