



*The End of Mass Homeownership? Housing Career Diversification and
Inequality in Europe*

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SUMMARY

THE END OF MASS HOMEOWNERSHIP? HOUSING CAREER DIVERSIFICATION AND INEQUALITY IN EUROPE

Introduction

The second half of the past century reflected, in many ways, a ‘golden age’ of increasing homeownership across advanced economies. Although differing in precise timing and conditions across countries, this period was characterised by strong labour conditions supporting a broad middle-class, alongside a socio-political backing for homeownership (Kurz and Blossfeld 2004; Forrest and Hirayama 2009; Conley and Gifford 2006), which, taken together, promoted a relatively widespread diffusion of homeownership. These past decades of rising homeownership underscored an optimistic ‘ideology of mass homeownership,’ one that perceived owner-occupation as a widespread and democratic means of shelter and wealth accumulation. Past research focused on the role of growing homeownership in diminishing disparities (see Hamnett 1999; Hancock 1998) and often overlooked those not entering homeownership in the face of expected tenure growth (Hamnett 1999). At the same time, the asset-role of housing – beyond its basic shelter function – was emphasised as housing became increasingly commodified. Progressive retrenchment of state support further promoted notions of asset-based welfare (Doling and Ronald 2010; Conley and Gifford 2006) where mass homeownership became a natural means to widespread household economic security.

While it may be possible, in many countries, to describe a past ‘golden-age’ of widespread homeownership, contemporary conditions seem to be converging towards the reverse. Even preceding the GFC, evidence was mounting that homeownership’s inexorable rise was stabilising and in some contexts may have been reversing (Scanlon and Whitehead 2004) with indications of limited opportunities for young adults who in previous decades might have been flowing into homeownership. Nonetheless, the notion of homeownership as a widespread means of economic security mostly persisted with the ideological-political landscape remaining one of essential consensus in the commitment to homeownership and the superiority of the market (Forrest and Hirayama 2009).

Research focus

This dissertation investigates fundamental transformations in housing careers across European countries, which have led to increasing diversification and complexity in residential transitions and growing inequalities in housing outcomes: realignments that fundamentally undermine ideologies of mass homeownership and the democratic nature of housing wealth. The guiding question of the research is: *To what extent are contemporary housing careers across Europe shaped by and reflecting growing diversification and inequality?*

The first dimension of the research tackles directly the changing nature of housing careers, uncovering compelling evidence across EU15 countries of decreasing entry into homeownership for young adults. Challenging traditional conceptions of standard housing ladders, young adults' housing careers are marked by delayed home-leaving, increasing shares staying in rental, shared living arrangements and even 'boomerang moves' back to the parental home. In understanding these changing housing careers, the research uncovers the role of varied national contexts in terms of housing system and/or welfare regime characteristics in shaping housing dynamics.

Beyond the intervening role of socio-cultural and institutional contexts, the research further takes a broader perspective on the drivers and outcomes of such housing career trends. Fundamentally, the argument made is that housing career realignments are not merely the symptoms of a temporary recession, but are, to a great extent, outcomes of structural transformations in labour and housing markets alongside changing roles of state intervention. The evidence reveals how longer-term dynamics in growing labour market insecurity and inequality have undermined the stable, well-paid jobs across Europe needed for accessing home purchase, exacerbated by developments in the mortgage market. A detailed focus on the British case, as a salient example of an advanced 'homeowner society,' exposes significant outcomes of housing wealth divergence structuring growing inter and intra-generational inequalities.

Data and Methods

The research takes a quantitative approach and employs multiple secondary data sources. As the first chapters focus on cross-country comparisons, they rely heavily on harmonised cross-country data, principally from the longitudinal and cross-sectional datasets of Eurostat's EU-SILC dataset. Chapter 2 examines changing housing tenure patterns across EU15 countries and uses hierarchical agglomerative clustering to reveal commonalities as well as assessing correlation between key macro-level explanatory variables and changing housing positions. Chapter 3 analyses semi-dependent arrangements in parental co-residence and shared living across EU15 countries and assesses correlations with macro-level characteristics of economic

capacity, welfare regime, and housing system contexts. Chapter 4 employs EU-SILC longitudinal data across 22 European countries to examine situations of returns to the parental home and, through logistic regression, models individual housing moves within varied welfare regime contexts. Chapter 5 turns to the case of Great Britain to investigate inequality dynamics of housing wealth data derived from the Wealth and Assets Survey. Finally, chapter 6 draws from multiple data sources in assessing long-term transformations in labour and mortgage markets and macro-level correlations with homeownership access.

