

# Author's Accepted Manuscript

## MANAGEMENT, FINANCING AND TAXATION OF HOUSING STOCK IN THE SHRINKING CITIES OF AGING SOCIETIES

David Bogataj, Diego Ros McDonnell, Marija  
Bogataj



[www.elsevier.com/locate/ijpe](http://www.elsevier.com/locate/ijpe)

PII: S0925-5273(16)30210-9  
DOI: <http://dx.doi.org/10.1016/j.ijpe.2016.08.017>  
Reference: PROECO6500

To appear in: *Intern. Journal of Production Economics*

Received date: 8 October 2014  
Revised date: 12 April 2016  
Accepted date: 17 August 2016

Cite this article as: David Bogataj, Diego Ros McDonnell and Marija Bogataj  
MANAGEMENT, FINANCING AND TAXATION OF HOUSING STOCK IN  
THE SHRINKING CITIES OF AGING SOCIETIES, *Intern. Journal of  
Production Economics*, <http://dx.doi.org/10.1016/j.ijpe.2016.08.017>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting galley proof before it is published in its final citable form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain

MANAGEMENT, FINANCING AND TAXATION OF HOUSING STOCK  
IN THE SHRINKING CITIES OF AGING SOCIETIESDavid Bogataj<sup>1,3</sup>, Diego Ros McDonnell<sup>2</sup> and Marija Bogataj<sup>3</sup><sup>1</sup> Univerza v Ljubljani BF, Jamnikarjeva 101 1000 Ljubljana  
dbogataj@actuary.siLjubljana<sup>2</sup> Universidad Politecnica de Cartagena, Plaza Cronista  
Isidoro Valverde, Cartagena, Spain  
diego.ros@upct.es<sup>3</sup> MEDIFAS, Vrtojba – Mejni prehod 6, Šempeter pri Gorici,  
Slovenia

marija.bogataj@guest.arnes.si

Abstract: More than 11 million homes lie empty across Europe. More than 2 million homes are empty in each of France and Italy, 1.8 million in Germany and more than 700,000 in the UK. These figures show that a large share of the housing stock in Europe is not in use. The problem has arisen because policymakers did not develop proper tools to balance long-term supply and demand for housing. The article describes why this problem appeared and provides an answer to the question of what type of incentives policymakers should apply to housing stock management, financing and taxation to achieve a better utilization of the built environment. A housing stock is a form of inventory of a built environment. The value of housing stock represents the major part of inventories in each society. Such stock currently is not managed properly because the management of housing stock does not include the methods for forecasting demand according to the dynamics of age cohorts for different housing needs, preferences and purchasing power. The goal is to develop such tools. Therefore, the actuarial reverse mortgage approach to financing is combined with a graph of a multiple decrement-competing risk approach to achieve better forecasting of supply and demand and to show how tax policies influence the housing market and the inventory of empty homes. The article also shows how taxation of real estate transactions is eating into the housing equity of the elderly when the latter must change their residential property due to decreased functional capacity. Therefore, we conclude that taxation of transactions is not an age-friendly instrument and should be replaced by property taxes that are paid annually. A better taxation policy is also suggested for Spain.

Keywords: Housing stock, shrinking cities, multiple decrements, Equity Release Scheme, taxation, housing market, aging

\_\_\_\_ Acknowledgement: The paper was partly financed by ARRS P5—0398 Location  
and urban land use in aging regions: Toward a general theory of land rent in the  
postindustrial age

---

Download English Version:

<https://daneshyari.com/en/article/5079142>

Download Persian Version:

<https://daneshyari.com/article/5079142>

[Daneshyari.com](https://daneshyari.com)