

ENCUENTROS

III CEMFI School of Economics

Housing Markets: Constraints, Crisis, and Implications for Households

Director

Samuel Bentolila

Professor of Economics Emeritus at CEMFI

Secretary

Virginia Sánchez-Marcos

Professor of Economics at Universidad de Cantabria

Housing affordability has deteriorated dramatically in recent decades, becoming one of the most pressing economic and social problems worldwide. The concentration of higher-income households in large cities, supply constraints, and the resulting rise in prices have combined to make housing increasingly unaffordable for millions of people. The affordability crisis has significant demographic consequences, as children increase the demand for space and stable housing. When housing is unaffordable, young people delay leaving their parents' home, marriage, and starting a family. The III CEMFI School of Economics will focus on three topics to understand how the housing market influences household decisions.

First, we will review recent developments regarding how households' decisions on housing tenure –renting versus owning– are incorporated into life-cycle models of consumption decisions, paying particular attention to financial frictions and the role of expectations. Next, we will examine the impact of rising housing prices on household formation and fertility decisions. Finally, we will explore how the housing supply in cities is determined and regulated, which gives rise to frictions and constraints that affect the functioning of housing markets.

The program is organized around these themes, with two morning lectures dedicated to each of them. In the afternoon there will be student presentations and a tutorial session on careers in Economics.

The School is aimed at final year undergraduates and graduate students in Economics. Depending on availability, students may be invited to attend the 5th Banco de España-CEMFI-UIMP Conference on the Spanish Economy, on “Housing and Institutions: Challenges and Opportunities for Spain”, 2-3 July 2026.

Monday 29 June

- 9.45 h Welcome
Samuel Bentolila
- 10.00 h Lecture 1: Housing over the Life Cycle
Georgi Kocharkov
European Central Bank
- 12.00 h Lecture 2: Housing and Expectations
Georgi Kocharkov
- 15.30 h Student presentations

Tuesday 30 June

- 10.00 h Lecture 3: House Prices, Households and Fertility: Methods and Evidence
Virginia Sánchez-Marcos
Universidad de Cantabria
- 12.00 h Lecture 4: From Micro Decisions to Macro Outcomes: the Global Fertility Decline
Virginia Sánchez-Marcos
- 15.30 h Student presentations

Wednesday 1 July

- 10.00 h Lecture 5: Housing Supply in Cities (I)
Diego Puga
CEMFI
- 12.00 h Lecture 6: Housing Supply in Cities (II)
Gilles Duranton
University of Pennsylvania
- 15.30 h Careers in Economics