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SŁOWO WSTĘPNE

Czternasty numer kwartalnika *Przegląd Nauk Stosowanych* ma charakter monograficzny, prezentujący aktualny dorobek naukowy w obszarze rynku nieruchomości. W bieżącym numerze zostały zaprezentowane badania realizowane w ośmiu polskich ośrodkach akademickich, takich jak: Politechnika Koszalińska, Politechnika Opolska, Uniwersytet Szczeciński, Uniwersytet Ekonomiczny w Poznaniu, Uniwersytet Marii Curie Skłodowskiej w Lublinie, Uniwersytet Gdański, Państwowa Wyższa Szkoła Zawodowa w Kaliszu oraz Wyższa Szkoła Bankowa we Wrocławiu. Wspólną płaszczyzną prezentowanych artykułów jest rynek nieruchomości i jego aktualne dylematy w wymiarze społeczno-ekonomicznym, prawnym jak i stosowanej inżynierii obliczeniowej służącej jego parametryzacji.

Pierwszy z artykułów porusza problematykę budownictwa mieszkaniowego dla seniorów, a jego cel to poznanie opinii osób młodych na temat rozwoju tego segmentu rynku (senior housing). W artykule zaprezentowano typy budownictwa przystosowanego do zamieszkania przez osoby starsze, a w procesie badawczym dokonano parametryzacji informacji na temat wiedzy ludzi młodych w obszarze senior housingu. Sprawdzono również, jak ludzie młodzi wyobrażają sobie przyszłe warunki mieszkaniowe bliskich im osób oraz jakie mają preferencje w zakresie własnej sytuacji mieszkaniowej w wieku starszym.

Prezentacja możliwych form zarządzania stacjami paliw, jako jednej z kategorii nieruchomości specjalnego przeznaczenia, to temat drugiego artykułu. Zaprezentowano w nim charakterystykę krajowego rynku stacji paliw pod względem wielkości, struktury własności, cen, wolumenu sprzedaży, a także kosztu inwestycji. Niewątpliwym walorem tego artykułu jest jego wymiar praktyczny, który w wielu miejscach odnosi się do realnych problemów decyzyjnych w zakresie zarządzania stacjami paliw.

Kolejnym problemem poruszonym w bieżącym numerze kwartalnika jest aspekt finansjalizacji posiadaczy mieszkań, który zaprezentowano na przykładzie kredytobiorców korzystających z odwróconej hipoteki. Celem badań przeprowadzonych w trzecim artykule jest znalezienie odpowiedzi na pytanie, dlaczego właściciele mieszkań decydują się na wykorzystanie odwróconej hipoteki, która z jednej strony ma stanowić formę wsparcia senioralnych gospodarstw domowych, a z drugiej finansjalizuje jeden z najcenniejszych aktywów jakim jest mieszkanie?

Artykuł czwarty dotyczy prawnej analizy projektu ustawy o przekształceniach współużytkowania wieczystego gruntów zabudowanych na cele mieszkaniowe we współwłasność gruntu. Jak wskazuje Autor artykułu, funkcjonowanie użytkownika wieczystego od dawna budzi kontrowersje. Mimo, iż regulacje dotyczące tej formy władania nieruchomością były wielokrotnie nowelizowane i zmieniane, w dalszym ciągu nie jest to instytucja ciesząca się uznaniem społecznym. Aktualnie trwają prace nad kolejną ustawą przekształcającą użytkowa-

nie wieczyste w prawo własności. W artykule dokonano merytorycznej i formalno-prawnej analizy zasadniczych problemów związanych z zagadnieniami mającymi stanowić przedmiot wspomnianej regulacji.

Kolejny artykuł prezentuje charakterystykę rynku nieruchomości mieszkaniowych i ich wycen na przykładzie gminy Mielno. Autor w niniejszym opracowaniu charakteryzuje rynek nieruchomości lokalowych o funkcji mieszkalnej na podstawie danych uzyskanych z rejestru cen, jednocześnie dokonując analizy ich kompletności. W podsumowaniu artykułu przedstawiono wnioski pozwalające na prezentację syntetycznej charakterystyki badanego rynku.

W artykule szóstym zaprezentowano opis zmian jakie miały miejsce na rynku nieruchomości w mieście Opolu. Prezentowana analiza została opracowana dla trzech obszarów badawczych. Pierwszym z nich była ogólna charakterystyka opolskiego rynku nieruchomości, drugim analiza cen na rynku, natomiast trzecim charakterystyka rynku kredytów mieszkaniowych.

Ostatnie dwa artykuły wpisują się w problematykę zastosowania metod ilościowych w analizie rynku nieruchomości. Pierwszy z artykułów przedstawia proces budowy modelu ekonometrycznego na przykładzie rynku nieruchomości mieszkaniowych, a jego cel szczegółowy polega na określeniu użyteczności modelowania ekonometrycznego do szacunku wartości mieszkań. Autor wykorzystuje w tym celu transakcje odnotowane na lokalnym rynku nieruchomości mieszkaniowych. Drugi z artykułów, wykorzystujący metody ilościowe w analizie rynku nieruchomości, opisuje zastosowanie analizy skupień do określenia jednorodnych grup miast wojewódzkich. Realizując badania szczegółowo opisano proces grupowania lokalnych rynków nieruchomości, dokonano podziału miast wojewódzkich na grupy jednorodne, wykonano opisową, a także statystyczną analizę utworzonych grup.

Szeroki przegląd dorobku naukowego reprezentantów ośmiu ośrodków akademickich w obszarze rynku nieruchomości, stanowi zarówno przydatne narzędzie praktyczne jak i pozwala na ustalenie kierunków dobrych prac teoretycznych.

Łukasz Mach

Beata LEWICKA

FINANCIALIZATION OF THE HOMEOWNERS – NECESSITY OR CAPRICE? THE EXAMPLE OF REVERSE MORTGAGE BORROWERS IN THE UNITED STATES

Abstract: Nowadays, households all around the world are getting more involved in the financial market. They invest and borrow money, and thanks to the variety of financial instruments, they can choose for themselves the most attractive and suitable solutions. In case of borrowing, they very often do that against their own houses, supposing that they will pay off the debt and do not lose their property. But there are also situations, when they deliberately decide to give back their home in order to receive a cash from the credit. The aim of this paper is to find out why homeowners in the United States decide to use a reverse mortgage - an innovative financial instrument, which on the one hand may serve as a financial support for seniors, but on the other hand it “financializes” one of the most emotional asset – a house. In this article, the subject literature review and legal acts analyses were conducted. Comparative analyses were based on secondary data retrieved from the American Housing Survey.

Keywords: financialization, reverse mortgage, home-ownership.

FINANSJALIZACJA POSIADACZY MIESZKAŃ – KONIECZNOŚĆ CZY KAPRYS? PRZYKŁAD KREDYTOBIORCÓW KORZYSTAJĄCYCH Z ODWRÓCONEJ HIPOTEKI W STANACH ZJEDNOCZONYCH

Streszczenie: Współcześnie, gospodarstwa domowe na całym świecie stają się coraz bardziej zaangażowane na rynku finansowym. Jako jego uczestnicy, inwestują oraz pożyczają środki, a dzięki ogromnej różnorodności instrumentów finansowych, mogą wybierać najbardziej odpowiadające dla nich rozwiązania. Pożyczając środki na rynku, gospodarstwa domowe często wykorzystują własne mieszkania jako zabezpieczenie kredytu. Zwykle mają nadzieję spłacić kredyt i nie utracić prawa do nieruchomości stanowiącej zabezpieczenie. Istnieją jednak sytuacje, gdy gospodarstwa domowe celowo decydują się na oddanie części lub całości mieszkania w zamian za otrzymanie gotówki pochodzącej z kredytu. Celem artykułu jest znalezienie odpowiedzi na pytanie, dlaczego właściciele mieszkań w Stanach Zjednoczonych decydują się na wykorzystanie odwróconej hipoteki, która z jednej strony może stanowić formę wsparcia senioralnych gospodarstw domowych, z drugiej zaś strony „finansjalizuje” ona jeden z najcenniejszych dla nich aktywów jakim jest mieszkanie. W artykule dokonano analizy literaturowej dostępnych opracowań naukowych oraz amerykańskich aktów prawnych. Dokonano również analizy porównawczej danych wtórnych pochodzących z American Housing Survey.

Słowa kluczowe: finansjalizacja, odwrócona hipoteka, posiadanie mieszkania.

1. INTRODUCTION

The United States can be described as one of the most financialized country in the world [Davis, Kim 2015: 30]. In 2012, market capitalisation of companies listed on the country's stock exchanges reached 115% of national GDP, which gave the United States the eight place in the world [World Bank 2012]. Assuming that financialization means that the financial markets, motives and actors are becoming more significant in the domestic economy, the stock market share as a per cent of national GDP seems to be its good indicator [Stockhammer 2010: 3]. But not only is the financial market value evidence of this phenomenon, but also its implications on the society. That is why, considering financialization only through a macroeconomic lens seems to be insufficient. From the perspective of a single socio-economic unit such as a household, financialization may be manifested as an increasing level of its involvement in borrowing or investing on financial markets. This involvement should be measured not only by amount of loan or investment but also by more qualitative factors like a level of financial product complexity. The question stated in this article is why this involvement among households is increasing? Is it necessary, especially among elderly people, to seek for new debt instruments in order to live on a proper level or is it only a caprice to "keep up with the Joneses"? The aim of this paper is to find out why homeowners in the United States decide to use a reverse mortgage - an innovative financial instrument, which on the one hand may serve as a financial support for seniors, but on the other hand it "financializes" one of the most emotional asset – a house. In addition, a few comments about Polish experience are included. Methods used in this article: analysis of the data from the American Housing Survey (2013 and 2015) and review of American legal acts and literature.

2. FINANCIALIZATION DEFINITION AND ITS MEANING FOR HOUSEHOLD

According to one of the broadest definition of financialization, introduced by G.A. Epstein (2005) it means "the increasingly important role of financial markets, motives, actors and institutions in the operation of the domestic and international economies". More specifically, financialization was defined as "a pattern of accumulation in which profits accrue primarily through financial channels rather than through trade and commodity production" [Krippner 2005: 174]. In the scholarly literature it is often mentioned next to socio-economic concepts like globalisation [Baud & Durand 2012; Epstein 2005; Martin 2002; Palley 2007] and deregulation [Davis & Kim 2015; Fligstein & Goldstein 2015; Lewicki 2014; Palley 2007]. Those processes have supportive influence on financialization and as Epstein (2005) states, some of their joint effects can be pernicious for meaningful number of people. The dominant role of capital over the labour has led to income and wealth inequality. Working class households who lagged behind capital owners and "supermanagers" in earning money,

were struggling to keep pace with growing level of consumption. Simultaneously, the processes of globalization and deregulation simplified the access to credit, which finally led to rising households' debt levels [Stockhammer 2012: 40-53]. Regarding presented interactions, it should be concluded that financialization has a twofold impact on household decisions: on the one hand, it increases the income disparities, while on the other hand, it provides brand new financial instruments to even those differences. Due to these two effects, households are becoming more involved in financial markets – they seek for a loan or investment instruments and they can find them easily. So that the approach presented by Montgomerie (2009): “financialization evaluates how individuals (...) are increasingly mediated by new relationship with financial markets” may serve as a very adjustable definition of household's financialization.

3. WHAT CAUSES THAT PEOPLE BEGIN TO BE FINANCIALIZED?

Aalbers argues, that financialization forces that more and more households consider a house not just as a home and a place to live, but as an investment or an asset from which you can take equity [as cited in Pellandini-Simanyi, Hammer, & Vargha 2015: 3]. So it can be assumed, that nowadays it is mentally easier for homeowners to take up mortgages or borrow against the value of their property. But the question stated is why they do it - why people are becoming more mediated by new relationship with financial markets, even if it requires engaging such an emotional asset as a home.

Fligstein and Goldstein (2015) distinct two main reasons why people are becoming more involved in financial market relationships: 1) they try to defend against changes in their lifestyle and keep living on proper level, which requires becoming more indebted, 2) they see their wealth and income as the assets that can be used to create more income, which gives them opportunity to consume more. As it was presented above, financialization may “help” both groups by giving them opportunity to use innovative financial instruments, especially to take on different types of loans.

4. A REVERSE MORTGAGE LOAN AS AN INSTRUMENT OF FINANCIALIZATION

As an example of the instrument which provides a new relationship between household and financial market (regarding to Montgomerie's (2009) approach to financialization) may undoubtedly serve a reverse mortgage loan. This instrument is aimed especially at elderly people who are property's owners and consider to find an alternative source of income. A reverse mortgage mechanism may help them to release the value which has been accumulating for years in their properties without necessity of selling them. This type of loan does not require any regular payments from borrower, because it would be paid back after he will permanently move out or die (lender will sell the property).

In the United States, there is a special reverse mortgage program - Home Equity Conversion Mortgage (HECM), which is government-insured by Federal Housing Administration (FHA) – a part of U.S. Department of Housing and Urban Development (HUD). The FHA’s objective is to provide mortgage insurance on loans made by authorized lenders in the United States. Thanks to that insurance, lenders are protected against losses caused by mortgagors. Especially it applies to “crossover risk”, which means that the loan balance exceed the value of property which serves as a collateral. As a result, lending activities of authorized lenders are less risky.

The HECM’s were legally imposed in 1988, after successful conduction of the pilot program called Home Equity Conversion Mortgage Demonstration [Guerin 2012: 40-42]. The main goals and subgoals of this program are [U.S. Department of Housing and Urban Development 2010]:

Goal 1. Strengthen the Nation’s Housing Market To Bolster the Economy and Protect Consumers

- protect and educate consumers when they buy, refinance, or rent a home,
- create financially sustainable homeownership opportunities,
- establish an accountable and sustainable housing finance system.

Goal 2. Utilize Housing as a Platform for Improving Quality of Life

- utilize HUD assistance to increase economic security and self-sufficiency,
- utilize HUD assistance to improve housing stability through supportive services for vulnerable populations, including the elderly.

Goal 3. Build Inclusive and Sustainable Communities Free From Discrimination

- ensure open, diverse, and equitable communities.

In order to participate in this program, applicants have to fulfil several requirements:

- be at least 62 years old,
- not be an offender of any federal crime,
- be an owner of a property,
- the property has to be a principal place to live.

They also have to meet financial requirements connected with monthly income, living expenses (especially expenses on ongoing property charges) and credit history. These are new criteria, which appeared in 2013 in order to reduce the risk of a foreclosure.

Before the act of clinching the deal, applicants are obliged to take part in information session with a HUD-approved counsellor (www.portal.hud.gov, 11.11.2016). There are also strict FHA requirements for properties, which serve as a collateral.

The amount of money which can be release from property using HECM scheme is determined by the principle limit. In order to calculate the principle limit, a Maximum Claim Amount (MCA) has to be calculated. The MCA is equal to one of smaller amount: an appraised value of property or the FHA limit which may vary across different locations. Next step is to multiply MCA

by a factor from 0 to 1 (Principal Limit Factor – PCL), which depends on criteria like age of the borrower (if there is a couple of borrowers, age of younger borrower is taken under consideration) and interest rate of HECM loan. (Bishop & Shan 2008: 9-11). During the first 12 months of the loan, amount of money accessible to the borrower (initial disbursement limit) cannot be higher than 60% of principal limit or the sum of mandatory borrower's payments plus 10% of principal limit (mandatory borrower's payments especially mean obligations connected with repaying first mortgage and costs of mortgage insurance). [Milano 2014: 26-27]. After 12 months, the borrower can obtain rest of the money.

Nevertheless, the sum of money accessible to the borrower is lessened by costs like: closing costs, a set-aside servicing fees and an initial mortgage premium (MIP). The MIP is a premium which finances functioning of FHA guarantying system and its amount has changed recently. According to FHA Mortgagee Letter 2014-21: if the mandatory payments option exceed 60% of principal limit, then initial mortgage insurance premium (MIP) will be higher: "HUD charges an initial MIP of 0.50 percent of the Maximum Claim Amount (MCA) when the mortgagor's Initial Disbursement Limit or the Borrower's Advance is 60% or less of the Principal Limit. HUD charges an initial MIP of 2.50 percent (2.50%) of the MCA when a mortgagor's Initial Disbursement Limit or the Borrower's Advance is greater than 60% of the available Principal Limit".

As it is presented above, complexity of this instrument may be overwhelming for an average borrower. Despite the fact, that the information meeting with HUD-approved advisor is compulsory for every potential mortgagor, it should be emphasized, that this instrument is dedicated to seniors, who need more time and attention to understand specific financial issues. However, it should be also brought out that living property is very important asset for many older Americans. As Fisher, Johnson, Marchand, Smeeding and Boyle Torrey (2007) argue, elderly people hold on to their houses because: 1) they want to keep it for their children as an inheritance, 2) it has emotional meaning for them, 3) it may be highest performing asset in their portfolio, 4) they keep it for precautionary reasons, assuming that in future they will have to cover high medical expenses. So that, not only is taking on the reverse mortgage loan financial decision, but also it involves many psychological and sociological aspects.

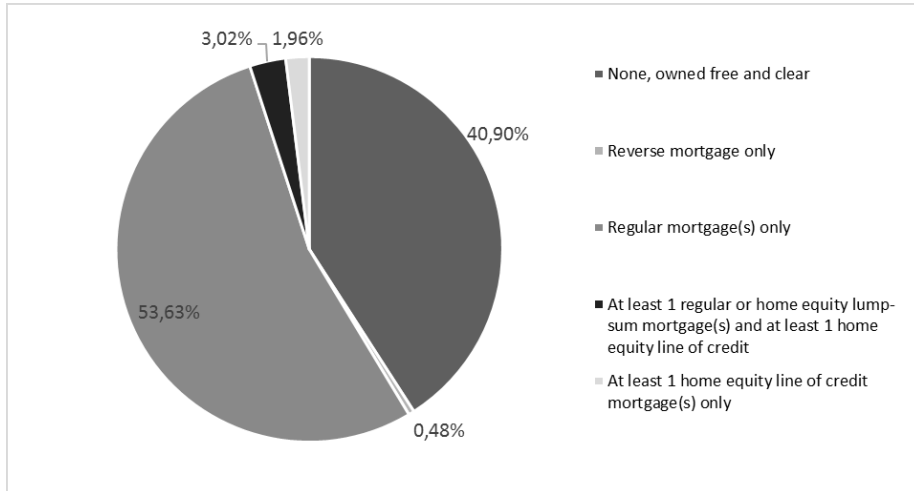
5. RESULTS OF AMERICAN HOUSING SURVEY ANALYSES

According to the American Housing Survey, the overall number of the reverse mortgages in 2015 reached 357 thousand, which means that only 0,48% of all owner occupied units in the United States served as a reverse mortgage collateral (in comparison, in 2013 it was 419 thousand). This may be found as an insignificant number, regarding to fact that more than 58,62% owner occupied units in the USA have at least one regular or home-equity mortgage (see: figure below).

About 90% of all reverse mortgages in the United States are insured by FHA [Redfoot 2011]. As it is presented on figure 2, the number of issued HECM's had

been growing gradually to year 2009 and as an effect of financial crisis, this number dropped significantly. Still, this instrument is not as popular as it used to be 7-8 years ago.

Figure 1. Owner-occupied units in the United States in 2015 – structure of units with at least one and without any mortgage

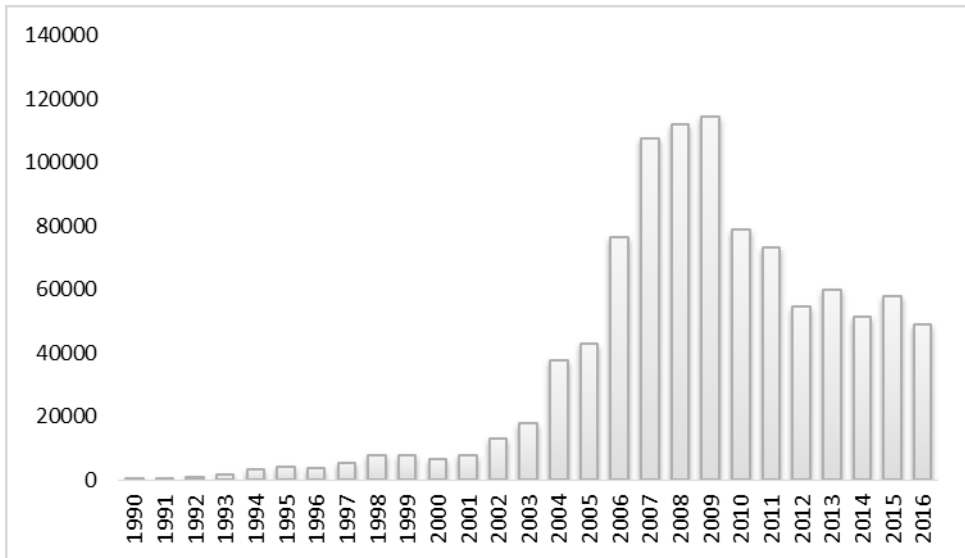


Source: U.S. Census Bureau, 2015.

What is typical for reverse mortgage loans, they are dedicated to seniors. In 2015, 35,85% of loans were taken out by households with householders between 65-74 years old, and 54,62% by people over the 75 years old.

Analyses of the American Housing Survey revealed that, among reverse mortgagors, 15,97% of them live below poverty levels. Comparing it with other types of mortgages, we can assume, that taking out reverse mortgage loan is more often considered as a rescue from financial exclusion, than any other loan (like for example Home-equity line of credit – HELOC, which is a solution for people who are in dire need of cash – see figure 3). This mean that instead of its complexity and all emotional aspects connected with a house, many elderly people are determined to use this instrument in order not to live on the breadline. As another research conducted by Delgadillo, Stokes & Lown (2014) shows, among people who sought reverse mortgage compulsory counselling, the main reason for seeking for this kind of financing was to pay off an existing mortgage.

Figure 2. The number of HECM reverse mortgages issued in each federal fiscal year since 1990 (each federal fiscal year begins October 1 and runs through September 30 of the following year)

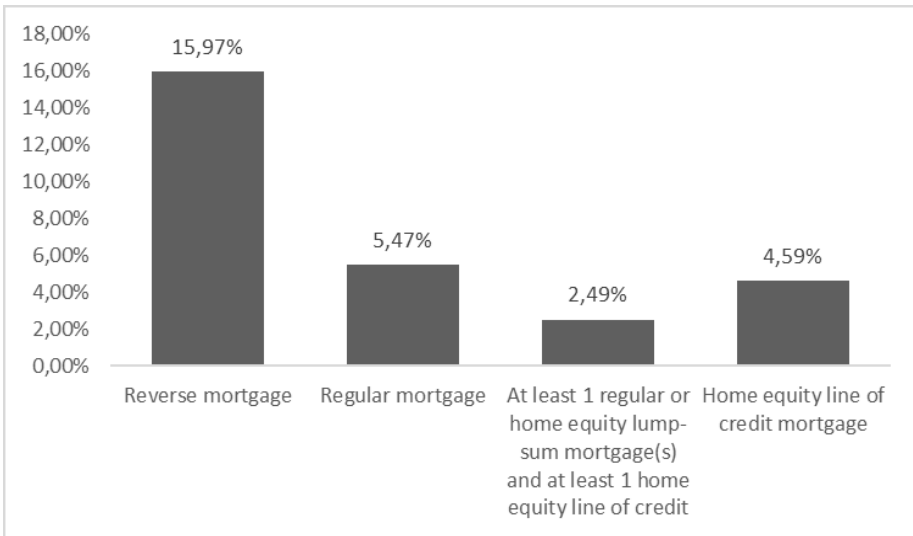


Source: National Reverse Mortgage Lenders Association, 2016.

Reverse mortgage borrowers admit also higher housing costs than people who do not have any mortgage or have a regular one (figure 4). For 37,25% households with reverse mortgage, their housing burden was higher than 30% of their monthly income. In comparison, 25,73% households with regular mortgage admit that this burden is higher than 30% of income, and only 19,64% who are mortgage-free. This may serve as an another argument for using reverse mortgage scheme mostly in cases when outgoing costs are too high to deal without extra support.

