

**ANDERS ÖSTERLING**

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## STOCKHOLM UNIVERSITY

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### **Contact Information:**

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### **Undergraduate Studies:**

B.Sc., Economics, Stockholm University, 2010  
M.Sc., Mathematics, Stockholm University, 2008  
B.Sc., Mathematics, University of Exeter, 2004

### **Graduate Studies:**

Stockholm University, 2010 to present

Ph.D Candidate in Economics

Thesis title: *“Real Estate Market Microstructure and Mortgages”*

Expected Completion Date: June 2017

### **References:**

Professor Roine Vestman (main supervisor)  
Stockholm University, Dept. of Economics  
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Professor Johannes Stroebel  
Dept. of Finance, NYU Stern  
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### **Teaching and Research Fields:**

Primary fields: Macroeconomics, Household finance

Secondary fields: Real Estate Economics and Finance, Mortgages

### **Teaching Experience:**

2009-2010 M.Sc. Thesis supervision in Risk Management, KTH Royal Institute of Technology, Stockholm

### **Research Experience and Other Employment:**

2015, fall Visiting Researcher, The Riksbank, Stockholm

2013-2014 Visiting Research Scholar, Center for Real Estate Finance Research, NYU Stern, NY, US

2008-2010 Quantitative Analyst, EKN The Swedish Export Credits Guarantee Board, Stockholm  
(part time work during first three years of Ph.D. studies)

2007-2008 Consultant in Quality Assurance, Know IT, Stockholm

**Seminars (including scheduled non-job market):**

- 2017 American Economic Association meetings in Chicago, US  
KTH Royal Institute of Technology, Stockholm, Sweden
- 2016 Université Libre de Bruxelles, Brussels  
Stockholm School of Economics, Stockholm  
Stockholm University, Stockholm  
European Real Estate Society conference, Regensburg  
IFN Research Institute of Industrial Economics, Stockholm, Sweden  
Universitat Autònoma de Barcelona, Barcelona, Spain  
ReCapNet conference at ZEW Mannheim, Germany  
Swedish House Of Finance, Stockholm, Sweden  
Lund University\*, Sweden
- 2015 Stockholm University  
Housing-Urban-Labor-Macro (HULM) Conference at Washington University, St Louis, MO.  
Nordic Finance Network Workshop, Helsinki  
SWEDSUC Conference, Uppsala  
Riksbank, Research division, Stockholm  
Riksbank, Financial stability forum, Stockholm  
Stockholm University\*
- 2014 Konjunkturinstitutet\*  
Greater Stockholm Macro Group at Sveriges Riksbank\*  
Center for Real Estate Finance Research at NYU Stern, New York University  
GIBA Conference, Tampa, Florida.  
Leonard N. Stern School of Business, New York University

\*Paper presented by a co-author.

**Discussions (including scheduled):**

- 2016 Roland Füss and Jan Koller: *“Efficient Land Use with Congestion: Determining Land Values from Residential Rents” (ERES)*  
Moritz Lukas, Vito Mollica, Markus Nöth, and Stefan Trück *“Over the top? Overpricing and Advertising Effectiveness” (ReCapNet)*
- 2015 Carl-Johan Rosenvinge: *“Bank Bail-Outs, Regulation, and Competition Policy,” (ENTER)*

**Scholarships:**

- 2014 Handelsbanken program stipend (part of Annika Alexius’) to purchase research data. SEK 300,000 (approx. USD 46,000)
- 2011 Tom Hedelius Foundation. Scholarship awarded for graduate studies in the US. SEK 572,000 (approx. USD 88,000)
- 2004 Molander Brothers Foundation. Scholarship awarded for B.Sc.

**Software and programming skills:**

Python (including Pandas), Matlab, STATA, C/C++, Java, JavaScript, Excel/VBA, PHP, Perl, Bash/sh, awk/sed, SQL and noSQL, HTML/CSS, ArcGIS/QGIS, Windows/Unix/Linux/OS X

## **Research papers:**

*“Underpricing Regimes in Housing Markets”* (Job Market Paper)

Media coverage: [Dagens Nyheter](#), [Swedish National Public Radio](#), and [Byggghus](#).

I study a staggered policy change intended to reduce bidding wars for homes by increasing their list price and eliminating underpricing. Using a novel and large micro data set and a difference-in-difference methodology, I find that increasing the list price reduces the buyer arrival rates in all stages of the search process -- online, at the open houses, and during bidding -- and increases the probability of a failed sale. I find a strong null effect on the sales price which can be bounded to a tight interval around zero. I find no effect on the sales effort exerted by real estate agents, nor on time-on-market. To explain these findings, I develop a search model where a non-committing list price is set optimally by real estate agents and where the list price directs buyers' search. The model is consistent with the empirical results if home buyers follow a simple rule of thumb, but not when they act fully rationally.

*“On the Design of Mortgage Default Legislation”* with Jakob Almerud and Roine Vestman

(Under major revision)

The U.S. foreclosure procedure, with limited protection for creditors, and the financial industry's dubious financial innovation and lax lending standards have been heavily criticized since the beginning of the financial crisis. In this paper we investigate how mortgage default rates and the likelihood of systemic defaults depend on creditor protection (in terms of re-course and wage garnishment) and on mortgage product (ARMs, FRMs, Interest Only). To do so, we build a model where household endogenously choose to default on their mortgage and where banks endogenously set the risk premium. We find that garnishment of wages and assets provides a very powerful means for discouraging defaults, even if the exemption levels are generous. A 10-year garnishment period on all labor income and savings in excess of four times median income reduces defaults on ARMs by a factor of four and defaults on IO mortgages by a factor of two. A particular advantage of wage garnishment is its role to prevent systemic defaults among IO mortgages. Garnishment periods of fifteen years combined with fairly generous exemptions implies that virtually all defaults on IO mortgages are idiosyncratic to their nature.

*“De-cursing dimensionality in exogenous state variables: stochastic grids and nearest neighbor expectations.”* with Jakob Almerud

We propose two alterations to conventional numerical solution methods that greatly speed up computational time for models with many exogenous state variables. First we use simulated stochastic grids, as opposed to a hyper-cube of deterministic grids, for the exogenous state variables. Second we use nearest neighbor interpolation when calculating expectations about the future. We demonstrate the usefulness of combining these alterations by solving a consumption/savings life-cycle model. The model with eight exogenous state variables is solved in around eight minutes on a standard desktop computer.