Critical Housing Analysis

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Exploring Young Europeans' Homeownership Opportunities

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Abstract: *Even before the 2008/9-crisis, and certainly after, trends in labour markets combined with housing and mortgage market developments made it more difficult for each new cohort of young Europeans (25-34) to complete the transition to 'residential independence', and to homeownership in particular. Using EU-SILC-data (2005-2018), I find that young adults' homeownership opportunities have indeed declined across Europe, but to varying extents. Furthermore, it seems that a more socially selective group of highly educated young homeowners are entering properties, and the properties they are entering are of lower quality and in locations with fewer services. I also find indications that the transition to homeownership is being pushed beyond the commonly used age-threshold of 34. Across countries, deteriorating homeownership opportunities are more strongly associated with housing and mortgage market turmoil than with the declined employment and income security of young adults. Taken together, these findings may indicate that housing market developments, such as restricted access to mortgage credit, have become a more important explanatory factor.*

Keywords: housing inequality; young adults; homeownership.

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Introduction

Recent research has addressed the deteriorating housing opportunities of young adults. Even before the Global Financial Crisis (GFC, 2008-9), and certainly after, trends in the labour market combined with housing and mortgage market developments were making it more difficult for young adults to complete the transition to 'residential independence', in particular to homeownership. As each new cohort of young adults enters these states later in the life course, 'cross-sectional' homeownership rates for 25-34-year-olds declined, giving rise to notions of 'generation rent' (Hoolachan et al. 2016) or 'generation co-residence' (Maroto and Severson 2019; Lennartz et al. 2016).

This paper explores 'trends in the homeownership opportunities of young adults' across a wider range of European countries. It provides preliminary evidence regarding the relative importance of macro-level drivers analysed in different strands of the literature, i.e. 'labour market' vs 'housing market' developments. Rather than focusing on homeownership *per se*, it takes a broader perspective by exploring the trends in social sorting into homeownership and the changing attributes of homeownership over time.

The economic and social benefits of homeownership arise primarily through social selection (Zavisca and Gerber 2016), but given the disadvantages (costs, quality) associated with private renting in less regulated markets (Wind and Dewilde 2019) declining homeownership rates may have detrimental consequences for young adults generally. Long-term renting may erode savings opportunities and delay family formation (e.g. Coulter 2017), whilst involuntary co-residence may negatively affect the quality of family relationships, especially in contexts of disadvantage (e.g. Wong 2019). For lower-middle-class households, homeownership is also the only form of wealth accumulation. As wealth is a better predictor of material and subjective well-being than income (Brulé and Suter 2019), declining homeownership opportunities potentially fuel resentment and impact, for instance, the social participation and political behaviour of young adults.

Cross-national variations in homeownership opportunities

Delayed transitions to homeownership have been on the research agenda since the macro-economic turmoil of the mid-1970s resulted in economic globalisation and the concomitant adjustment processes of labour market and welfare state restructuring. The long-term deterioration of employment opportunities and the problem of income security have disproportionately affected low-skilled persons but also impacted each new cohort entering the labour market. As the average age of school-leaving, labour market entry, family formation, and entry into homeownership rose, so, too, did occupational class and income differentials; young adults from lower socio-economic backgrounds became relatively less likely to become homeowners (e.g. Kurz and Blossfeld 2004).

During the period 1990-2007, economic constraints softened as mortgage market deregulation and product innovation enabled easier access to credit. These processes however 'fed through' into house prices, so that affordability of homeownership 'for people on the margins' emerged as an issue (Whitehead and Williams 2017). Whilst decreasing labour market opportunities affect young adults more or less everywhere (be it in the form of unemployment or precarious

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work), the 'financialisation' of housing and mortgage markets is variegated and geographically diverse and seems to cut across commonly-recognised welfare and housing regime groups (e.g. Lennartz 2017). The economic downturn that resulted from 'excess' financialisation therefore hit countries to different degrees, with potentially different responses in terms of risk mitigation and credit constraints, and with varying outcomes depending on young adults' labour market and income positions.

In their overview of the potential impacts of mortgage market re-regulation on young adults' access to homeownership, Whitehead and Williams (2017) conclude that regulatory change has focused on macro-prudential measures rather than on individual credit assessment. They therefore argue that mortgage market restrictions may only form a small part of a much larger story of income decline and employment insecurity. However, they also indicate that overall evidence is scant; it is furthermore difficult to capture discretionary decision-making that relates to individual cases within the broader context of regulatory frameworks or codes of conduct. Moreover, though Lersch and Dewilde (2015) find that employment insecurity impedes homeownership entry (2007-2011) across European countries, they also find that housing-regime differences between securely and insecurely employed young adults mainly pertain to different probabilities of homeownership entry for the *securely* employed. This may indicate that, *certainly after the GFC and in connection with its impacts, housing and mortgage market constraints may have become more influential as an 'independent' explanatory factor (H1)*. Across Europe, labour market insecurity has become the 'new normal' for most young adults, though temporary work is more precarious (e.g. in terms of income, social protection) in some contexts than in others; in the latter contexts it is less consequential for related life-course transitions (Kalleberg 2018).

