Editorial

Welcome to the second issue in the fourteenth volume of the *International Journal of Housing Markets and Analysis*. The ten papers published in this issue have passed through a double blind refereeing process where special acknowledgement is given to the contribution of leading researchers in their critical expert reviewer role. This issue aligns with the core objective of the journal where housing research is published relating to a cross section of developed and developing countries. The varying research methodologies and approaches to data collection and analysis also support the scope of this journal and the high level of support for innovation and creativeness.

The first paper investigates the structure of a fund that could potentially be developed to attract investment in affordable housing initiatives in Malaysia. In this process the research proposed a structure for a property trust fund serving as the investment vehicle. The findings confirm a dynamic fund structure should to be adopted, which in turn would allow for the fund to evolve in the future. It was demonstrated there were valuable insights for policymakers and investment banks when structuring investment vehicles to attract investment from investors in affordable housing. The second paper analyses the median price for existing single-family housing units in Las Cruces, New Mexico. A theoretical model is first developed to account for the interaction between supply and demand factors in housing markets. The variables examined in the analysis include real per capita income, housing stock, real mortgage rates, real apartment rents and also the median real price of single-family units in the USA. The data covered the time period between 1971 and 2017 with the parameter estimation completed using generalised least squares. The findings confirmed the model was reliable only in certain scenarios. For example, the level of housing prices in Las Cruces was correlated with local income and national housing prices. Note the results were only partly successful so future research in other geographical areas will be required to ascertain if the outcomes were unique to Las Cruces.

The third paper examines to what extent the conventional mortgage system is suitable for providing household finance in the USA. This is arguably because it encourages equity extraction and excessive leverage during housing booms and, therefore, often leads to negative equity in a housing bust, being a scenario associated with mortgage defaults and foreclosures. Alternatively, the authors hypothesise that home financing could potentially be structured as a diminishing partnership preventing the homeowner from having negative equity. The methodology used Johansen's cointegration test to examine the long-run relationship between delinquency rates, volume of refinancing and variations in house price indexes between 1994 and 2019. The methodology also used a granger causality test to show the volume of refinancing and changes in the HPI granger cause default rates. Under the current conventional mortgage system the findings confirmed that excessive refinancing opportunities and equity extraction are the main factors affecting delinquency rates and leading to non-sustainable homeownership. It was found there is a need for a new model of household finance to avoid the triggers of mortgage defaults.

The fourth paper examines the "Youth Jeonse Rental Housing Program" being provided within the housing market in Korea. It investigated the theoretical values relating to public housing and also considered the effect of the program on regional house prices. The study developed three hedonic price models based on Korea's housing market, being designated "ownership", "jeonse" and "rental" models. In addition, it used a hierarchical linear model to incorporate variables at both the individual house level and also the regional level variables. The findings showed that youth rental housing had no effect on falling prices in the region,

being in contrast to long-term rental housing. It also confirmed the policies based on a regional tenure system are more effective towards social mix than existing public housing policies. In addition the findings confirmed the potential for using mixed pathways other than only demand or supply policies.

The fifth paper examines the house market in Texas, USA. It focusses on trends in housing liquidity and pricing by analysing macroeconomic factors that vary at both the national level and at metropolitan statistical area level. In addition, there was an examination of seasonality in all of the metropolitan statistical areas. The methodology is based on an analysis of all housing markets at the metropolitan statistical area level in Texas to better understand the factors driving liquidity and pricing. It is based on two measures of liquidity, being the time to sell the house; and sales-to-list ratio. The findings confirm there is a significant impact from listing prices, unemployment rates, 30-year mortgage rates, consumer sentiment and oil price changes on the liquidity of the housing markets and decisions of sellers to adjust the prices down. Most importantly this is the first initial study to examine housing liquidity and pricing trends for multiple housing markets in Texas. In addition the findings provided evidence surrounding the importance of oil prices for the housing markets in Texas metropolitan statistical areas.

The sixth paper investigates the level of homeownership for young adults in Jakarta, Indonesia. This country, having the fourth highest population in the world, faces substantial challenges regarding homeownership opportunities for newly formed households. Despite the importance of these cohorts, no previous research has investigated the drivers of homeownership among young adults in Jakarta, Indonesia. The results confirm homeownership is primarily driven by factors that are more functional and realistic (i.e. in terms of a place to live, marriage and parenthood) in contrast to factors related to pride or social status representation (i.e. as a personal or career accomplishment). It was noted both unaffordability and lower income were ranked as crucial barriers to homeownership. It was argued that increasing the supply of affordable housing, controlling housing prices through government intervention and also reducing mortgage interests were potential solutions to this housing affordability problem.

