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### The end of mass homeownership?

*Housing career diversification and inequality in Europe*

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# 3. Parental Co-residence, Shared Living and Emerging Adulthood in Europe

## Abstract

*Transitions to adulthood not only represent a key period for individual development but also contribute to processes of social stratification. Growing evidence has pointed to increased complexity, postponement and individualisation in transition dynamics. Previous research has focused on trends in school-to-work transitions and family formation; however, the central role of housing represents an interrelated process that is less understood. As pathways to adulthood have diversified, many young people experience partial independence in one sphere while continued dependence in others. Semi-dependent housing, either through parental co-residence or shared living, can be an important coping mechanism. Using the EU-SILC dataset, the research investigates the role that semi-dependent living plays within emerging adulthood across varied European contexts. The data suggests that the extent and type of semi-dependent housing varies substantially across EU15 countries. The findings indicate that levels of housing independence can be partly explained by welfare regime context while the propensity for shared living appears correlated with affordability in the rental market. Although socio-cultural and economic trends play an important and interrelated role, the study argues that housing dynamics of young adulthood and the role of semi-dependent living is fundamentally shaped by the context of the housing system and welfare regime.*

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## 3.1 Introduction

Transition to adulthood is by no means a clear-cut process and comprises varied sequences of institutionalised status passages from school completion, to labour market entry, to parental home leaving, to family formation and potential parenthood. It has been argued that the transition period to adulthood has become more extended and diversified in recent decades (Buchmann and Kriesi 2011; Arnett 2006). Much research has focused on changes in school-to-work transitions and especially family formation processes. However, the role of housing transitions in the period of emerging adulthood represents a key interrelated process that remains less understood. Housing is an important consideration both in its impact on quality of life as well as, through property investment, potential future economic security (Doling and Ronald 2010). The simple ‘housing ladder’ model posits progressive shifts from home-leaving to rental housing, to eventual homeownership (Beer and Faulkner 2011; Kendig, Paris, and Anderton 1987). However, it has become clear that housing transitions have also increased in complexity (Clapham 2002). Studies have pointed to higher levels of parental co-residence among young adults through either delayed home-leaving or returns to the natal home (Aassve, Cottini, and Vitali 2013; Stone, Berrington, and Falkingham 2014). Destinations after home-leaving have also diversified with evidence of increases in non-marital cohabitation and sharing arrangements with non-family members (Mykyta and Macartney 2011). Such states of semi-dependence in housing represent an increasingly important intermediate stage with partial independence in one sphere while continued dependence in others.

This paper sets out to examine the role of housing in this period of adulthood transition and the specific importance of ‘in-between phases’ of housing represented by semi-dependent living, either in parental co-residence or shared living, across advanced economies. While separate literatures have attempted to understand diversification and increasing complexity of adulthood transitions through the lenses of changing youth preferences and lifestyle choices (Arnett 1997; 2006) or through structural changes of an increasingly precarious and uncertain ‘risk society’ (Beck 1992; 2000; Giddens 1999), there has been little recognition of the extent that these dynamics manifest in the domain of housing, both in impacting housing trajectories of young adults, as well as the interrelated nature of housing with other important transition markers of adulthood. Crucially, housing transitions are set within and against important structural and cultural contexts that affect young adults’ housing constraints, opportunities and preferences. At the national level, two important contextual dimensions can be seen to mediate young people’s increasingly complex housing outcomes: the welfare regime and the nature of the housing system. Welfare regime theory has been one of the primary lenses used to understand housing and life-course transitions across societies; integrating various

social dimensions including the intersection – or mix – of family, state and market. While specificities of the housing system – albeit presenting some overlap with welfare regime classifications – play a further key role in shaping housing careers.

Whereas previous studies have focused on the US or the UK (e.g. Mykyta and Macartney 2011; Stone, Berrington, and Falkingham 2014; Calvert 2010), Europe presents a valuable setting for comparative research as countries exhibit substantial differentiation in cultural, housing and welfare contexts. Through a quantitative macro analysis of 14 European countries using the EU-SILC dataset, our study examines to what extent semi-dependent housing (either parental co-residence or shared living) plays a role in the period of adulthood transition, how this differs across Europe, and to what extent welfare regime and housing system factors can explain cross-country variations. The paper brings together four important foci that have been the subject of previous research but have not been clearly integrated in understanding housing trajectories of younger adults: 1) the increasing diversification and complexity of adulthood transitions 2) intermediary/semi-dependent housing arrangements 3) welfare regimes, and 4) housing systems. Through these dimensions, the research explores the role of semi-dependent housing within the processes of increasingly complex transitions to adulthood and how this is crucially mediated by the welfare regime and housing system context. Although shorter-term socio-cultural and economic trends have an impact, we argue that these significant in-between phases in housing careers and the role of semi-dependent living is fundamentally shaped by the context of the housing system and welfare regime.

## 3.2 Transitions to adulthood across Europe

The transition from youth to adulthood is often conceptualised as a series of status passages across a period considered ‘demographically dense’ (Buchmann 1989; Kohli 2007; Rindfuss 1991). Transition into adulthood represents a key stage in the life-course where decisions and events can have long-lasting effects for individual development (Buchmann 1989) as well as in shaping stratification at the societal level (Macmillan 2005; Muller and Gangl 2003; Settersten 2007). Traditionally, these transitions have been seen as being part of a relatively linear, gendered, and normative process of standardised pathways from family of origin into family of destination (Wallace 1987). Molgat (2007) contends that when these transitions followed in relatively close sequence and over a short time, the transition to adulthood did not seem overly problematic. In recent decades, however, a growing

body of research has argued that the process has become increasingly diversified with non-linearity in housing, education and employment transitions characterised by routes in-and-out of the parental home and job instability (Calvert 2010; Arundel and Lennartz 2016) – aka ‘yo-yo’ transitions (Biggart, Stauber, and Walther 2001; Pais 2003).

