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Special Issue Young people and housing

Editorial Young people and housing: identifying the key issues

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Young people and housing: identifying the key issues

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Abstract

The housing experiences of young people are a contemporary global concern, with the exacerbation of young people's housing problems in many countries reported widely in the media and raising important policy questions. In response, this special issue of the International Journal of Housing Policy presents new empirical research from Europe and East Asia and seeks to identify key areas for improvement in national housing policies. This editorial summarises the main housing issues identified in the special issue articles and identifies the emergence of two cross-cutting policy challenges. The first challenge is to ensure all young people have an equal opportunity to leave the family home and live independently. This will require a much greater awareness of the political, economic and cultural forces restricting young people's transitions. The second key policy challenge is to improve the suitability and availability of housing for young people, with studies in this special issue specifically pointing towards an improved private rented sector and further provision of shared housing. Articles in this special issue indicate that a failure to respond to these significant housing policy challenges will have wide reaching social and economic consequences.

Key words: Young people, transitions, homeownership, Private Rented Sector, disadvantaged

Introduction

The housing experiences of young people have become a critical international issue, with young people's housing problems being reported widely in the media and an increasing concern of scholars (Clapham, Mackie, Orford, Thomas, & Buckley, 2014; Forrest, 2012; Forrest and Yip, 2016; Mackie, 2012; Ronald & Hirayama, 2009; Yip, Forrest & La Grange, 2006). For example, many young people are being confined to tenures they would not typically choose to occupy, with transitions from the family home into independent living becoming increasingly delayed, protracted and complex (Billari and Liefbroer, 2010). Within this context, a special issue on young people and housing was commissioned for the International Journal of Housing Policy, with the aim of exploring contemporary issues and identifying appropriate policy responses. Five articles and a policy review are published in this issue, focusing on Europe (particularly Mediterranean states) and East Asia and whilst geographical coverage is not global, the policy challenges which emerge have a wider relevance. This editorial provides a brief overview of the housing issues identified in the six articles before introducing the two cross-cutting policy challenges which emerge.

Housing issues facing young people

In the first of the four European articles found in this issue, Filandri and Bertolini (2016) analyse data from the European Survey on Income and Living Conditions (EU-SILC) to identify the key influences on levels of homeownership amongst young people in 28 European countries. They explore the importance of young people's socio-economic backgrounds, as well as features of the housing market, labour market, and welfare state. They find that middle class households are more likely to live in owner occupation, and those from the lower social classes are increasingly constrained to the less secure rental sector. The authors also conclude that the state has an important role to play in determining levels of homeownership, especially in Mediterranean (South European) contexts where state welfare generosity is low but compensated for by high homeownership rates, which generate various forms of income in-kind. Mediterranean countries are the focus of the other three European papers, all of which argue that we are witnessing a shift towards housing transitions that more closely reflect the types of transitions young people generally face in Northern Europe.

Moreno Mínguez (2016) and Gentile (2016) both examine developments in Spain following the financial crisis which began in 2007. Young people in Spain, and in other Mediterranean countries, generally leave the family home far later than young people in Northern Europe (Aassve, Billari & Ongaro, 2002; Holdsworth, 2005). However, Moreno Mínguez and Gentile both conclude that Spanish young people are increasingly leaving the family home at a younger age. Moreover, they observe a growing trend in young people moving into the Private Rented Sector (PRS). Whilst both articles agree that Spanish young people's transitions to independent living are becoming more similar to those of many North European young people, they diverge in their explanations for this trend. Moreno Mínguez claims this change was driven by the financial crisis, whereas Gentile suggests that the increasing use of the PRS among younger Spanish people may be an outcome of the Spanish Government's *Renta Básica de Emancipación* (RBE) policy, which has sought to increase supply and demand in the PRS. Gentile reviews this policy and argues this is the first instance whereby, in contemporary Spanish housing policy, the state has sought to break from the rigid path-dependency on homeownership. He analyses administrative data to make claims about the impacts of the policy, notwithstanding the challenges of disentangling its impacts from those of wider economic and social conditions.

The final European paper has a very specific focus, investigating the growing trend of house sharing amongst young people in Milan, Italy – a trend that is more typical in Northern European countries (Arundel and Ronald, 2015; Schwanitz and Mulder, 2015). In their qualitative research, Bricocoli and Sabatinelli (2016) identify economic constraints as the primary cause of sharing, and yet within this constrained housing context, experiences of sharing vary considerably. They find some young people appear unhappily confined to living with unknown peers, whilst others live collectively with those they know and benefit greatly from the experience. Bricocoli and Sabatinelli thus recommend that housing policies be more supportive of such alternative housing solutions.

The South East Asian contributions in this special issue focus on China (Deng, Hoekstra & Elsinga, 2016) and Hong Kong (Castro Campos, Yiu, Shen, Liao, & Maing, 2016). In this region, as the

authors claim, the policy attention given to young people's housing needs is rather limited, largely due to prevailing cultural norms which assume young people should live with their parents rather than independently (Li and Shin, 2013). Like the first European article of the special issue (Filandri and Bertolini, 2016), Deng et al.'s article on China provides an insight into the key influences on levels of homeownership amongst young people. In their article they specifically seek to explore the extent to which the state determines who has access to owner occupation. After more than three decades of market transition it was anticipated that the role of the state would have weakened and the importance of young people's economic status would be heightened. However, they conclude that territorial affiliation (*hukou* registration) continues to play a particularly important role in determining access to owner occupation, whereas a greater ability to compete financially in the market has more limited impact. Deng et al. conclude that Chinese housing policy needs to be more effective in ensuring all young people can access suitable accommodation and call for improvements across all tenures, with particularly improved provision for those without an urban *hukou* registration.

