

A STUDY ON THE PROBLEMS ABOUT THE SECOND HAND MARKETS  
FOR HOUSES IN JAPAN

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[SYNOPSIS]

At first, we analyze how the housing market does interact each other with the loan market and labor market. Then, consumers' accessibility to each market decreases the transaction cost including moving cost between regions, which can raise the transaction volume and the market efficiency in Japan.

Second, we consider the theoretical reasoning for the less trading volume in Japanese used house market. We argue that the Japanese used house market is faced with asymmetric information about the house quality. Furthermore we explain such asymmetric information problem can become serious when tenants are protected legally in the rental housing market.

Third, we construct a simple dynamic model about housing stock markets which determines the shadow rent and the flow of housing construction. The model describes how the housing stock depends on the rent, housing construction and demolition. In Japan, there are some deficiencies in the law stipulating the condominium, so that it is very difficult to terminate or re-build the condominiums.