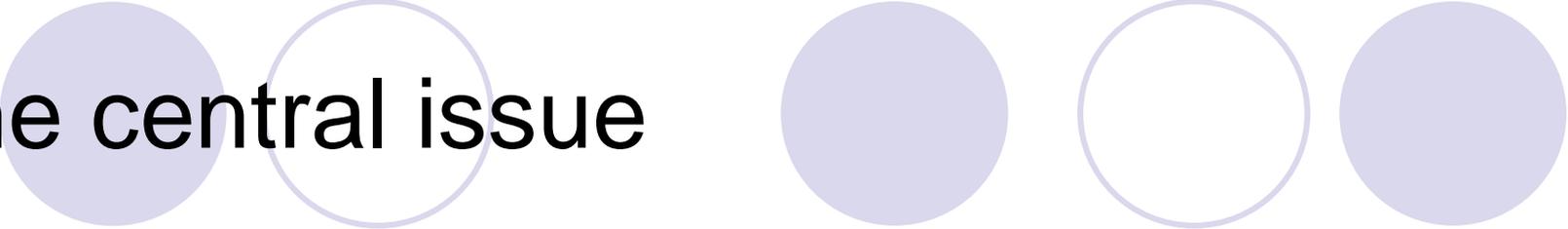


Who should be a homeowner?

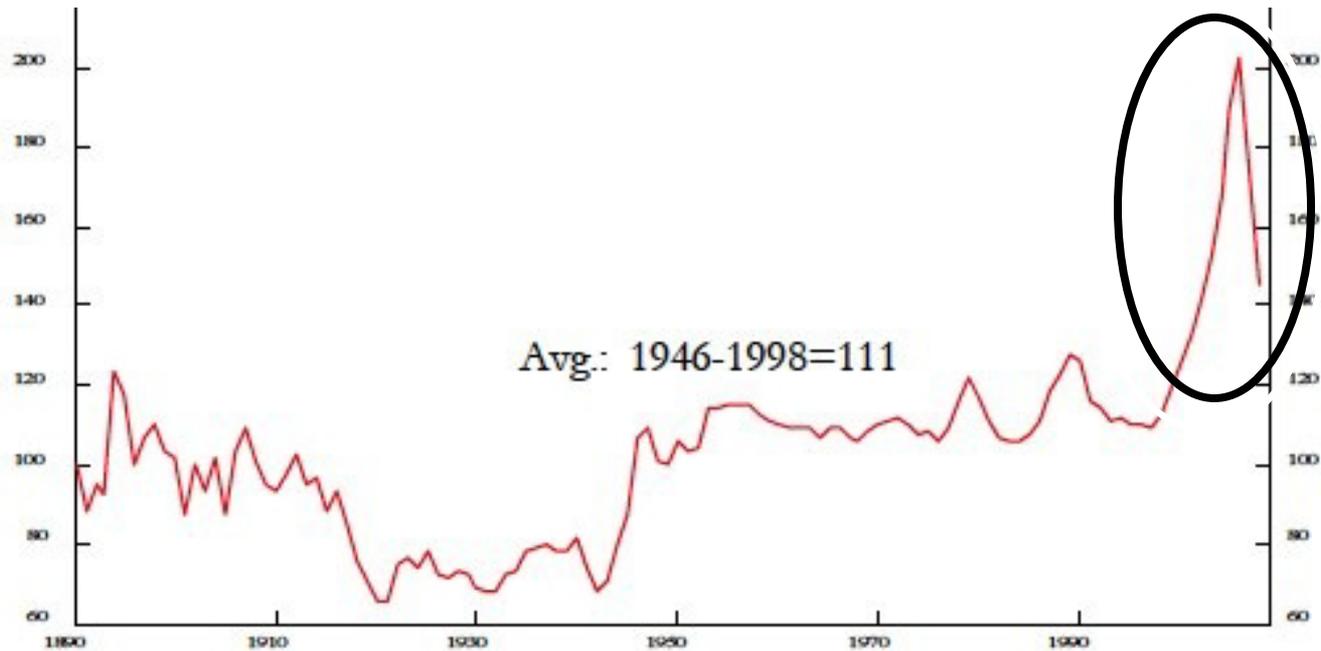
Alan Mallach, FAICP
Non-Resident Senior Fellow
The Brookings Institution