Castro Campos et al. (2016) similarly conclude that migrants (in this instance – migrants from mainland China) face exclusion from the housing market in their study of anticipated housing pathways to homeownership amongst university students in Hong Kong. There, the Hong Kong government has introduced restrictions to deter foreigners (including those born in mainland China) from buying properties. Similar to the European experience, Castro Campos et al. find that a high proportion of young people are dependent on parental support in order to access housing, with this proving to be particularly true for students from mainland China. For those young people who do not anticipate having parental support to purchase accommodation, the authors predict that they will postpone leaving home, whilst also postponing other adulthood transitions such as marriage and parenthood.

Housing policy challenges

Reflecting on the findings of the six diverse papers in this special issue, two key cross-cutting housing policy challenges emerge. The first challenge is to ensure all young people have an equal opportunity to leave the family home and live independently and the second is to improve the suitability and availability of housing for young people.

Articles in this special issue add to an existing body of evidence which shows young people do not share the same opportunities to leave the family home and transition into independent living - instead there is significant inequality amongst young people (Clapham et al., 2014; Ford, Rugg and Burrows, 2002; Hochstenbach and Boterman, 2015; McKee, 2012). Three factors are particularly influential in determining who is able to leave and what accommodation they can secure. Firstly, young people with higher economic resources are advantaged (Clapham et al., 2014) and this proved to be particularly true in Filandri and Bertolini's European overview (2016). Secondly, parental support can help transitions by providing economic assistance (Druta and Ronald, 2016; Ford et al., 2002; McKee, 2012) but also hinder transitions by expecting young people to remain at home for longer (Mackie, 2012). The Hong Kong and Chinese articles in this special issue reiterate the important

economic and indeed social role of parents in influencing young people's transitions from the family home. The third driver of inequality in young people's ability to leave the family home is less well documented. Deng et al. highlighted the important role of the state, and in particular a young person's territorial affiliation ascribed by the state (via the *Hukou* system).

Articles in this special issue highlight that there are social and economic impacts resulting from unequal opportunities to leave the family home. For example, Campos et al. suggest young Chinese people who are unable to leave the family home may delay marriage and parenthood – a finding echoed by some groups of young people in Clapham et al.'s (2014) UK study. To achieve greater equity in the ability of young people to leave the family home, policy makers need to develop a more acute awareness of the forces restricting young people within their jurisdictions (eg. economic ability, availability of parental support, and state policies such as the *hukou*). Acting against these forces will be challenging. For example, in the Chinese context this would require fundamental reforms to the *Hukou* system and in most countries this would mean greater steps to address intergenerational inequalities, perhaps through forms of property and inheritance taxes.

The second key policy challenge is to improve the suitability and availability of housing for young people, with articles in this special issue pointing towards two particular areas for improvement. First, young people are increasingly limited to the PRS, a tenure which is often insecure and expensive and highly undesirable amongst younger people. Whilst perceptions of the PRS differ between countries (Crook and Kemp, 2014), many recent studies have similarly concluded that action needs to be taken to improve the suitability and desirability of the sector, particularly for those who are least able to compete for housing (e.g. due to lack of economic resources or parental support) and are likely to be confined to the poorest quality accommodation (Clapham et al., 2014; McKee and Hoolachan, 2015; Rugg and Quilgars, 2015). Of course, any improvements to the PRS from the perspectives of young tenants must not be detrimental to landlords, or else supply is likely to be affected. Gentile's (2016) review of the Spanish Government's attempt to invigorate the PRS offers one example where the economic viability of the tenure was improved for both tenants (particularly those facing difficulties in making a transition from the family home) and landlords but comprehensive reform of the tenure still remains necessary in Spain, as it does in many other countries.

The second area for improvement relates to the growing phenomenon of house sharing amongst young people in Europe. Whilst young people may sometimes choose to live in shared accommodation (eg. whilst studying at university) and positive (warm) experiences have been documented (Heath and Kenyon, 2001; Heath, 2004), in most instances the decision to share results from an economic constraint. Bricocoli and Sabatinelli (2016) suggest that being constrained into shared living is often problematic because the housing available to young sharers is generally not designed to meet their needs. For example, there is a lack of communal space. Policy makers, landlords and housebuilders have been slow to respond to this growing phenomenon and need to ensure housing is available which more effectively meets the needs of young sharers.

Conclusion

The worsening housing experiences of young people across the globe raise significant policy challenges. This editorial article draws upon the findings of studies in Europe and East Asia to identify two key policy issues. First, policy makers need to ensure all young people have an equal opportunity to leave the family home and live independently. This will require an improved awareness of the political, economic and cultural forces restricting young people's transitions and it will entail subsequent and meaningful policy intervention. The second key policy challenge is to improve the suitability and availability of housing for young people, with studies in this special issue pointing towards two specific areas of improvement. First, a healthier Private Rented Sector must be developed that provides for young people's housing needs and meets the demands of landlords. Second, policy makers, landlords and housebuilders should endeavour to offer housing which is better suited to the growing phenomenon of shared accommodation amongst young people. Papers in this special issue indicate that a failure to respond to these significant housing policy challenges will have wide reaching social and economic consequences.

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