

The rise and fall of housing centred financialization

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Financialization and real estate

- What is Financialization?
 - Systemic cycles of accumulation
 - Internalizing the logic of finance
- Overaccumulation and spatial fix
 - From spatial to financial fix
- Different faces of finance and real estate
 - Residential real estate – mortgages
 - Super rich – alpha locations
 - Commercial real estate – portfolio investments

Wall of money looking for investments

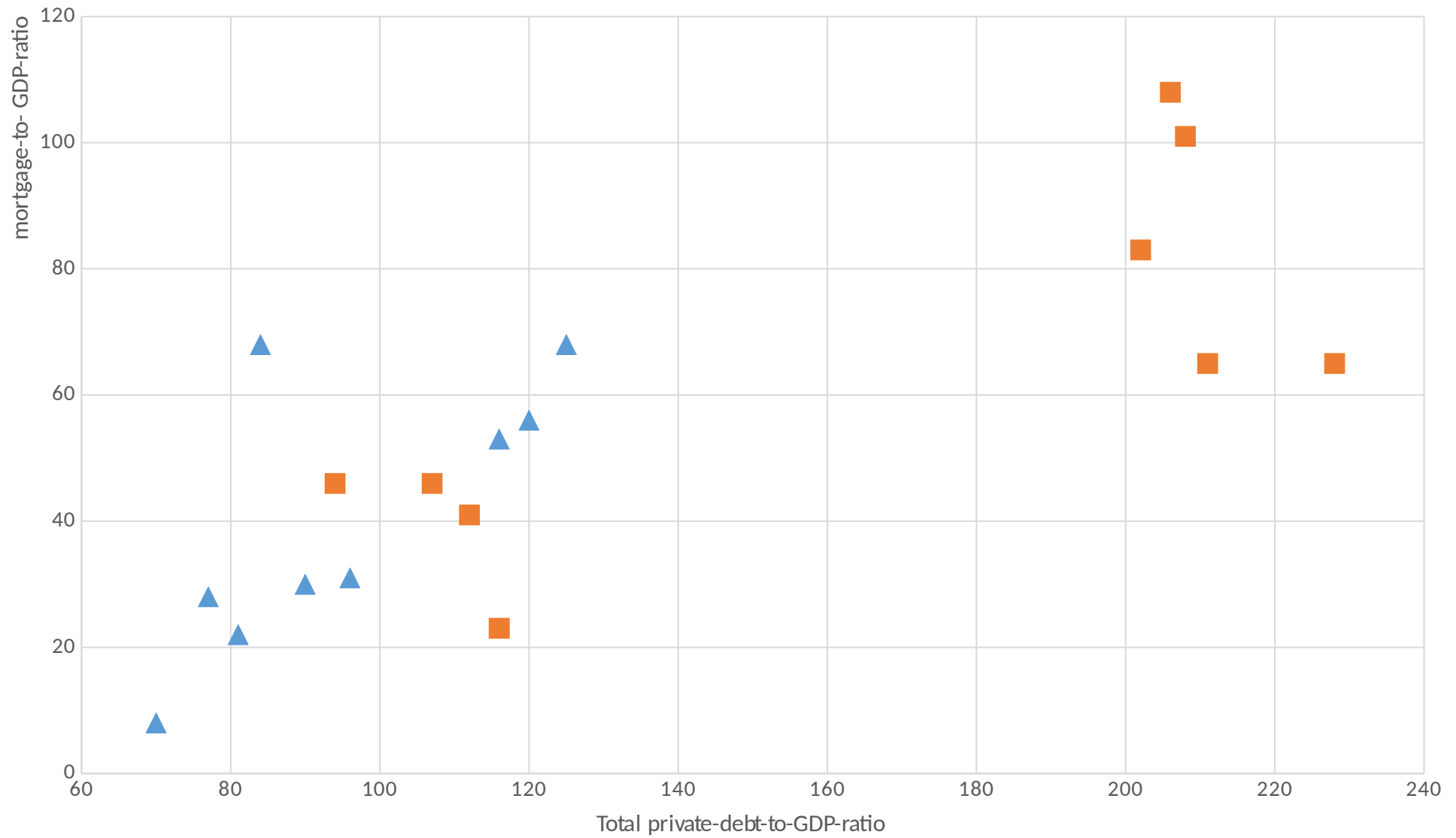
- Corporate savings
- Institutional investors
- Global imbalance
- QE