In the European context, Buchmann and Kriesi (2011) identify a number of recent and critical changes in adulthood transitions. First, evidence of increasingly prolonged transition processes with postponement of traditional transition markers has been noted (see Gauthier 2007; Settersten 2007). Secondly, there appears to be greater age variations in transition event timing (Billari and Wilson 2001; Gangl, Muller, and Raffe 2003; Sobotka and Toulemon 2008). They conclude that despite rather uniform postponement, there appears to be no convergence with cross-national differences remaining large and stable over time (see Frejka and Sardon 2006; Iacovou 2002). These trends have led, nonetheless, to claims of a more or less universal ‘destandardisation’ in life-course transitions to adulthood, albeit bearing the markers of specific socio-cultural pathways related to variance in home-leaving age and its de-coupling with marriage or job-entry events (Bernardi and Nazio 2005; Bruckner and Mayer 2005; Mulder, Clark, and Wagner 2002). While Buchmann and Kriesi (2011) provide an important overview of research on adulthood transition, like many demographers, they fail to fully acknowledge the significance of housing; both its central role as a marker of adulthood and in housing’s interrelated influence on other transition dimensions. Housing careers are clearly intertwined with family formation transitions yet destandardisation in housing pathways and how these vary across regional contexts is not well understood. Indeed, normalised routes into adulthood are bound up with movement through different types of housing and tenure, with the latter mediating the former both culturally and materially. Specifically, in many, if not most contexts, the achievement of homeownership has not only become synonymous with the full realisation of independent adult status, it has also become a criterion upon which the realisation of long-term partnership and fertility rest (Mulder 2008; Mulder and Billari 2010; Vignoli, Rinesi, and Mussino 2013). Housing systems are thus critical in respect to their liquidity or rigidity in mediating transition from dependence to independence and, moreover, have been linked with broader socio-structural determinants, such as welfare regimes (e.g. Hoekstra 2003).

The changing nature of pathways to adulthood have been further framed within the contexts of larger societal shifts and the emergence of a ‘risk society.’ Beck (1992; 2000) and Giddens (1999) have argued that changes in economic and social structures have eroded certainties that existed under previous Fordist conditions. These changing circumstances have led to increasing ‘individualisation’ where

households have more agency in shaping life-courses but also take on greater risks – or potential returns – associated with a more volatile socio-economic system (Beck 1992). While, in the past, individual risk was mitigated through stronger welfare states, embedded social institutions such as marriage and family, and widespread wage employment, in recent decades these frameworks have unravelled. Indeed, roll-back of the welfare state, post-industrial ‘flexibilisation’ of employment and decoupling of education systems to job opportunities, as well as family and household fragmentation, have led to increased precarity in transition pathways (Beck 1992; 2000; Calvert 2010). Uncertainty has reshaped routes into and through family formation, education, labour retraining, and housing (Beer and Faulkner 2011; Beck and Beck-Gernsheim 2002). The restructuring of risk has interacted with housing as a mediator of individualisation, as housing careers represent key intersections of family and employment trajectories as well as socioeconomic and market conditions. In particular, diminished employment security has undermined the stability needed for home purchase, or even finding secure, independent rental property.

The impact of ‘the restructuring of risk’ on transition pathways have challenged traditional perceptions of maturity and resulted in the conceptualising of an ‘emerging adulthood’ where there is a significant life-course phase in-between youth and adulthood. Arnett (2006) views this period as being highly unstructured and unsettled – with neither a sense of adolescence nor full adulthood. Increasing importance is placed on individual conceptions of autonomy, but less so on traditional markers of adulthood (Arnett 1997; Calvert 2010). ‘Emerging adulthood’ thus manifests itself as leisurely and lengthy explorations of identity, lifestyle and career possibilities (Arnett 1997). Criticism has been levelled at this representation, however, for conflating free choice and the ‘exploration of identities’ with coping mechanisms in the face of structural forces (Bynner 2005; Côté and Bynner 2008). Bynner argues that Arnett’s emerging adulthood dismisses structural factors as merely ‘environmental influences and constraints in the way of life-goals rather than as shaping, in a fundamental way, roles and identities to match modern conditions’ (2005:369). Such a universalising concept overlooks important institutional, social and cultural contexts in shaping adulthood transitions, as well as significant cross-national variations (Calvert 2010; Mitchell 2006). Particularly absent has been concern with housing pathway outcomes within these structural shifts and their intersection with conceptions of dependence and independence through these transition stages of emerging adulthood.

### 3.3 Semi-dependent housing and emerging adulthood

As with other adulthood markers, housing trajectories of young adults have also become more ‘fuzzy’ in recent years, and constitute a critical, but largely understudied element of emerging adulthood. Whereas the traditional view of housing transitions proposed a ‘ladder’ where the first rung after home-leaving was renting, then homeownership with a steady progression of increasing housing quality and consumption (Kendig, Paris, and Anderton 1987), the reality of contemporary transitions appear more complex with evidence of often chaotic and non-linear pathways to stable living for young home-leavers (Hochstenbach and Boterman 2015a; Rugg, Ford and Burrows 2006; Arundel and Lennartz 2016). Extended co-residence or returns to the parental home seem to play an increasingly important role in many countries (Lennartz, Arundel, and Ronald 2015; Stone, Berrington, and Falkingham 2014; Aassve, Cottini, and Vitali 2013) and, outside the natal home, non-traditional forms of sharing might also represent a significant short or longer-term option. Shared housing can be a coping mechanism where other forms of family or state support are not available and can range from the informal and transitory, such as in ‘couch surfing’ (McLoughlin 2013), to being a longer-term strategy. Shared living with strangers, friends, or other relatives can represent exactly the type of intermediary (in)dependence that can provide partial autonomy where economic conditions do not allow for fully independent housing status or – as a lifestyle choice – where continued social support is desired within the housing arrangement. While extended co-residence with parents provides less independence in the short-term, it can also be a strategy in accumulating capital for a down-payment thereby enhancing stable independence in the long-term. Saving costs through co-residence has also been characterised as a way for young adults to increase autonomy in other life domains through increased discretionary spending – emphasised in Japanese representations of ‘parasite singles’ (Hirayama and Ronald 2008).

What these trends point to is a growing importance of what would traditionally be seen as ‘in-between’ or liminal phases in the housing career where states of semi-dependent housing play an important role during the period of emerging adulthood (or even beyond). US studies have pointed to recent increases in ‘doubled-up families’ and various types of sharing arrangements (Mykyta and Macartney 2011), albeit conceding that this is not a new phenomenon in itself with historical precedents for many variations of shared living (see Modell and Hareven

1973).<sup>1</sup> Semi-dependent housing arrangements, either as parental co-residence or sharing, appear to represent an important stage in their own right in the housing dimension of adulthood transitions. Nonetheless there is also evidence of strong cross-country variance and that underlying cultural, economic and institutional contexts play a key role in influencing opportunities or constraints in young people's housing careers.

### 3.4 Structural determinants of semi-dependent housing

Although there have been arguments of changing individual preferences among young adults (Arnett 2006), structural and institutional settings have also had a clear impact on pathway decisions (Clausen 1991; Elder and Shanahan 2006). By looking at the variation that remains apparent across European country contexts, one can help to untangle some of the contextual factors that influence young adults' housing outcomes. While this paper seeks to highlight the potential influence of structural contexts on housing conditions for young adults, it is understood that these act on top of or in relation to individual factors. For example, whereas economic resources make a key difference in attaining housing goals and influence the propensity to choose semi-dependent arrangements, individual preferences have a clear impact on housing decisions such as the likelihood to share for social or lifestyle reasons. Nonetheless, these latter factors remain interrelated with the structural context, which frame socio-cultural expectations and constrain the economic resources of young people. Two key structural dimensions that are examined in relation to housing opportunities, constraints and preferences in this paper are the welfare regime and housing system contexts.

#### **Welfare regime**

Welfare regime theory, especially since Esping-Andersen (1990), has been central to research on societal differences and – albeit not immune to criticism – is an important lens by which to understand variation across Europe in adulthood

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1 Historical data from the US, for example, show very high levels of shared living during the 1800s and early 1900s through the common practice of taking in 'lodgers', although this fell out of favour through the second half of the 20th century, both in practice and in social acceptance. (Modell and Hareven 1973). While acknowledging the historical precedent, this article focuses on contemporary dynamics of co-residence and sharing among young people's transitions.

transitions. Welfare configurations can have important effects on relative life-course constraints and opportunities as well as the normative expectations of pathway choices. Welfare regimes reflect, among other things, the generosity of state support – or lack thereof – that can enable economic stability needed for accessing independent housing while mitigating subsequent economic setbacks. Underlying socio-cultural expectations are strongly linked to welfare regimes and the interplay of welfare mix – whether seen as the motivation for policies or the outcome of the established system. Regime contexts frame reliance on state support versus family in adult transitions, as well as expectations of early independence compared to preferences for continued co-residence (Matznetter and Mundt 2012). Four main regime types are commonly identified describing important differences in the level of state support, the role of the market, and the extent that the family is a key provider of welfare. For example, strong state support in *social democratic* countries contrasts to market-reliance in *liberal* contexts. In *conservative/corporatist* countries, meanwhile, there is likely to be more of a mix of influences in housing pathways compared to a strong familialist-orientation in *southern European* societies. Welfare regime typologies present a valuable perspective in describing significant differences in the socio-cultural and institutional contexts that would impact young adults' housing transitions although their explanatory limitations are also accepted. Welfare regime theories have been particularly criticised for not properly incorporating the role of housing, which does not always map clearly onto regime typologies (Hoekstra 2003; Kemeny 2001) thus motivating an examination of further specificities of the housing system.

### **Housing system context**

Within the welfare domain, housing system factors can relate to accessibility and availability of social or public housing, subsidised rent schemes and price regulation. Beyond this, housing system factors also relate to market supply mechanisms, demand, pricing and access to mortgage credit. In consideration of adulthood transitions, the housing system context clearly affects the availability and affordability of various housing options. Since the first destination after the parental home is typically renting (Lee and Painter 2013), the regulation and affordability of rental housing is of key importance as a structural determinant. It would be expected that the relative affordability of the rental sector would determine to what extent shared living would be employed to cope with high rents for those who still wish or need to leave the parental home. Rental housing affordability is therefore an important consideration in explaining variations in sharing among young people across Europe. However, it is also recognised that rental affordability

is strongly interrelated with other institutional features related to welfare regime or the housing system, such as rent regulation and competition between the social and private sectors (Lennartz 2013).

## 3.5 The research

In consideration of the presented context, the exploratory research contributes some foundational understanding of the housing dimension within emerging adulthood and the role of semi-dependent living arrangements – either in co-residence or sharing. The premise is that welfare regime and housing system contexts are likely to have an important role in influencing young people’s housing status and thus the research seeks to relate the role of semi-dependent living to the social, cultural and institutional contexts that likely mediate these dynamics. The following research questions are presented:

*To what extent do semi-dependent housing arrangements play a role in the period of emerging adulthood across Europe? And how does this differ across country contexts?*

*To what extent do the housing system and welfare regime contexts explain these differences?*

### Methodology

The study remains exploratory in scope and examines macro-data at the country level. The research uses the EU-SILC dataset (European Survey on Income and Living Conditions) to investigate housing arrangements of young adults (defined as between 18 and 34) in a comparable way across European countries. To look at underlying patterns across Europe while partially controlling for short-term fluctuations in housing status, a multi-year average is used for the full period of compatible data: 2005 to 2011. Data was analysed for 14 countries, including all EU15 countries with the exception of Ireland, for which recent data was unavailable.<sup>2</sup> The results are first presented descriptively across the countries and, subsequently, the

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<sup>2</sup> Eastern European countries were not included in this analysis because of several data years missing as well still being transition economies in which housing markets function completely differently (e.g. super high homeownership rates and high volatility) with less clear classification of these cases within the current welfare regime literature.

relationships between semi-dependent housing and economic capacity of young adults, the contexts of the welfare regime, and housing systems are examined.

As a key indicator of economic capacity, a measure of youth unemployment was used. The national average youth unemployment rates for the same 2005-2011 period were included for those aged 15 to 29.<sup>3</sup> Welfare regime groupings were based on conventional classifications from the literature (see Esping-Anderson 1990; Aassve, Cottini, and Vitali 2013; Lennartz, Arundel, and Ronald 2015) with our sample consisting of the regime typologies of *social democratic* (including Denmark, Finland, and Sweden), *conservative* (including Austria, Belgium, Germany, France, Luxembourg, and the Netherlands), *southern European* (including Spain, Greece, Italy, and Portugal), and *liberal* (represented by the UK). Finally, as an indicator of housing system context, rental affordability was measured looking at the ratio of average annual private rent to median equivalised income for each country.<sup>4</sup> Whereas, the size of the rental sector as well as the relative cost and means of entry to homeownership are also important housing system considerations, these appeared strongly correlated with rental sector affordability as a measure that likely already reflects these characteristics.<sup>5</sup>

Bivariate correlations were performed to test the macro-level relationship between the housing outcomes and indicators of economic capacity and housing system. Plotted correlations in the resulting figures present the R<sup>2</sup> value and the statistical significance of the relationship. In evaluating welfare regime groupings, ANOVAs were carried out along with simple linear regression analyses for each housing rate at the macro-level.