The central issue

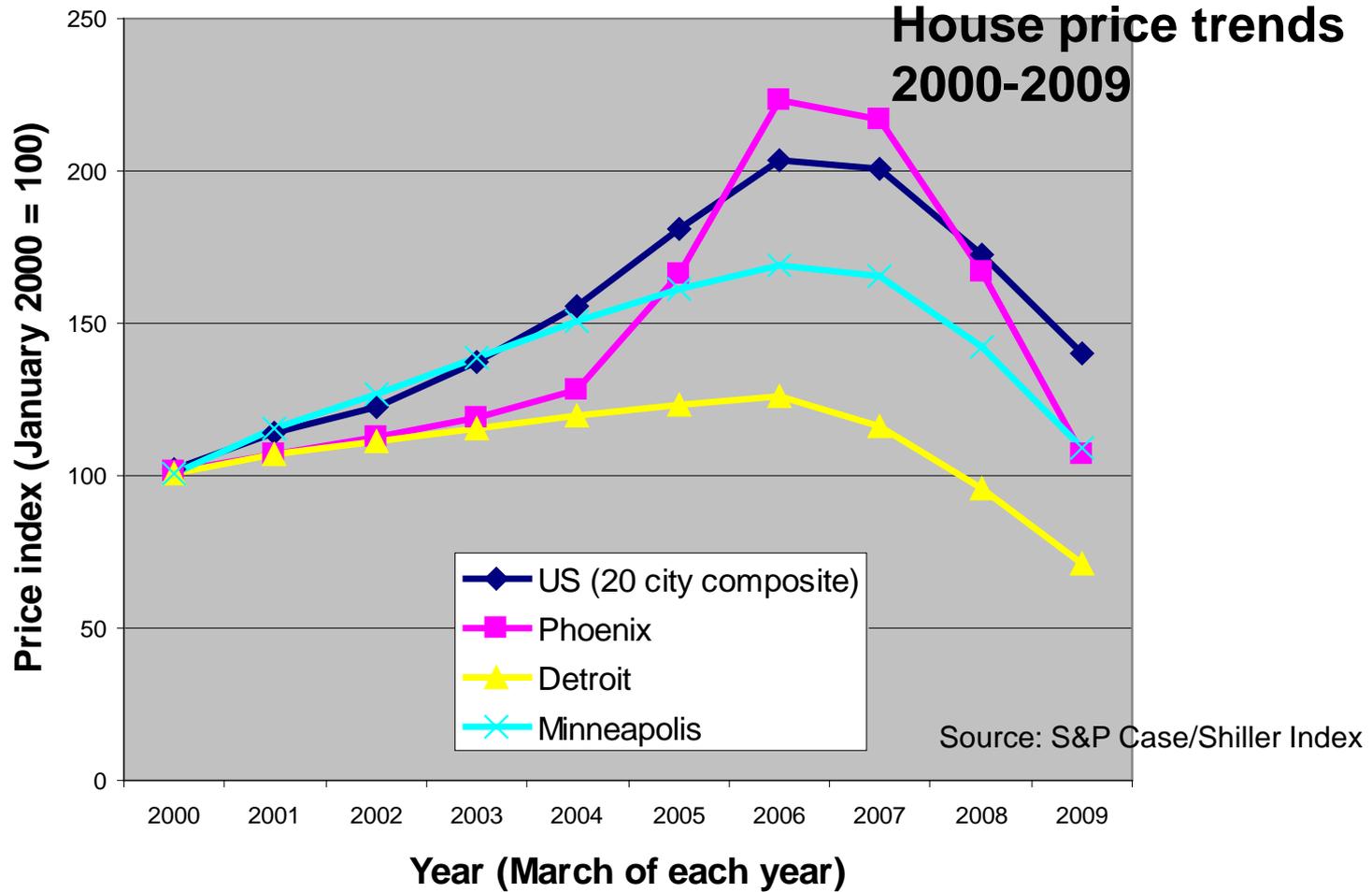
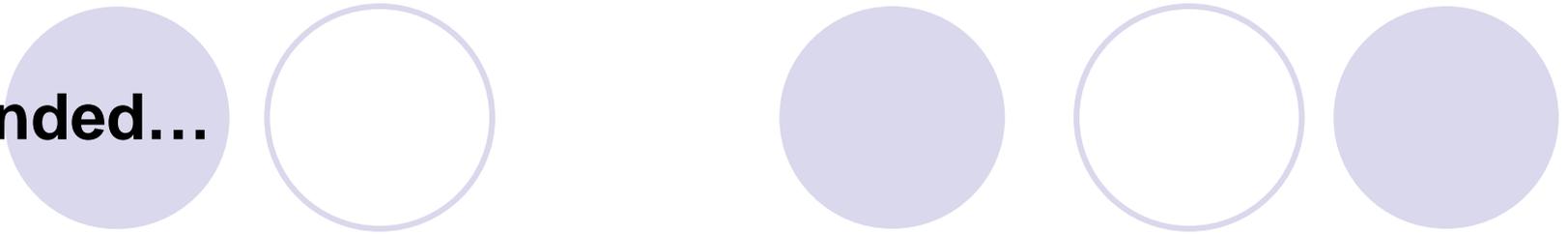
- Public policies are powerful drivers of homeownership, and whether people become homeowners or renters
- Recent events have raised many questions about American homeownership policy – **this is a pivotal moment to take stock and decide where we go from here.**