A second hypothesis states that *declined access to homeownership is associated with increased social selectivity* (*H2*). Rather than income (as is more common in housing studies), in this paper I focus on education as a superior indicator of both permanent/life-time income and overall opportunity. In sociological research, education is considered the 'new social class' (Buchholz et al. 2009; Bovens 2012), associated with, for example, parental advantage, 'soft skills' (e.g. financial competences, negotiating power), attitudes, and preferences. The precariousness of fixed-term work, for instance, varies across educational groups – whilst many high-educated persons have well-paid contracts (allowing for accumulated savings), many low-educated persons end up in work-welfare cycles. Education is thus a 'vessel' for current income, expected lifetime income, and overall risk and advantage. In the current paper, I do not further 'unpack' these different pathways.

A third hypothesis broadens the focus from homeownership to housing opportunities. *If homeownership is harder to achieve through housing and mortgage market developments (e.g. affordability, credit constraints), then one would expect that, for those 'who can' achieve it, housing outcomes will have become less favourable, in particular in countries that have experienced more turmoil (H3).*

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Data

Descriptive findings are based on data from 27[1] European Union (EU) Member States (+ Norway and Iceland) from the EU-Statistics on Income and Living Conditions (EU-SILC, 2005-2018). The sample of households and individuals is representative of the population in each year and country. Given limitations in terms of numbers and the modelling strategies of its panel component, I use repeated cross-sections.

Given that few 18- to 24-year-olds live independently or have attained homeownership, the main focus is on young adults aged 25-34 who are no longer in education. Sample sizes by country-year range from +/- 750 (e.g. Denmark) to +5000 (e.g. Italy). 'Independent' homeownership/renting is distinguished from co-residence with (in-law) parents by identifying the latter as 'living in a household containing at least one parent of at least one 18+ respondent not in education'.[2]

I also assess trends in housing quality problems, access to services,[3] location problems, crowding, and housing unaffordability. Housing quality problems (index 0-1) include: leaking roof, damp walls/floors/foundation, rot in window frames or floors; no bath/shower; no indoor flushing toilet; dwelling too dark/not enough light; shortage of space; inadequate electrical installations; inadequate plumbing; dwelling not comfortably warm during winter; dwelling not comfortably cool during summer; dwelling not equipped with heating facilities. Access to services (index 0-4) includes the following services: grocery services; banking; postal services; public transport; primary health care; compulsory school. Location problems (index 0-3) refer to: noise from neighbours or outside; pollution, grime, or other environmental problems; crime or vandalism. Crowding (yes/no) and housing cost unaffordability (yes/no) are defined according to EUROSTAT's social indicators, though a variable threshold is used for unaffordability (e.g. Dewilde 2018).

Results

Is homeownership among young adults declining everywhere?

As most previous work has a limited (Anglo-Saxon) geographical focus, a first issue is whether 'independent' homeownership declines in all countries. In order to make sense of results for 29 countries, I group them into 'families of countries' with similar constellations of institutional arrangements regarding housing, and to a lesser extent, labour markets and welfare states (see also Lersch and Dewilde 2015; Dewilde et al. 2018).

A first finding, from Figure 1, is that young adults' opportunities to accumulate wealth through homeownership have indeed declined almost everywhere, whilst 'overall' homeownership rates have remained more or less stable; any variability mostly reflects the trends for young adults. Only for Luxembourg, France, Lithuania, Bulgaria and especially Poland do homeownership

[1] Croatia (EU-Member State) and Serbia (Candidate) are excluded; they have only been included in EU-SILC since 2010 and 2013, respectively.
[2] A full relationship matrix is not available; only spouses/partners and parents/children can be identified.
[3] Both 'housing quality problems' and 'access to services' are from the ad-hoc 'housing conditions' modules of 2012 and 2017.

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rates in 2016 exceed those in 2005. A second finding is that across Europe (excluding Finland, Ireland, and, except for Malta, the countries of Southern Europe), a modest recovery of homeownership rates amongst 25-34 year olds can perhaps be observed since 2017-2018.

In Northern- and Western-European countries, mortgage markets are well-developed, resulting in the marketised provision of (mortgaged) homeownership. It is possible to distinguish (e.g. Kemeny 1995) countries with unitary (Austria, Germany, Denmark, Netherlands, Sweden and France)[4] and dual rental markets (Belgium, Luxembourg, Norway, Finland, Ireland, Iceland and United Kingdom). In the former, attractive rental alternatives exist due to regulation of private renting and competition between larger social and semi-private rental sectors. In dual-rental-market countries (subsidised) homeownership dominates without attractive rental alternatives. Rental markets are characterised by a strong divide between unregulated private renting and a shielded social housing sector, targeted at low-income households. In these countries, most young people strive to enter homeownership, while only those who are able to obtain a mortgage will predominantly do so. While countries in this 'family' differ somewhat by their (fairly high) level of welfare state de-commodification, the economic situation of young people in these countries since the economic crisis is still markedly better than elsewhere in Europe (Buchholz et al. 2009; Madsen et al. 2013). Nevertheless, Lersch and Dewilde (2015) find that this particular group of countries, especially those with a dual rental market, have the biggest gap in homeownership entries between the securely and insecurely employed. From Figure 1, we see that the most pronounced declines in homeownership are indeed found in the dual-rental-market countries: on average -10.3% between 2005 and 2016, with much larger declines in Iceland, the UK, and Ireland, compared to -5.3% for the unitary-rental-market countries. However, the declines are larger in Germany, Denmark, and the Netherlands (see Table 1 for figures on the 'extent' of this decline).