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3 While not a perfect overlap, this was the closest age range available in the comparable datasets.

4 The indicator remains imperfect as it is not available for the precise age group examined and there is some variation in the data years and availability across the countries. Nonetheless, it provides the best comparative indicator available on the relative affordability of the private rental sector.

5 Other variables were tested for the housing system but considering multicollinearity tests, rental housing appeared as the best variable in capturing the key dimensions of the housing system influencing semi-dependent housing outcomes.

## Housing Status

In terms of individual housing status, the options can be simplified into either living in an *independent* household, in *parental co-residence*, or in *shared living*.<sup>6</sup> An *independent* household is defined as either in a single-person household or in a single ‘family unit’ (i.e. with a married or cohabitating spouse and with or without children). Parental co-residence is any 18 to 34 year old living with one or more parents. Shared living is being in a house with ‘extra adults’ defined as individuals that are not the spouse, children or parents of the head of the household and therefore would include housemates such as friends, strangers and other relatives.<sup>7</sup> *Semi-dependent housing* includes both those in parental co-residence or in shared living, where there is a certain degree of dependence or pooling of resources in securing living arrangements. Housing status frequencies are calculated using the appropriate EU-SILC weighting.

## 3.6 Descriptive results

### The role of semi-dependent housing among young Europeans

The initial results of the analysis look at the descriptive divisions in housing status among 18-34 year olds across the examined countries, in terms of whether they are an independent household, in parental co-residence, or shared living (see Figure 3.1). Looking at the data, some important patterns are revealed. Firstly, it appears indeed that semi-dependent housing plays a very significant role in the period of emerging adulthood for young Europeans. Co-residence, whether late home-leaving or returns, is an especially important source of shelter for young adults in many countries. While sharing rates are unsurprisingly lower, it represents nonetheless a significant proportion in several EU countries.

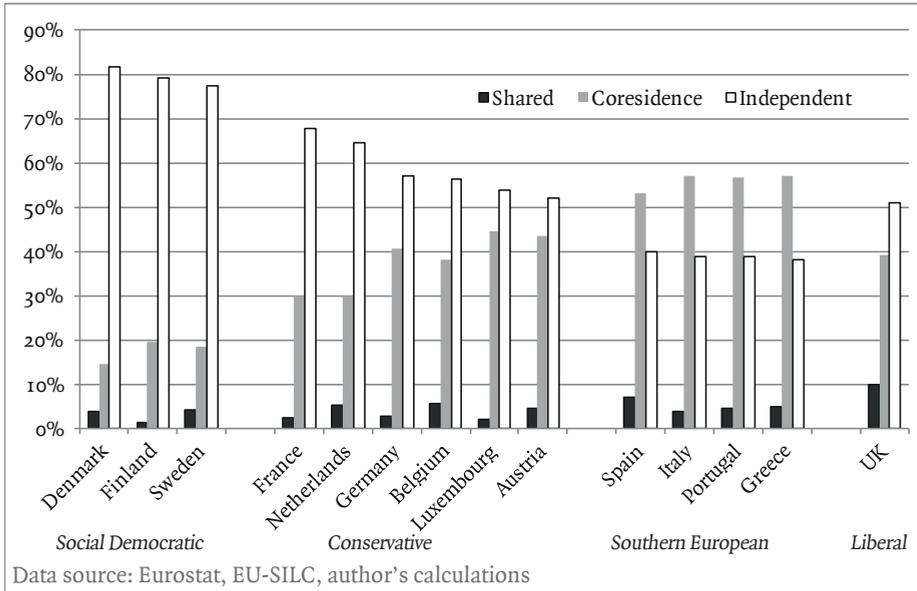
The EU-SILC data reveals that there remains much variation across the EU15 countries in all three housing outcomes with little evidence of a united housing

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6 Previous analyses by the author (see Lennartz, Arundel, and Ronald 2015) looked at tenure among young Europeans and it is acknowledged that tenure is an important component of housing status, however, herein the focus is on housing variegation in terms of dependency conditions (independent living versus semi-dependent arrangements).

7 Due to the data limitations in defining all kinship relationships, other relatives would also be included as ‘extra adults’ in the household, such as cousins and nephews. Grandparents and siblings would also be included where the parents are not also household members or aunts and uncles when grandparents are not also included in household.

Figure 3.1: Housing status of 18–34-year-olds (2005–2011 averages)



transition dynamic for young adults in Europe. The countries are grouped based on welfare regimes with the descriptive examination of housing status appearing to reflect differentiation across these regime typologies. Simply looking at the number of 18–34 year olds that have established an independent home, we can see that this ranges from above or near 80% in the social democratic countries to below 40% in southern Europe, with conservative regime countries of north-western Europe and the liberal case of the UK lying between these extremes. While shared arrangements in some countries make up just 1% of young adults, in other countries – notably the UK – the rates are nearly one-in-ten. Previous considerations of sharing and young people’s housing have focused on US and UK examples, however, the data shows that there is little evidence of uniformity across advanced economies. This points to the importance of national context and raises questions on how specificities of economic, socio-cultural and institutional variation may shape the transition choices, opportunities and expectations of young adults. While previous comparative research focused only on co-residence, adding sharing as an alternative presents an important new pattern in many contexts, such as in the liberal UK case, where it is apparent that young adults rely on both co-residence and sharing.