A housing bubble of unprecedented proportions emerged between 1998 and 2006

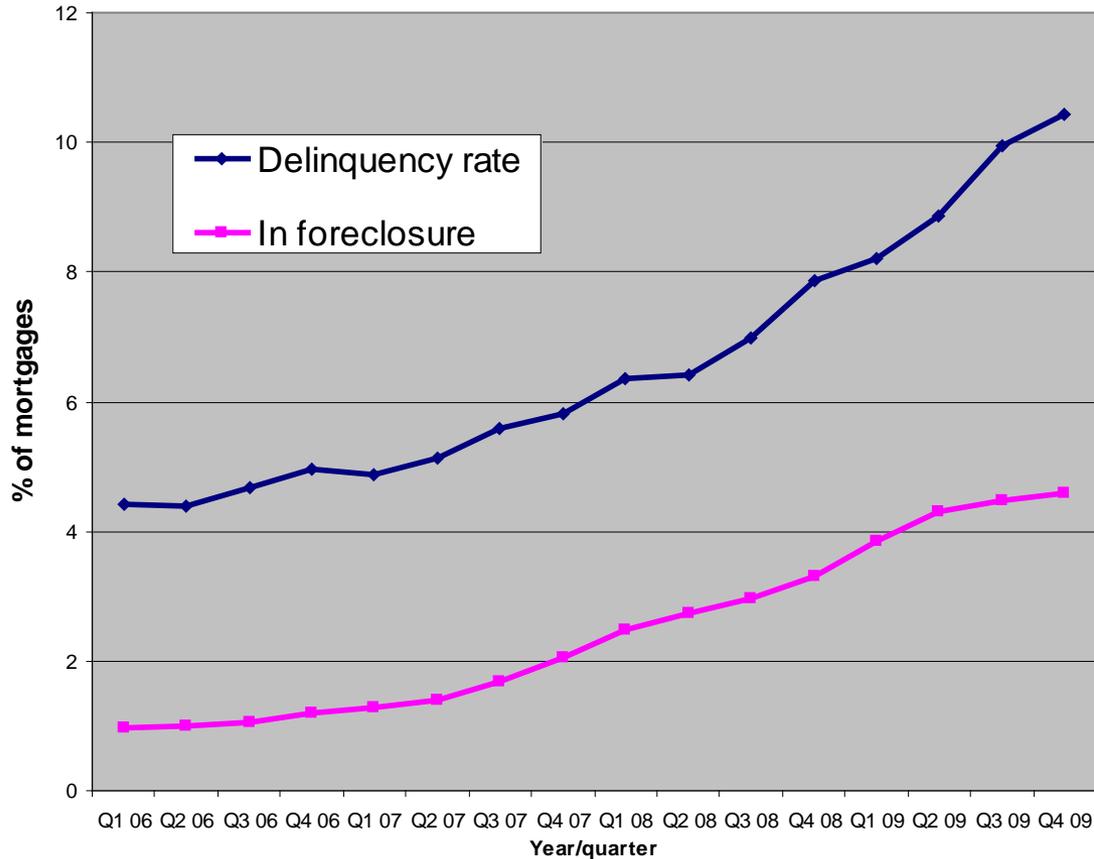


Source: Case-Shiller Index

It ended...