Housing centred financialization

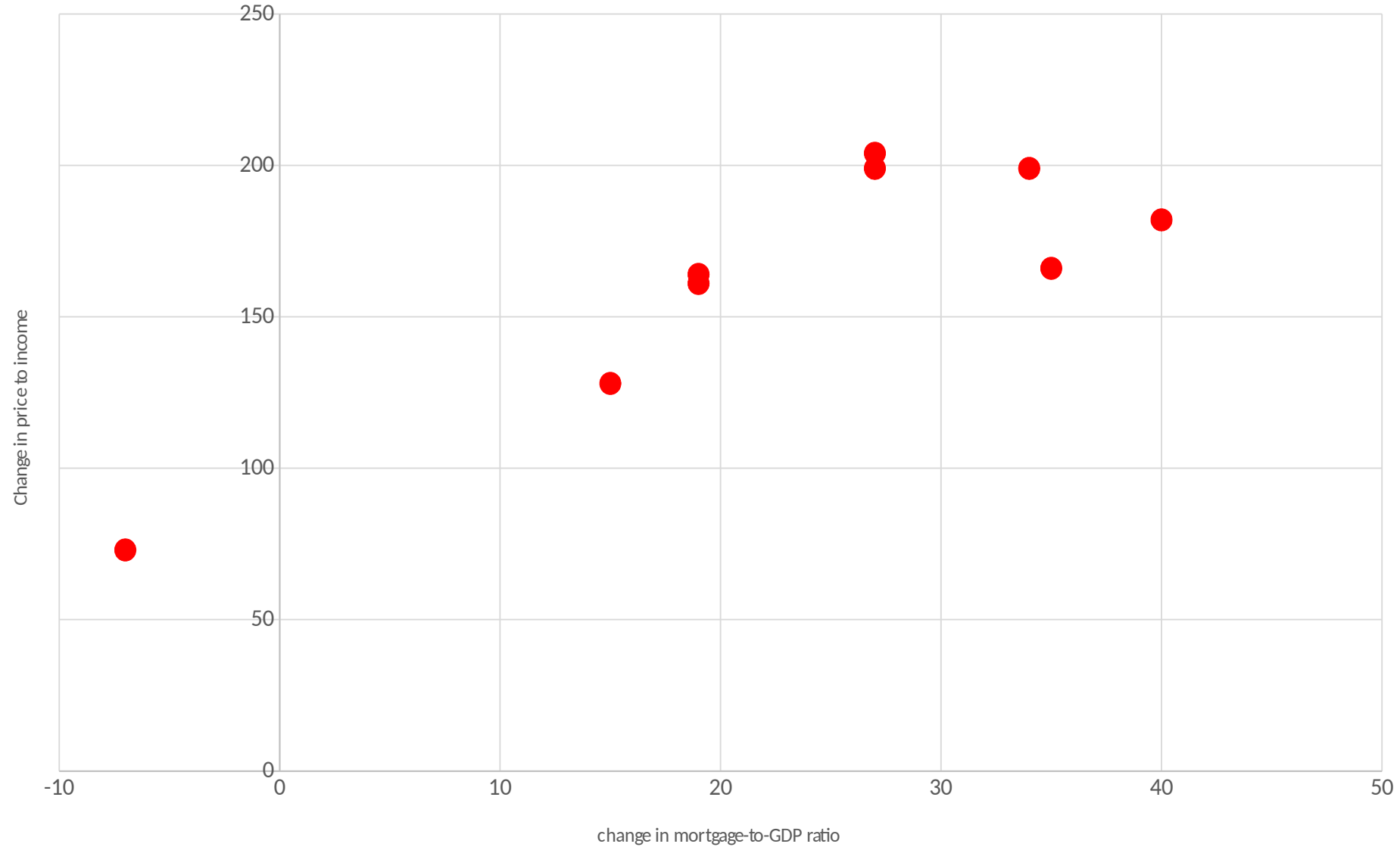
- Economic model based on debt
- Housing as store-of-value
- Housing connecting households with global capital markets
- Politically highly addictive
- No clear exit strategy

