

Housing, Stability and the Macroeconomy: International Perspectives



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Part IV. Questions for discussion at conference

1. What is the extent of recovery in housing markets?

- Are some markets looking stretched (again)? To what extent is this driven by unconventional monetary policies?

2. Should we be cheering (any) recovery?

- Where corrections took place, should we want prices and investment to go back up to 'unsustainable' pre-crisis levels? Where little correction, is there (still) a 'bubble'?

3. When should policymakers act? How?

- Do we know more about how to detect bubbles? Given unresolved uncertainties on how to detect bubbles, when and how to prick them? Are we "navigating by sight"?

...more questions

4. How to make macroprudential policies more effective?

- Some countries, Hong Kong, Korea and Israel, were active in macropru policies. What are lessons for others?
- Demand vs. supply/financing limits. What are most effective?
- Capital flows/international integration/arbitrage etc.
 - Should/can one we limit foreign exchange for housing finance?

5. What roles for structural supply, finance and real, in bubbles (and busts)?

- Are some forms of housing finance less prone to bubbles?
 - Bank vs. market financing. Fixed vs. floating. Degree of competition.
- What is a role for supply measures (e.g., limits on permits)?
 - Support prices, but distortions, inequality and political economy risks?

...Other, current policy issues in housing

1. Ability and speed of restructuring

- Problems with large scale underwater borrowers, speed of bankruptcy/restructuring (e.g., Ireland, Spain, U.S.)
 - What are lessons from experiences? Any analyses, e.g., on differences within the US, useful for others?
- How to adapt micro-/macro-prudential (e.g., LTV) in busts?
 - Any scope to manage speed of decline? How to avoid perverse effects?

2. Role of the state in housing finance

- Do we need greater or less role for the state, short-term and long-term?
 - Short-Term: “Help to Buy.” Insurance.. Other. Risks?
 - Long-Term: Role of tax deductibility, phasing out. Securitization, “GSE” models

Thank you