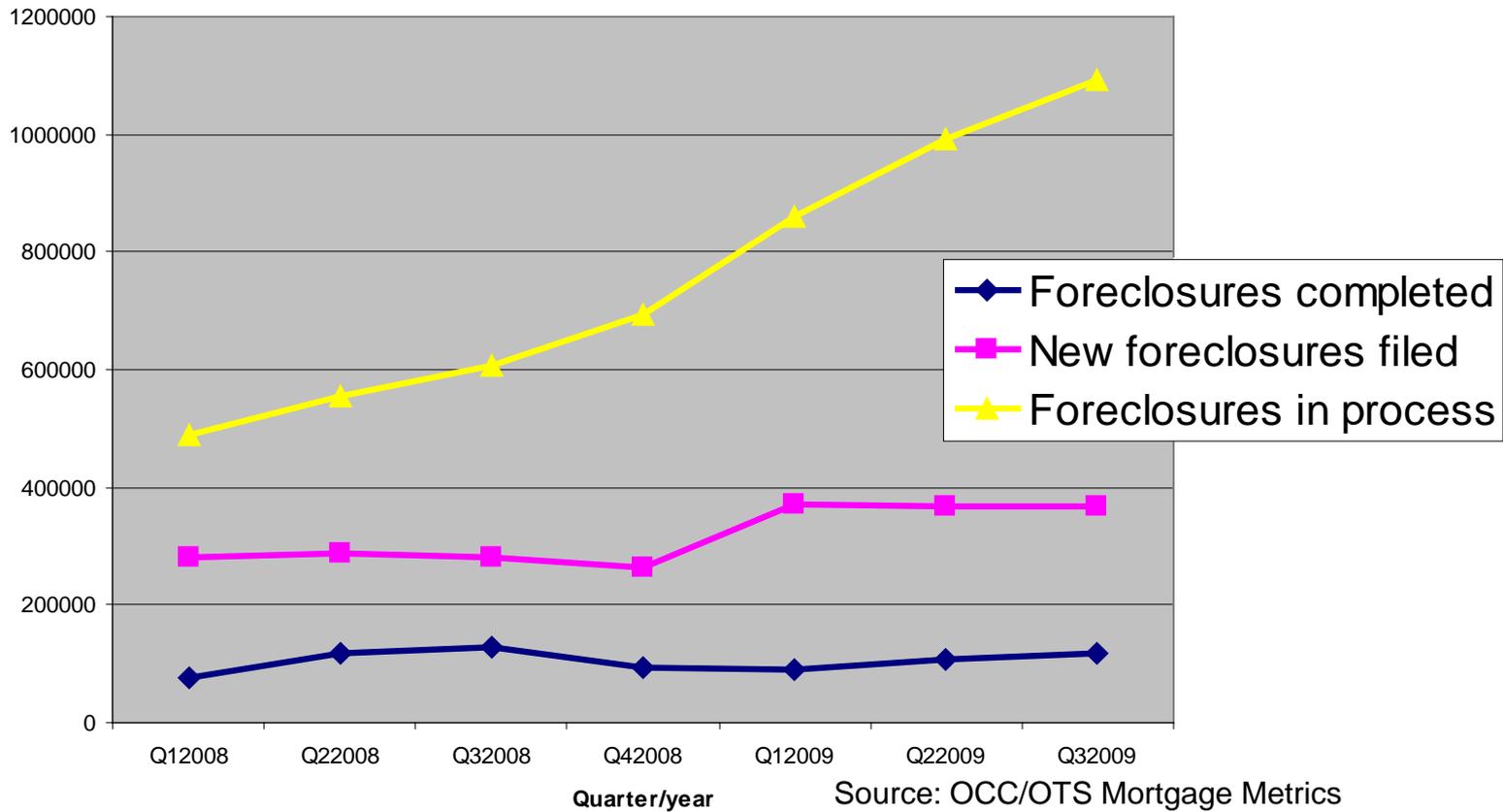
1 out of every 22 homes in the United States is in foreclosure



