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# **Continuities in homeownership and residential relocations**

**Amanda C. Helderma**

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## Preface

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*Amanda Helderman, March 2006*



# 1 Introduction

## 1.1 Homeownership continuities and residential relocations

Homeownership ranks high on the housing agendas of many government bodies in Western countries. By supporting homeownership, and increasing the supply of owner-occupied housing, governments aim to establish a more adequate match of demand and supply of housing, encourage the capital market, and stimulate individuals in building up equity from their homes. Additionally, targeting first-time buyers may create more opportunities for starters on the housing market. The means to these ends for the Dutch government are subsidies for owner-occupied homes and tax incentives for owner-occupiers: mortgage interest is tax deductible. Government intervention has contributed to a dramatically increased level of homeownership in the Netherlands since the Second World War, rising from 28 percent in 1947 to 54 percent in 2004 (Netherlands Ministry of Housing, Spatial Planning and the Environment, 2004).

In recent years economic growth in the Netherlands has slowed down. The context within which the government has aimed to realise traditional policy goals in the past – available, sufficient, affordable, and adequate housing for all - has changed. Even though there are indications for the retrenchment of government support for homeownership – shifting from general support to more specific support for first-time buyers – Dutch policy is likely to continue to provide at least some support for homeownership (Netherlands Ministry of Housing, Spatial Planning and the Environment Council, 2004), as is the case in many other Western countries.

Buying a home for the first time is generally considered to be a milestone in people's lives. Homeownership is not only an investment from which people build up equity by gradually paying off their mortgage and by increasing property values. Homeownership also represents status, and has emotional value for many people (Saunders, 1990). Homeownership often gives people a sense of security, accomplishment, freedom, and independence. No one else but the homeowner is responsible for or has full control of the property, and the homeowner usually has more freedom to make alterations than a renter has. Additionally, in the Netherlands owner-occupied homes are often of higher quality and are larger than rented homes.

In addition to the advantages, homeownership also brings some risks. Properties may fall to values below the purchasing price in economically unfavourable periods, leaving the owner-occupier with a negative equity value. Economic fluctuations also affect the labour market, leading to arrears and mortgage default (Doling & Ford, 1996; Forest & Murie, 1994; Lawson, 2003).

Another disadvantage of homeownership is that it impedes residential relocation. Homeowners are much less inclined to move than renters. Homeownership has in fact been referred to as the most important predictor for residential mobility (Rossi, 1955). The long-term financial commitment that homeownership entails and the costs involved in moving from an owner-occupied home (Van Ommeren & Van Leuvensteijn, 2003) invoke a certain *continuity of residence*. Homeowners also have non-financial reasons for

not moving. The meaning of homeownership in the life course of individuals is associated with the continuity of a secure, personal environment, which is important to many individuals. Additionally, an owner-occupied home may be highly personalised, leading some people to be emotionally attached to their home (Saunders, 1990).

Blau and Duncan (1967) showed that there is a relationship between geographical mobility and social mobility. If homeownership remains unchanged in importance for residential relocations, an increased level of homeownership over time may have consequences for the future level of residential relocations in the Netherlands, and thus possibly also for individual flexibility to take advantage of opportunities on the housing and labour markets. A sufficient supply of low-income housing for starters on the housing market is of importance to provide fair opportunities on the housing market for everyone. Short-distance moving (residential mobility) is necessary to create such opportunities. Long-distance moving (migration) is necessary for individual flexibility on the labour market so that advantage may be taken from economic opportunities. The possible association between increasing homeownership and increasing individual spatial inflexibility may be consolidated by two other types of continuity that characterise homeownership in Western societies: the *continuity of housing tenure* during individual housing careers and the *intergenerational continuity of housing tenure*. The continuity of housing tenure incurs the longevity of the negative effect of homeownership on residential relocations during individual life courses. Rising incomes and housing consumption needs during a long period of the individual life course, during which individuals are forming unions and raising families, encourage a demand for homeownership. Housing consumption needs level off for maturing households who probably have advanced considerably in their housing careers. It is to be expected that any children will leave the parental home, which decreases rather than increases the need for living space. Investments in larger or better homes may therefore not be made. By that time parents may be directed instead towards investing in their children's housing. The continuity of homeownership across generations also prolongs the impact of homeownership during individual housing careers, because with the aid of their parents the younger generation becomes a homeowner sooner in the life course.