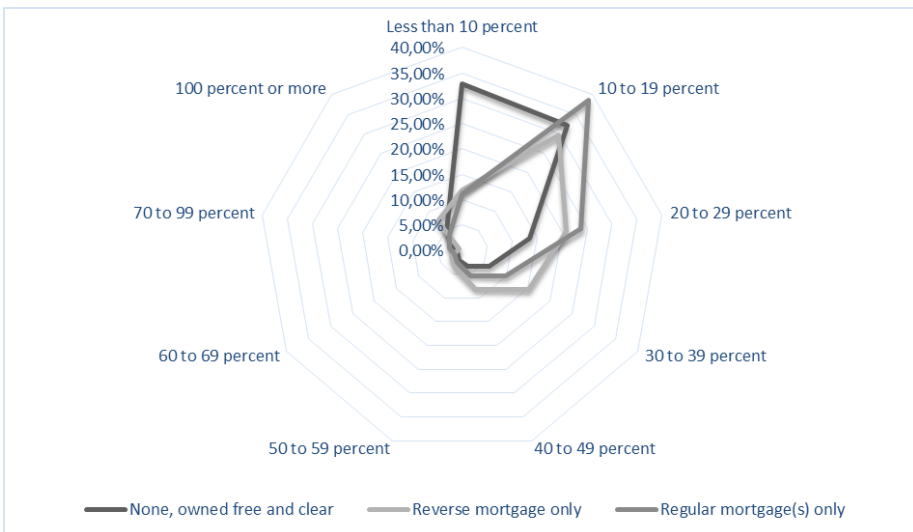
Taking everything into consideration, we can assume that most people who decide to borrow against their property had been financialized beforehand they applied for a reverse mortgage loan. In addition, this new arrangement in nearly 16% cases was an attempt to become financially included. So it can be concluded that reverse mortgages loans are more often treated as a tool to help making ends meet, then any other mortgage loan.

Figure 3. Percentage of American mortgagors (households with mortgage) who live below poverty levels



Source: own elaboration based on U.S. Census Bureau, 2015.

Figure 4. Monthly housing cost as percentage of income for regular mortgage borrowers, reverse mortgage borrowers and non-borrowers (percentage of each household category)



Source: own elaboration based on U.S. Census Bureau 2015.

6. FEW WORD ABOUT POLISH EXPERIENCE

In Poland, the reverse mortgage market actually does not exist. In 2014, the legal act “Ustawa o odwróconym kredycie hipotecznym” was introduced in order to encourage banks to offer reverse loans. Nevertheless, banks are not interested in offering this product, because as they comment “they do not see potential benefits from it” (Biskupski, Szadkowski 2015). In their opinion, product will not be attractive for potential borrowers. Maybe the introduction of mechanism like a state insurance, which in the U.S. protects lenders against losses caused by mortgagors and lessens potential risk, would be an incentive for Polish banks to add this product to their offer.

However, similar solutions in form of home reversion schemes are available in Poland. They are offered by commercial institutions, which are not controlled by Polish Financial Supervision Authority. Using those products may occur risky for the clients, as in case of bankruptcy of offering institution, they may lose their homes and not get any money. Households, which despite all presented dangers decided to use home reversion schemes, probably had problems with making ends meet. So that, it can be assumed that they financialized their biggest tangible asset, because they had not found any alternative solution.

7. CONCLUSIONS

The financialization may be considered as an increasing role of financial markets in householders’ lives, evaluated as the level of their involvement in financial market instruments (debts or investments). The question stated in this article was why senior households decide to financialize such emotional and valuable asset as a house. Researchers distinct two groups of households: those who become financialized because they have not any choice and those who just want to be more affluent and try to “keep up with the Joneses”. It can be concluded, that existing of this two groups is determined by the process of financializing itself (as its mechanisms expand the differences in income between borrowers and lenders). Nevertheless, state of being “financialized” influences on further “financializing” acts which can be observed with reverse mortgage borrowers. Despite complexity of this product and emotional approach to its main subject – a house, some elderly people do not have a choice and are forced to take out next loan in order to live on a sufficient lifestyle level, to cover medical expenditures or housing costs. The reverse mortgage loan may serve as a very good example of the instrument which shows that American homeowners are becoming “financialized”, especially when they have problems with making ends meet. The increasing income disparities, connected with growing popularity of complex instruments, have a twofold impact on households. Striving not to become financially excluded, they seize the opportunity to support their budgets, and like in a vicious circle, as a result, they become more indebted and financialized. In Poland, where the reverse mortgage instrument is not available, households in dire need of money may have no choice and be forced to use products

offered by companies not controlled by Financial Supervision Authority. In this case, financialization of the most precious asset – a house, can be also dangerous.

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