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Abstract –

Building and consuming housing assets in four European countries - Households perceptions in ‘the good old days’ and expectations for the future.

In all EU countries households deal with income and asset insecurity. Owner-occupation has been central to the attention because of the risky mortgages that people could no longer afford and that had such a big impact on economy. There is less attention for the more favourable impact of the housing wealth that a large part of owner-occupiers has gradually built. Life cycle theories on consumption and saving predict that households consume their savings in times of financial hardship. However, housing assets have appeared to be consumed much less than other forms of assets like saving accounts or stocks and shares. Possible explanations are bequest motives, precautionary motives and the limited liquidity of housing wealth. In this paper we explore households perceptions on building and consuming housing assets in Germany, Hungary, the Netherlands and the United Kingdom. Based on the empirical data that was collected in 2005, which we could now regard as ‘the good old days’, we formulate some expectations about the role of housing assets in the countries now and in the near future.