



A home is both a physical and emotional asset. The physical asset is the structure which exists for practical purposes: a dwelling in which to eat, sleep, and have protection from the environment. A home is also an emotional asset. It is the place where you raise your family, take part in the community, and return to for safety.

If the financing of your home creates uncertainty, your home is not a source of safety, but is instead a source of risk. Any kind of adverse event, be it the loss of employment or even a natural disaster, could lead to a permanent loss. Therefore, the home should really be the place where one is most financially conservative. When everything else falls apart you should still have a place to call home.

Historically, the choices for financing a home have been exclusively through debt. Solutions to increase homeownership and affordability have been to provide access to additional debt and mortgage insurance, resulting in highly-levered homeownership. This has exposed homeowners and society to unnecessary risk.

This is why equity financing should have always been available to homeowners, as it has been for other asset classes. A combination of debt and equity would enable homeowners to get back in control of their finances. It would make housing more affordable, and help create a safer homeownership model for society. Unison is allowing institutional investors to become equity partners in owner-occupied homes for the first time. In doing so, we are reducing housing risk for homeowners and providing a new asset for investors.

In addition to lowering household debt, addressing major socio-economic issues such as housing affordability and retirement stability will be central to the prosperity of our communities in years to come.

Unison as a Solution for Housing Affordability

We have come to talk about the housing affordability crisis as if it is an issue that can be resolved on its own. However, a solution can only come in two forms. The first relies on societies investing more in public transportation so it's possible to live farther away and still go to work where the jobs are. The second option is offering a new ownership model that enables individuals to afford housing where they want and need to live while still living within their financial means.

Unison as a Solution for Retirement

Unison can make a major impact on the retirement crisis, because the home is the most valuable asset held by many retirees. Unison allows retirees to unlock the equity in their homes without taking on more debt so that they are able to enjoy a comfortable and predictable retirement. They can diversify their assets while continuing to live in the house they know and love.

We have an opportunity to reduce the financial risk associated with homeownership by offering access to equity in an asset class previously dominated by debt. This simultaneously offers institutional investors the ability to invest equity in residential real estate for the first time, and as such is an opportunity to diversify their portfolios while making a positive impact.

Thomas Sponholtz
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