

Issues Facing Young People:

Do young people really have
a tenure 'choice'?

Dr Kim McKee

Centre for Housing Research, St Andrews

Introduction

- Growth of homeownership one of most significant changes of the 20thC
- Increasingly a ‘normalised’ tenure of choice (Gurney 1999)
- Social housing in turn ‘residualised’ (Forrest & Murie 1989)

“the private ownership of housing has provided a material basis for securing homes and accumulating assets, but has also been a key symbolic marker of membership in mainstream society” (Hirayama 2012: 173)

Key Trends

- BUT young people increasingly being excluded from HO:
 - Growing numbers staying in the parental home for longer (HO rate halved from 18% 1980, 9% in 2007)
 - When ready to 'fly the nest' accessing homeownership is challenging (average deposit peaked in 2009 - 25%)
 - Not prioritised in social housing allocations unless in 'housing need'
 - Majority U30s now in the PRS ('generation rent')

- More than just an issue of young people being frustrated because they cannot realise their housing aspirations
- Reflects inherent contradiction and short-sightedness in government policy
- To fully understand the complexities at play we need to look beyond the housing market and consider:
 - The role of housing in the reconfiguration of welfare
 - How housing is re-shaping social inequalities
 - Tensions within government housing and social policies

Housing & the Reconfiguration of Welfare

- As literature on ‘neoliberalisation of welfare’ highlights boundaries between the state & citizens being redrawn
- Individuals increasingly expected to assume responsibility for their own life outcomes (Rose 2000)
- Housing important role; asset & source of wealth to be utilised to secure well-being (Doling & Ronald 2010)
- Resulted in the ‘commodification’ of the home and housing being presented as a consumer choice (Ronald & Elsinga 2012)

- Whereas social housing = ‘wobbly pillar’ of welfare state, private housing consumption = ‘cornerstone of household welfare’

“homeownership has come to represent ... a means for the state to offset onerous welfare demands on public coffers. This is achieved by supporting the ability of individual households to buy homes, trade up the market and accumulate considerable equity of their own on the way” (Ronald & Elsinga 2012: 11).

- But how are young people to secure their own future welfare if they are excluded from having housing assets?

Reshaping Social Inequalities

- Clear inter-generational inequalities emerging:
 - Older generations disproportionately advantaged by historic housing policies (e.g. RTB, MITR) & equity gains
 - YP increasingly reliant on familial financial support to secure mortgage finance ('re-familization of society')
 - BUT pressures of ageing population means parents/grandparents may need their housing wealth for themselves (or they may need their children to look after them, thus reversing the dynamic)

- But also important intra-generational issues:
 - HO increasingly becoming the preserve of the children of homeowners
 - Average age those accessing HO in UK without parental support is 37 (31 with help)
 - Growing numbers having to stay in parental home for longer (Japan, phenomena labelled ‘parasite singles’)
 - Patterns of housing wealth & inheritance reinforce existing patterns of inequality in the UK (issues for Scotland?)

Short-sightedness of Current Policy

- Policy solutions focused on easing access:
 - Low-cost homeownership products (shared equity)
 - Mid-market rent (what's wrong with social housing?)
- Malpass (2006) argues that state promotion of 'choice' in housing has been choice for social renters to become homeowners & not the other way around
- Research highlights young people value affordability and accessibility across all tenures (ECOTEC 2009)

Other Issues for Policy

- Given PRS is where most young people located need to urgently address problems in the sector - regulation?
- Given the inter-connection between housing & welfare need to question the speed & scale of welfare reform
- Need to cast our gaze beyond the housing market & consider interconnections between housing and wider economic, social & demographic shifts
- Danger of creating a 'lost generation'....

Leverhulme Project 2012-15

- **Mind the (Housing) Wealth Gap: intergenerational justice & family welfare**
- Key questions:
 - Understand changing patterns of family housing & wealth resources
 - Identify the extent to which current demographic trajectories, changing attitudes and towards wealth will impact upon existing inequalities
 - Address the barriers to change including legal, policy and financial complexities and the beliefs & behaviours of individuals
 - Understand the implications of these inequalities and injustice across the life course

- Addressed through 5 workstreams:
 - *Young People: tenure choices and welfare (McKee)*
 1. What are young people's expectations surrounding inter-generational transfers of wealth in a housing context? How does this influence their housing pathways? Are there any cross-tenure differences emerging here?
 2. How have young people actually benefited from inter-generational transfers of wealth? Does homeownership provide a financial resource that can be accessed to support intra-family transfers of wealth? How is this negotiated within the family?
 3. How do young people reconcile the tensions between government expectations that individuals take increasing responsibility for their own well-being in old age, and the potential loss of inheritance (through inter-generational transfers of wealth) that may result?

References

- Doling, J. and Ronald, R. (2010) “Home Ownership and Asset Based Welfare”, *Journal of Housing and the Built Environment* 25 (2): 165-173.
- ECOTEC (2009) *A Look at the Issues Facing Young People when they Move to Independent Living*. York: Joseph Rowntree Foundation.
- Gurney, C. (1999) “Pride and Prejudice: discourses of normalisation in public and private accounts of home ownership”, *Housing Studies* 14(2): 163-183.
- Hirayama, Y. (2012) “The Shifting Housing Opportunities of Younger People in Japan’s Home-Owning Society”, in Ronald, R. & Elsinga, M. (eds) (2012) *Beyond Home Ownership: housing, welfare and society*. London: Routledge.
- Malpass (2006) “Homeownership and the Implication of Inequality” in J. Doling & M. Elsinga (eds) *Homeownership: getting in, getting from, getting out Part II*. IOS Press: Amsterdam.
- Ronald, R. & Elsinga, M. (eds) (2012) *Beyond Home Ownership: housing, welfare and society*. London: Routledge.
- Rose, N. (2000) “Community, Citizenship and the Third Way”, *American Behavioural Scientist* 43: 1395-1411.