Contents

List of Figures viii
List of Tables xii
Notes on Contributors xv
Preface xxvii
Acknowledgments xxix

1 Introduction
Susan J. Smith, Beverley A. Searle, and Gareth D. Powells 1

PART I BANKING ON HOUSING 29

Editorial
Susan J. Smith and Beverley A. Searle 31

2 Housing and Mortgage Markets: An OECD Perspective
Nathalie Girouard 38

3 Is Housing Wealth an “ATM”?: International Trends
Vladimir Klyuev and Paul Mills 58

4 Housing Wealth Effects and Course of the US Economy:
Theory, Evidence, and Policy Implications
Eric S. Belsky 82

5 The Rise in Home Prices and Household Debt in the UK:
Potential Causes and Implications
Matt Waldron and Fabrizio Zampolli 105

6 Housing Wealth and Mortgage Debt in Australia
Mike Berry 126
Contents

7 A Survey of Housing Equity Withdrawal and Injection in Australia
   Carl Schwartz, Tim Hampton, Christine Lewis, and David Norman

8 What do we Know about Equity Withdrawal by Households in New Zealand?
   Mark Smith

9 What Happened to the Housing System?
   Duncan Maclennan

PART II HOUSING WEALTH AS A FINANCIAL BUFFER

10 Trading on Housing Wealth: Political Risk in an Aging Society
    Mike Berry and Tony Dalton

11 Housing Equity Withdrawal and Retirement: Evidence from the Household, Income, and Labor Dynamics in Australia Survey (HILDA)
    Gavin Wood and Christian A. Nygaard

12 Housing Market, Wealth, and “Self-Insurance” in Spain
    Joan Costa-Font, Joan Gil, and Oscar Mascarilla

13 Housing Wealth: a Safety Net of Last Resort? Findings from a European Study
    Deborah Quilgars and Anwen Jones

14 “Pots of Gold”: Housing Wealth and Economic Wellbeing in Australia
    Val Colic-Peisker, Guy Johnson, and Susan J. Smith

15 Housing Wealth as Insurance: Insights from the UK
    Beverley A. Searle and Susan J. Smith

16 Housing to Manage Debt and Family Care in the USA
    Helen Jarvis

17 The Subprime State of Race
    Elvin K. Wyly

18 The Housing Finance Revolution
    Richard K. Green and Susan M. Wachter

PART III MITIGATING HOUSING RISK

Editorial
   Susan J. Smith and Beverley A. Searle
Contents

19 How Housing Busts End: Home Prices, User Cost, and Rigidities During Down Cycles 459
   Karl E. Case and John M. Quigley

20 Is there a Role for Shared Equity Products in Twenty-First Century Housing? Experience in Australia and the UK 481
   Christine Whitehead and Judith Yates

21 Trading on Home Price Risk: Index Derivatives and Home Equity Insurance 499
   Peter Englund

22 Hedging Housing Risk: A Financial Markets Perspective 512
   John Blank, John Edwards, Jonathan Reiss, and Peter Sceats, with Susan J. Smith

23 Hedging Housing Risk: Is it Feasible? 556
   Steve Swidler and Harris Hollans

24 Housing Risk and Property Derivatives: The Role of Financial Engineering 569
   Juerg Syz

25 Housing Futures: A Role for Derivatives? 585
   Susan J. Smith

Index 608