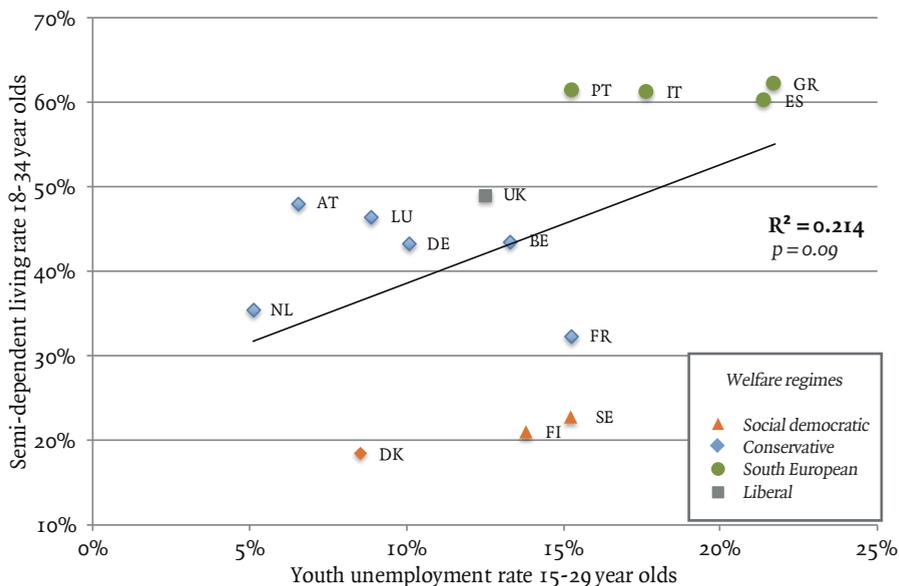
### 3.7 Explaining variation

In considering the second question, the study looked at variation across EU15 countries in terms of measures of economic capacity, welfare regime typologies, and housing system context. While such a country-level analysis cannot untangle all contextual impacts on young adults' housing transitions and the investigation remains exploratory rather than purporting to determine specific causal mechanisms, the intent is to help establish a fundamental empirical basis for future research.

#### Economic capacity of young adults

Economic capacity is clearly an overarching factor in the ability of young adults to afford independent housing. It would be expected that macro-level differences in younger cohorts' economic conditions would help explain variation in housing status and degree of semi-dependent arrangements due to economic constraints. However, the interest of this paper lies in looking beyond underlying economic

Figure 3.2 Semi-dependent living vs. unemployment rate (2005–2011 averages)



Data Sources: Eurostat, EU-SILC & unemployment by age [<http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/>]

conditions of young adults to how the context – in terms of institutional constraints and opportunities as well as socio-cultural expectations and preferences – shapes emerging housing careers. The economic condition of young adults was examined more in terms of a control variable in understanding to what extent this could explain young adults' housing outcomes.

The key indicator used was the national youth unemployment rates for those aged 15 to 29. The measure was examined against overall levels of semi-dependent housing as economic capacity would be expected to influence whether independent living was achieved and less the specific type of semi-dependent alternative – co-residence or shared – itself more a reflection of the particular socio-cultural, welfare and housing system context. The results (see Figure 3.2) show higher rates of youth unemployment relating to higher proportions of young adults in either co-residence or shared living. However, with the correlation having a p value of 0.09 the results do not clearly show statistical significance. Furthermore, with an  $R^2$  of 0.21, a large majority of the variance remains unexplained by the economic indicator. At best, it appears that the measure of economic capacity has a very marginal correlation with attaining independent living and this underscores the importance of considering other contextual factors. Looking at the scatterplot distribution, there further appears to be some grouping of countries based on welfare regime typologies (displayed with different symbols). The low explanatory power and partial regime clustering supports the contention that, beyond economic capacity, other factors characterising the institutional and socio-cultural context of the different welfare regimes may have an impact on young people's housing.

### **Welfare regimes and semi-dependent housing**

Welfare state configurations can have important effects on constraints and opportunities faced by young adults as well as the normative expectations of their pathway decisions. Welfare regimes influence the relative generosity of state support that can enable economic stability needed for accessing housing and overall independence during early adulthood, and is strongly linked to underlying socio-cultural expectations of independence and/or reliance on family versus state or market support (Matznetter and Mundt 2012). Looking at patterns of housing status in relation to the four common welfare regime classifications (Table 3.1) helps to untangle potential relations between welfare configurations and semi-dependent housing.

*Social democratic.* The social democratic welfare regime, exemplified by selected Scandinavian countries, represents a strong welfare state system where entitlements are more universalistic and less contingent on individual need or

circumstances (Esping-Andersen 1990). State support reduces reliance on family leading to a stronger orientation towards household autonomy (Esping-Andersen 1990). The tertiary education system based on vocational training provides easier access to labour markets, although strong protection of senior workers partly dampens this for young entrants (Buchmann and Kriesi 2011). In terms of housing, institutional support and cultural norms foster earlier home-leaving and therefore lower rates of co-residence among young adults (Mandic 2008). Traditionally, public housing allowed for more independent living, although recent residualisation of this sector (Christophers 2013), means that access has decreased for younger generations. The descriptive results from the EU-SILC data (Table 3.1a) seem to support these dynamics with the lowest levels of parental co-residence among social democratic countries, reflecting the younger home-leaving culture and the support for autonomy through state welfare. Since fluctuations in economic conditions are tempered by public support, a lower likelihood of returns to the parental home would also be expected. The data further show relatively lower rates of shared living compared to other regime typologies, likely a reflection of the same public assistance allowing greater independent living. Nonetheless, the distinction based on welfare regime is imperfect, as intragroup variation remains significant. Whereas Finland does show the lowest shared living rates out of the EU15 countries, Denmark and Sweden rather have medium rates and not lower than several conservative countries.

*Liberal.* The liberal welfare regime characteristic of the UK and other Anglo-Saxon countries, is also oriented towards the individual but is guided by the principle of the market with public benefits targeted only at the most needy through means-testing (Esping-Andersen 1990; Matznetter and Mundt 2012). Individual self-reliance and weaker ties to family are fostered which motivate earlier adulthood transitions, such as home-leaving, although without the state support of social democratic regimes protecting against economic and labour uncertainty. Labour market entry is relatively early although the limited safety-net means subsequent setbacks are also common (Buchmann and Kriesi 2011). In terms of the role of semi-dependent housing, the descriptive results (Table 3.1a) show medium co-residence levels in the UK lying between the low social democratic and high southern European rates. Although it is impossible with the existing data to separate the type of co-residence, the findings support expectations of a norm of earlier home-leaving, however, with a combination of higher economic instability and lack of public assistance which would lead to more returns (i.e. boomerang kids). Looking at sharing, the liberal case of the UK clearly stands out as having the highest rates with nearly one in ten 18 to 34 year olds in shared living. This supports the assumption that the normative push to leave home early coupled with lower levels of job security or public assistance, as well as arguably a cultural acceptance

Table 3.1: Housing status of 18-34 year olds by country & welfare regime (EUSILC 2005-2011)

(a)	2005-2011 averages		
	Co-residence	Shared	Independent
<b>Social Democratic</b>			
Denmark	14.65%	3.67%	81.68%
Finland	19.67%	1.20%	79.14%
Sweden	18.36%	4.27%	77.36%
<b>Social Democratic Average</b>	<b>17.72%</b>	<b>3.30%</b>	<b>78.98%</b>
(Standard Deviation)	2.12	1.33	1.77
<b>Conservative</b>			
Austria	43.55%	4.50%	51.95%
Belgium	38.02%	5.53%	56.45%
Germany	40.42%	2.75%	56.83%
France	29.81%	2.52%	67.68%
Luxembourg	44.37%	1.99%	53.64%
Netherlands	30.06%	5.28%	64.66%
<b>Conservative Average</b>	<b>35.60%</b>	<b>3.16%</b>	<b>61.25%</b>
(Standard Deviation)	5.87	1.40	5.71
<b>Southern Europe</b>			
Spain	53.09%	6.92%	39.98%
Greece	57.10%	4.94%	37.96%
Italy	57.09%	4.01%	38.90%
Portugal	56.71%	4.59%	38.69%
<b>Southern European Average</b>	<b>55.47%</b>	<b>5.29%</b>	<b>39.23%</b>
(Standard Deviation)	1.69	1.10	0.72
<b>Liberal</b>			
UK	39.23%	9.79%	50.97%
<b>Liberal Regime Average</b>	<b>39.23%</b>	<b>9.79%</b>	<b>50.97%</b>

(b)

ANOVA	Outcome:					
	Co-residence		Shared		Independent	
	F	Sig.	F	Sig.	F	Sig.
Between Welfare Regimes	36.578	0.00	5.974	0.013	46.12	0.00
<b>Linear Regression</b>						
	$\beta$	Sig.	$\beta$	Sig.	$\beta$	Sig.
Welfare Regime (Ref= Conservative)						
Social Democratic	-.587**	0.00	-0.141	0.508	.578**	0.00
Southern European	-.587**	0.00	0.293	0.186	-.599**	0.00
Liberal	0.028	0.775	.745**	0.004	-0.131	0.155
R <sup>2</sup> value	.917**		.642*		.933**	

Data source: Eurostat EU-SILC

\* p<0.05 \*\* p<0.01

of non-family sharing (at least in comparison to more conservative and family-oriented regimes in southern Europe), would result in more young adults resorting to shared arrangements.

*Conservative.* The conservative regime – including Germany, France, Belgium and in most cases, the Netherlands – is characterised by a stronger orientation towards the family with some status-based social benefits channelled, typically, through the head of household (Esping-Andersen 1990). The vocationally oriented education system makes labour market entry smoother and more stable, although young people often stay longer in school. The regime’s institutional context tends to strengthen family ties and results in somewhat later home-leaving and a lower prevalence of non-traditional families (albeit with France as exception) (Buchmann and Kriesi 2011). The descriptive findings (Table 3.1a) show intermediate average rates of both co-residence and shared living among the conservative cases reflecting the role of semi-dependent housing in a system that falls between social democratic and southern European extremes. This reflects a stronger role of the family than in the Nordic countries and a greater socio-cultural acceptance of later home-leaving and co-residence. There is also, potentially, the reflection of a catholic/protestant divide in approaches to familialism (see Iacovou 2004), albeit not as engrained as in southern Europe.

Nevertheless, the data suggests substantial intra-group variation when looking at all three housing outcomes (as confirmed by the higher standard deviation values) with France, Luxembourg and, to a lesser extent, Germany having lower than expected shared living rates. This variation is not unexpected due to the fact that conservative countries present a large block of cases that include quite a substantial amount of within-group variation, especially in terms of housing systems or public housing policy making it harder to predict the outcomes for co-residence, sharing and independent living. Germany, for example, is generally characterised by a large and affordable rental sector while other countries have less accessible housing markets or stronger ideological and institutional support for homeownership (Ronald 2008). This could have contrasting effects on the likelihood of leaving the parental home earlier (made easier where affordable housing is available) or to opt for semi-dependent housing arrangements (where affordable rental is not plentiful and preferences for homeownership result in increased desire to save for future property investment) thus reflected in the higher intra-group variation among conservative cases.

*Southern European.* An additional regime type subsequently proposed is the southern European variant (including Greece, Italy, Spain and Portugal), which like the conservative regime reflects strong family ties although to an even greater extent and further characterised by low levels of state welfare provision (Esping-Anderson 2006; Ferrera 1996). In these countries, the household (male) breadwinner benefits

from relatively stronger employment protection and pensions with welfare support mainly distributed – and accessed – through the family and kinship networks rather than via market or state institutions. The result is the delay of all major transition markers to adulthood, such as completion of schooling or home-leaving, and difficulties in job-entry further complicated by protected labour markets (Baranowska and Gebel 2010; Breen 2005; Gangl, Muller, and Raffé 2003). The EU-SILC data (Table 3.1a) revealed the highest levels of semi-dependent housing among young adults with especially high co-residence rates reflecting the strongly engrained reliance on the family for assistance (see Mandić 2008). Although it would be anticipated that the continued interconnection of home-leaving with family formation and strong expectation of homeownership (Buchmann and Kriesi 2011) would result in the lowest levels of non-family shared households, this is not clearly reflected in the data. The southern European countries seem to rather portray medium sharing levels among young adults, while Spain appears as a partial outlier with relatively high rates. The key limitation of the data, however, is that some cases of living with other relatives are included as shared living.<sup>8</sup> Whereas living with an extended family member would be less likely in northern European countries than sharing with friends/housemates, in strongly familialist countries, such as in southern Europe, kinship networks extend beyond the nuclear family more commonly and therefore the higher rates may partly reflect living with more distant relatives.

### **Welfare regimes as explanatory factor**

In evaluating whether the variation across welfare regime groupings was statistically significant, ANOVA tests were carried out separately for each housing outcome proportion. The ANOVA confirmed that there were statistically significant differences between the welfare regime groups for co-residence ( $p < 0.01$ ), independent ( $p < 0.01$ ), and shared living rates ( $p < 0.05$ ) (see Table 3.1b). Whereas there was overall statistical significance in differences across welfare regimes, running simple linear regressions<sup>9</sup> – notwithstanding the small sample – helps evaluate the extent that differing welfare regimes statistically relate to the

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8 i.e. siblings and/or grandparents when parents are not there, aunts and uncles when both parents and grandparents are not present.

