

Comment

Kentaro Nakajima
Tohoku University

Summary

- Detecting information asymmetry on reality investment
- Key findings
 - Foreign investors invest higher price than the domestic ones
 - Their investment experiences decrease price
 - Bunch of good robustness checks
- Information matters for the investment strategy
 - I am totally convinced

Comment

- Mechanism
 - What is the source of information friction?
- Focus more about investors' characteristics
 - Estimation by host country
 - Real estate institution in Japan might be largely different to the other countries
 - US institution is well informed in broad countries
 - Investor's country × host country
 - Language barrier?
 - Institutional difference?
 - Investor's characteristics
 - Having affiliates in the host country
 - Commitment to the country
 - Base for gathering information

Comment

- Mechanism
 - What is the source of information friction?
- Related? Literature
 - Graddy (1995, RAND)
 - Focus on Fulton Fish Market in NYC
 - White buyers pay higher prices than Asian buyers
 - Collusion?

Comment

- Focusing on the repeated sales on same property is clever
 - Property investment boom
 - With the boom, foreign investors enter the market...