In Southern Europe, mortgage markets were poorly developed until the 1990s. The driving force behind increasing (outright) homeownership rates in that region after 1960 was the absence of government support/regulation for (public) rental housing. Gaps in housing provision were solved within extended families by means of older generations providing housing support to younger adults in return for assistance in later life (Allen et al. 2004; Chiuri and Jappelli 2003). 'Informal' self-provisioned homeownership was sustained by weak land use and building standard regulations until the 1980s (Poggio 2013; Cabré Pla and Módenes Cabrerizo 2004). Although mortgage credit recently became more accessible, strong house price inflation has been combined with relatively strict lending policies, making it necessary for people to use their savings. There are few alternatives to homeownership. Labour markets are highly regulated with a strong insider-outsider divide; the marginalisation of young people in precarious labour market positions results in postponed family formation (Buchholz et al. 2009). Except for Malta, Southern-European countries have witnessed the largest decline (2005-2016) in homeownership of young people, ranging from -6.7% in Italy to -17.8% in Spain (-11.0% on average). Recovery from the 2009 crisis is not (yet) visible.

In post-communist Europe, the transition from planned to free-market economies led to the extensive privatisation of housing and the restitution of property to pre-communist owners. An acute housing shortage prevents young adults from establishing independent households and entering homeownership (Mandic 2011). Dwellings are often in a poor condition, though

[4] France could also be classified as having a dual rental market. France, however, has a large social housing sector and fairly strict rental regulation.

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housing conditions depend partly on communist 'housing legacies' (Soaita and Dewilde 2019). The limited development of housing finance alongside the patchy evolution of welfare services and weakly regulated labour markets (especially in the Baltics) have resulted in the redistribution of housing units within extended families, with property rights dispersed across wider kinship networks (e.g. Zavisca and Gerber 2017; Stephens et al. 2015). Averaged across Eastern Europe, the decline in 'independent young-adult' homeownership between 2005 and 2016 was limited to -3.3%, with some outliers (-13.2% in Hungary; +9% in Poland).

Though delayed access to homeownership has mostly been related to worsening labour markets and flexibilisation (Lersch and Dewilde 2015) and to welfare reform that has enlarged the holes in the safety nets for young adults without stable employment histories (Hoolachan et al. 2016), it is clear that housing market developments also matter. Despite easier access to credit before the GFC and sustained low interest rates throughout the period under consideration, the affordability of homeownership for housing market entrants – especially those with lower socio-economic positions – decreased in response to the house price inflation that followed from the financialisation of mortgage and housing markets (e.g. Dewilde and De Decker 2016). After the GFC, mortgage lenders became more risk averse, requiring larger deposits and more stable economic prospects.

The relative importance of housing market factors, over and above the labour market and income security, is evident from Figure 2: in countries with deeper mortgage markets that also experienced more turmoil, this turmoil clearly had a strong impact on the decline in access to homeownership (R=-0.604; p<0.001). For Western-European but not Eastern-European countries, a similar relationship is found between house price volatility and the declining homeownership rates of young adults over time (R=-0.685; p<0.008) (available upon request). In line with *H1*, this strong relationship furthermore persists when controlling for trends in both youth unemployment (ages 15-24, % of the active population) and temporary contracts (ages 15-24, % of employees) (EUROSTAT, Labour Force Survey).[5]

[5] Assuming that the labour market trends for the older age group (25-34) are similar, though presumably less extreme.

