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The Housing Consequences of Living Arrangement Choices in Young Adulthood

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ABSTRACT *This paper documents the consequences of the first living arrangements of young adults after leaving the parental home (without a partner, cohabiting, or married) for their housing situation, whether they rent independently, share accommodation, or own their own homes, both immediately after leaving home and in the first eight years after leaving. Data are analysed from two retrospective life-course surveys conducted in the Netherlands in the 1990s, using multinomial logistic regression models. The paper finds a strong influence of the timing and pathway of leaving on the housing situation immediately after leaving: those nest-leavers who make stronger commitments in their household careers (by cohabiting, or by marrying) are more likely to own a home and less likely to share. Although through the years after leaving home this influence decreases, it remains discernible and significant even eight years after leaving. This is remarkable, given the fluidity of the housing careers of nest-leavers.*

KEY WORDS: home ownership, sharing, living arrangements

Introduction

Today's young adults in Western societies have a variety of options in the routes leading them out of the parental home, and in the ways of setting up their own independent household life courses. Some leave home to live on their own or with roommates; others leave home to cohabit or marry. Some leave home early, before they finish their education; others stay with their parents until they are well into their twenties. Leaving home is the start of young people's household careers; it is also the moment at which they enter the housing market. For some young adults, housing market entry may be smooth, but others will encounter difficulties in securing suitable housing in the first few years after leaving the parental home.

At the moment of leaving home, the choice of living arrangements of young adults is closely associated with the type of housing they occupy. In the Netherlands, young, single home-leavers typically start their housing careers in shared accommodation and seldom in owner occupied housing. Among those

who leave home to live with a partner (either married or unmarried), renting is the dominant housing tenure and shared accommodation is rare, but owner occupied housing is no exception (Mulder & Hooimeijer, 2002).

Although it is interesting to know how young people take their very first step into the housing market and what influence the choice of living arrangements has on it, this first step only forms a small part of the picture of how young adults succeed in finding their way into the housing market. Whether the first difficult period in the housing market is just a short period or lasts for a number of years makes a great difference. Similarly, it makes a difference if the consequences of the first living arrangement for housing careers fade after a few years, or remain discernible for a longer time. This paper documents the consequences of the choices young adults make with regard to the timing of leaving the parental home and the first living arrangements for their housing situation, not only immediately after leaving the parental home, but also in the first eight years after leaving. The paper distinguishes between shared accommodation (including student housing, rented rooms, and sharing the rent with someone who is not a partner), renting independently, and owner occupation.

Data are used from two retrospective life-course surveys conducted in the Netherlands in the 1990s and comprising some 3000 respondents. These data have been analysed with multinomial logistic regression models. The dependent variable in the models is a three-category variable for the housing situation, which draws the distinction between shared accommodation, renting independently, and ownership. This variable was measured at several time points in the life course: immediately after leaving the parental home, and two, four, six and eight years later. Separate analyses are presented for each of these time points. Among the independent variables are the age of leaving the parental home and the pathway taken: single, cohabiting, or married.

Theoretical Background

The theoretical background for this paper is based on three building blocks: preferences, resources and contextual factors (compare Gordon & Vickerman, 1982; Mulder & Hooimeijer, 2002; sections 2 and 3 of this paper are partly based on Mulder & Hooimeijer, 2002). The context forms the background for the process of leaving the parental home in general, but also determines the availability of housing opportunities. The preferences indicate what the young adults want, or more precisely, what priority they attach to housing quality rather than to other characteristics of the accommodation (its location, for example). Resources determine to what extent young adults are able to realise their preferences.

The Context

With regard to patterns of leaving the parental home, the Netherlands shows the Northern European pattern of early home-leaving (Billari *et al.*, 2001) and large proportions of young people living without a partner (Iacovou, 2001). Compared with other Northern European countries, a particularly large proportion of those living without a partner live on their own independently; in contrast, the

proportion living with other people than a partner is smaller than in other Northern European countries (Iacovou, 1998). Another feature of leaving home in the Netherlands is the fact that many university students live away from their parents in independent households. Unlike in many other countries, the vast majority of special-needs student accommodations are not halls or dormitories but rooms with shared kitchens and other facilities, occupied throughout the year. It is therefore appropriate to consider students living away from home as having left the parental home.

The cost and availability of housing, and particularly the distribution of the types of housing in the local housing stock, are of crucial importance in housing choice. The degree of urbanisation is a major factor differentiating between markets with shared accommodation, rental markets, and markets dominated by owner occupancy. Whereas in small villages the supply consists primarily of owner occupied dwellings, most dwellings in large cities are rented (Clark & Dieleman, 1996). Furthermore, the more urbanised the area, the higher the likelihood of nest-leavers resorting to shared accommodation (Kruythoff, 1994). There is no obvious reason for expecting a change in the impact of urbanisation in the years after leaving home.

Housing market circumstances have changed in the Netherlands in the course of time. The early post-war years were characterised by a peaking housing shortage. Shared accommodation in those years often took the form of households living in with others, owing to the lack of vacancies in the market. After 1970, shared accommodation also encompassed special-needs housing for students and other young singles.

Apart from a downturn in the market around 1980, another relevant change is the increased share of owner occupied housing, and the greater opportunities for becoming a home owner in the past few decades (Mulder & Wagner, 1998). In combination with a decline in the overall housing shortage, young people's access to the rental sector has increased, since many erstwhile tenant households have moved into owner occupied housing.

Preferences

In general, owner occupied housing is of a higher quality than rented housing in the Netherlands, and independent rented housing is of a higher quality than shared accommodation. At first glance, one might think any young adult would prefer the tenure with the highest level of quality they could afford. This need not be the case, however. Home ownership requires a long-term financial commitment, and the transaction costs of ownership are high (Megbolugbe & Linneman, 1993; Mulder & Wagner, 1998). Renting, therefore, might be a better choice for those nest-leavers who want to remain flexible, particularly those who have not formed a partnership (compare Mulder & Manting, 1994) or prefer to save before becoming home owners. Sharing with housemates might be a positive choice for those leaving to live without a partner and seeking companionship, or preferring to share housekeeping responsibilities in the first period after leaving (compare Kenyon & Heath, 2001; Leppel, 1987). After a period of living without a partner, the negative aspects of shared accommodation (such as lack of privacy) might begin to prevail. It was therefore expected that, even after controlling for resources, those having left to live without a partner would be less likely to become home owners, and more likely to start in

shared accommodation, than those having left for a partnership. This effect should taper off after a few years if the respondent starts living with a partner in the meantime. If the respondent remains single, one would expect little change over time in the preference for owning versus renting, but a decrease in the preference for sharing versus renting. Because marriage requires a stronger commitment to a partner than cohabitation, it was expected that those who married on leaving home would be more likely to own a home than those who started cohabiting.

As Dieleman & Everaers (1994) have shown, preferences for owner occupation versus renting have changed through time in the Netherlands along with changing housing market circumstances. For the 1970s and 1980s, they demonstrate that the preference for home ownership grew, with a temporary drop after the collapse of the ownership market around 1980. Given the increasingly favourable market for ownership over the long term, it can be supposed that there has been an overall increase in the preference for home ownership over the period 1950–93.

Resources

The greater the resources a young adult has, the higher is the expected likelihood of owning a home and the lower the likelihood of sharing. A specific feature of young adults' resources in the Netherlands is the fact that the combination of the social security system, the rent subsidy system, and the system of student grants ensures that most young people can afford to live away from their parents even if they do not have a job; that is, if they accept low-quality housing.

The likelihood of home ownership was expected to be enhanced not only by socio-economic status, but also by age. In the Netherlands, at the start of a labour career wage differentials are modest, but wages increase sharply with age because of the steep rise in the statutory minimum wage levels in the age bracket 15–27. Age is therefore more decisive than socio-economic status as an indicator of income resources (Klaus, 2000). Age is also an indicator of the length of the period during which the nest-leaver has been able to save for a down-payment on a dwelling. The impact of level of education is threefold. Level of education is a resource in the sense that it stands for long-term earning capacity. Particularly at young ages, higher education is also a factor associated with the postponement of commitments (Mulder & Manting, 1994). Obviously, this postponement holds for the period in which young adults are still in education, but possibly also for a few years after education has been completed. Furthermore, enrolment in higher education is in itself a reason for leaving home. Nest-leavers embarking on higher education constitute a specific category, with few resources and a high likelihood of starting in shared accommodation. To conclude, it was expected that the highly educated would be particularly likely to share immediately on leaving home and for the first few years thereafter, but to show an increased likelihood of home ownership during the years after leaving home, finally becoming more likely to own than the less well educated. Furthermore, it was expected that the resources of the parents would have an additional positive influence on owning and a negative influence on sharing, particularly in the first period after leaving home when the influence of parents can be expected to be still substantial.

Data, Method and Variables

Data

The data were taken from two retrospective life history studies: the SSCW survey (ESR/STP, 1992) and the Netherlands Family Survey 1993 (NFS; Ultee & Ganzeboom, 1993). Both samples are representative of the Netherlands population aged 18 and above (SSCW) or 21 to 64 (NFS) in the beginning of the 1990s. The data from these two samples were pooled.