Chapter 2: Younger adults and homeownership in Europe through the GFC

The first research chapter investigates young adults' housing pathways in post-crisis Europe. Based on cross-national data from EU-SILC, the chapter reveals a common pattern of decreased entry into homeownership among young adults across EU15 countries. While common homeownership decreases are measured, alternatives to owner-occupation are differentiated across European contexts with some countries seeing strong shifts towards rental, echoing the 'generation rent' narrative in the UK, while others have seen rising levels of extended or returned parental co-residence. The research reveals that, beyond the degree of direct economic impact of the crisis, those contexts that represent the most financialised housing systems portray the strongest decreases. The investigation points to the clearly unfavourable conditions for young adult homeownership and provides evidence to the risks of a highly marketised housing system towards both equality and stability of homeownership access.

Chapter 3: Parental co-residence, shared living and emerging adulthood in Europe

The third chapter examines the role of shared living and parental co-residence (forms of semi-dependent living arrangements) in the housing transitions of younger adults. This chapter investigates these 'in-between' stages in young housing pathways representing residential coping arrangements in the face of the difficulty of establishing independence, especially in homeownership. This complexity in young adult housing transitions appears crucially moderated by socio-cultural and institutional differences reflected by welfare regime and housing system contexts. While total levels of independence are significantly associated with welfare regime context, the propensity for shared living appears structured by housing system characteristics of rental affordability.

Chapter 4: boomerang moves of younger adults and the welfare regime context

The fourth chapter investigates the specific circumstance of returned parental co-residence – or 'boomerang' moves – across Europe. Through analyses using the longitudinal EU-SILC dataset, the research establishes a foundational understanding of how factors at both the individual as well as welfare regime level moderate young adults' housing interruptions.

Such intra-family coping arrangements are shown to be triggered by events of personal and economic shock, especially unemployment and partnership dissolution. The research focuses on how differing socio-cultural and institutional contexts, as explained by the nature of the welfare regime, may moderate such dramatic interruptions to residential independence in the face of personal and economic hardship. Higher return propensities are revealed among more familialistic settings of Southern Europe and New Member States while lower likelihoods were evident in the face of stronger state support and practices of earlier autonomy as in Social Democratic contexts.

Chapter 5: Housing wealth inequalities, inter and intra-generational divergences, and the rise of private landlordism

The fifth chapter argues for the special position of housing equity in inequality dynamics and directly challenges persistent notions of homeownership as a widespread and equalising mechanism of asset accumulation. The chapter turns to the ‘liberal’ British context, arguably representing the most advanced case among EU countries in terms of a combination of key drivers of rising inequalities, a strongly financialised/marketised housing system, retrenched state welfare provisions and an embedded ideology of mass homeownership. Looking at data from the Wealth and Assets Survey (2006-2012), the research points to the starkly concentrated nature of housing equity and significant trends towards increasing disparities and inter and intra-generational divergence. The recent emergence of a substantial secondary rental-property market presents a further key dimension of wealth concentration. The research brings into question the viability of housing-asset-based economic security in an era of individualised welfare responsibility.

Chapter 6: The end of mass homeownership? Changes in labour markets and housing tenure opportunities across Europe

The final research chapter takes a longer-term and broader perspective on housing career realignments. The chapter argues that decreasing homeownership shares are not solely the result of the GFC, but are the consequences of more structural transformations, especially in labour markets. Using multiple cross-national datasets, the research investigates evidence of longer-term declines in employment security and growing inequality across Europe that have undermined well-paid and secure jobs – exactly those that fit best with the taking of housing loans. These trends pre-date the crisis yet have been exacerbated by outcomes of the GFC and resulting mortgage changes. The research evaluates correlations between deteriorated labour market conditions and reduced homeownership shares for young adults. Taken together, the chapter argues that such structural dynamics challenge the future prospect of mass homeownership.

Conclusion

The research reveals how contemporary housing careers across Europe are increasingly structured by growing diversification, complexity and inequality. Declining homeownership has pushed increasing shares of young adults – and for longer – into parental co-residence and (shared or independent) rental housing. Previous notions of standardised housing ladders have been undermined by increasingly complex and precarious housing trajectories. The research has highlighted both how varied socio-cultural and institutional contexts may shape housing career realignment as well as revealed common trajectories in the face of more global forces of labour, housing and state transformations. Growing labour market insecurity, increasingly financialised housing markets, and retrenched state support have exacerbated labour and housing divides. Together, these circumstances have only tended to emphasise the importance of one's position on the housing market where property assets increasingly structure wealth divergence and household economic security. Given increasingly differentiated opportunities in entering homeownership, varied outcomes on the property market, and the growing financialisation of property, housing assets are clearly central to structuring inequalities with intergenerational transfers likely reproducing socio-economic divides across generations. While an optimistic ideology of the widespread and democratic nature of property ownership has persisted, the research uncovers transformations in housing careers that bring into question the supposed promises of mass homeownership.

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