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…

House price trends 2000-2009

Source: S&P Case/Shiller Index
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

Source: OCC/OTS Mortgage Metrics
11 to 15 million homeowners are “under water”

How many of them will walk away from their mortgages?
Home ownership rates have dropped.
...as has the actual number of homeowners

![Graph showing the change in number of homeowners and renters from 2002-2003 to 2008-2009.](graph.png)

- Renters 2006-2009: +2,235,000
- Homeowners 2006-2009: -367,000
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?