The SSCW survey was conducted in 1992 among a sample of some 3000 members of about 1600 households. It was a single-round retrospective survey among the respondents of a longer-lasting panel answering questions weekly on a wide variety of topics. The response between the distinct topics varied, because the data were collected in several rounds and several tens of respondents left or entered the sample in the interim. The Netherlands Family Survey was conducted in the period 1992–93 among a sample of 1000 primary respondents (information was also gathered from the respondents' current partners; this information was not used for this paper). Both sets contain data about the respondents' residential, educational, household and labour market histories as well as some data on their families of origin. The wage levels at various ages were not recorded, since to recollect this information would have been an excessive imposition on the respondents in a retrospective survey. From the two datasets, those respondents leaving home in the period 1950–93 were selected.

Method

A multinomial logistic regression model (also called multinomial logit model) was used. This model differs from the ordinary logistic regression model in that the dependent variable can have more than two categories. Rather than one logistic regression equation, two or more equations are estimated simultaneously (the number of equations is equal to the number of categories in the dependent variable minus one). The model parameters express the effect of one unit change in the independent variable (or, for categorical variables, the effect of belonging to a specific category of the independent variable versus the reference category) on the log-odds of belonging to one category of the dependent variable, compared with the reference category. The dependent variable has three categories: owning, renting and sharing. Owning and renting include all rented or owned accommodation that is not shared with others than a partner. The terms 'renting' and 'owning' should therefore be read as 'renting without sharing' (or 'renting independently') and 'owning without sharing'. Renting includes both social and private rented accommodation. Sharing includes all accommodation in which the facilities are shared with someone other than a partner. In the data there is no further information whether shared accommodation is rented or owned, but undoubtedly the vast majority is rented. Of the three housing types, renting was taken as the reference category. The dependent variable was measured at five points in time: on leaving the parental home, and at two, four, six and eight years afterwards. The variable was updated at each of these points in time. Separate analyses were performed for each time point. In addition to the separate models, a model was estimated including all person-years from the year of leaving the parental home up to the eighth year

after leaving. This model included all the variables featured in the separate models plus *year since leaving home* and the interaction between *year since leaving home* and *route of leaving home*. These extra variables were included to test whether the influence of the first living arrangement changed with time. Because observations of person-years from one respondent are not independent of each other, the standard errors for this model were corrected for the clustering of person-years within respondents (Huber-corrected standard errors; see Huber, 1967).

Independent Variables

Summary measures of the dependent and independent variables are given in the appendix.

Age of leaving the parental home was measured as the year in which the respondent left home minus the year of birth. *Route of leaving home* was divided into three categories: single (including those who started living with roommates on leaving home), cohabiting and married. Alternatively, a variable *family history* was used to indicate the pathway the respondent had followed from the moment of leaving home up to the moment of observation. This variable has the categories: *steady single*; *single, partner*; *partner, child*; *single, partner, child*; *disrupted/single parent*. This variable could only be used from the fourth year after leaving home; before that time, the variation in pathways was too small. Furthermore, the pathways *partner, child* and *single, partner, child* could only be distinguished from each other from the sixth year.

Level of education was measured in four categories: primary school; lower secondary education or lower vocational training (lbo/mavo); higher secondary school or middle vocational training (havo/vwo/mbo); higher vocational training or university level. The highest completed level was taken, but the respondent could already be assigned to that level before it had been completed, since it can be assumed that, for those still in education, the level of actual enrolment is the most relevant to their behaviour on the housing market. A practical advantage of this operationalisation is that the respondent's level of education does not change over the years, so changes in the effect of level of education cannot be attributed to the process of completion of education.

Socio-economic status was measured according to the International Socio-Economic Index (ISEI) of Ganzeboom and colleagues (1992), divided by 10. Wherever possible, the socio-economic status of the job held in the year of observation was used. If the person was not then working, the status used was that of the previous job or, if there was no previous job, that of the next job. Those persons for whom no socio-economic status measurement was available were allocated the average status. A separate dummy (*status unknown*) indicates whether missing substitution took place.

Just two levels of the father's education were used: primary school, lower vocational or lower secondary (0) versus higher secondary, middle or higher vocational training, or university (1). The share of highly educated parents was too low to distinguish more than two categories. A third category indicates that the father's education is unknown. The father's socio-economic status (ISEI) was measured for age 15 of the respondent. If information about the father's job was unavailable for that age, his last or first job was taken. Substitution was done in

the same way as for the respondent; a dummy indicates whether the father's status was unknown.

Because circumstances in the housing market vary through space, they were operationalised by means of a variable indicating degree of urbanisation. This variable has four categories: hardly urbanised; weakly urbanised; moderately urbanised; strongly urbanised. In the analysis for the year of leaving home, urbanisation after leaving home was taken. This choice ensures that the respondents are observed at the time and place where they are actually confronted with housing market circumstances, more so than was chosen to measure the degree of urbanisation before the respondent left home.

