



Housing Studies >

Volume 33, 2018 - [Issue 8](#)

2,023 | 37 | 10
Views | CrossRef citations to date | Altmetric

Original Articles

Homeownership, saving and financial wealth: a comparative and longitudinal analysis

Philipp M. Lersch & Caroline Dewilde

Pages 1175-1206 | Received 18 Sep 2015, Accepted 22 Dec 2017, Published online: 31 Jan 2018

[Cite this article](#) <https://doi.org/10.1080/02673037.2018.1424803>

Check for updates

Sample our
Health and Social Care
Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

Full Article

Figures & data

References

Supplemental

Citations

Metrics

Reprints & Permissions

Read this article

Share

Abstract

The finding that homeowners own more non-housing wealth than tenants is well known. We examine whether the higher financial wealth of owners can be partly explained with increases in saving when becoming a homeowner in two distinct institutional contexts. Using longitudinal data for the UK (British Household Panel Survey) and Germany (Socio-Economic Panel Study), we find that homeowners save more and are financially wealthier than tenants. However, when controlling for time-constant selection into homeownership, upon entering homeownership households reduce their probability to save in Germany and reduce their average saving rate in Germany and the UK. For Germany, there is some evidence that processes of homemaking (family formation and home improvement) lead to less saving. For the UK, we find no evidence that increasing home equity over time discourages saving. Finally, tenants do not compensate for their

lack of housing wealth by accumulating more non-housing wealth over time. This disadvantage for tenants seems more pronounced in the UK compared to Germany.

Keywords:

Home ownership

comparative housing

housing investment

homemaking

saving

Acknowledgement

Data from the British Household Panel Survey are available from the UK Data Archive (<http://www.data-archive.ac.uk>) and data from the German Socio-Economic Panel Study are available from the German Institute for Economic Research (DIW), Berlin (<http://www.diw.de/soep>). Neither the original collectors of the data nor the distributors bear any responsibility for the analyses or interpretations presented here.

Notes

1. The low-income ECHP-subsamples are excluded from the analysis. All other subsamples are included.
2. The high-income sample G, the innovation sample I and the latest refreshment sample K from 2012 are excluded.
3. Restricting the sample to the period 1992–2008 covered in both surveys yields comparable results (see Table S.3 in the Supplementary Material).
4. In the BHPS, the head of household is the principal owner or renter of the accommodation. When there is more than one owner or renter, a male and older person takes precedence. In the SOEP, the head of household is the person most knowledgeable about a household's situation.
5. The house price data are drawn from ONS' 'Live tables on housing market and house prices', 'Table 511: Simple average house prices, by dwelling type and region, United Kingdom, from 1986' available at
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/10647/1

[40990.xls](#) (retrieved 20 October 2016). The house price data are merged to the household data at the level of Government Office Regions.

6. The response variable saving rate is bounded between 0 and 1 (exclusive). Therefore, a logit transformation is used which makes the variable approximately normal distributed.

Related research

People also read

Recommended articles

Cited by
37

Information for

Authors

R&D professionals

Editors

Librarians

Societies

Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

Help and information

Help and contact

Newsroom

All journals

Books

Keep up to date

Register to receive personalised research and resources
by email

 Sign me up

  

  

Copyright © 2026 Informa UK Limited Privacy policy Cookies Terms & conditions

Accessibility



Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG