Jenny Preunkert*

The return of the housing question

Introduction

Housing has become one of the most urgent social issues of our time. The reason for this is that housing, the price of which has, for years, only been on an upward trajectory, has become such a scarce commodity in many European countries (Kholodilin & Kohl, 2019). "And because housing is both necessary and plays a central part in determining life quality, how housing is paid for determines how much of the total household income is allocated to other forms of expenditure" (Kemeny, 2001, 62). The cost of housing is the largest item in many household budgets (Hick & Stephens, 2023), the question of what housing an individual or family can afford no longer only arises for lower-income households, but also for middle-income and sometimes even upper-income ones. Politically, the housing question is usually understood as being about a lack of (affordable) housing space (Czischke & van Bortel, 2023; Dewilde, 2022; Scanlon, 2017). So far, so (seemingly) clear: the solution is to build more flats and houses in urban areas. For example, the Danish government plans to build 300,000 housing units by 2030 (EURACTIV, 2023), while the German government originally wanted to build 400,000 new homes per year from 2023, 100,000 of which were to be social housing (BMWSB, 2022).

The aim of this special issue is to broaden the perspective and to bring together the current developments on different housing markets, in order to understand various facets of these housing changes and issues. The articles of this volume do not dispute the fact that the lack of housing is a problem affecting more and more social housholds, especially, but not only in urban regions. However, based on the articles of the issue, one can argue that the problems on today's housing markets should not be understood as a scarcity issue, but rather as an inequality problem, which is due to the market-based and financialised housing supply (Kronauer & Siebel, 2022, 178). While some enjoy the benefits of privileged housing practices and housing investments, the housing precarity of others is growing. I will present the argument in three steps: First, I will summarise the findings of the articles about the relationship between housing and ownership, then I will reconstruct the findings about the housing conditions, and finally I will discuss based on the articles the relationship between ownership and housing conditions.

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Housing as an investment

One main topic of the articles of the special issue is changes on the European housing sectors. The developments in this area are often discussed in relation to privatisation, marketisation and financialisation (see in this volume Volmary et al.). Starting in the 1970s, a withdrawal of the public sector from the housing sector can be observed in (Western) Europe (Czischke & van Bortel, 2023). In many countries, rental properties that were previously publicly owned were or still are being sold and are now privately owned. At the same time, many social housing programmes were cut back (Scanlon, 2017). Less was invested in building affordable, state-supported housing. Instead, the credit markets were liberalised (Aalbers, 2008) and the credit-financed purchase of housing was promoted by the European governments (Blackwell & Kohl, 2018; Fernandez & Aalbers, 2016). Taken together, all this has led to a more or less continuous increase in the home ownership rate in many European countries for a long time. Even traditional "low home ownership countries" (Kholodilin & Kohl, 2019, 703), such as in the German-speaking countries, are now seeing a ratio of around 50 percent. At the same time, the European rental sector has been on the decline, particularly the publicly subsidised sectors (for Germany, see Holm et al., 2021). As a result, not only is there less rental housing available in many countries today, but more importantly there are also fewer publicly subsidised and thus affordable residential properties available for poor and precarious households (Clair et al., 2019). The market for home ownership has grown, while the (subsidised) rental market has shrunk in most countries (Dewilde, 2017).

Home ownership has become both normality and the norm in Europe, because not only do the majority of households live in their own homes, owning property is also seen as something desirable, "homeownership is presented as a means of providing everyone not only a stable home, but also the means to accumulate assets and economic security through housing market mechanisms" (Arundel & Ronald, 2021, 1122). Ownership is understood as a secure investment that can also serve as a private hedge against loss of income or poverty in old age (Fuller et al., 2020; Schwartz & Seabrooke, 2008), e.g. many people see the acquisition of property as an investment in their own financial security (Heeg, 2020). However, ownership does not always fulfil the hopes people place in it. For example, not all households are equally able to afford property or take financial risks when acquiring it. "The stronger the power of labor, and the more permissive their access to credit, the more banks are willing to lend and the more debt households can accrue" (Johnston et al., 2020, 25). Higher income classes can buy and hold property more easily and with less financial risk than the rest (Arundel & Ronald, 2021). They are therefore more likely to live in their own property, which is also passed down through generations and can lead to processes of social closure (Christophers, 2017). At the same time, poorer households, and in particular poorer, younger households,

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have less access to the property market, which is why in many European countries, they have begun to rent more frequently, a trend which has been on an upward trajectory in the last few years (Christophers, 2017).

If we go one step further and ask not only who is able to acquire property for their own use, but also as an investment, similar patterns emerge. One important, but often overseen group of landlords are private one, i.e. private individuals who acquire additional residential property to rent out (see in this volume Kadelke, but also Arundel, 2017; Borg, 2015). The country comparison by Kadelke in this issue shows a redistribution here, as financially privileged individuals and households purchase residential properties for subletting. Housing has become a direct capital investment for well-off individuals. The inheritance effect is also evident here, as it is heirs in particular who, in addition to living in owner-occupied housing, are making a profit on these rental properties. Another group are institutional investors, which have moved to the centre of public interest in some countries, such as Germany (see in this volume Latocha). They buy up residential and office space in order to either sell it on at a profit or rent it out. A strong profit orientation is observed here. Latocha's study in particular shows that there is still a need for further research in order to understand who the financiers and therefore also the winners behind the residential investors are in order to ascertain where the dividends flow.

