Seminar The Edges of Homeownership

Supported by the Urban Studies Foundation

Tuesday 30 September and Wednesday 1 October 2014

Report to
Urban Studies Foundation

21 December 2014

Venue
Delft University of Technology
Aula Conference Center (Building 20)
Mekelweg 5
2628 CC Delft
The Netherlands
Commission Room 3

Organizing Committee
Marietta Haffner
TU Delft
Rachel Ong
Curtin University
Susan Smith
Cambridge University
Gavin Wood
RMIT

Organized by
OTB Research for the Built Environment
Faculty of Architecture and the Built Environment

Hosted by
Delft – CHEC
Delft – Comparative Housing research Expertise Centre
http://www.otb.tudelft.nl/chec
REPORT ON OUTCOMES OF “THE EDGES OF HOME OWNERSHIP” SEMINAR

The Edges of Home Ownership seminar was sponsored by the Urban Studies Foundation. Delft University of Technology hosted the seminar on 30 September and 1 October 2014. Appendix 1 lists details of the 27 colleagues in attendance.

Seminar program

We designed a program which closely aligned with that envisaged in our application. The seminar program featured 22 papers (unfortunately one presenter had to withdraw due to illness) involving 34 authors addressing the key themes from the perspectives of a wide spread of world regions. Please refer to the schedule in Appendix 2 for details. We invited Professor Peter Williams, University of Cambridge, and Professor Richard Ronald, University of Birmingham and University of Amsterdam, to act as rapporteurs.

Themes that emerged from seminar discussions

A variety of different themes arose from the seminar discussions. The future of home ownership was a key topic that participants returned to on more than one occasion. A contrasting picture emerged. In some world regions, especially East Asian cities such as Hong Kong and Shanghai, home ownership continues to thrive as an expanding tenure that is attractive to an increasing share of the cities’ populations. On the other hand home ownership has become a more precarious tenure across numerous countries in Europe, as well as in Australia, South Africa and US; here the divide between ownership and renting has become more permeable in both directions.

A second theme surfaced around the changing role of housing wealth. In many countries the owner-occupied dwelling offers a tax-favoured vehicle for the accumulation of wealth that helps secure living standards in retirement. This view rests on the assumption that those climbing into home ownership with the help of a mortgage will inject equity by paying off outstanding debt before retirement. In old age these outright owners will have low housing cost outlays. However, the appearance of new mortgage products in some contemporary housing finance markets, Australia, UK and U.S.A., for example, has facilitated the release of housing wealth at all stages of the life cycle. In these countries owner-borrowers are frequently using flexible mortgage and re-financing products to extract housing equity in situ. There is evidence to suggest that these equity borrowers are typically releasing equity to meet pressing spending needs; housing wealth is playing a new welfare role.

A third theme concerned the distribution of housing wealth. We were presented with important research findings suggesting that in those countries with deregulated or liberalized financial markets, wealth has become more unequally distributed. This is an outcome despite home ownership becoming more widespread.

Finally, the seminar explored the edges of home ownership as an important concept advancing our understanding of housing systems. There was general agreement that the edges of home ownership comprises that zone separating mainstream ownership
and renting. It is a zone where households juggle day-to-day spending, housing cost outlays and debt in an effort to maintain a foothold in home ownership. While most may aspire to transition into mainstream ownership, some could be better of renting.

The seminar also opened up a rich array of questions prompting future programmes of research on home ownership. Importantly, a longer-term view of housing systems and housing wealth is needed because even currently available longitudinal data only provide snapshots of change over a short time horizon. While the housing wealth themes provoked much discussion and interest, a number of participants felt that it was important to examine households’ holdings of non-housing assets, and the management of their non-housing and housing assets. The management strategies used by owners are thought to be important to an understanding of how households have navigated their way through the economic booms and busts of recent decades. Finally, some participants questioned whether the golden era of home ownership has come to a close: Have we reached unsustainable levels of home ownership in some countries, such that the pendulum swings back and a more balanced housing system emerges, in which alternative forms of housing tenure feature more prominently?

**Publications strategy**

We have published in the October newsletter Mortgage Info of the European Mortgage Federation ([http://hypo.org/Content/Default.asp?PageID=425](http://hypo.org/Content/Default.asp?PageID=425)) the following contribution: Housing Wealth’s New Welfare Role: Evidence from Australia and the UK. Further opportunities will be followed-up with other outlets that offer an audience beyond that of academic fraternity (for example, the online Conversation outlet in Australia and the UK).