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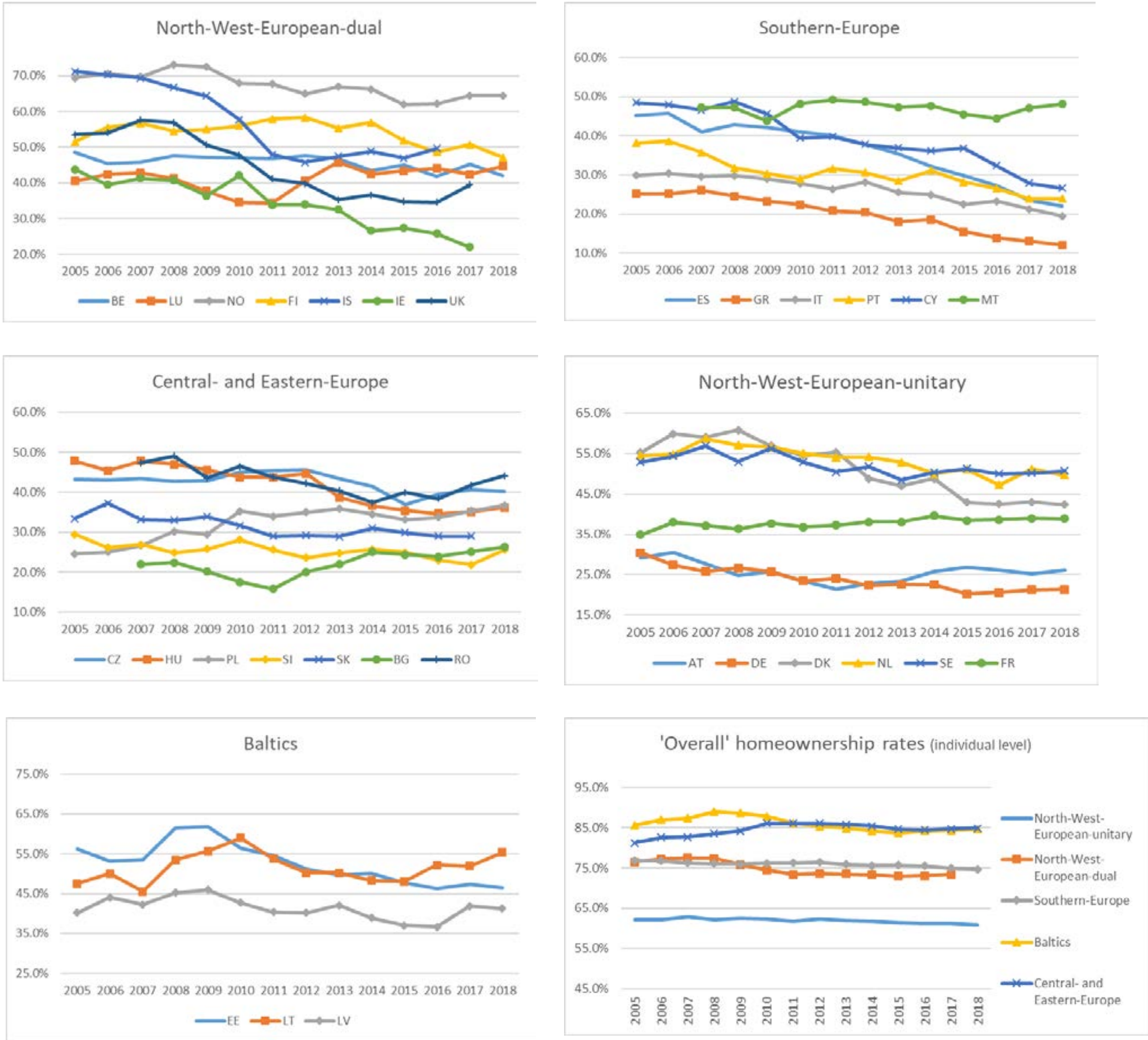
Figure 1: The homeownership rates of young adults (25-34) no longer in education by 'families of countries'



Source: EU-SILC (author's calculations).

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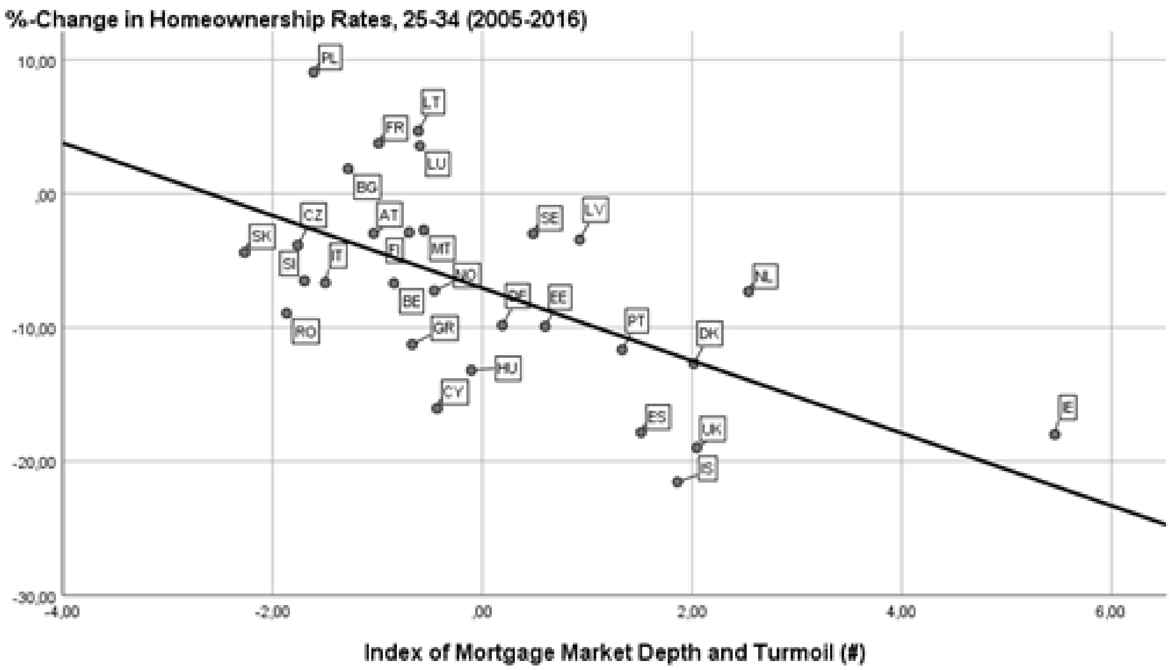
Figure 2: Housing market developments and declining homeownership among young adults



Multivariate OLS regression of %-change in homeownership rates, 25-34 (2005-2016)				
	All countries		Western-Europe	
	ß	*Sign*	*ß*	*Sign*
Index of mortgage market depth and turmoil	**-2,316**	***p*<0,002**	**-2,657**	***p*<0,004**
%-change in youth unemployment (2005-2016)	-0,235	*p*<0,076	-0,260	*p*<0,131
%-change in temporary contracts (2005-2016)	-0,148	*p*<0,348	0,026	*p*<0,904

Source: EU-SILC (author's calculations).