Source: Mortgage Bankers Association

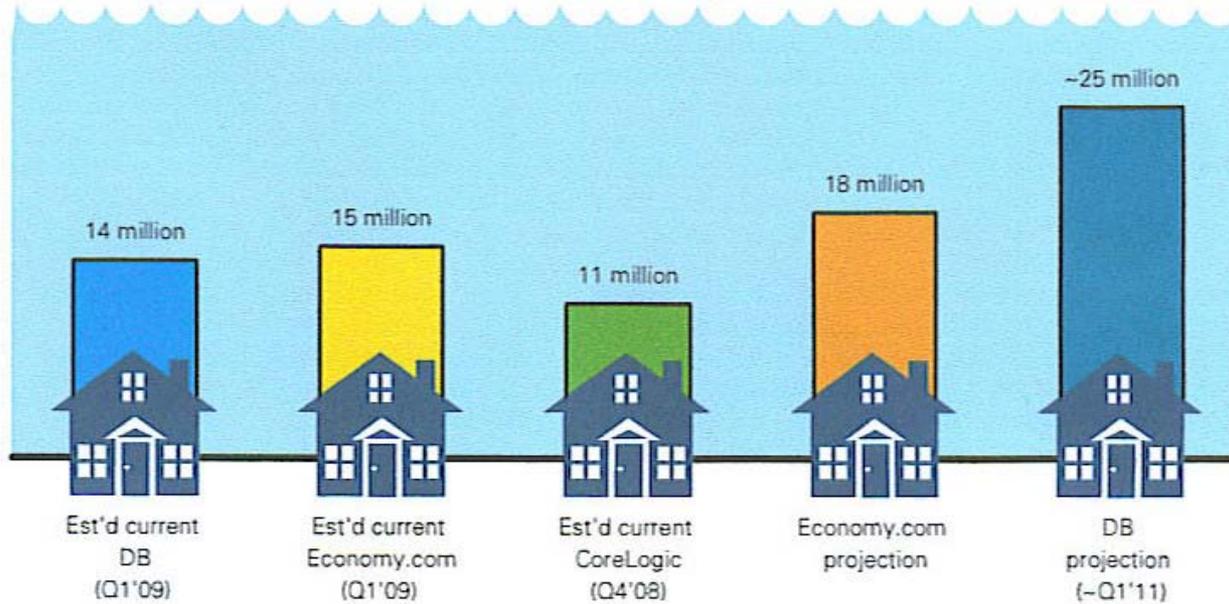
Nearly 2 million foreclosures are in the pipeline

Foreclosure trends 2008-2009



11 to 15 million homeowners are “under water”