Changes through time were measured using a period variable. This variable has five categories: 1950–64; 1965–74; 1975–79; 1980–84; 1985–93. The period variable also stands for possible changes through time in the motives for leaving.

In the model including all person-years since leaving the parental home, *year since leaving* was included as a continuous variable. This variable ranges from 0 in the year of leaving home to 8 on eight years after leaving.

Four independent variables were updated as they changed through time: *family history; socio-economic status; degree of urbanisation; period*. The other independent variables were considered constant.

Results

Descriptive Results

It was expected that, in the first eight years after leaving the parental home, young adults would tend to adjust their housing situation by means of residential relocations. Table 1 shows that this was indeed the case: within two years, the average number of additional moves following leaving the parental home was already one-third and rose to exceed one after eight years. It also becomes clear from Table 1 that the number of moves differs according to the route of leaving home (Panel A) and the first housing arrangement (Panel B). Singles and those sharing accommodation are the most likely to move, whereas the married, particularly those starting as home owners, are the least mobile.

Table 1. Mean number of years with a move after year of leaving

A				
By route of leaving	After 2 yrs	After 4 yrs	After 6 yrs	After 8 yrs
Single	0.49	0.97	1.41	1.84
Cohabiting	0.39	0.76	1.08	1.32
Married	0.23	0.46	0.65	0.84
Total	0.34	0.68	0.97	1.23
B				
By housing situation immediately after leaving	After 2 yrs	After 4 yrs	After 6 yrs	After 8 yrs
Sharing	0.53	1.00	1.40	1.77
Renting	0.30	0.63	0.89	1.10
Owning	0.07	0.17	0.28	0.41
Total	0.35	0.68	0.98	1.24

Table 2. Percentage sharing, renting and owning by route of home-leaving

A					
Percentage sharing by route of home-leaving	Upon leaving	After 2 yrs	After 4 yrs	After 6 yrs	After 8 yrs
Single	46.6	36.7	26.0	18.7	13.9
Cohabiting	10.5	7.4	5.8	6.2	7.1
Married	13.3	9.9	8.3	7.2	7.1
Total	25.1	19.2	14.3	11.2	9.5
B					
Percentage renting by route of home-leaving	Upon leaving	After 2 yrs	After 4 yrs	After 6 yrs	After 8 yrs
Single	48.7	54.9	58.1	59.7	57.9
Cohabiting	71.0	64.5	57.5	52.1	46.7
Married	56.8	55.0	52.6	49.7	47.3
Total	55.8	56.2	55.1	53.5	50.9
C					
Percentage owning by route of home-leaving	Upon leaving	After 2 yrs	After 4 yrs	After 6 yrs	After 8 yrs
Single	4.7	8.4	15.9	21.6	28.2
Cohabiting	18.5	28.1	36.7	41.6	46.2
Married	29.9	35.1	39.1	43.0	45.6
Total	19.2	24.6	30.6	35.3	39.6

The housing situation after leaving home is strongly associated with the route of leaving home (Table 2). As expected, this association was strongest immediately after leaving home. At that time renting was the most common housing situation for all three types of home-leavers. Home ownership was a common alternative for those leaving home to marry, and to a lesser extent for those who cohabited, but not at all for the singles. For them, sharing was almost as common as renting, while of those who married or cohabited, only slightly more than 10 per cent shared. Some of those sharing home-leavers might have lived with their parents-in-law (not with their own parents, or they would have been counted as not having left the parental home).

Table 2 includes people who left home over a long period: 1950–93. In the course of this period, the distribution of home-leavers over the housing types shifted (see Table 3). The general trend was towards less sharing, slightly more renting and more ownership. Similar changes, although at different levels, are found for home-leavers in the three different living arrangements.

The distribution of young adults over the housing types changed rapidly in the eight years after they left home. There was a sharp reduction in the percentage sharing accommodation. The percentage renting did not change spectacularly, but there was a growth among those who left home to live without a partner (for many of whom the move to renting was an improvement in their housing situation) and a decrease among cohabiters and married persons. The percentage owning a home increased with time. After eight years, however, there was still a marked difference between those who left home to

Table 3. Percentage sharing, renting and owning by route of home-leaving and period

A					
Percentage sharing by route of home-leaving	1950–64	1965–74	1975–79	1980–84	1985–93
Single	66.3	47.4	47.5	46.0	25.0
Cohabiting	33.3	26.7	8.3	10.9	7.4
Married	23.6	10.5	7.0	8.9	6.6
Total	37.4	23.5	21.5	25.5	14.5
B					
Percentage renting by route of home-leaving	1950–64	1965–74	1975–79	1980–84	1985–93
Single	30.1	49.6	48.7	49.7	65.4
Cohabiting	66.7	66.7	76.7	78.2	65.9
Married	55.5	63.0	53.5	45.9	53.8
Total	47.4	58.7	54.9	55.0	63.3
C					
Percentage owning by route of home-leaving	1950–64	1965–74	1975–79	1980–84	1985–93
Single	3.6	2.9	3.8	4.2	9.6
Cohabiting	0.0	6.7	15.0	10.9	26.7
Married	20.9	26.5	39.5	45.2	39.6
Total	15.1	17.8	23.5	19.5	22.2

live without a partner (of whom 28 per cent were home owners) and those who left home for cohabitation or marriage (of whom 46 per cent were home owners).