Immediately after the seminar, emails were sent to participants asking whether they wish to submit a revised version of their paper for possible publication in a special issue. In the letter of invitation, the themes of the special issue have been outlined, and we have requested a 200-word abstract that will address those themes. For 18 papers, authors have submitted an abstract in response to this invitation.

**Budget**

The total amount of funding received from Urban Studies Foundation was £20,000.
## APPENDIX 1  List of participants (27 participants)

<table>
<thead>
<tr>
<th>Last name</th>
<th>First name</th>
<th>Organization</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>André</td>
<td>Stéfanie</td>
<td>Tilburg University</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Cigdem</td>
<td>Melek</td>
<td>RMIT University</td>
<td>Australia</td>
</tr>
<tr>
<td>Dewilde</td>
<td>Caroline</td>
<td>Tilburg University</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Doling</td>
<td>John</td>
<td>University of Birmingham</td>
<td>UK</td>
</tr>
<tr>
<td>Elsinga</td>
<td>Marja</td>
<td>Delft University of Technology</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Forrest</td>
<td>Raymond</td>
<td>City University of Hong Kong</td>
<td>China</td>
</tr>
<tr>
<td>Haffner</td>
<td>Marietta</td>
<td>Delft University of Technology</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Hirayama</td>
<td>Yosuke</td>
<td>Kobe University</td>
<td>Japan</td>
</tr>
<tr>
<td>Hubers</td>
<td>Christa</td>
<td>Tilburg University</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Isgro</td>
<td>Lorenzo</td>
<td>European Mortgage Federation</td>
<td>Belgium</td>
</tr>
<tr>
<td>Josie</td>
<td>Jaya</td>
<td>Human Sciences Research Council (HSRC)</td>
<td>South Africa</td>
</tr>
<tr>
<td>Köppe</td>
<td>Stephan</td>
<td>University of Dundee</td>
<td>UK</td>
</tr>
<tr>
<td>Li</td>
<td>Yamin</td>
<td>East China Normal University (ECNU) Visiting Delft University of Technology</td>
<td>China</td>
</tr>
<tr>
<td>Marais</td>
<td>Johan George Lochner</td>
<td>University of the Free State</td>
<td>South Africa</td>
</tr>
<tr>
<td>Nagy</td>
<td>Gyula</td>
<td>FHB Mortgage Bank Ltd, European Mortgage Federation, Statistical Committee</td>
<td>Hungary</td>
</tr>
<tr>
<td>Ong</td>
<td>Rachel</td>
<td>Curtin University</td>
<td>Australia</td>
</tr>
<tr>
<td>Pareja</td>
<td>Montserrat</td>
<td>University of Barcelona</td>
<td>Spain</td>
</tr>
<tr>
<td>Ronald</td>
<td>Richard</td>
<td>University of Amsterdam and University of Birmingham</td>
<td>Netherlands/UK</td>
</tr>
<tr>
<td>Smith</td>
<td>Susan</td>
<td>University of Cambridge</td>
<td>UK</td>
</tr>
<tr>
<td>Stafford</td>
<td>Frank</td>
<td>University of Michigan</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Whelan</td>
<td>Stephan</td>
<td>University of Sydney</td>
<td>Australia</td>
</tr>
<tr>
<td>Whitehead</td>
<td>Christine</td>
<td>London School of Economic</td>
<td>UK</td>
</tr>
<tr>
<td>Williams</td>
<td>Peter</td>
<td>University of Cambridge</td>
<td>UK</td>
</tr>
<tr>
<td>Wind</td>
<td>Barend</td>
<td>Tilburg University</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Wood</td>
<td>Gavin</td>
<td>RMIT University</td>
<td>Australia</td>
</tr>
<tr>
<td>Yang</td>
<td>Zan</td>
<td>Tsinghua University</td>
<td>China</td>
</tr>
<tr>
<td>You</td>
<td>Seung Dong</td>
<td>Sangmyung University</td>
<td>South Korea</td>
</tr>
</tbody>
</table>
APPENDIX 2  Program (22 papers)

Seminar
The Edges of Ownership

DAY ONE
Starts at 9:00 am

9:00  OPENING
Marietta Haffner

9:10  Susan Smith
Introduction

1. The precarious edges of home ownership
Chair: Rachel Ong

Papers using Panel Survey (or similar) quantitative data resources to identify the factors that make the edges of ownership risky for households.