Even though homeownership has been considered a strong predictor for residential relocations for a considerable period, and in many different spatial contexts (Clark & Dieleman, 1996; Dieleman, 2001; Mulder, 1993; Rossi, 1955; Speare et al., 1975; Van Leuvensteijn & Koning, 2000), little is known about possible changes in the effect of homeownership on residential relocations through time. Much is also unknown about the mechanisms that lead to continuities in housing tenure, for example socioeconomic backgrounds and housing market characteristics.

This study aims to contribute to the body of literature on housing tenure and residential relocations first by addressing the continuity of residence in the context of temporal changes and spatial differences: second, by discerning motives for moving from owner-occupied to rented homes to illustrate the continuity of homeownership; and third, by teasing out the mechanisms of intergenerational continuity of homeownership. The main question that this book addresses is:

*How are continuities in homeownership invoked and how persistent is the continuity of residence incurred by homeownership?*

## 1.2 Continuity of residence

Most people do not undertake changing residence without hesitation, because it involves great cost and effort. Location-specific capital makes relocation costly, whether in the form of emotional or financial investments. The reasons which hamper most people in their relocation behaviour often apply to homeowners to a greater extent.

Groundbreaking research for identifying the association between housing tenure and residential relocation was carried out by the sociologist Rossi (1955) and later by Speare and colleagues (1970). Certain life events, such as family expansion, could lead to a residential relocation through dissatisfaction with the present housing situation, because of crowding for example. Later research has featured not only the family life cycle or household career, but different parallel careers that are interrelated (Willekens, 1999). Decision processes regarding residential relocations are often regarded as interplay between opportunities, constraints, and preferences and find their motives in either the household career, the housing career, the labour career, or the education career (Mulder, 1993; Hooimeijer et al., 1994). Any of the careers may be the triggering career for moving (Mulder, 1993). In many cases a decision to move involves the parallel careers of several household members, which complicates the decision to move to such an extent that a move may not be undertaken. Homeowners often find themselves in typically immobile household types. Homeowners most often have steady jobs and incomes, have formed or are forming a family, and have (at least financially) committed themselves to an owner-occupied home, so that the parallel careers incur little reason to move. Few reasons for relocating affect matured, or maturing, stable households simply because their parallel careers have been (fully) developed. Young people in one-person households, who are still shaping their careers, are known to be much more mobile households. Young adults are shown to be more mobile than older people (for example Bogue, 1959; Mulder, 1993), and young adults are more likely to carry out mobility plans (Goldscheider, 1971).

The degree to which people are socially and economically integrated into local communities is also important for residential relocations. Local integration may take the form of economic ties, such as employment or a business, or social ties, such as having family members and friends in the locality. Location-specific investments in particular count towards a greater reluctance to move among homeowners, because homeownership is a great financial, local tie in its own right (Bartel, 1979; Davanzo, 1981; Fischer & Malmberg, 2001; Goldscheider, 1971). To a substantial extent, homeownership anchors down the daily activity space as a long-term location-specific investment. Wolpert (1965) referred to the area people can bridge to maintain their networks of places (nodes of activities) on a regular basis as *action space*, in which place utility was matched with housing satisfaction and housing and environment conditions. Hägerstrand (1970) referred to the area one could span within a day for regular visits to people and nodes of activities as the potential daily prism or daily activity space, linking housing with human activities by time-space mapping on a micro scale. The spatial displacement of the daily activity space by moving residence makes residential relocation costly. Economic and social investments may have to be relinquished and maintaining existing networks of people and nodes of activities will become harder. Children may have to change schools, which makes families with children reluctant to move (Mulder, 1993).

