Press Release

Mannheim Economist Sebastian Siegloch Receives ERC Grant to Investigate Inequality in Real Estate Markets

Prestigious EU funding for researching the effects of housing policies on local housing markets

Urbanization and gentrification lead to rapidly increasing property prices and changing population structures in German and European cities. While inequality in neighborhoods has been decreasing, disparities between individual districts have been growing. Why are such marked shifts occurring and which policies can mitigate these inequalities? Sebastian Siegloch, Professor of Economics at the University of Mannheim and head of the Research Department “Social Policy and Redistribution” at the Leibniz Centre for European Economic Research (ZEW), received a prestigious funding grant from the European Research Council (ERC) amounting to a total of 1.5 million euros, which will be paid over five years to investigate these questions. The funding is part of the European Union's research program “Horizon 2020”.

The grants awarded by the European Research Council in the current round amount to a total of 677 million euros. Most Starting Grants are awarded to researchers in Germany (88), Great Britain (62) and the Netherlands (42).

“Rising real estate prices is a highly relevant issue for many people. It influences their place of residence. We have to achieve a better understanding of how real estate markets work and how public policies such as property taxation can influence the market,” Siegloch explains.

The 37-year-old economist distinguished himself from strong international competitors in his application for the ERC Starting Grant. The President of the University of Mannheim, Prof. Thomas Puhl, congratulated Prof. Sebastian Siegloch on his enormous achievement. “ERC
Starting Grants are one of the most valuable and prestigious grants in Europe. We are proud of having another researcher at our university who was awarded this renowned grant. In the last nine years, the Department of Economics at the University of Mannheim has received seven ERC grants. This confirms our position as a leading institution for economic research.

Housing policy in the spotlight
In this research project, Siegloch investigates how different housing policy instruments affect local housing markets and influence regional inequality.

The analysis of the effects of different instruments provides a comprehensive overview of available policy options. It combines state-of-the-art theoretical models and carefully conducted empirical analysis in order to derive the efficiency costs and distributional effects of different policy measures. These results provide guidance for policymakers when addressing the challenges induced by the current housing crisis. “The metropolitan region Rhine-Neckar will also be affected by these changes in the real estate market – I am excited to build a new international research group here in Mannheim and to get to the bottom of these pressing issues”, adds Siegloch.

More on the research and career of Sebastian Siegloch can be found under: https://www.vwl.uni-mannheim.de/siegloch.

Latest round in funding brings University of Mannheim’s count of ERC grants up to nine
Since its foundation, the European Research Council has awarded a total of nine ERC grants to researchers of the University of Mannheim. Five of these received an ERC Starting Grant, while the other four were recognized with an ERC Consolidator Grant.

About the ERC
The European Research Council (ERC) is an institution established by the European Commission to fund basic research. The ERC Starting Grants are part of the EU's research and innovation program, Horizon 2020, and support promising young scientists in their research projects and the establishment of research groups. With the Starting Grants, the ERC offers excellent young scientists in Europe the opportunity to carry out basic research and expand their own research team. The ERC supports ground-breaking and visionary research that breaks down the barriers between basic and applied research, between traditional disciplines and between research and technology.

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