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ABSTRACT

From a macroeconomic point of view, the housing sector is an important aspect of the Taiwan economy. The focus of most of the previous work has centered on either national housing market macroeconomic relationships or microeconomic housing conditions for specific urban areas. Several studies have identified specific regional differences in housing tastes. These findings led us to question the relevance of national housing models which may be biased toward emphasizing macroeconomic factors. In our view, greater emphasis should be placed on a broader array of economic variables measured at the regional level. In the absence of better knowledge about the relations, the recent application of the nonstructural model – vector autoregression (VAR) method pioneered by Sims (1980, 1982) is a possible alternative. The primary focus of this article is unique in that it analyzes the determinants of housing prices using a combination of macroeconomic and microeconomic factors, and empirically the strength of short-run and long-run effect of macroeconomic and microeconomic variables on housing prices. Both nationally and regionally, using the VAR(vector autoregression) approach.

Keywords Housing prices, Vector autoregression model, error-correction model

Baffoe-Bonnie(1998)

Reichert(1990)

(1998)

John Baffoe-Bonnie(1998)

(1997)

McAvinchey & Macleannan(1982)

Krumm(1987)

1977 1978

1.

2.

3.

4.

1990

2002

VAR

(M2)

(M2)

1991

ADF

AIC

Johansen

Akaike

AIC

VAR

1

							F-test				
	VAR	r	CE			T-value					
	yes	3	no	yes	-0.230	-3.027**	1.56	0.89	6.97**	7.00**	2.42*
	yes	2	no	no	-0.013	-1.004	0.51	1.31	6.96**	1.40	2.31
	yes	2	no	no	-0.061	-1.813**	0.52	9.97**	2.59*	7.13**	6.98**
	yes	3	no	no	-0.095	-2.165**	1.42	1.35	2.79*	0.52	4.88**

* P <0.10

** P <0.05

(deterministic components)

Johansen(1992)

Pantula(1989)

Toda Phillips(1993, 1994)

ECM

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2. _____ 86 6 _____
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