(#): Mortgage market depth and turmoil: the sum of the standardised scores of Residential Mortgage Market Debt (RMD)/GDP in 2009 (historically highest levels) and the decline (reversed) in RMD/GDP between 2009 and 2016. Higher levels of RMD indicate deeper housing market financialisation and presumable affordability constraints for housing market entrants. Larger declines indicate more turmoil and presumably also credit constraints. Source: HYPOSTAT (EMF, several years).

Social sorting into homeownership

Next, I test to what extent being an 'independent' homeowner depends on completed education (high – ISCED4-6+, i.e. post-secondary, vs low – ISCED0-3), and whether such an association has become stronger over time, i.e. between the beginning and the end of my observation window. The odds ratios reported in Figure 3 indicate the strength of the association between education and homeownership according to logistic regression models controlling for age, gender, and wave, and estimated on pooled data from 2005 and 2018. The indicator of statistical significance – '*' – above the 2005 bar in Figure 2 refers to the significance of the 2005 term for high vs low education. The significance indicator – '*' – above the 2018 bar refers to whether the *change* in the 2005 term for education became significantly stronger or weaker over time. As indicated above, those still in education are excluded from the analyses, which mostly 'neutralises' the trends in homeownership rates related to educational expansion.

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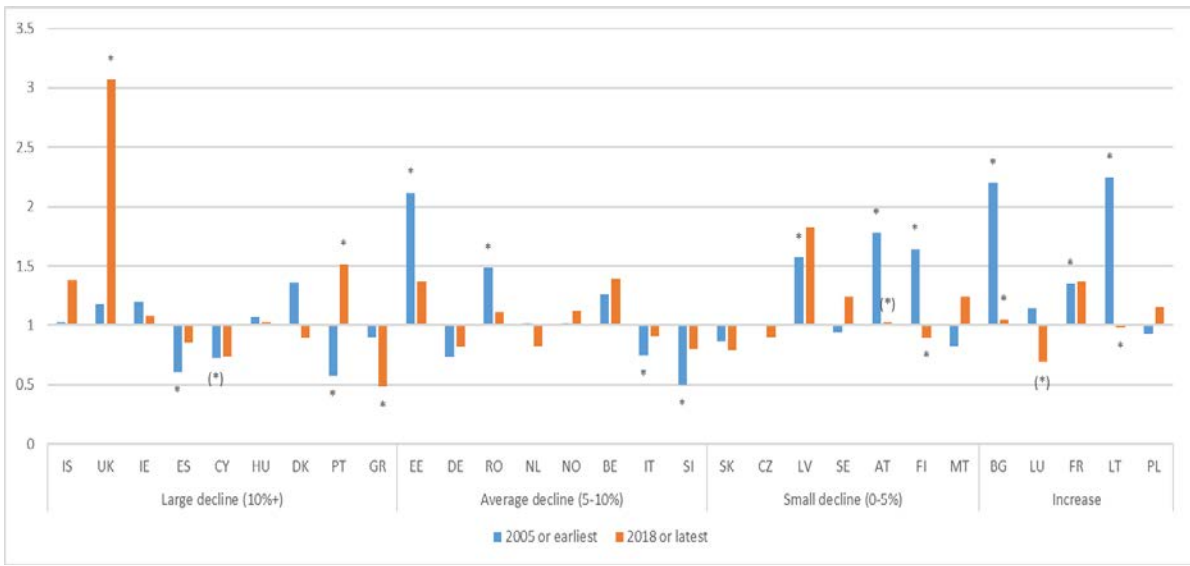
To allow for the possibility that in countries with strongly declining homeownership rates the decline has affected all young adults to more or less the same extent (i.e. the homeownership has become *less* rather than *more* socially stratified), the top panel of Figure 3 focuses on the youngest age bracket (25-29). In not even one-third of European countries (2005), high-educated ‘younger’ young adults are significantly more likely to have entered homeownership than their low-educated counterparts. Odds ratios do not vary along the lines of the theoretically defined families of countries nor according to the extent of the decline in homeownership rates. I further note that between 2005 and 2018 the impact of young adults’ own education became rather less important; only in the United Kingdom and Portugal (two countries that experienced a ‘large decline’) do we find that having a high vs a low level of education became significantly more conducive to homeownership after the crisis. In several countries, mostly those with only small declines or even increases in the homeownership rate of young adults (Greece, Austria, Finland, Bulgaria, Luxembourg, and Lithuania), homeownership became less stratified by education. From these findings, it could perhaps be inferred that the age limits commonly used to identify respondents as ‘young adults’ are somewhat on the ‘young’ side – the transition to homeownership seems mainly (and increasingly) to take place in the ‘older young’ age brackets.