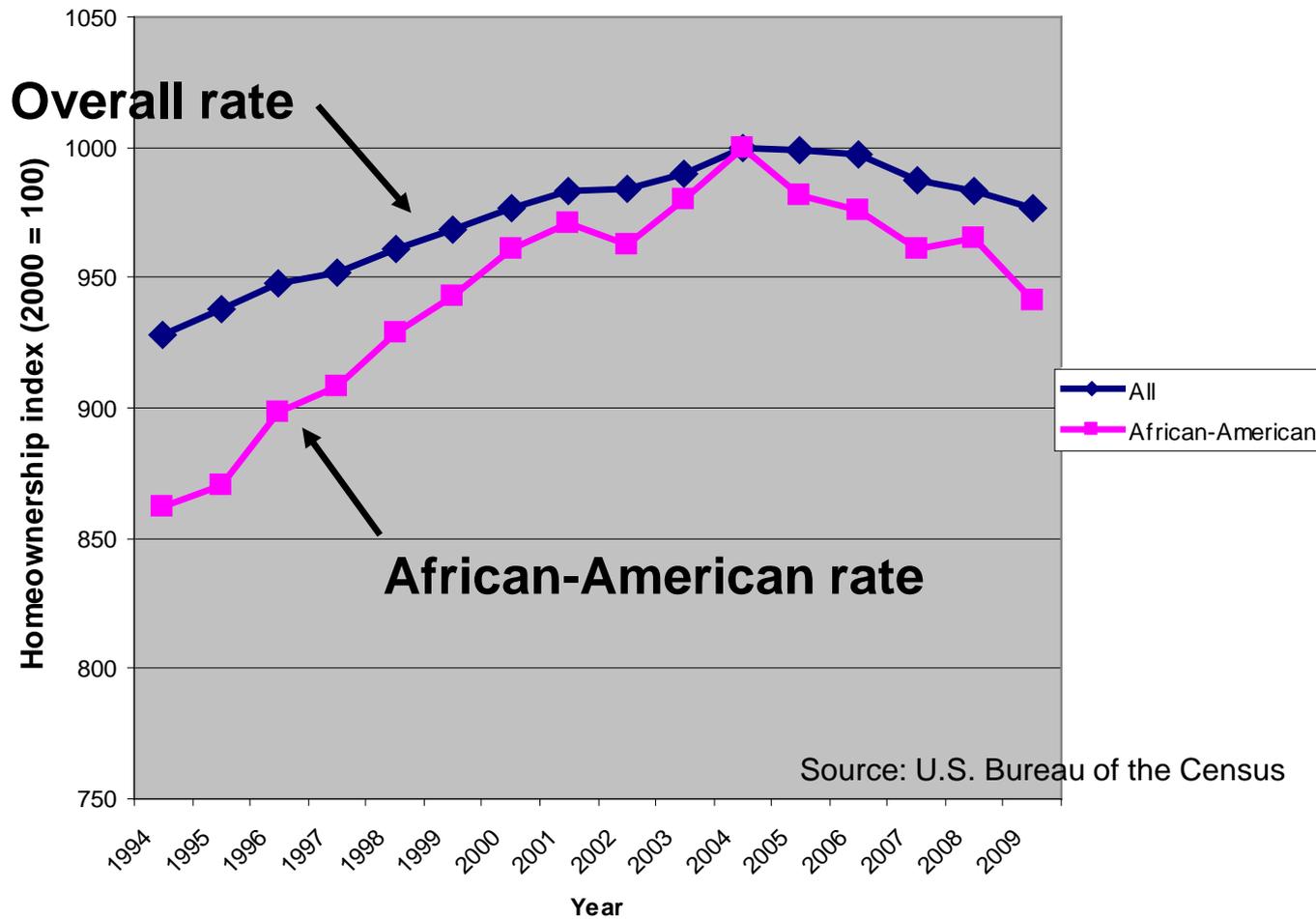
Figure 1: Homeowners with mortgage balances > property value