Total private debt and mortgage debt as % of GDP in 2000 and 2010

▲ 2000 ■ 2010

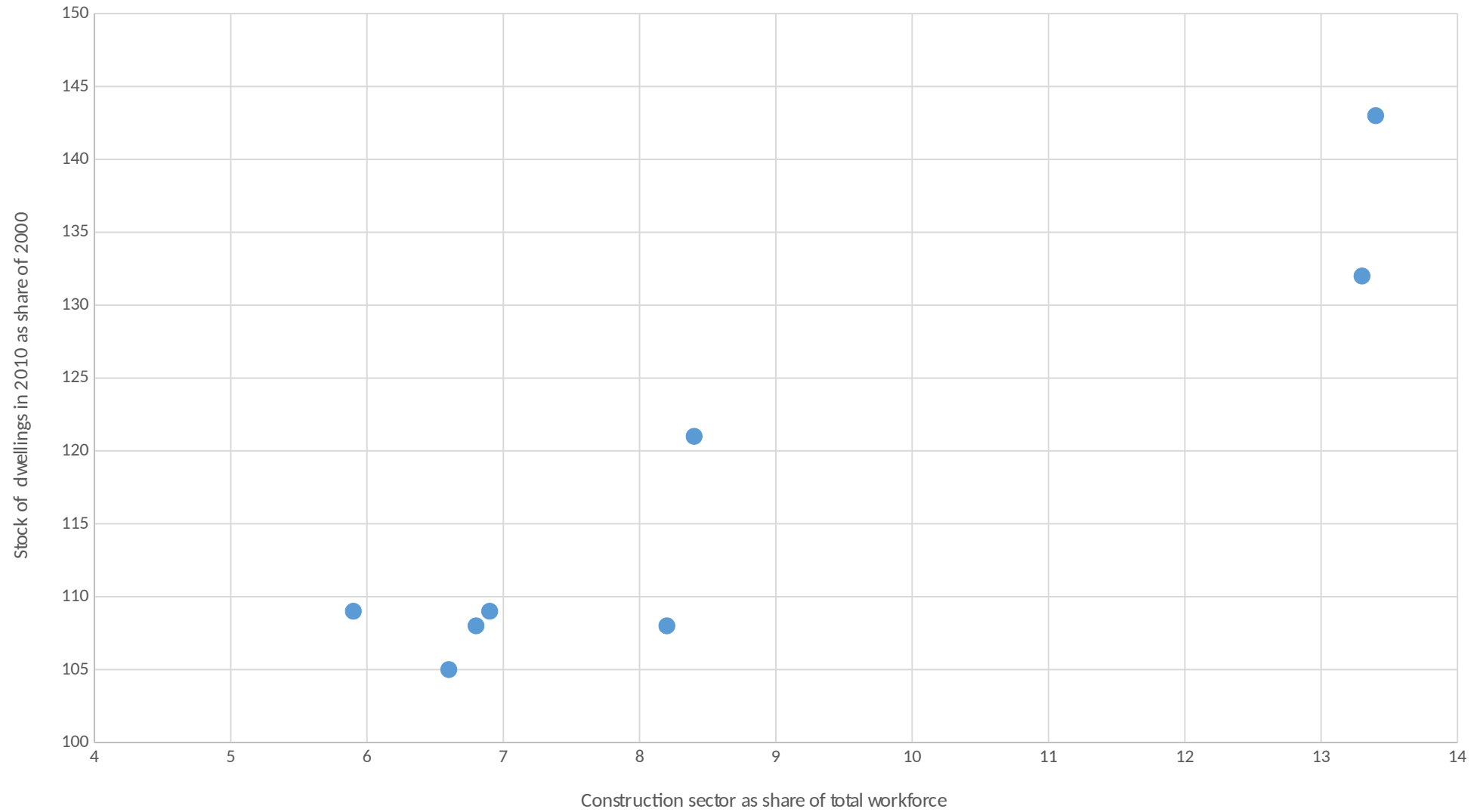


Change in price-to-income (2008 as percentage of 1995) & Nominal change in mortgage-to-GDP-ratio (2000 to 2010)



Source: OECD & EMF

Construction as share of total workforce and increase in stock of dwellings from 2000 to 2010 (2000=100)



Households equity and mortgages indexed (1980=100) in the US, 1951-2013