Figure 3: Odds ratios indicating the strength of the association between education (high vs low) and ‘independent’ homeownership before (2005) and after (2018) the GFC (pooled samples by country, countries ranked according to the extent of the decline in homeownership)

Young adults, aged 25-29



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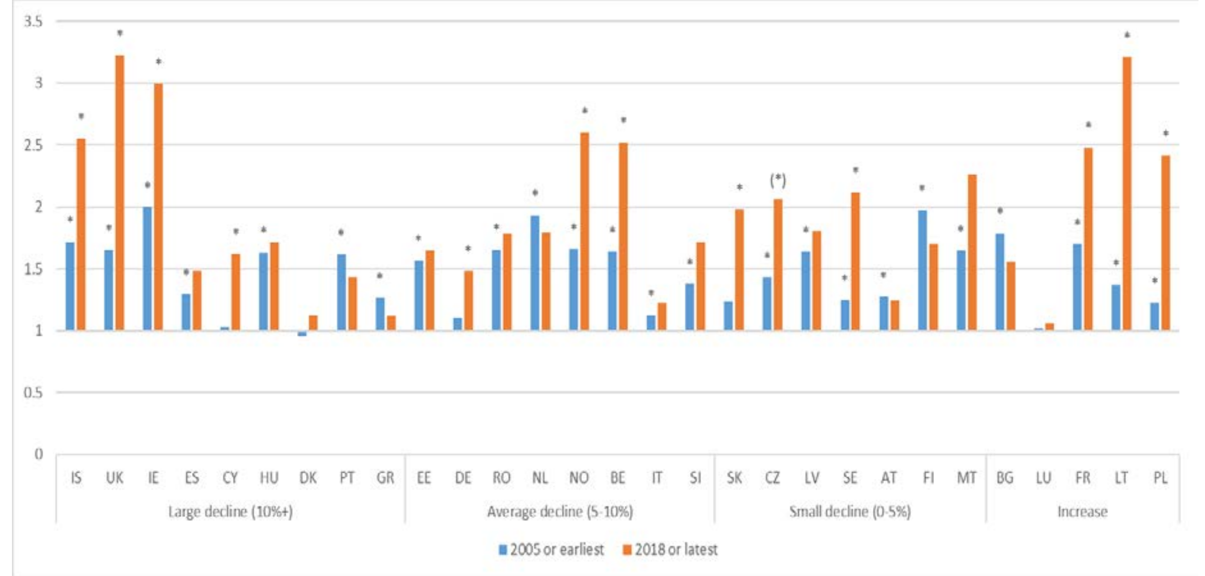
Young adults, aged 30-39



Source: EU-SILC (author's calculations).

Odds ratios indicating the strength of the association between education and homeownership derived from logistic regression models controlling for age, gender, and wave – *: $p<0.05$; (*): $p<0.10$.

'*' above the 2005 bar refers to the significance of the 2005 term for high vs low education; '*' above the 2018 bar refers to whether the *change* in the 2005 term for education became significantly stronger or weaker over time (i.e. indicates the statistical significance of the interaction term between education and time).

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The bottom panel of Figure 3 repeats the same analyses for the 30-39 age bracket (instead of 35). This reveals a completely different picture. First, in all but five countries (Cyprus, Denmark, Germany, Slovakia, and Luxembourg), being more highly educated significantly increased the likelihood of being a homeowner in 2005. Supporting *H2*, in nearly half of European countries, the positive association with education became significantly stronger over time. Paradoxically, this is the case of the four countries experiencing the largest declines in the cross-sectional homeownership rate (Iceland, the United Kingdom, Ireland, and Cyprus), but also of the three countries experiencing increases in the homeownership rate of young adults (France, Lithuania, and Poland). A more pervasive strengthening of the association with education is also found in 'social-democratic' Sweden and Norway. This is consistent with recent accounts that have pointed out that 'universalistic' access to homeownership in the Nordic countries has become increasingly stratified in recent decades (Christophers and O'Sullivan 2018; Tranøy et al. 2020).

Given that part of education's effect is mediated by current income, the odds ratios presented in Figure 4 are not controlled for income. However, additional models controlling for household income[6] and the interaction between household income and wave reveal that the results discussed above mainly hold (available upon request). Though income and education are associated positively, they also 'produce' their own outcomes. For the younger age group (25-29), higher income is clearly more often associated with homeownership than a higher level of education is, though for the most part the effect of income did not increase over time. The most notable finding was that the increased selectivity over time for the older age group (30-39) tends to derive from education, rather than from income, a process that was in some countries mediated by income, but mostly remained statistically significant after controlling for income.

How did the 'attributes' of homeownership change over time?

Bearing in mind that reduced homeownership opportunities are accompanied by increased stratification by education, it is also important to explore whether for those who still become/remain homeowners, housing conditions change over time. Given that it is likely that intensified social sorting into homeownership is associated with overall 'secular' improvements in housing conditions over time for those who still enter the tenure, even small signs of a trend in the opposite direction can be considered substantively significant.

Table 1 presents a comparison of housing quality problems (index 0-1) between 2007 and 2012. In line with long-term secular improvements in housing quality, the overall trend is negative (i.e. fewer problems in 2012). Nevertheless, in one-third of European countries, young homeowners experience more housing quality problems in 2012, even if this group has become more socially selective in many countries. Deteriorating housing quality furthermore occurs more often in countries with 'average' and especially 'large' declines in the cross-sectional homeownership rate. Regarding access to services, a similar negative trend is especially apparent in countries with 'large declines'. There is thus some explorative evidence supporting *H3* that in those countries where access to homeownership became more restricted, other homeownership opportunities also

[6] Equivalised (modified OECD-scale) income. I assume that for young adults co-residing with parents, equivalised household income adequately reflects their share of/contribution to overall household income.

