



Workshop on Global Housing Markets and the Macroeconomy

By Enrique Martínez García

Assistant Vice President, International Group Head

Deputy Director Global Institute

Federal Reserve Bank of Dallas

The views expressed are my own and do not necessarily reflect official positions of the Federal Reserve Bank of Dallas or the Federal Reserve System.

Good morning everyone, and thank you, Carmen, for the warm welcome.

It is truly a pleasure to be here at the University of Alicante, and I would like to begin by thanking our hosts for their generosity, organization, and partnership in making this workshop possible.

This event reflects something that I think is increasingly important in our profession: the role of sustained scholarly collaboration across institutions. Progress in understanding housing markets—particularly their macroeconomic and financial implications—requires bringing together different perspectives, different datasets, and different approaches. That is precisely what motivated this workshop.

Over the past several years, the partnership between the University of Alicante, Lancaster University, and the [Global Institute](#) at the Federal Reserve Bank of Dallas—through the [International Housing Observatory](#)—has created a platform for exactly this type of engagement. The goal of that collaboration is not only to advance academic research, but also to connect that research to policy-relevant questions. By pooling expertise, data, and ideas, we aim to better understand how housing markets interact with macroeconomic dynamics, financial stability, and policy design across countries.

This workshop is especially meaningful for the Global Institute. Following its relaunch in late 2024, one of our central objectives has been to strengthen engagement and develop thought leadership on major issues shaping the global economy and their implications for the United States, including for the conduct of monetary policy. Our broader agenda spans the international allocation of capital and its connection to asset prices—particularly housing—technology-enabled disruptions such as the AI boom, and the rise of digital finance, including tokenization, cross-border payments, and potential changes to the U.S. dollar-based international monetary system. The themes of this workshop speak directly to that agenda and help clarify housing's role in broader global macro-financial developments.



Housing sits at the intersection of these forces and has moved back to the center of macro-financial debates. As the largest asset on most household balance sheets in advanced economies, housing plays a central role in investment allocation, the transmission of monetary policy, consumption dynamics, and financial conditions. At the same time, housing markets are increasingly interconnected—through credit channels, expectations, capital flows, and other linkages—so developments in one country or region can propagate to others, with important implications for financial stability and—through homeownership—distributional outcomes.

At the same time, recent developments have highlighted several themes that make housing particularly important at this moment.

First, expectations and valuation dynamics have become central. Rapid price increases in many economies have raised questions about exuberance (bubbles), misalignment, and the role of beliefs in driving housing cycles. Understanding how expectations form—and how they interact with fundamentals—remains a key challenge.

Second, credit conditions and even refinancing have played a major role in amplifying housing cycles. Changes in interest rates, mortgage design, and lending standards affect not only borrowing but also household balance sheets, financial resilience, and ultimately consumption patterns.

Third, distributional effects have become increasingly important. Differences in homeownership, leverage, and exposure to credit conditions mean that housing cycles can have heterogeneous effects across households and regions. Moreover, over the past two decades, rising house prices have widened wealth accumulation differences and worsened affordability, making housing a central macro-financial concern.

Fourth, housing markets are closely tied to financial stability. Episodes of rapid price growth, credit expansion, and leverage accumulation can create systemic risks. This raises important questions for macroprudential policy and regulatory design.

And finally, there is growing interest in understanding how housing markets interact across locations—through spatial spillovers, network effects, and other mechanisms and linkages. These cross-country and cross-region comparisons are essential for identifying what is structural and what is policy-driven.

The papers in today's workshop speak directly to these issues. They examine credit supply and the mortgage channel, distributional consequences of macroeconomic policies (monetary and macroprudential), expectations and bubble dynamics, refinancing waves, systemic risk, and the role of networks. Taken together, they provide a comprehensive view of how housing markets shape—and are shaped by—macroeconomic dynamics, financial conditions, and policy frameworks.



Federal Reserve
Bank of Dallas

www.dallasfed.org

Our goal today is to foster dialogue across topics and perspectives. By bringing together researchers working at the frontier of housing, we aim to deepen our understanding of housing's pivotal role in the macro-financial ecosystem and its links to broader global economic transformations.

Let me close by welcoming you to the Workshop on Global Housing Markets and the Macroeconomy, jointly hosted by the University of Alicante and the Federal Reserve Bank of Dallas's Global Institute. We thank our presenters and participants for being here and look forward to a stimulating and productive day of discussion.

Thank you very much.