



Vice Presidency of Sectors and Knowledge  
Research Department

## Summary

### Housing Markets in Latin American and Caribbean Cities: Implications for Development and Macroeconomic Stability

This research project will fund a series of studies to assessing the development of urban housing markets in LAC, focusing particularly on identifying government and market failures that hamper that development and the impact of housing market conditions on broader development outcomes, growth and business cycles.

This research project will support studies that examine the main drivers of housing markets and analyze the factors constraining the penetration of the formal housing market among the poorest segments of the population. Selected studies will also examine the role of public regulation and programs in housing provision and financing and, in related sectors, address the importance and channels of transmission of housing shocks for overall economic growth and the business cycle. The ultimate objective of the research papers is to identify and discuss market and regulatory failures that hamper the development of housing markets and policy options to address them.

The project will support country studies that aim to cover up to four main areas. The first area aims to describe urban housing markets in the largest metropolitan areas of a country in the region. The second and third areas should relate to an empirical analysis of determinants of the housing market, distinguishing between demand and supply-side factors. Studies should aim to address the fundamental questions of what constrains the consumption and production of housing in LAC, especially formal housing, and what are the most effective policies for easing those constraints. The fourth area should investigate the importance of the housing market for overall economic growth and the business cycle in LAC countries. In each of these areas, studies should identify and discuss policy options for addressing market and regulatory failures and promoting housing market development.

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