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deteriorated. Most notably, a more socially selective group of increasingly higher-educated young homeowners seems to be entering properties of lower quality in locations with fewer services. Across the board, I further note a declining trend in problems relating to noise, crime, or pollution in the neighbourhood. This may indicate a trend towards homebuying in more suburban or even rural locations. Such locations are cheaper (which could partly explain the trend towards reduced affordability problems discussed below), but the trend also implies that young adults are living farther from employment opportunities and related services.

In line with secular trends, young ‘independent’ homeowners in Eastern Europe have overall been enjoying substantial improvements over time in terms of how crowded their living conditions are. Again, however, deteriorating living conditions in terms of more crowding are mostly found in those countries where the homeownership rates of young adults have declined most. With some notable exceptions – Greece (+23.2% experience unaffordable housing costs), Ireland and Norway – between 2005 and 2018 homeownership seems to have become increasingly restricted to young adults who can more comfortably afford it and/or acquire more affordable owned homes in less urbanised (and thus cheaper) locations.

Table 1: ‘Attributes’ of homeownership for young adults (25-34), before and after the GFC

Country	Home-ownership rate, change 2005-2016	Quality problems, 2007 (0-10)	Quality problems, 2012 (0-10)	Δ	Access to services, 2007 (1-4)	Access to services, 2012 (1-4)	Δ	Location problems, 2005 or earliest (0-3)	Location problems, 2018 or latest (0-3)	Δ	Crowding, 2005 or earliest	Crowding, 2018 or latest	Δ	Unaffordable housing costs, 2005 or earliest	Unaffordable housing costs, 2018 or latest	Δ
Large decline (10%+)																
IS	-21.54	0.57	0.72	*0.15*	3.55	3.52	*-0.03*	0.24	0.24	*0.00*	2.8%	12.1%	*9.2%*	16.3%	2.1%	*-14.2%*
UK	-18.97	0.66	0.64	*-0.02*	3.66	3.61	*-0.05*	0.63	0.37	*-0.27*	0.8%	5.7%	*4.8%*	13.1%	2.7%	*-10.4%*
IE	-17.99	0.68	0.45	*-0.23*	3.35	3.31	*-0.04*	0.26	0.27	*0.01*	0.5%	1.8%	*1.3%*	2.3%	6.7%	*4.4%*
ES	-17.84	1.05	0.98	*-0.06*	3.29	3.46	*0.17*	0.60	0.29	*-0.30*	1.0%	0.7%	*-0.3%*	8.7%	8.3%	*-0.4%*
CY	-16.05	0.95	0.72	*-0.23*	3.35	3.60	*0.25*	0.51	0.25	*-0.26*	0.4%	0.0%	*-0.4%*	4.4%	1.3%	*-3.1%*
HU	-13.19	0.93	1.19	*0.26*	3.18	3.23	*0.05*	0.46	0.21	*-0.25*	49.4%	16.6%	*-32.8%*	36.0%	11.9%	*-24.2%*
DK	-12.69	0.66	0.88	*0.22*	3.39	3.40	*0.00*	0.32	0.30	*-0.02*	4.4%	5.3%	*0.9%*	8.6%	6.1%	*-2.4%*
PT	-11.66	2.39	1.74	*-0.65*	3.46	3.38	*-0.07*	0.59	0.45	*-0.14*	9.3%	6.2%	*-3.1%*	4.0%	6.0%	*2.0%*
GR	-11.27	0.74	0.92	*0.18*	3.19	3.08	*-0.11*	0.36	0.50	*0.14*	12.8%	15.5%	*2.7%*	30.1%	53.3%	*23.2%*
Average decline (5-10%)																
EE	-9.92	1.16	0.93	*-0.23*	3.15	3.19	*0.04*	0.60	0.21	*-0.38*	40.5%	10.9%	*-29.6%*	10.5%	4.0%	*-6.5%*
DE	-9.84	0.53	0.46	*-0.07*	3.23	3.29	*0.06*	0.40	0.45	*0.05*	2.1%			12.8%	10.0%	*-2.9%*
RO	-8.93	2.63	1.72	*-0.90*	2.71	2.88	*0.17*	0.66	0.43	*-0.23*	54.7%	42.8%	*-11.9%*	22.5%	16.2%	*-6.4%*
NL	-7.32	0.65	0.61	*-0.04*	3.62	3.70	*0.08*	0.55	0.51	*-0.04*	0.7%	0.5%	*-0.2%*	25.5%	2.9%	*-22.6%*
NO	-7.26	0.63	0.70	*0.08*	3.36	3.44	*0.08*	0.30	0.31	*0.01*	2.9%	3.4%	*0.4%*	8.0%	12.3%	*4.3%*
BE	-6.70	0.54	0.56	*0.02*	3.21	3.21	*0.00*	0.42	0.33	*-0.10*	1.0%	0.3%	*-0.7%*	7.9%	2.7%	*-5.2%*
IT	-6.66	0.90	0.89	*-0.01*	3.01	2.99	*-0.02*	0.48	0.23	*-0.25*	14.3%	21.9%	*7.7%*	8.6%	5.3%	*-3.3%*
SI	-6.52	0.71	0.76	*0.05*	3.21	3.38	*0.17*	0.41	0.37	*-0.05*	37.3%	9.1%	*-28.2%*	11.3%	12.3%	*1.0%*
Small decline (0-5%)																
SK	-4.40	0.91	0.63	*-0.28*	3.19	3.25	*0.05*	0.45	0.33	*-0.12*	38.6%	20.2%	*-18.4%*	22.6%	17.1%	*-5.4%*
CZ	-3.86	0.85	0.53	*-0.32*	3.25	3.29	*0.05*	0.44	0.32	*-0.12*	24.8%	13.2%	*-11.6%*	16.7%	7.7%	*-9.1%*
LV	-3.45	1.62	1.43	*-0.19*	3.16	3.23	*0.07*	0.80	0.37	*-0.42*	59.1%	31.7%	*-27.4%*	12.9%	7.0%	*-5.9%*
SE	-2.99	0.53	0.52	*-0.01*	3.39	3.45	*0.06*	0.21	0.49	*0.28*	7.0%	13.7%	*6.7%*	8.0%	3.6%	*-4.4%*
AT	-2.97	0.44	0.48	*0.04*	3.26	3.33	*0.07*	0.30	0.22	*-0.08*	5.8%	7.2%	*1.3%*	3.9%	4.7%	*0.8%*
FI	-2.89	0.71	0.74	*0.03*	3.45	3.35	*-0.10*	0.44	0.27	*-0.18*	2.9%	2.5%	*-0.4%*	2.5%	3.5%	*0.9%*
MT	-2.73	0.80	1.14	*0.34*	3.08	3.29	*0.20*	0.60	0.72	*0.12*	0.3%	0.0%	*-0.3%*	6.6%	4.8%	*-1.8%*
Increase																
BG	1.84	1.63	1.49	*-0.15*	3.28	3.13	*-0.14*	0.66	0.41	*-0.24*	43.7%	45.6%	*1.9%*	28.6%	24.0%	*-4.6%*
LU	3.57	0.65	0.64	*-0.01*	3.47	3.37	*-0.10*	0.44	0.33	*-0.11*	4.9%	4.0%	*-0.9%*	1.0%	3.5%	*2.5%*
FR	3.75	0.91	0.82	*-0.09*	3.53	3.56	*0.02*	0.35	0.34	*-0.01*	2.2%	1.2%	*-1.0%*	0.7%	1.2%	*0.5%*
LT	4.68	1.62	1.08	*-0.54*	3.24	3.28	*0.05*	0.47	0.36	*-0.11*	54.8%	14.9%	*-39.9%*	14.6%	7.7%	*-6.9%*
PL	9.07	1.11	0.59	*-0.52*	3.10	3.27	*0.17*	0.32	0.35	*0.03*	43.2%	30.4%	*-12.8%*	22.6%	8.6%	*-14.0%*