9:25  Frank Stafford
Housing Market Declines and Family Financial Responses

9:45  Melek Cigdem, Rachel Ong, Susan J. Smith and Gavin A. Wood
Life on the edge: a perspective on precarious home ownership

10:05  Lochner Marais and Jan Cloete
Financed homeownership and economic downturn in South Africa: evidence from the National Income and Dynamics Survey

10:25  Kyung-Hwan Kim and Seung Dong You
The Global Financial Crisis and Tenure Transition in Korea

10:45  Open discussion facilitated by Peter Williams as rapporteur

11:10  COFFEE/TEA

1 Bold text for a participant indicates the chair, presenter or rapporteur.
2. **Housing wealth management: equity accumulation, exchange and intergenerational transfers**

**Chair: Gavin Wood**

Papers using a mix of data and other resources to reflect on changing significance of housing wealth for individuals and wider society

2a **Housing and wealth portfolio**

**Chair: Gavin Wood**

*(the housing wealth and its building up...)*

11:40 **Stephan Köppe**

Mortgage Managers at the Edges of Homeownership: Longitudinal Evidence from the United Kingdom (1991-2008)

12:00 **Jie Chen and Zan Yang**

Borrowing Constraints and Homeownership Edge of Young Adults: Evidence from Shanghai

12:20 **Barend Wind, Philip Lersch and Caroline Dewilde**

The distribution of housing wealth among the elderly: Impact of homeownership policies in 16 European welfare states

12:40 **Open discussion facilitated by Peter Williams as rapporteur**

13:05 **LUNCH**

2b **Intergenerational dimensions**

**Chair: Gavin Wood**

*(the intergenerational implications of the changing role of housing wealth)*

14:05² **Stephen Whelan**

Intergenerational Transfers, Housing Outcomes and Inequality – Australian Evidence

14:25 **Clara Mulder, Caroline Dewilde, Mark van Duijn and Annika Smits**

The association between parents’ and adult children's homeownership: A comparison of ten European countries

14:45 **Open discussion facilitated by Peter Williams as rapporteur**

15:10 **TEA**

---

² Karen Rowlingson unfortunately dropped out because of illness.
The fungibility of housing wealth...
Chair: Gavin Wood

15:40  Susan J. Smith, Melek Cigdem, Rachel Ong and Gavin A. Wood
Equity Exchange at the Edges of Ownership in Australia and the UK

16:00  John Doling and Richard Ronald
Pensions and housing in East Asia: the role of reverse mortgages in the
productivist model

16:20  Marietta Haffner, Rachel Ong and Gavin Wood
Mortgage equity withdrawal in six countries and possible effects on the
edges of home ownership

(wellbeing effects)

16:40  Melek Cigdem, Rachel Ong, Susan J. Smith and Gavin A. Wood
Wellbeing at the edges of ownership

17:00  Open discussion facilitated by Peter Williams as rapporteur

17:25  CLOSING

18:30  DINNER Walk-in
Proeverij de Waag
Spiral staircase to first floor
Markt 11, Delft

19:00  Start dinner
DAY TWO
Starts at 9:30 am

9:30 OPENING
Marietta Haffner

3. The future of home ownership
Chair: Marietta Haffner
(as it currently is)

9:40 Ray Forrest
Home Ownership and Housing Wealth Reconsidered

10:00 Rebecca Chiu
The Future of Home Ownership and Housing Security in Hong Kong:
Implications for Fast Growing Chinese Cities

10:20 COFFEE/TEA

10:50 Yosuke Hirayama
Individualization and familization in Japan’s home-owning democracy

11:10 József Hegedűs and Gyula Nagy
The effect of GFC on tenure choice in a post-socialist country – the case of
Hungary

11:30 Open discussion facilitated by Richard Ronald as rapporteur

12:00 LUNCH
4. **Experiments on the edges**  
**Chair: Susan Smith**

Papers on practical experiments/products at the edges of ownership identifying financial innovations and policy interventions that would inform the design of a sustainable housing system.

13:00  **Jaya Josie, Jeff Petchey and Krish Chetty**  
*Post-Apartheid South Africa: A Review of Policy and Financial interventions for the Edges of Housing Provision & Ownership 20 years into Democracy*

13:20  **Christine Whitehead**  
*Shared Ownership and Shared Equity - Margin or Niche*

13:40  **Marja Elsinga**  
*Fear for the edges of home ownership and the Dutch housing system*

14:00  **Montserrat Pareja Eastaway** and Teresa Sánchez Martínez  
*Learning from the past? Developing resilience in the Spanish housing system*

14:20  Open discussion facilitated by **Richard Ronald** as rapporteur

14:50  Seminar reflection facilitated by **Peter Williams** and **Richard Ronald** as rapporteurs

15:20  CLOSING / TEA