As Table 4 shows, the three housing types differ strongly in the extent to which young adults kept to their first choice. After two years, more than half of those who started their housing career in shared accommodation had already left this type of housing. After eight years, less than one-fifth still shared. In contrast, owner occupation is a much more stable housing situation. After eight years, 92 per cent of those who started in owner occupation were still in that housing tenure.

Regression Results

As expected, the route of leaving home is strongly associated with the type of housing, even after controlling for resources. Those who leave home to cohabit or marry are much less likely to share than those who leave home to live without a partner (see the negative parameters in Table 5 for *cohabiting* and *married* in the column *sharing* of the model for the first housing arrangement). In contrast, particularly those who leave home to marry, but also those who leave to cohabit, are much more likely to own a home. These differences decrease with time, but are still discernible eight years after leaving home. Only the parameter estimate for the difference in likelihood of owning between those who leave home to cohabit and those who leave home to live without a partner does not change over the period after leaving home in any consistent way.

Table 4. Percentage sharing, renting and owning by first housing situation

A				
Percentage sharing by first housing situation	After 2 yrs	After 4 yrs	After 6 yrs	After 8 yrs
Sharing	48.4	33.4	24.0	18.5
Renting	2.3	3.2	3.5	3.8
Owning	1.4	1.4	2.0	2.4
Total	19.1	14.2	11.1	9.4
B				
Percentage renting by first housing situation	After 2 yrs	After 4 yrs	After 6 yrs	After 8 yrs
Sharing	45.2	54.4	57.9	56.4
Renting	88.6	78.3	70.2	64.9
Owning	2.2	3.5	5.1	6.0
Total	56.3	55.3	53.6	51.0
C				
Percentage owning by first housing situation	After 2 yrs	After 4 yrs	After 6 yrs	After 8 yrs
Sharing	6.4	12.2	18.1	25.1
Renting	9.1	18.6	26.3	31.3
Owning	96.4	95.1	92.9	91.6
Total	24.6	30.5	35.3	39.6

As can be seen from Table 6, sharing becomes significantly less likely through the years after leaving home, whereas home ownership becomes more likely. Furthermore, the negative effect on sharing of leaving home to cohabit or to marry is indeed partly offset through the years (see the positive and significant parameters for *cohabiting * years since leaving* and *married * years since leaving* in the column *sharing*). Likewise, the positive association between marriage and home ownership decreases through the years (see the negative and significant parameter for *married * years since leaving* in the column *owning*). As can already be seen from the separate models, the only effect that does not change significantly is that of cohabitation on ownership.

The decrease through the years after leaving home in the differences between routes of leaving home can partly be attributed to changes in the living arrangements of home-leavers: many of those who leave home to live without a partner will move into a partnership in the years after leaving home. In Table 7, therefore, parameters are presented from models in which the variable *route of leaving home* was replaced by the *family history* variable. From this Table it can be seen that sharing is associated with steady singlehood from the moment of leaving the parental home. After partnerships are formed, the effect of initial singlehood is no longer significant. Steady singlehood is also associated with a low likelihood of home ownership. However, the effect of singlehood as a route out of the parental home remains discernible, even if a partnership is formed after leaving the parental home. Of all possible pathways, the pathway in which

Table 5. Multinomial logistic regression of sharing or owning a dwelling (reference = renting) on several time points after leaving the parental home

	First housing		After 2 years		After 4 years		After 6 years		After 8 years	
	Sharing	Owning	Sharing	Owning	Sharing	Owning	Sharing	Owning	Sharing	Owning
<i>Route of leaving home (alone = 0)</i>										
Cohabiting	-1.42**	0.57***	-1.38**	0.71***	-1.17***	0.55***	-0.83***	0.58***	-0.30	0.57***
Married	-1.32***	1.58***	-1.32***	1.37***	-0.97***	0.97***	-0.89***	0.81***	-0.49**	0.71***
<i>Age of leaving home</i>										
Female	-0.09***	0.03***	-0.07***	0.02**	-0.05***	0.02**	-0.01	0.03***	-0.01	0.02***
<i>Female</i>	-0.10	-0.08	-0.17	-0.06	-0.11	0.02	-0.19	-0.05	-0.17	-0.01
<i>Education (primary = 0)</i>										
Lower secondary/lower vocational	0.41**	0.03	0.57***	0.18	0.48**	0.20	0.48**	0.11	0.39	0.08
Higher secondary/middle vocational	0.37*	0.10	0.30	0.18	0.17	0.28*	0.16	0.13	0.13	0.20
Higher vocational/university	0.53**	-0.12	0.57**	0.10	0.48*	0.10	0.24	0.10	0.22	0.36**
Socio-economic status (ISEI)	-0.11***	0.02	-0.12***	0.01	-0.10**	0.06	-0.10*	0.08**	-0.12**	0.06
Status unknown	0.18	-0.24	0.22	-0.47	0.12	-0.47*	0.11	-0.65**	-0.40	-0.76***
<i>Father's education (up to lower secondary = 0)</i>										
Middle or higher	0.32**	-0.34*	0.29*	-0.17	0.34*	-0.27*	0.37*	0.03	0.33	-0.11
Unknown	-0.87***	-0.27**	-0.69***	-0.21*	-0.58***	-0.23**	-0.48***	-0.20*	-0.41**	-0.30***
<i>Father's socio-economic status</i>										
Father's status unknown	-0.10***	-0.04	-0.07*	-0.01	-0.05	-0.02	-0.08	-0.03	0.00	-0.04
<i>Father's status unknown</i>	0.82***	-0.08	0.92	-0.21	0.64***	-0.34*	0.62	-0.42***	0.49***	-0.44***
<i>Degree of urbanisation (hardly urbanised = 0)</i>										
Weakly urbanised	0.32*	-0.27**	0.09	-0.18	-0.10	-0.17	0.02	-0.16	-0.39*	-0.20
Moderately urbanised	0.36*	-1.02***	0.19	-1.07***	0.28	-0.81***	0.02	-0.79***	-0.45*	-0.84***
Strongly urbanised	0.47**	-1.41***	0.32	-1.36***	0.17	-1.30***	0.13	-1.47***	-0.50**	-1.51***
<i>Period (1950-64 = 0)</i>										
1965-74	-1.09***	0.07	-1.27***	0.13	-1.17***	0.36**	-0.92***	0.65***	-0.69***	0.67***
1975-79	-1.32***	0.56***	-1.29***	0.53***	-1.15***	0.44**	-1.05***	0.79***	-1.10***	0.92***
1980-84	-1.32***	0.50*	-1.45***	0.58**	-1.34***	0.70***	-0.83***	1.05***	-0.49**	1.24**
1985-93	-1.88***	0.74***	-1.85***	0.72***	-1.45***	0.92***	-1.21***	1.00***	-1.13***	1.19***
Intercept	3.31***	-2.45***	2.78***	-2.09***	1.65***	-1.96***	0.46	-2.14***	0.42	-1.65***
-2 Log Likelihood	4341		4336		4320		4139		3890	
Chi-square compared with null model, df, <i>p</i>	973, 40, 0.000		860, 40, 0.000		612, 40, 0.000		498, 40, 0.000		427, 40, 0.000	

Notes: * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

Table 6. Multinomial logistic regression: selected parameters of model for all person-years (0–8 years after leaving home)

Route of leaving home (alone = 0)	Sharing	Owning
Cohabiting	– 1.74***	0.70***
Married	– 1.59***	1.66***
Years since leaving home	– 0.19***	0.20***
Cohabiting * years since leaving home	0.18***	– 0.02
Married * years since leaving home	0.16***	– 0.14***
– 2 Log Likelihood	38192	
Wald Chi-square, df, <i>p</i>	1103, 46, 0.000	

Notes: **p* < 0.10; ***p* < 0.05; ****p* < 0.01.

Parameters are shown for variables Route of leaving home, Years since leaving home and their interactions only. The model also includes the other variables included in the models for Table 5 (not shown). Significance was determined from standard errors adjusted for clustering of person-years within respondents (Huber-corrected standard errors; see Huber, 1967).

the respondent started to live with a partner, remained living with this partner, and did not have a child was most closely associated with home ownership. Respondents in every other pathway are significantly less likely to own a home. Particularly interesting is the finding that people who followed pathways in which a child was born (*partner, child* and *single, partner, child*) were significantly less likely to own a home than people who lived with a partner but without children all the time. This finding provides support for the hypothesis that the cost of becoming a home owner competes with the cost of having children (Courgeau & Lelièvre, 1992). It should be noted that this finding is specific to the years after leaving the parental home. In the total Dutch population, couples with children have the highest home ownership rate (72.7 per cent compared with 58 per cent among childless couples in the year 2000; Statistics Netherlands, 2002).

At the same time, those who formed a partnership after a period of living without a partner were less likely to own than those who lived with a partner all the time. Apparently, spending time in a partnership enhances the likelihood of becoming a home owner. This time spent together enables the young couple to save, but also helps build a sense of stability, and hence enhances the willingness to make the long-term financial commitment associated with home ownership (compare Mulder & Wagner, 1998).

As expected, the higher the age at the moment of leaving home, the less likely the respondent is to live in shared accommodation, and the more likely to own a home (see Table 5). The influence of age on home ownership is still discernible eight years after leaving, but the influence of age on sharing is no longer significant after six years. No significant differences in housing situation between men and women were found.

For level of education, the anticipated change in the effect on the type of housing is seen. At the moment of leaving the parental home, a high level of education is associated with a high likelihood of sharing. This effect tapers off over the years. In contrast, the impact of university-level education on the

Table 7. Multinomial logistic regression: family history as an alternative for route of leaving home

	After 4 years		After 6 years		After 8 years	
	Sharing	Owning	Sharing	Owning	Sharing	Owning
Family history (steady with partner = 0)						
Steady single	1.24***	- 1.87***	1.08***	- 1.88***	1.00***	- 2.19***
Single, partner	0.11	- 0.81***	- 0.52*	- 1.03***	- 0.58	- 0.92***
(Single,) partner, child	- 0.37	- 0.51***	- 0.81***	- 0.31**	- 0.61**	- 0.35*
Single, partner, child			- 0.42	- 0.27	- 0.58	- 0.66***
Disrupted/single parent	0.02	- 1.17***	- 0.33	- 1.21***	- 0.75*	- 1.17***
- 2 Log Likelihood	4220		4010		3776	
Chi-square compared with null model, df, p	712, 44, 0.000		626, 46, 0.000		540, 46, 0.000	

Notes: * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.
Parameters are shown for variable family history only. The model includes all variables used in the models for Table 5 except route of leaving home. Parameters for other variables are similar to those in the models for Table 5 and are not shown.

likelihood of home ownership changes from insignificant (but negative) immediately after leaving home, to positive and significant eight years afterwards. The impact of socio-economic status on sharing is negative, and remains so over the years. Its impact on owning is positive, but only reaches significance in the model for the sixth year after leaving home. The parameter estimates for the dummy variable *status unknown* are negative for owning in all models, but more so in the later years (they are significant in the models for years four, six and eight). These results indicate that people who have never had a job become increasingly unlikely to own a home.

It was expected that parental resources would become less influential over the years; however, there are only weak indications that this is the case. In the first few years after leaving home, a higher socio-economic status of the father decreases the likelihood of living in shared accommodation. This effect tapers off over the years. However, there is no clear indication that the influence of the father's education changes. Interestingly, young adults with a highly educated father are more likely to share. Possibly, highly educated fathers stimulate their children to live away from home during higher education, or their children may be more familiar with the idea of doing so.

In the year of leaving home, the degree of urbanisation has the expected effect on housing type. The more urbanised the place of residence, the more likely the young adults are to share and the less likely they are to own a home. For home ownership, this remains the case over the years. Surprisingly, however, the association between degree of urbanisation and sharing (versus renting) changes over the years, to become significantly negative eight years after leaving home. It should be kept in mind that the percentage sharing decreases strongly over the years (see Table 2). Possibly, the composition of the population who share accommodation changes over the years. Immediately after leaving home, those who share probably mostly live in student accommodation, rented rooms and shared apartments, all of which are concentrated in cities. In a few years time after leaving home, many of the young people living in these types of accommodation will find their way into the housing market and move to independently rented accommodation or an owner occupied home. Those who are still sharing after eight years probably constitute a specific category, which is much less city-based.

Finally, the parameters of the period effect show that the likelihood of sharing decreased strongly over the post-war decades, whereas the likelihood of owning a home increased.

Conclusion

In most previous work on the housing market entry of young adults leaving the parental home, the housing situation immediately after leaving home was the main topic of analysis (e.g. Clark & Mulder, 2000; Mulder & Hooimeijer, 2002). Although the first step in the housing market is important, it is really only just a first step, after which many further steps may follow. Precisely those young adults who usually start their housing careers in sub-standard housing situations—for example, young, single students—might have ample opportunities to catch up, and end up in better housing than many others whose very first start in the housing market was more favourable. This paper focuses on the housing

situation of young adults in their first eight years from leaving the parental home.

A strong influence is found of the timing and pathway of leaving on the housing situation immediately after leaving: those nest-leavers who make stronger commitments in the household career (by cohabiting, or by marrying) are more likely to make a commitment in the housing career as well (by becoming home owners). Although this influence becomes less strong through the years after leaving home, it remains discernible and significant even after eight years have passed since the respondent left the parental home. This persistence is remarkable given the fluidity of the housing careers of the nest-leavers: a majority of them move at least once in the eight-year period after leaving. Whether caused by selectivity or by difficulties encountered in the housing market by those entering the housing market early in life, the living arrangement choices of young adults have important long-term consequences for their housing careers.