The mortgage, however, is not the only financial reason why homeowners are less inclined to move. In the Netherlands the transaction costs involved in moving from an owner-occupied home (Van Leuvensteijn & Koning, 2003) amount to about ten percent of the home value. They consist not only of moving costs; there are the services of an estate agent, transfer tax, and often penalties for terminating a mortgage to be paid. If another home is found before the previous home is sold it may be necessary to maintain two homes for a while. Most of these additional costs are not applicable to moving from a rented home; they are known to impede homeowners' residential relocations (Van Ommeren & Van Leuvensteijn, 2003).

In addition to financial costs, selling an owner-occupied home also incurs personal efforts. These range from choosing a suitable estate agent to finding and hosting potential buyers, or moving twice if the present home happens to be sold before a new home is found. Owner-occupied homes are often easier to adjust to personal preference than rented homes are, leading to less incentive to move, even when the cost of these adjustments could be recouped. For several European countries, including the Netherlands, Elsinga and Hoekstra (2005) found that homeowners are generally more satisfied with their housing than renters are. If moving is regarded as an economic decision on the household level, with certain benefits and costs (Davanzo, 1976; Davanzo, 1981; Sjaastad, 1962; Speare, 1970), the balance is therefore less likely to be tipped in favour of moving for homeowners than it is for renters.

Different motives for moving often incur different moving distances. Economic motives are found to be strong for migration and weak for residential mobility, while motives relating to residential satisfaction are found to be weak for migration and strong for residential mobility (De Jong & Fawcett, 1981; Deurloo, 1987; Gleave & Cordey-Hayes, 1977; Goetgeluk, 1997; Mulder, 1993). This finding suggests that moves over different distances actually involve very different decision-making processes for people who probably find themselves in different circumstances and life-course stages. An impeding impact of homeownership on residential relocations can be expected for both residential mobility and migration.

### **1.3 Continuity of housing tenure**

Even when moving, a homeowner is likely to remain a homeowner and thus remain impeded from undertaking future moves. For homeowners, the consequences of moving to a rented home include a decrease in housing quality and an interruption in building up equity.

It is argued that decisions about residential relocations involve multiple decisions (Browne & Moore, 1970). There is the decision to move, and the decision of where to move to. The housing tenure decision is part of the destination choice. During one's housing career, several steps on the housing market may be undertaken. One may start the housing career off with a cheap rented home, ideally working one's way to an owner-occupied home. Once an owner-occupied home has been acquired, people rarely move to a rented home. In most cases, a move to a rented home is neither preferred nor necessary, because the quality of owner-occupied homes is generally higher and equity will be released from the owner-occupied home facilitating a new purchase. If homeowners

move they are therefore more likely to opt for another owner-occupied home and the continuity of residence incurred by homeownership is thus maintained.

The percentage of homeowners who have never rented since becoming a homeowner is 87.2 percent (Table 1), indicating a marked continuity of housing tenure among individuals in the Netherlands between the ages of 18 and 79 living in private households. Indeed, few homeowners move to a rented home during their housing career. Only 5.9 percent of homeowners have lived in a rented home at some point in time after becoming a homeowner (Table 1), and only 6.9 percent of (previous) homeowners have moved to a rented home and not (yet) returned to an owner-occupied home.

Table 1.1. Continuity of owner-occupied tenure status

	Frequency	Percent	Percent of those ever home-owning
Unknown	12	0.1	
Never were a homeowner	2975	36.5	
Uninterrupted owner-occupied career	4501	55.2	87.2
Interrupted and recovered owner-occupied career	306	3.8	5.9
Interrupted and not (yet) recovered owner-occupied career	356	4.4	6.9
Total	8151	100.0	100.0

Source: Netherlands Kinship Panel Study, 2002; Dykstra et al., 2005

Motives for moving to a rented home may involve just one or several of the following main causes: a decrease in the housing budget; a decrease in housing consumption needs; an urgent need to relocate; unfamiliarity with new housing market circumstances; a desire to consume equity; or a preference for renting. Motives for moving to a rented home are often related to disruptions and changes in the family life cycle (De Jong & Fawcett, 1981; Rossi, 1955) or life course patterns, such as divorce or separation, ageing, health issues or a change of job (Dieleman et al., 1995; Feijten, 2005; Filius, 1993; Hooimeijer & Oskamp, 1996; McCarthy & Simpson, 1991; Symon, 1990; Van Noortwijk et al., 1992; Vanderhart, 1994). Motives for moving that are coupled with one or several of the main causes for moving to a rented home are likely to increase the probability of moving to a rented home.

