1. What are the economic factors that help determine how households choose between owning and renting? Are these factors different from those that determine the overall allocation of the stock between different tenures? [Suggestion: look at the first part from the perspective of households’ decisions, while approach the second part from a general market perspective and its final allocation between different tenures.]

2. What is the economic rationale for government intervention to assist owner-occupation? Can this help to explain current government policy with respect to (i) the tax treatment of owner-occupation as compared to other tenures and (ii) policies assisting access to owner-occupation?

**Reading**

Basic economics text books on the relationship between renting and owning
Lecture notes on investment and tenure choice
K Gibb & M Munro
*Housing Studies*, March 2001, Focus Issue on Supporting Home Ownership