

# 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 off 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>) 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 on line 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)**

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

## APPENDIX 2      Program (22 papers)

### Seminar **The Edges of Ownership**

#### DAY ONE

Starts at 9:00 am

9:00            OPENING  
**Marietta Haffner**<sup>1</sup>

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

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<sup>1</sup> 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)*
- 14:05<sup>2</sup>          **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

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<sup>2</sup> Karen Rowlingson unfortunately dropped out because of illness.

**2c** *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 Hegedüs 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