

"The Collateral Channel: How Real Estate Shocks Affect Corporate Investment"

by Thomas Chaney, David Sraer and David Thesmar

Instructions for replicating data and results:

This file is called readme.pdf and is contained in the root directory of the zip file CollateralChannel.zip, available from the AER website.

Once unzipped, the folder "CollateralChannel" contains all the data and programs necessary to replicate our results, with the exception of 3 datasets that are not publicly available. In order to replicate our results, follow these steps:

1/ Create the following 3 datasets:

compu_panel.dta

The information in this dataset is collected from COMPUSTAT, available through WRDS. The file contains the following variables for the year 1981 to 2008: yeara, state, fips, msacode, drum, sic2, aftnt1, gvkey, and data8, 6, 128, 34, 9, 1, 25, 60, 74, 24, 199, 18, 14, 13, 308, 237, 127, 108, 301, 111, 114, 15, 21, 115, 58, 20, 280, 263, 260, 266, 265, 155, 158, 253, 255, 47, 261, 264, 267, 156, 157, 252, 254, 256, 257 and 7.

birth_date.dta

For all the firms contained in the previous file, this dataset contains two variables: "gvkey", and a variable called "birth1" which is the year at which the firm appears in COMPUSTAT, censored in 1960.

commercial_price_data.txt

The information contained in the dataset is collected from Global Real Analytics, and was generously provided to us by Chris Mayer. It contains the following variables at a quarterly frequency, from 1985 to 2006: "year", "quarter", "msacode" (MSA code), and "offprice" (commercial price index).

2/ Place these 3 files in the folder "not for diffusion".

3/ In the folder "progs", in the files "master.do" (line 36) and "first_stage.do" (line 11), correct the address for the do files folder "progs" so that it matches the location on your computer.

4/ All the programs (STATA do files) are contained in the folder "progs". Simply run the main do file "master.do", which will call the various other do files. All the output generated (tables and graphs) will be placed in the folder "output".

Note: the do files contain a precise verbal description of every step of the procedure, and should be easy to understand.