Source: EU-SILC (author’s calculations).

Δ: change over time.

Conclusion and discussion

This explorative paper aimed to shed more light on the varying and changing homeownership opportunities of young adults. Compared to previous research, I took a broader perspective and presented trends across all European countries, whilst taking into account both the changing 'attributes' of homeownership over time and trends in the socially stratified nature of homeownership. In line with studies focusing on Anglo-Saxon contexts (in particular the UK), a first finding was indeed that young adults' opportunities to accumulate wealth through homeownership have deteriorated almost everywhere. In two-thirds of European countries, declines between 2005 and 2016 surpassed 5%, with the biggest declines – by more than 15% – noted in Iceland, the UK, Ireland, Spain, and Cyprus. Previous research (Dewilde et al. 2018) has suggested that the dominant trend throughout the crisis has been an 'overall' large decline of homeownership across all social groups – rather than strongly increased social stratification through, for instance, parental support for homeownership in more advantaged families. Though educational expansion and/or 'warehousing-effects' (i.e. staying in education to avoid unemployment) after the GFC might also have contributed, particularly at younger ages, all analyses were restricted to those young adults no longer in education. When looking at the 30-39 age bracket, however, the social stratification of homeownership by, in particular, respondents' education became far more evident, as did the intensification of stratification over the time period under study. The transition to homeownership thus seems to be pushed beyond the commonly used age-threshold of 34. Finally, I also found that a more socially selective group of young homeowners seems to be entering properties of lower quality, though somewhat better affordability, in locations with fewer services. Although this trend was not overwhelming, it deviates from the long-term secular progression towards improving housing conditions.

Though demographic and sociological research mostly identifies trends in education and labour markets as the main culprits, I showed that the recent deterioration of homeownership opportunities for young adults across Europe seems to be strongly associated with mortgage and housing market financialisation and turmoil, presumably through credit constraints and risk mitigation, in particular for those with bleaker income prospects in the long term, such as the lower-educated. When young adults do manage to secure mortgage credit, they have to make do with less attractive properties in less attractive locations (which are, however, somewhat more affordable), which may indicate that new mortgages are less generous. Future research will have to show whether these trends, which are particularly affecting countries with more serious turmoil and consequently larger declines in homeownership, particularly among young adults, are simply reflecting a larger correction towards how things were before, or whether the process of becoming a homeowner after the GFC has undergone a deeper, more qualitative, change.

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