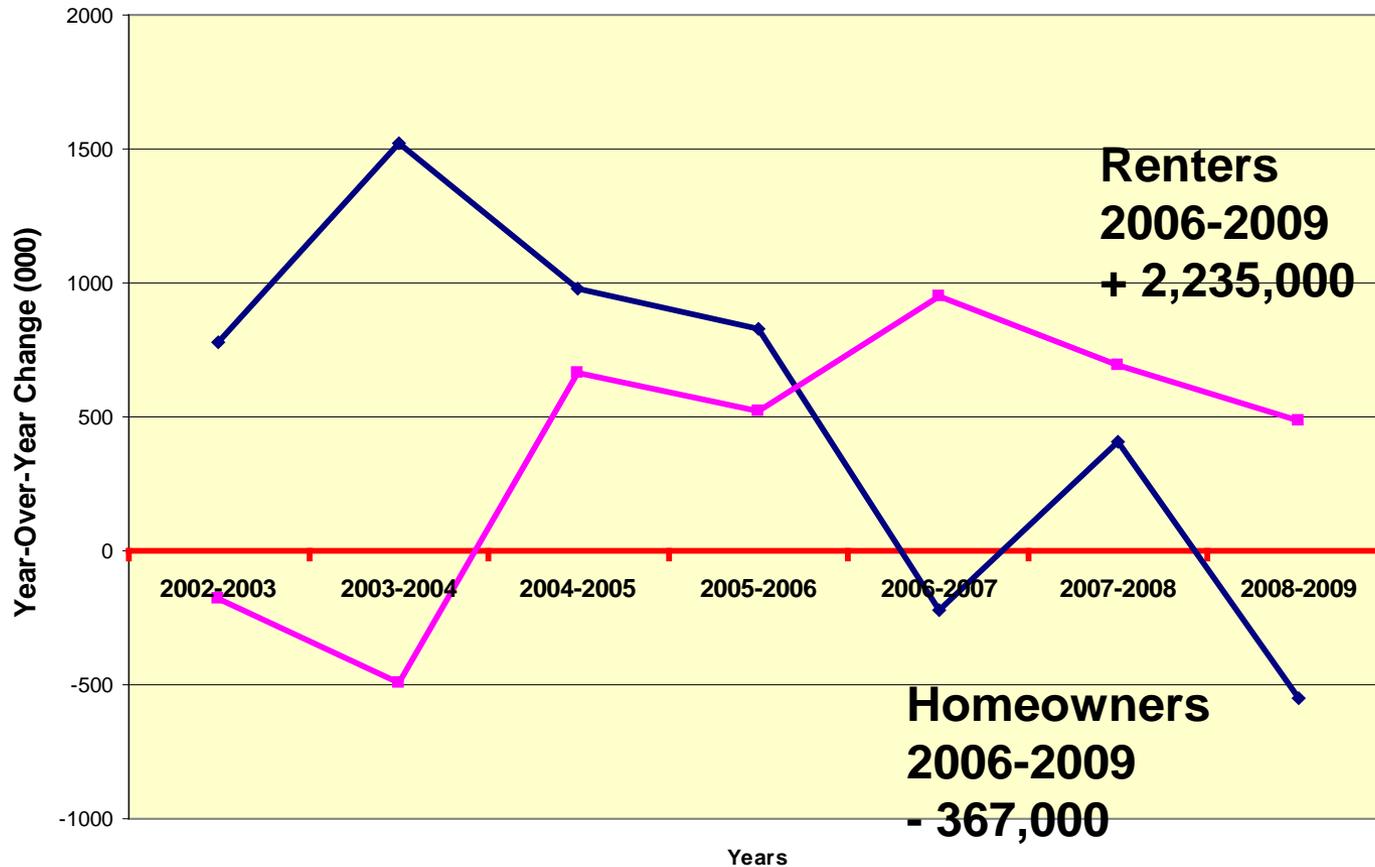
Source: Economy.com, First American CoreLogic, Deutsche Bank

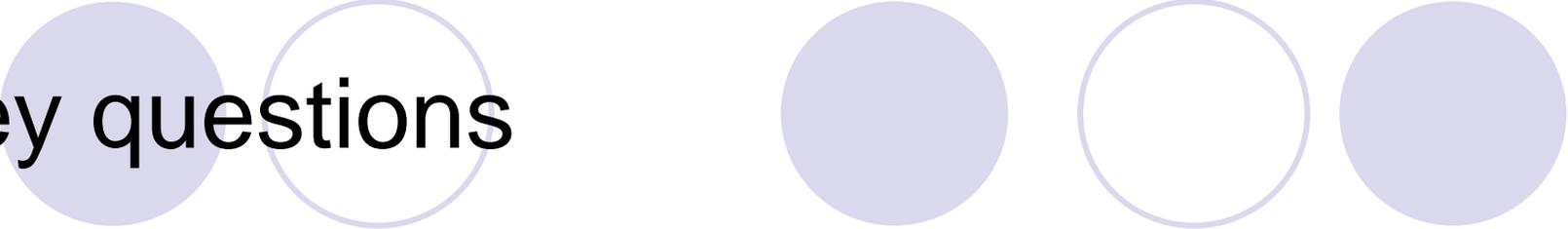
How many of them will walk away from their mortgages?

Home ownership rates have dropped



...as has the actual number of homeowners





Key questions

- How should we focus on **sustainable** homeownership?
- What should the public sector role be?
- Should we be looking at alternative forms of ownership, such as shared equity?
- How should we be looking at the rental sector?