

Exposé

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Research Question: **Cementing the Divide? Housing and Wealth Inequality across Europe**

Relevance of Topic

- Piketty 2014 - wealth inequality back in debate
- Missing affordability of housing (especially for first buyers)
- rising prices across Europe after financial crisis

who profits from the gains of price increase?

- shifts in the last 10 years
- Composition of Housing Asset = relevant for the inequality effect
- countries with broad ownership = react differently than with a lot of tenants

Approach

- start with Case Example Germany
 - biggest european economy
 - renter country
 - sharp increase in housing price in last 10 years
 - analyze the reaction of (housing) wealth inequality to price increases, possible methods:
 - * Local Projections
 - * Gini Decomposition
- move on to European analysis
 - different distributions of housing wealth among countries
 - different price trajectories among countries
 - * Spain = flatline

- * Germany = strong increase
- build a panel regression to estimate differential effects
 - * control with macro data etc.
- = show that a uniform price increase = different effects among countries
- Data
 - Distributional Wealth Accounts from the ECB Engel et al. (2022)
 - detailed asset compositions of deciles in all european countries
 - quarterly 2011-2024 (post GFC to covid dip)
 - other: range of macro data from Eurostat (home ownership rates, housing prices)

Literature

wealth inequality = more relevant topic in the last years

- piketty 2014, WID.world
- Albers, Bartels, and Schularick (2020) for germany

housing as driver in Europe:

- Biewen, Glaisner, and Kleimann (2025): general description of wealth inequality among european countries
- Mathä, Porpiglia, and Ziegelmeyer (2017): analyses the role of housing wealth and inter-generational transfers

case examples:

- Spain: Martínez-Toledano (n.d.) housing prices and inequality
- Germany: Bartels and Schröder (2020) focusing on role of rental income and subregional analysis in germany

Expected Results

countries with rising prices and high ownership, e.g. Netherlands = no contributing effect of housing inequality

countries with rising prices and low ownership, e.g. Germany = contributing effect

countries with stagnating prices and high ownership = no contributing effect of housing, but other assets have stronger effect

differences depending on policy variations, migration, lags, ...

First Graphics:

- Tenant to Owner Wealth Ratios Europe
- Relative Returns of Deciles: Germany

Preliminary Table of Contents

1. Introduction
2. Background & Theory
 - Mechanism: Housing and Wealth Inequality
 - Housing as Middle Class Asset
3. Data
4. Case Example: Germany
 - Asset Composition of Deciles
 - Impulse Response Estimation with LP / RIF / Decomposition
5. European Analysis
 - Differential Distributions & Prices
 - Panel Regression
6. Conclusion

References

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- Biewen, Martin, Stefan Glaisner, and Rolf Kleimann. 2025. “The Shape of the Wealth Distribution and Differences in Wealth Inequality Across Euro Area Countries.” *The Journal of Economic Inequality* 23 (1): 1–25. <https://doi.org/10.1007/s10888-024-09630-z>.
- Engel, Janina, Pau Gayà Riera, Joseph Grilli, and Pierre Sola. 2022. “Developing Reconciled Quarterly Distributional National Wealth: Insight into Inequality and Wealth Structures.” Working `{{Paper}}` 2687. ECB Working Paper. <https://doi.org/10.2866/412495>.
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