#### 1.4 Intergenerational continuity of housing tenure

The continuity of housing tenure even transcends the individual housing career. Home-owning parents are more able to give financial support to their children. The intergenerational transmission of homeownership helps the children of homeowners become homeowners earlier on in their life courses than would otherwise have been the case, so that they are homeowners for a longer period of their housing career. They are therefore likely to be impeded in their residential relocations for a longer period of their life courses. Transmission between generations additionally reproduces inequality on the housing market. If people come to depend in part on parental gift giving to achieve homeownership, intergenerational transmission may contribute to the widening of the gap between socioeconomic classes in society.

Housing tenure shows a high degree of similarity between parents and children (Henretta, 1984; 1987; Jenkins & Maynard, 1983; Mulder & Smits, 1999). This similarity may be



explained by parental gift giving (Henretta, 1984; Mulder & Smits, 1999; Kurz, 2004; Davies Withers & Katz Reid, 2004), but also through indirect mechanisms such as the transmission of the characteristics of socioeconomic status and level of education (De Graaf & Ganzeboom, 1993; Blau & Duncan, 1967). Previous studies have also suggested that socialisation has a part to play in the intergenerational transmission of homeownership (Easterlin, 1980; Henretta, 1984; Kurz, 2004; Semyonov & Lewin-Epstein, 2000). Additionally, Henretta (1987) showed that housing market characteristics may affect intergenerational transmission of homeownership. The intergenerational transmission of homeownership seems therefore to be the result not only of intended mechanisms, through gift giving for instance, but also of an unintended mechanism. Parents and children often live relatively close to each other. They often have housing market circumstances in common. Geographical proximity and context may therefore be of great importance in the intergenerational continuity of homeownership.

### **1.5 Homeownership, time and place**

The dynamics of the opportunity structure offered by housing and labour markets are important for residential relocations and continuities in homeownership. Opportunities for moving residence may present themselves to a varying extent through time and between places. Besides individual circumstances and life events, macro circumstances may also affect the continuities of housing tenure through the availability of owner-occupied homes, among other things (cf. Giddens, 1984).

Within the field of housing studies, Kendig (1984) pointed out the relevance of macro circumstances. He was critical of studies with a sole focus on individual behaviour, because this concentration rules out finding explanations in the variations in market conditions, for example. Market conditions play a major part in whether or not households advance in their housing career (Mulder & Hooimeijer, 1995). More recently, Dieleman (2001) called for more attention to be paid to spatial and temporal variations in housing research. He noticed a growing body of literature on the impact of local housing market characteristics on housing choice, but did not find that the literature clarified the relationship between behaviour and variations over time and space. Dieleman thought that a central question in housing research should be "...how changes in circumstances over space and time influence the housing choice patterns of individuals and households..." (Dieleman, 2001, p. 262).

It seems that, even though a focus on the temporal and spatial context in research on residential relocations is by no means new (Bourne, 1981; Brown & Moore, 1970; Kendig, 1984; Rossi, 1955; Wolpert, 1965), the area has been unjustifiably neglected (Dieleman, 2001; Hooimeijer et al., 1994) in the field of population geography and housing studies. Macro circumstances have, therefore, received considerable attention in this study, mostly concentrating on how individual behaviour regarding housing and residential relocations is influenced by both economic and structural opportunities and restrictions.

#### *1.5.1 Spatial differences between the opportunity structures of housing markets*

Housing market opportunities are important for both residential relocation decisions and housing tenure decisions. Housing markets are characterised by tenure compositions,

price levels, and degree of urbanisation, which influence residential relocations and housing tenure outcomes by the availability of (owner-occupied) homes.

