Estimation of Break Points of Housing Price Growth Rate for Top MSAs in Texas Area

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Abstract : Applying the structural break estimation method proposed by Perron and Bai (1998) to the housing price growth rate of top 5 MSAs in the Texas area, this paper estimated the structural break date for the growth rate of housing prices index. As shown in the estimation results, the break dates for each region are quite different, which indicates the heterogeneity of the housing market in response to macroeconomic conditions.