9 Post-hoc tests such as Tukey-Kramer or Games-Howell were not used as the UK represents the only Liberal case. A MANOVA was carried out including both sharing and co-residence proportions as the dependent variables. The results of the MANOVA corroborated the significant ANOVA results ( $p < .0005$ ; Wilks'  $\lambda = 0.029$ ; partial  $\eta^2 = 0.829$ ), however, there were some issues with the assumption of linearity and the separate ANOVAs were deemed more appropriate.

three outcomes. Compared to the conservative regime countries, social democratic and southern European contexts do indeed correlate with higher and lower rates of independent living respectively while the opposite holds true for parental co-residence. Whereas the liberal regime reflects intermediary values that are not statistically different from the conservative cases. Finally, only the liberal regime shows a statistically significant correlation with shared living. While some correlation is evidenced between welfare regime typologies and housing status, the explanatory power remains limited in terms of the type of housing arrangement. Absolute levels of semi-dependent housing (and in counterpart total independent living rates) do correlate quite well with welfare regime groupings, however, this is principally associated with co-residence levels as the largest proportion. In terms of shared living, the pattern is only partly related to regime typologies. The highest level of sharing is indeed found in the liberal case of the UK, which would match the assumed correlation of low familialism, early home-leaving and lack of state support. Furthermore, the stronger state support in the social democratic countries does seem to correlate with lower likelihoods of shared living, however, several southern European cases reflect higher than expected levels. Finally, higher intra-cluster variation for sharing rates undermines the predictive power of welfare regime classifications, as further reflected in the regression model  $R^2$  values.

Despite the limited explanatory power in sharing propensities, welfare regimes do appear correlated to overall levels of young adults attaining independent living. Whereas economic capacity most certainly plays a role in gaining independence, there is evidence that this may be moderated by the welfare context: in other words, how housing functions in the welfare mix. In reconsidering the scatterplot of unemployment and semi-dependent rates (Figure 3.2), the apparent grouping of values along welfare regimes hints at this relationship. The scatterplot indicates lower than expected levels of semi-dependent housing within social democratic countries (as well as France) compared to youth unemployment, likely reflecting the buffering role of state support. On the other hand, southern European countries (along with Austria and partly Luxembourg and the UK) seem to over-represent semi-dependent rates compared to unemployment, likely indicative of the lower levels of state support and/or stronger socio-cultural expectations of familial support.

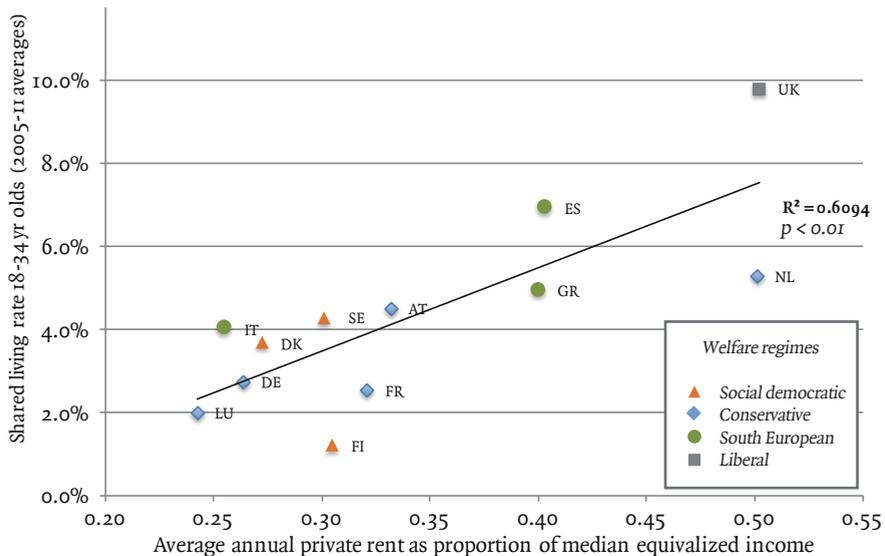
While welfare regime might somewhat moderate economic capacity in attaining independent housing and the likelihood of co-residence, the results indicate it only partly explains the role of specific types of semi-dependent housing. Since welfare regimes show a lot of internal variation in housing-related welfare systems (Kemeny 2001), it is likely that housing system factors might further explain variation in young adults' propensity to share as discussed in the subsequent section.

## Housing systems and semi-dependent housing

A crucial element affecting the likelihood of entering shared living (at least for economic reasons) is the nature of the rental sector within which most sharing occurs. An indicator of rental housing affordability was taken as a key measure as it captures the major barrier in accessing independent rental housing. Figure 3.3 shows the correlation between the ratio of average annual private rent to median equivalised income and proportions of 18-34 year olds in shared living.

The results show an impressive correlation between the two factors with lower affordability in rental relating to higher proportions of sharing. The two variables are highly correlated with an  $R^2$  of over 0.6 that is strongly significant. Although there is clearly a proportion of variance that remains unexplained relating to other elements of the institutional and socio-cultural context, this correlation supports the notion that the housing system can have important influences on the role of semi-dependent living beyond welfare regime classifications and youth employment

Figure 3.3: Shared living vs. private rental sector affordability.



Data Source for average annual private sector rent: Dol and Haffner (2010) Housing Statistics in the European Union (AT, FI, FR, DE, GR, LU, NL=2009/IT, ES, SE=2008 / DK=2002 / UK=2003). Data Source for median equivalised income: Eurostat 2001-2009 (<http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics>) (AT, FI, FR, DE, GR, LU, NL=2009 data/IT, ES, SE=2008 / DK=2003 / UK=2001 / Data for BE and PT not available).

conditions. While welfare regime might help in explaining overall levels of semi-dependent housing, the specific likelihood of sharing appears dependent on the conditions of rental housing affordability.

