

# Between carrots and sticks, from intentions to actions: behavioural policy interventions for housing decisions

## Biography

Dr. Helen Bao is a Professor of Land Economy at the Department of Land Economy, University of Cambridge. Helen's research focuses on government policy and interventions that facilitate market operations and mitigate market failures in urban settings, such as sustainable urbanisation and housing affordability. On the technical front, she specialises in the application of behavioural insights and hedonic price modelling in land and housing markets. Helen's book, "Behavioural Science and Housing Decision Making: A Case Study Approach," pushes the teaching and research frontier of behavioural urban studies. Helen has published extensively on the application of behavioural insights in real estate markets in *Urban Studies*, *Regional Sciences*, *Land Use Policy*, *Housing Studies*, *Journal of Real Estate Finance and Economics*, *Cities*, *Transport and Research Part F - Traffic Psychology and Behaviour*, among others. Helen's research has received grants from the Economic and Social Research Council (UK) and the National Natural Science Foundation of China. She is an Associate Editor of *Cities* and an editorial board member of key journals in the area of urban studies, such as *Land Use Policy*.



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## Abstract

Although behavioural interventions have been adopted widely in the public policy domain, with many countries establishing their own behavioural insight units, the application of behavioural insights in the housing market remains at an early stage. There is still much to be learned about when, where, and how behavioural interventions should be employed. To bridge this gap in the literature, we review how approaches from behavioural economics help our understanding of the complexity of housing decisions and outcomes. In this seminar, we will discuss how behavioural policy interventions can be used to improve housing decisions and an analytical framework for researchers and policymakers to identify areas where behavioural interventions could be implemented, and which behavioural tools should be employed. We argue that behavioural interventions are most relevant and effective when neither government regulations nor market incentives are effective. In other words, behavioural interventions are tools between sticks (e.g., planning regulations) and carrots (e.g., financial incentives). When it comes to the choice of specific behavioural tools, emphasis should be put on narrowing the intention-action gap, i.e., encourage people to act upon 'good intentions' by overcoming behavioural biases such as inattention, loss aversion, or myopia.



**Date:** 11 June 2024 (TUE)  
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**Venue:** LI-5401  
Li Dak Sum Yip Yio Chin  
Academic Building  
City University of Hong Kong

**Language:** English  
**Mode:** In-person/Zoom  
Meeting ID: 990 1448 1519  
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In-person  
Registration



zoom



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