

House Lust: America's Obsession with Our Homes **Book Review**

by **Daniel McGinn**

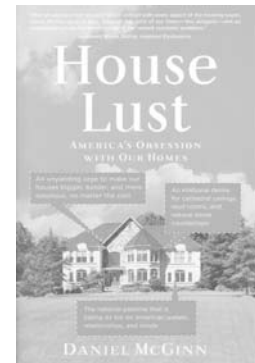
Reviewed by William Levernier

Biography: William Levernier is a Professor of Economics in Georgia Southern University's College of Business Administration. His research focuses on poverty and income inequality, rural economies, the effect of demographic and economic characteristics on election behavior, and on issues related to major league baseball.

In this book, Daniel McGinn, a national correspondent at *Newsweek*, discusses America's obsession with housing and explains how this obsession contributed to the rapid escalation and eventual decline of housing prices in many cities in the United States. It is a fascinating book that should be read by anyone with an interest in the U.S. housing market or in real estate generally.

In writing the book, Mr. McGinn interviewed home buyers, homeowners in the process of remodeling their home, developers, real estate brokers, builders, landlords, time share owners, and property investors. As part of his research for the book, McGinn went so far as to obtain his real estate license, although he never actually worked as a broker. Using a mostly anecdotal approach, he tells stories about many different people involved in the real estate boom, and in doing so touches on many different facets of the housing market.

McGinn makes clear in the book that a generation ago, homes tended to be much smaller and more basic than those of today. He notes that to people of his parent's generation, a house was simply a place where one lived and not something that was generally worth discussion. Today, though, people are much more likely to tie their self-worth directly to their house and are much more likely to discuss housing-related issues with friends, acquaintances, and even colleagues in social and work-related settings. He traces much of our current obsession with housing to television programs that focus on renovating homes or on selling homes. Although housing-related programs, beginning with *This Old House*, have been present on television for nearly thirty



The Cover Story

Title: *House Lust: America's Obsession with Our Homes*

Author: Daniel McGinn

Number of pages: 264

Area(s) of business: Real Estate

Readability: Medium

Time needed to read: 6 hours

Why should I read this book: This book will provide you with a better understanding of how America's obsession with housing led to an unsustainable over-valuation of housing in many parts of the United States.

Overall rating: 3 bulbs

years, McGinn convincingly argues that it is modern programs, such as those shown on the *HGTV* network in the form of *House Hunters* and *Designed to Sell*, that have contributed greatly to the escalation of America's fascination with housing. Also, the internet, which has increased the ease with which anyone can obtain the selling prices and other information about virtually any type and size of house in virtually any location in the United States, has contributed to the obsession.

One of the most entertaining stories involves his own attempt at becoming an absentee landlord. McGinn, who lives in New Jersey, describes how he purchases a house, without ever visiting it, in far away Pocatello, Idaho. He got the idea to become a landlord from a real estate seminar he had attended as part of his research for this book. To facilitate the purchase, he utilizes the services of a Pocatello real estate broker and a Pocatello mortgage broker. After acquiring the house, he hires a property manager, whom he has never met, to collect the rent from the tenants, whom he has also never met, and to ensure the property is adequately maintained and is repaired when necessary. Needless to say, his venture as a long-distant landlord did not turn out as profitable as he had hoped.

Another set of stories that were highly entertaining pertained to people who own multiple properties, each intended for use by the owner rather than as an income-generating rental property. One property typically serves as the person's primary residence while the other serves as a vacation property that may be visited on a semi-regular basis. Often, the properties are several states apart and, in some cases, the vacation home is just as nice as the primary residence.

This highly informative book gives the reader insight into the housing market's rapid escalation and recent decline. It provides a clear explanation as to the psychology that induced America to over-invest in housing and does so in an entertaining manner.