

$$\hat{C}_t^b C^b + qH^b \left(\hat{q}_{t+1} + H_{t+1}^b - (1-\delta)\hat{H}_t^b - (1-\delta)\hat{q}_t \right) + Rb \left(\hat{R}_{t-1} + b_{t-1}^b - \hat{\pi}_t \right) \leq \hat{b}_t^b b^b + WL \left(\hat{w}_t + \hat{l}_t \right)$$

(0.1)

\hat{C}_t^b is the deviation of consumption from steady state in borrower's household, C^b is the steady state of consumption. Similarly, q is the price of residential goods, H^b is the steady state of the stock of residential goods. R is interest rate, b is loan, w is steady state of wage, and L is steady state of labor.

So I wondered how to deal with this equation(1.5) in dynare? since I have no idea about the value of C^b, H^b , etc, which are the value of steady state? Is there any possible I can get to a equation without C^b, H^b , etc? It seems quite complicated to solve them by hand, so many unknown variables.

I think this equation should be commonly seen in DSGE models of real estate problems. For instance, I've just read an article from "dynare working paper", "Macroprudential Measures, Housing Markets and monetary policy, by Margarita Rubio." It has a very much alike equation, but I don't see its dynare code, and I don't know what has happened to the equation after it was born. I wonder why it's called 'dynare working paper', since no dynare code can be found in its appendix. ==