An interesting finding is the advantage of steady couples without children over couples with children in acquiring home ownership. This finding once again illustrates that a prolonged child-free period after partnership formation facilitates home ownership (compare Feijten & Mulder, 2002). The absence of children in the household not only facilitates full-time dual-earnership, but the cost of living is also lower than when children are present.

In the period after leaving the parental home, the housing careers of highly educated young adults are different from those of the less well educated. Whereas the highly educated make a less favourable first start in the housing market (with more of them sharing), they catch up over the years. After eight years, they are more likely to own a home than the less well educated. At the moment of leaving home, the fact that they are single and still in education determines their housing situation. After eight years, their greater earning capacity seems to prevail.

A series of separate models for different time points was used in this paper. The advantage of separate models is the simplicity and ease of interpretation. The disadvantage, however, is that the difference between time points is not put to a formal test. To perform this test, an extra model was estimated using all person-years and adjusted standard errors.

Overall, the results of this paper help substantiate a number of well-known ideas and beliefs about housing markets and young people's housing. For example, the fluidity of situations in shared housing versus the stability of home ownership; the great number of moves young people make after leaving the parental home; and the strong association between living arrangements and housing arrangements. At the same time, the results show a surprising persistence of the influence of the start of the household career on the first eight years of young people's housing careers.

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Appendix

Table 8. Descriptive statistics of dependent and independent variables: percentages (or mean, if indicated)

Years since leaving	0	2	4	6	8	0–8
<i>n</i> person-years	2675	2626	2536	2440	2306	22708
<i>Dependent variable</i>						
Renting	55.3	55.9	54.8	53.3	50.7	54.2
Sharing	25.6	19.5	14.6	11.4	9.6	16.3
Owning	19.2	24.6	30.6	35.4	39.7	29.6
<i>Route of leaving home</i>						
Alone	36.4	35.6	35.4	35.0	34.4	35.4
Cohabiting	13.7	13.3	12.1	10.4	8.5	11.8
Married	49.9	51.1	52.6	54.5	57.1	52.8
<i>Family history</i>						
Steady with partner			18.8	10.9	7.9	
Steady single			19.0	12.7	8.8	
Single, partner			11.8	13.6	12.0	
(Single,) partner, child			46.0	49.8	53.1	
Single, partner, child				7.0	11.2	
Disrupted/single parent			4.4	6.1	7.0	
<i>Age of leaving home (mean)</i>	23.18	23.19	23.16	23.07	23.00	23.12
<i>Female</i>	50.2	50.5	50.4	50.9	50.9	50.6
<i>Education</i>						
Primary	14.3	14.6	15.3	15.9	16.4	15.3
Lower secondary/lower vocational	39.0	39.0	38.9	39.9	40.3	39.4
Higher secondary/middle vocational	24.8	24.4	23.2	21.6	20.3	23.0
Higher vocational/university	21.9	22.0	22.6	22.7	22.9	22.4
<i>Socio-economic status (ISEI; mean)</i>	4.64	4.65	4.69	4.73	4.78	4.69
<i>Status unknown</i>	3.9	3.8	3.6	3.1	3.2	3.5
<i>Father's education</i>						
Up to lower secondary	36.1	35.6	35.7	35.2	35.3	35.6
Middle or higher	18.6	18.4	17.4	17.2	16.3	17.6
Unknown	45.3	46.0	46.9	47.7	48.4	46.8
<i>Father's socio-economic status (mean)</i>	4.46	4.46	4.43	4.41	4.39	4.43
<i>Father's status unknown</i>	13.8	13.9	13.7	13.6	13.8	13.7
<i>Degree of urbanisation</i>						
Hardly urbanised	16.3	17.6	18.5	18.9	19.4	18.2
Weakly urbanised	33.9	33.0	34.1	35.2	36.4	34.4
Moderately urbanised	22.5	22.7	21.8	20.8	20.6	21.7
Strongly urbanised	27.3	26.7	25.6	25.0	23.7	25.7
<i>Period</i>						
1950–64	21.7	17.8	15.3	13.9	11.1	16.0
1965–74	29.5	28.1	26.1	23.4	21.8	25.9
1975–79	16.4	16.6	16.7	17.2	17.8	17.0
1980–84	16.1	16.9	18.0	17.9	20.0	17.5
1985–93	16.3	20.5	23.9	27.7	29.3	23.6

Note: the number of person-years decreases over the years owing to censoring at the date of interview. The percentages and means even of time-constant variables differ slightly between the years for the same reason.