The seventh paper proposed a model to examine the dimensions of Residential Quality and Housing Adequacy (RQHA), Social Housing Provision (SHP) and Residents' Quality of Life (RQOL) by social housing residents living in Batna, Algeria. The methodology used a quantitative approach via self-administered questionnaires to social housing residents. The data was analysed using descriptive statistics, exploratory factor analysis (EFA) with principal component analysis (PCA) and confirmatory factor analysis (CFA). The findings confirmed the reliability of the indices where RQHA is presented by three sub-constructs, namely, Satisfaction with Housing Adequacy (SHA), Satisfaction with Current Neighbourhood (SCN) and Satisfaction with Housing Design (SHD). In addition the constructs of SHP and RQOL were each explained by seven items. The findings identified correlation between the RQHA, SHP and RQOL constructs. These research outcomes would be useful for the relevant bodies to improve the levels of social housing quality, adequacy and provision.

The eighth paper proposes a new indicator of product differentiation in the mortgage market in Italy. This approach is used to examine how the double crisis, local market competition and bank-specific characteristics have influenced the supply of non-conventional mortgages in Italy. The methodology examined a survey of 400 Italian banks between 2006 and 2013 undertaken by the Bank of Italy to construct a new indicator for product differentation in the mortgage market. This involved estimating probit and OLS models using panel data at a bank-time level. The findings suggest the diversification

process in the Italian household mortgage market during the double crisis had slowed. After controlling for banks and local markets it was found that larger, less risky banks and the banks with adopted scoring systems were more likely to offer non-conventional mortgages. In addition, the banks operating in more competitive markets and in markets where other banks offer non-conventional loans tend to diversify their supply. These findings suggest the structure of local markets is important and there could be a non-price competition effect among banks in providing differentiated mortgage contracts.

The ninth paper was motivated by recent evidence that securitised real estate returns exhibit higher levels of predictability than stock market returns. Furthermore it was viewed that feedback trading can induce returns autocorrelation and market volatility. The research objective was to examine the impact of feedback trading strategies on long-term market volatility in eight international real estate markets, namely, UK, Germany, France, Italy, Sweden, Australia, Japan and Hong Kong. The authors used an advanced econometric methodology to test the assumption that the return autocorrelation may vary over time and the impact of positive or negative feedback trading could be a function of return volatility. To introduce a volatility term in the mean return equation of positive feedback trading or negative feedback trading model, the methodology used the original FIGARCH (1,d,1) methodology as initially proposed by Baillie *et al.* (1996). The findings were mixed, indicating that both positive and negative feedback trading strategies persist. There was positive feedback trading detected in the real estate markets of Sweden and Italy as opposed to the real estate markets of Australia, UK, Germany, France and Hong Kong where negative feedback trading was present. An exception was the Japanese real estate market although with limited feedback trading strategies to examine.

The tenth paper from Malaysia aimed to identify a suitable delivery mechanism to increase awareness of the house-buying process among millennials in Kuala Lumpur. It is argued that millennials would have an improved insight about what type of house they can afford and how much equity they need to save to own a house if they fully understood the house-buying process. A quantitative approach was used via questionnaires where the data analysis was undertaken via descriptive analysis, central tendency and cross-tabulation analysis. The findings confirmed most millennials in Kuala Lumpur possessed a low awareness of the overall process for purchasing a home. The paper included suggestions for the government to adopt these findings and provide an online delivery mechanism that is both attractive and easily accessible for millennials located in Kuala Lumpur.

These ten papers confirm this journal continues to maintain the high quality of published research coupled with increased submission levels and a high rejection rate. For authors, there is strong encouragement to engage with the editor prior to submission to ensure their paper is relevant and in an acceptable format for publication. This includes ensuring the submitted paper conforms to the author guidelines for the journal and importantly will reduce the time the each paper is in the review process. Please contact the editor directly if I can be of assistance prior to submission and/or discuss the procedure for admission into the review process. If you are interested in submitting a research paper or reviewing potential publications, please contact the editor direct at ijhma@ijhma.com

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