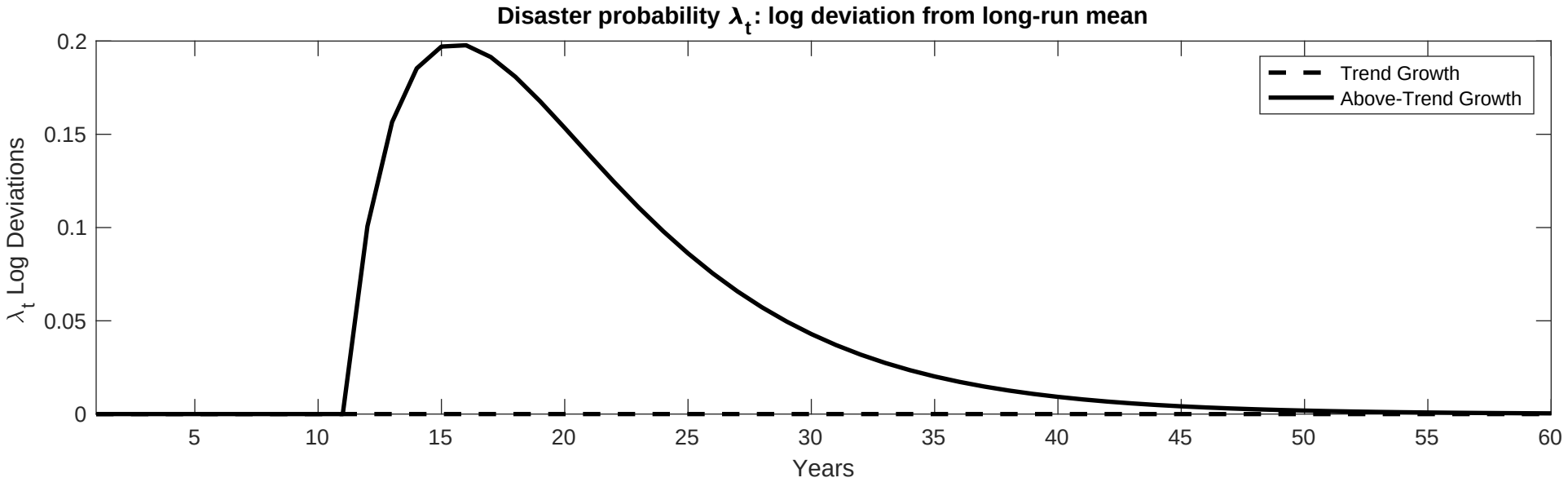
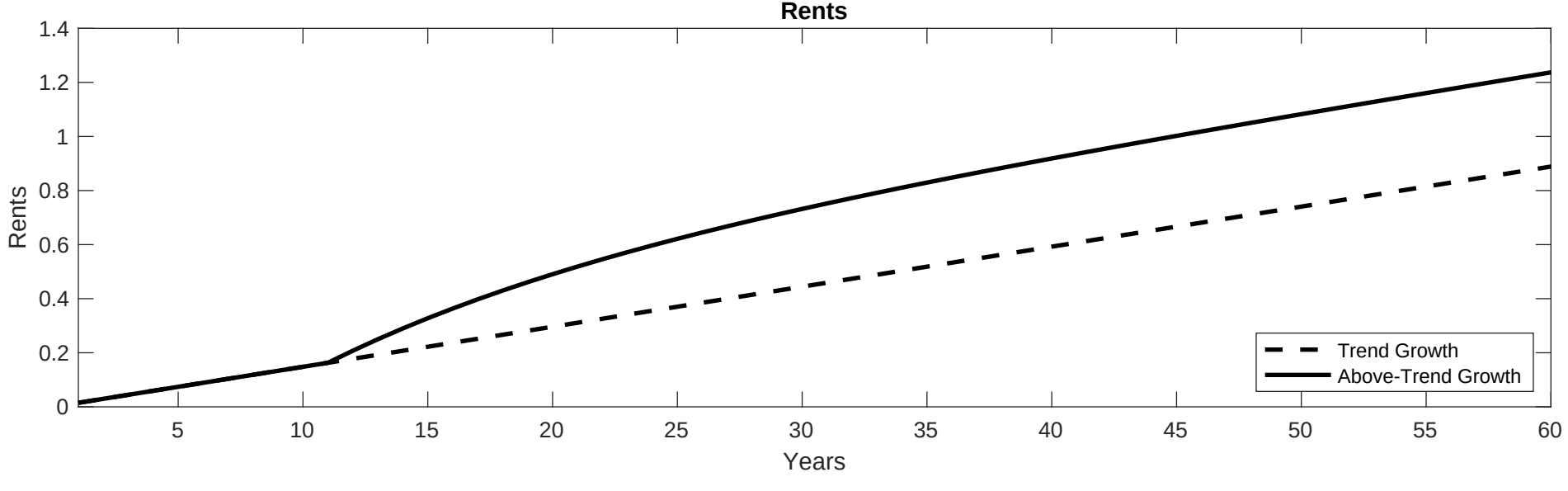

Disaster probability λ_t: log deviation from long-run mean
λ_t Log Deviations
0.2
0.15
0.1
0.05
0
5
10
15
20
25
30
35
40
45
50
55
60
Years
Trend Growth
Above-Trend Growth


Rents
Rents
1.4
1.2
1
0.8
0.6
0.4
0.2
0
5
10
15
20
25
30
35
40
45
50
55
60
Years
Trend Growth
Above-Trend Growth