

Cross-Country Differences in Homeownership: A Cultural Phenomenon?

Authors : Stefanie J. Huber, Tobias Schmidt

Abstract : Cross-country differences in homeownership rates are large and very persistent over time, ranging between 35% in Switzerland to 80% in Spain. In this project, we test the hypothesis that these cross-country differences are driven by cultural tastes. To isolate the effect of culture from the effects of institutions and economic factors, we investigate the homeownership attitudes of second-generation immigrants in the United States. We find robust evidence that cross-country differences in cultural preferences are an important explanatory factor for the observed persistent differences in homeownership rates across countries.

Keywords : housing markets, homeownership rates, country heterogeneity, preferences, cultural transmission, migration

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