

Master Thesis idea, 2016

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Flooding and house prices

The risk of flooding has increased and is expected to increase even further due to global warming. A couple of years ago detailed information about flood risks were made public in Denmark. One reason to publish the information is that it is important information for property owners and houses buyers. By informing about the flood risks, the social cost of flooding may be reduced due to prevention actions by house owners and public authorities. One also expected that the information should affect house prices and insurance premiums. However, no evaluation has been done.

To evaluate the effect of flood risk on house prices, one can carry out an econometric analysis. More specifically, the idea is to estimate hedonic price functions. Data is publically available, but has to be collected.

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Overall research interests: Flooding, environmental economics, health economics, econometrics