



# MONTHLY BRIEF

## NEWS+MEDIA

- On January 26, **James Scott** of the [Real Estate Innovation Lab](#) joined Chief Data Officer **Javed Roshan** of CBRE for a fireside chat at the CRETECH Business Intelligence Summit. The discussion focused on the role of data in the real estate industry and where technology will make the biggest changes for the built environment in the future. Listen to the interview [here](#).
- Head of Industry Relations **Steve Weikal** on February 18 gave a keynote at the annual leadership meeting for First American Title, a longtime MIT/CRE partner. The session, "Innovation & Technology: Real Estate's Continuing Transformation," featured the center's latest thinking on the emerging trends and opportunities as the real estate industry continues to adopt and adapt tech-based solutions.
- The [MIT Sustainable Urbanization Lab's Zhengzhen Tan](#) on February 23 will present in the 2021 Boston Bisnow Digital Summit *Into the Future: Boston's Path to Healthy Buildings*. Zhengzhen's main stage presentation, "[Driving Wellness in an Age of Uncertainty](#)," addresses insights into occupier's wellness needs and strategies to influence behavior; the most cost-effective and efficient ways of retrofitting existing buildings; and how to identify the barriers to improve or invest in new and old buildings. Tickets for the 9 a.m.–12:45 p.m. ET summit are available at the link above.
- An additional date has been added to the [CRE Research Seminar Series](#), and features **Dr. Andrea Chegut** of the REI Lab. These seminars feature distinguished scholars in the real estate finance field and provide a rigorous discussion platform for basic research. Each seminar will feature only one presenter's current work for one hour, including Q&As. Seminars are held on Tuesdays from 12:00–1:00 p.m. ET via Zoom.
  - February 23: **Matthijs Korevaar** (Erasmus University)
  - March 9: **Bill Wheaton** (MIT CRE)
  - March 23: **Olivier Schöni** (Laval University)
  - April 6: **Daniel Greenwald** (MIT Sloan)
  - April 20: **Christian Hilber** (London School of Economics)
  - May 4: **Antoinette Schoar** (MIT Sloan)
  - May 18: **Lyndsey Rolheiser** (Ryerson University)
  - May 25: **Dr. Andrea Chegut** (MIT REI Lab)
- The REI Lab's **James Scott** on February 9 participated in ULI Europe's annual conference in the session "[The Innovation Mindset: Are Real Estate companies on Track for the Great Tech Leap Forward?](#)" Joined by Ross Bailey of Appear Here, Gabrielle McMillan of Equiem, and Andrei Girenkov of Greystar, the group discussed the challenges the real estate industry faces as well as its recent digital transformation.
- Head of Industry Relations **Steve Weikal** will lead an executive roundtable discussion about the future of work in a post-pandemic world on February 23. The session is being hosted by MIT/CRE partner the Carr Collective, and includes thought leaders Oliver Carr, CEO of Carr Properties, Francisco Gonzalez, Co-managing Director and Principal at Gensler, and Mark Ein, Chairman of Kastle Systems.
- The REI Lab's **Dr. Andrea Chegut, Helena Rong, Juncheng Yang, Dr. Irmak Turan** and **Minkoo Kang** will be working with ORO Editions to publish their book *The Value of Design: Design Agency in a Market Economy*. The book will focus on the lab's Value of Design Initiative, which examines the link between architectural and urban design strategies and interventions, as well as the economic outcomes of buildings and cities.