The share of owner-occupied homes on the local housing market is especially important for the housing tenure outcome of a residential move. An individual is less likely to continue homeownership if a move is undertaken within or into an area where owner-occupied homes are under-represented in the local housing stock. The share of owner-occupied homes is low in the urban areas of the Netherlands, as is the case in many countries (Clark & Dieleman, 1996; Deurloo et al., 1990; Feijten, 2005; Mulder & Wagner, 1998).

The mean prices of owner-occupied homes on the local housing market are also likely to influence the housing tenure outcome. Housing prices are high a high income or sufficiently large capital is required to purchase a home. High house prices may thus strongly limit the selection of homes to which one may move, and may even make moving to an owner-occupied home impossible. In areas with high house prices, parental homeownership is less likely to lead to their children's homeownership. Parental gifts potentially have to be higher to realise homeownership for the younger generation. In the Netherlands, high house prices predominate in urban areas and the rural areas near cities (Clark & Dieleman, 1996; Deurloo et al., 1990; Feijten, 2005; Mulder & Wagner, 1998).

The degree of urbanisation reflects the housing market structure. Besides the share of owner-occupied homes and the level of house prices, the degree of urbanisation additionally indicates the turnover rate (the percentage of homes that change occupiers within a certain period), which is a measure of the rapidity with which people and homes are matched (Dieleman, 2001). A high turnover rate facilitates residential relocations. The turnover rate is generally higher in urban areas and is usually considerably higher for rental homes, which are generally more abundant in urban areas.

### *1.5.2 Temporal changes: the growth of homeownership, and residential relocations*

The owner-occupied segment of the housing market grew considerably in the Netherlands in the second half of the twentieth century. Economic performance also varies with time and is likely to influence both residential relocations and the continuities of homeownership.

The level of owner-occupied homes was low in the Netherlands after the Second World War. They constituted 28 percent of the total housing stock. At that time, a general housing shortage was the main concern of the Netherlands' government, which responded with policy measures such as rent control and massive support for the construction of social housing. Apartments tended to be built in the rented segment of the housing market and they were attractive alternatives to homeownership for a considerable time after the Second World War.

Rising real incomes and demographic changes, such as increased female labour participation and dual-earner households, led to smaller and more prosperous households with different housing needs and preferences. Mortgage conditions, meanwhile, became less restrictive, which made access to homeownership easier and more popular over the following decades (Boelhouwer, 2000; Mulder & Wagner, 1998). Housing market developments are associated with steeply rising housing prices during the 1970s. Early in the 1980s, increases in housing prices did not keep up with inflation rates and prices even

decreased. The share of owner-occupied homes in the housing stock fell during the 1980s more than in any other decade.

Construction subsidies in the social housing sector were abolished in the 1980s and the responsibility for building social housing became decentralised to local housing corporations. Throughout most of the 1980s and 1990s, homeownership was a factor of economic stability through the accumulation of capital and increasing house values. Many, therefore, perceived homeownership as a good investment. Homeownership gained in popularity in the 1990s, when the economy was performing well and mortgage interest rates were low.

When homeownership becomes more easily available, people in more diverse life stages may enter the owner-occupied segment of the housing market. The shift in the composition of homeowners in the direction of younger homeowners may lead to changes in the characteristically impeded relocation behaviour of homeowners. First-time buyers have been shown to be increasingly younger and without children (Feijten & Mulder, 2002; Mulder & Wagner, 1998), implying an influx of more mobile household types. Of particular interest are young singles and couples who are still developing their household careers and labour careers and therefore generally show the most mobile residential behaviour (Bogue, 1959; Mulder, 1993). Additionally, young people in the Netherlands are known to postpone having children (Feijten & Mulder, 2002). This postponement may increase their relocations in general and thus also homeowners' relocations. Young homeowners may move to another owner-occupied home once they have saved enough to buy a better home or once they plan to have children.

Besides a change in the composition of homeowners, the changed composition of the owner-occupied segment of the housing market may have altered the meaning of homeownership itself as the ideal end-destination of individual housing careers and as a restriction for residential relocations. A greater diversity within the owner-occupied segment might mean there are more opportunities for improvement with regard to price, size, and quality and might generate more moves within the owner-occupied segment of the housing market, regardless of any change in the composition of homeowners.

Changes in economic and housing market circumstances may have a considerable effect on the residential relocation behaviour of homeowners. Without such changes, homeownership may increasingly hinder an individual's flexibility to take advantage of opportunities offered by the housing market and labour market developments that would improve the individual's personal situation.

## **1.6 Questions to be answered**

In this chapter, several gaps in the literature on homeownership and residential relocations were identified. These gaps refer in the first place to the intermediating dynamic external factors influencing the association between homeownership and residential relocations. It is not known as yet whether an entry of younger, typically more mobile homeowners balances out the known negative effect of homeownership on residential relocations. It is also currently unclear whether the meaning of homeownership, as a predictor for residential relocations, changes as homeownership becomes more common, or what the influence of economic development is. Second, much about individual situations affecting the continuity of homeownership also remains

unclear, as is the extent to which the continuity of housing tenure affects individual housing careers. Neither do we know the extent to which the continuity of homeownership is decreased by residential relocations incurred through life events such as household dissolutions and job changes. Third, the continuity of homeownership is known to transcend generations. Little is known from previous research about the mechanisms that cause housing tenure characteristics to be similar between different generations of the same family. The intergenerational continuity of homeownership may be affected not only by direct mechanisms such as gift giving; but also by indirect mechanisms such as housing market circumstances. The relative importance of indirect mechanisms compared with direct mechanisms is unclear. Therefore, the following research questions are addressed in the successive chapters of this book.

- 1) *Has the effect of homeownership on residential mobility changed over time, and if so, how? (Chapter 2.)*
- 2) *To what extent has the effect of home ownership on migration changed over time? If it has not, which mechanisms have counterbalanced the effect of increasing homeownership? (Chapter 3.)*

The Housing Demand Surveys (1981-1998) and descriptive and multivariate statistics have been used to answer these questions. The increased rise of homeownership and the increased representation of young, childless, and mobile households among homeowners found in previous studies (Feijten & Mulder, 2002; Mulder & Wagner, 1998) for the 1980s and 1990s led to a focus on these decades. The Housing Demand Surveys are representative of the Netherlands' population aged 18 and over and not living in an institution. They have been conducted at approximately four year intervals during the last twenty years; the Housing Demand Surveys provide rich data on housing tenure, residential relocations and personal and household characteristics for large numbers of cases. Models of logistic regression of whether or not a move recently took place have been applied, while controlling for personal and household characteristics, housing tenure, the period of observation, and the interaction between housing tenure and period of observation to analyse any possible changes in the effect of housing tenure on residential relocations.

- 3) *What motives for moving from owner-occupied to rented homes are discernable and what is their relative importance? (Chapter 4.)*

To answer this question, the Housing Demand Surveys (1981-2002) have been used together with descriptive and multivariate methods. Logistic regression models of the homeowners' housing tenure outcomes and destination choice models have been applied while controlling for personal and household characteristics, motives for moving, and period of observation.

- 4) *To what extent is the intergenerational continuity of housing tenure influenced by parental gifts, proximity to parents, and (joint) local housing market characteristics, and what is the relative importance of parental gifts versus the similarities in housing market characteristics? (Chapter 5.)*

For the fourth research question, the first wave of the Netherlands Kinship Panel Study and descriptive and multivariate analysis have been used. The Netherlands Kinship Panel Study is representative of individuals in the Netherlands between the ages of 18 and 79 living in private households (Dykstra et al., 2004). It offers rich data on housing tenure, parental gift giving and geographical location of family members. Logistic regression analysis of the housing tenure outcome of the younger generation has been carried out, while controlling for parents' socioeconomic characteristics, parents' housing tenure, parental gift giving, spatial proximity between parents and children, and the interaction between parental housing tenure and spatial proximity between consecutive generations of the same family.

The empirical chapters in this book were written as individual research papers, some of which have previously been published in scientific journals. