

# Identifying the Benefits from Home Ownership: A Swedish Experiment

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## Abstract

Home ownership is widely stimulated by policy yet its effects are poorly understood. Exploiting privatization decisions of municipally-owned apartment buildings, we obtain random variation in home ownership for otherwise similar buildings with similar tenants. Granular data on demographics, income, housing and financial wealth, and debt allow us to construct high-quality measures of consumption expenditures. Home ownership leads households to increase spending and to smooth consumption in the wake of an adverse income shock. We also find a positive but short-lived effect on labor supply.

*Keywords:* home ownership, housing wealth, MPC, collateral effect

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