## 3.8 Discussion and Conclusion

Some important caveats need to be delineated in interpreting the study results. Firstly, the data does not allow an understanding of specific motivations for housing choices such as whether sharing is undertaken as a lifestyle choice or as an economic coping strategy. Nonetheless, looking at both gives insight into arrangements where some form of sharing of resources occurs whether economic or social – in contrast to living independently. Secondly, EU-SILC data only includes household members who reside longer than 6 months and therefore the analysis excludes very short-term co-residence or sharing; thus likely underestimating total semi-dependence levels as previous research has identified common practices of temporary sharing (i.e. ‘couch surfing’) where other avenues of state or family support are not available (McLoughlin 2013). Thirdly, the study focuses on welfare regime and housing system contexts and does not purport to look at an exhaustive list of potential factors. Additional dimensions (i.e. demographic composition, in-and-out migration) might add explanatory power and, while not within the scope of this research, could provide useful avenues of future elaboration. Fourthly, in comparing welfare contexts, the UK is the only available liberal regime example available in the data. While a greater sample of liberal countries would be preferred, the UK case in the dataset does nonetheless provide a large sample. Finally, as mentioned, short-term fluctuations would have an impact on housing options of younger cohorts, especially economic changes such as the recent crisis in Europe. While this is an interesting investigation that merits further research, this study chooses to focus on an initial understanding of the underlying variations across countries through examining average housing outcomes over a multi-year period from 2005 to 2011. While there are some clear limitations to such a macro-level analysis, the exploratory study presents a key initial assessment of the role of semi-dependent living and explanations for variation across European contexts with the aim of fostering future research into specific housing and contextual correlations.

As this study exposes, it is apparent that the housing conditions and careers of young adults are more complex than have been presented in the standard housing ladder model, with non-traditional ‘in-between’ phases in the housing career playing a very important role for many young Europeans. These findings seem to tie in with conceptions of emerging adulthood put forth by Arnett (2006)

where this phase is characterised less by traditional markers of adulthood but rather the lengthy explorations of identity, lifestyle and career possibilities. Here, the attainment of independent housing is replaced by more flexible, adaptable housing 'arrangements' such as shared living and periods of parental co-residence. Furthermore, the economic savings from semi-dependent housing may allow expressions of autonomy in other lifestyle spheres or facilitate better independent housing options in the future. The trend towards increasing semi-dependent living may also reflect changing housing aspirations and priorities, which are framed within the scope of societal transformations such as the increasing individualised risk and uncertainty characteristic of Beck's (1992) second modernity. This may also strongly reflect shifting economic and labour market conditions in recent years that have enhanced the precarity of early adulthood, which have demanded that the links between autonomy, family formation and home become more flexible.

The results of the analysis also highlight the continued diversity across European contexts. The economic, socio-cultural and institutional settings appear to be important in structuring young adult's housing; whether in terms of moulding expectations or the relative constraints and opportunities in attaining different housing outcomes. In explaining diversity across the European contexts, various factors seem to relate to housing status differentiation. Economic capacity is assumed critical to the attainment of independent living and while youth unemployment rates are marginally related to levels of semi-dependent housing, much of the variance remains unexplained, pointing to the important mediating role of other factors such as the welfare regime and housing system.

Welfare regime classifications provide some further insight into explaining differing housing conditions of emerging adulthood. Absolute levels of semi-dependent housing and rates of independent living correlate quite well with welfare regime groupings, however, the explanatory power of welfare regimes in predicting the 'type' of semi-dependent housing and the propensity for sharing is weaker. Nonetheless, liberal regime contexts, as exemplified by the UK, do appear to promote the highest rates of shared arrangements among young adults. This supports the assumption that earlier home-leaving coupled with unstable labour opportunities, lower state support and less familial-orientation increases the likelihood of sharing, while in social democratic countries with stronger and more universalistic welfare support, lower rates of co-residence and sharing are found. On the other hand, southern European countries show higher than expected rates of sharing perhaps capturing arrangements of extended kinship networks and living with distant relatives.

In recognising the imperfect alignment of housing dynamics and welfare regime typologies, housing system indicators were also examined. The results showed a strong correlation between private rental affordability and shared living

rates supporting arguments for the centrality of rental accessibility in attaining independent living outside the parental home for young adults. While not detracting from the important contribution of welfare regime theory towards describing the socio-cultural and institutional contexts that mediate young people's housing transitions, the findings point to the essential importance of considering housing system specifics that do not map clearly onto regime classifications.

Overall, the paper contends that, beyond short-term socio-economic fluctuations, the housing dynamics of young adulthood and the role of semi-dependent housing arrangements are fundamentally mediated by the context of the housing system and welfare regime. The interaction between welfare regimes and housing systems has been strongly contested in recent decades with the debate focused on differences between rental (dualist) and owner-occupation (unitary) orientated systems (see Hoekstra 2003). These analyses have not, however, considered socioeconomic transformations and their impact on housing transitions and extended adolescence across social or regime contexts, although attention has recently turned to some extreme cases (e.g. Mackie 2012). Our research, while exploratory, points to important comparative differences with regards to the interaction of the market, family and state in the organisation, and stability of, housing 'ladders' and transitions.

Regardless of the diversity in relative levels of co-residence and sharing arrangements, the findings highlight the key role of semi-(in)dependent housing in the period of emerging adulthood. It further supports previous studies that recognise increasingly diversified and complex transitions where in-between phases are a significant life-stage in their own right; framed by lengthier explorations of individual autonomy (Arnett 2006) and growing precarity (Beck 2000). While understanding of contemporary societal transformations have focused on intensified individualisation, our research findings point rather to a contemporary 're-familiazation' of living arrangements, or at least that these two processes are, in line with intensified neo-liberalisation and hollowing out of welfare states in many contexts, progressing together. Moreover, housing systems, norms and practices seem to be an important mediator of social transformation that frame propensities for prolonged singlehood and adolescence, the strength of and reliance on social networks, and the role of kinship networks and different kinds of family assets, such as the parental home. Semi-dependent housing arrangements, albeit manifested differently in each housing and welfare system context, can be seen as a form of re-familialisation, where support is provided either within the traditional parental home, extended kinship networks or 'families of choice' consisting of friends and strangers in shared living arrangements. These trends motivate future research into the specific nature of support dynamics in semi-dependent housing arrangements

and how these are mediated by the existing and changing socio-economic, cultural and institutional contexts. More fundamentally, the call is for an integration of housing into the understanding of the key life-course period of transition to adulthood where housing plays both a central role in proscribing future and current wellbeing as well as being strongly interrelated with other essential markers of autonomy and adulthood.