Thus, a form of double inequality emerges, if we look more closely at this unequal access to the housing markets: wealthier households have a better chance of acquiring residential property for their own use than other households, which are then more likely to have to rent. Further inequalities and an upward redistribution can be seen in tenancies. This is because it is mainly the financially better-off households that are becoming landlords, either directly or indirectly via funds. The individuals and households with the highest incomes are particularly well placed to become owners and landlords on the housing markets, while lower-income households are unable to secure loans to buy their own properties, or if they do manage, they face high financial risks.

Housing as everyday life practice

Class differences are also evident in housing conditions and thus, in the utility value of housing (Stephens, 2011), which includes aspects such as the size, quality and furnishings of a home (Holm, 2020, 74). Over time, high-income households in particular have increased the size of their flats or houses, while less privileged households were not able to improve their housing situations to the same amount and often have continued to live in cramped or precarious accommodation (see in this volume Gruber et al; also Hick and Stephens, 2023). The studies available to date show that low-income households (compared to middle-income households) are forced to spend a higher proportion of their income on housing, are more likely

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to live in cramped conditions, are more affected by housing shortages or have to live in unattractive places (Dewilde, 2022), whereby other factors, such as gender and citizenship, also contributed to the inequalities that are emerging here (see in this volume Latocha).

In addition to the distribution conflicts on the primary housing markets, some of special issue articles presented here also point to another conflict centred on housing in general. They posit that housing space is becoming a contested space not only due to the increased demand for housing, but also due to holiday preferences (see in this volume Claus; Gruber et al.). Going on holiday or travelling is no longer a luxury for privileged households. Even if there is no causal link, it is clear that the increase in travel has something to do with a change in accommodation preferences. More people are travelling and they are increasingly opting for accommodation other than hotels. The number of holiday apartments and rooms has risen sharply, especially since the use of online providers has made it much easier to rent them (Cocola-Gant, 2018). For holidaymakers, this has the advantage that they can find reasonably priced overnight accommodation which meets their wishes; for providers, multiple, short-term rentals mean higher income than the long-term alternative, which is why this is of interest to both private and institutional property owners. The downside is that this deprives the local housing market of housing space, which contributes to a shortage of living space (see in this volume Claus). This is all the more true as the holiday apartments and rooms are mainly offered in centrally located urban areas or places that are considered particularly interesting, where the housing market is often already tight anyway (Almeida-García et al., 2021). There is now political and social resistance to this development in many places (see in this volume Gruber et al, but also Paredes-Rodriguez & Spierings, 2020).

The articles of the special issue shows that there is massive competition for housing space, resulting in both winners and losers. There are private individuals and households who lead particularly privileged lives with frequent and luxurious holidays. They use an above-average amount of space, which results in a scarcity elsewhere. On the other hand, there are private individuals and households who have no access to the mortgage market and struggle to find an affordable place to live. This competition has intensified over time, because the desire for spacious housing and frequent travel are no longer luxury practices limited to the few, but are increasingly becoming a mass phenomenon that is spreading from the top to the middle of society.

Conclusion

The articles in this issue show in two ways that ownership and housing conditions influence each other. First of all, the macro-sociological trends of privatisation, marketisation and financialisation not only result in new ownership structures on

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the housing markets, they are also related to new housing practices. Increasingly generous housing requirements, as well as the travel behaviour not only of high-income households, but also of the middle class, demand more living space for which there is increasingly intense competition. Thus, it has become clear that housing has evidently become an interesting investment object because it has become a more and more contested commodity. Secondly, the articles also show clearly, that the housing question is one of inequality. However, this applies not only to the distribution of housing, but also to the question of who benefits from the housing market. Property owners and subsequently also private landlords tend to be wealthy households or households that often have inherited property. Therefore, if we want to understand the distribution of housing, we also have to look at the ownership structure.

Lastly, the articles in this issue show that housing is perceived as a social issue beyond national boundaries. At the same time, however, it has become also clear that housing is not an issue that is equally evident in all countries and regions. Rather, it predominantly arises in the up-and-coming regions, or those that are already prosperous. A focus on national housing markets can therefore help us better understand group differences (see in this volume Kadelke, Volmary et al.), but it is also important to take regional differences into account in order to see the housing issue from a lifeworld perspective (see in this volume Claus, Gruber et al., and Latocha). The housing issue is often seen as an urban problem. And indeed, many studies on the subject, as well as the articles in this volume, also show that the sharp increase in housing costs are especially pronounced in urban areas (Claus; Latocha in this volume). At the same time, there are also rural areas with rising prices and cities with falling prices (see in this volume Gruber et al.). There is therefore much to be said for differentiating less between urban and rural areas and more between centres and (semi-)peripheries.

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