

# A Housing Portfolio Channel of QE Transmission\*

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## Abstract

We document a housing portfolio channel of quantitative easing (QE) transmission exploiting household-level and regional variation in German data. We show that QE induces households with larger initial bond holdings to rebalance more their portfolios toward second homes, consistent with a buy-to-let motive. This rebalancing is stronger for higher-income and church-affiliated households, who are more exposed to tax incentives to buy and let, and more financially literate and bank-advised households. We also document a stronger impact of QE on housing outcomes in more exposed regions, with house prices increasing more than rents and sale listings declining more than rental ones.