## RESEARCH

- The MIT SUL hosted a series of four SUL Tech Talks during IAP this year. Links to watch the recordings are available on [their website](#). The sessions were:
  - Introduction to NLP: Dictionary and Word-Occurrence Based Approaches for Sentiment Classification and Topic Modeling
  - Advanced NLP Methods: Multilingual Sentiment and Topic Classification Using Embedding Models
  - Urban and Real Estate Data Visualization: Building Interactive Maps and Dashboards
  - Smart Face Masks: Building Electronic Race Masks to Study Mask-Wearing Behavior
- MIT/CRE Senior Lecturer **Walter Torous** was recently published in *Real Estate Economics*, the official journal of the American Real Estate and Urban Economics Association. The publication, "[Second Mortgages: Valuation and Implications for the Performance of Structured Financial Products](#)," provides an analytic valuation framework to value second lien mortgages and first lien mortgages when homeowners can take out a second lien. The authors use the framework to value mortgage-backed securities (MBS) and, in particular, quantify the greater risk associated with MBS backed by first liens that have "silent seconds." Rating MBS without accounting for homeowners' equity extraction option results in much higher ratings than warranted by expected loss. While in their benchmark calibration, the senior tranche rating should be A1 rather than , the big losers from the equity extraction option are the mezzanine tranches that are nearly wiped out.
- MIT SUL research "Health Perception and Commuting Choice: A Survey Experiment Measuring Behavioral Trade-offs Between Physical Activity Benefits and Pollution Exposure Risks" by **Yichun Fan** (PhD candidate) **Juan Palacios, Rachel Lu, Prof. Mariana Arcaya** and **Prof. Siqi Zheng**, has been accepted for publication in *Environmental Research Letters*. The study findings show the intricately intertwined relationships between the public health targets of promoting active lifestyles and reducing pollution exposure, as well as between individual pollution avoidance and societal pollution mitigation.
- The [MIT Price Dynamics Platform](#) recently released new reports for two of their analytical products:
  - [Investor Supply/Demand](#): The gap between commercial real estate supply and demand reservation prices reversed in early 2020 with the onset of the pandemic. This gap has continued to widen, causing liquidity to plummet to the lowest level since at least 2005.
  - [CPPI Forecast Report](#): Based on data through 2020Q4, we continue to forecast largely positive price changes over the coming two years. This growth will follow on the heels of pandemic-induced falling prices in many markets during 2020.
- The working paper "[Encouraging the resumption of economic activity after COVID-19: Evidence from a large-scale field experiment in China](#)" explores the question of how to motivate people to go out again once it's safe to reopen after the pandemic. In a field experiment, researchers **Juan Palacios, Yichun Fan, Erez Yoeli, Jianghao Wang**, et al. used a "detection norm" nudge to increase the proportion of people who went to restaurants over the weekend by 37%.
- The REI Lab's **Dr. Andrea Chegut** presented at EY Middle East's Ministry of Housing seminar on February 2. The presentation focused on technology and innovation in real estate and city planning.
- The MIT SUL's Global Sentiment project recently launched a [new website](#), which showcases current projects that use geotagged Twitter posts to quantify and understand how crowd sentiment changes in response to climate change, natural disasters, and COVID-19.
- The study "[How Do Home Purchase Restrictions Affect Elite Chinese Graduate Students' Job Search Behavior?](#)" by **Weizeng Sun, Sisi Zhang, Chengtao Lin, and Siqi Zheng** was published by *Regional Science and Urban Economics*. This study examines how the harsh housing market intervention in Chinese cities, called home purchase restriction, affects the job location choice of elite graduates. It finds that they are forced to choose either low-restriction cities or the public sector (government agencies and SOEs) in high-restriction cities. Overall, this housing market intervention had the unintended consequence of hurting labor market quality and losing talent.

## EDUCATION

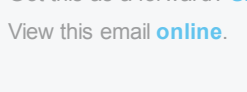
- [Developing Health-Centered Communities: The Next Revolution in Real Estate Online](#) (Live Virtual) | April 20-May 7, 2021  
A program offered by the **MIT Center for Real Estate** and **Harvard Medical School** in partnership with **MIT Professional Education**.
  - Focusing on trailblazing new concepts, strategies and technologies, this program brings together leading researchers, architects, urban planners, and real estate professionals, along with physicians, epidemiologists, and health tech entrepreneurs
  - Participants will gain a strategic vision for how professionals in health care and the built environment can work together to build projects that create value, promote healthy living, support aging-in-place, and develop communities that thrive.
- The MIT/CRE is launching "Sustainable Real Estate: Economics and Business" (11.s965) this spring semester, co-taught by **Prof. Siqi Zheng, Zhengzhen Tan, and Juan Palacios**. The course will address sustainable challenges at city-, asset- & portfolio-level, with insights from both academia and industry. If you are interested in learning more about this subject, please email the teaching team at [sre-cre@mit.edu](mailto:sre-cre@mit.edu).
- The past year has shown that online learning is not only valuable, it's essential. The MIT School of Architecture and Planning and the MIT Center for Real Estate's collaboration with GetSmarter enables an online learning experience that is high-touch and personalized for the working professional. In the **Commercial Real Estate Analysis and Investment** online short course that starts on April 7, participants will develop an understanding of interactions within the broader real estate system, including the space and asset markets. The program also provides participants with the tools to evaluate and manage a property portfolio based on economic principles and data. Find out more [here](#).
- In MIT SUL's January event PhDs@SUL, PhD candidates **Binzhe Wang** and **Yichun Fan** presented the proposals for their theses: Binzhe's "Digital platforms and the geography of urban consumption" and Yichun's "Air pollution and physical activity: System thinking in environmental health."
- Following a flexible online format, the **Data Science in Real Estate** online short course offers participants key insights from MIT faculty and industry experts in the real estate, finance, and IT sectors. Starting on May 5, this program equips participants with a data science tool kit that enables them to identify and interpret patterns in order to analyze property risks and opportunities. Find out more [here](#).
- In the February event MSc@SUL, **Camila Ramos, Nicolas Guetta** and **Matias Williams** presented the proposals for their MSc theses: Camila's "Understanding the Role of Subway in Fostering the Live-Work-Play Vibrancy: A Case Study from the Santiago, Chile", Nico's "From Posts to Policy: Can Social Media Data Inform Political Decision-Making?" and Matias' "Trade-off between public health and economic activity in urban areas during COVID-19 pandemic."

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