

Financial innovation and European housing and mortgage markets

[Get access >](#)

David Miles, Vladimir Pillonca

Oxford Review of Economic Policy, Volume 24, Issue 1, spring 2008, Pages 145–175, <https://doi.org/10.1093/oxrep/grn005>

Published: 01 March 2008

Abstract

In this paper we assess the recent history of house prices and of mortgage lending across Europe. We develop a simple economic framework to estimate the likely contributions of fundamental factors, such as changes in real incomes and population growth, to house price appreciation. We also try to quantify how much of price rises might have been driven by rising expectations of future capital gains. We estimate that this might have played a significant role in several countries, including Spain, Sweden, Belgium, and the UK. We then consider what different types of mortgage arrangement might become attractive in a world of higher house prices, analysing types of indexed mortgage that have advantages where prices are higher relative to incomes and where house prices may be volatile and cannot be assumed to carry on rising.

© Oxford University Press 2008

JEL: [D14 - Household Saving; Personal Finance](#), [E44 - Financial Markets and the Macroeconomy](#), [G21 - Banks; Depository Institutions; Micro Finance Institutions; Mortgages](#), [R21 - Housing Demand](#)

Issue Section: [Articles](#)

You do not currently have access to this article.

Sign in

 [Get help with access](#)


Personal account

Institutional access

- Sign in with email/username & password
- Get email alerts
- Save searches
- Purchase content
- Activate your purchase/trial code
- Add your ORCID iD

Sign in >

[Register](#)

 Sign in through your institution

[Sign in through your institution](#)

[Sign in with a library card](#)

[Sign in with username/password](#)

[Recommend to your librarian](#)

Institutional account management

[Sign in as administrator](#)

Purchase

[Subscription prices and ordering for this journal](#)

[Purchasing options for books and journals across Oxford Academic](#)

Short-term Access

To purchase short-term access, please sign in to your personal account above.

Don't already have a personal account? [Register](#)

Financial innovation and European housing and mortgage markets - 24 Hours access

EUR €53.00

GBP £44.00

USD \$58.00

Rental



This article is also available for rental through DeepDyve.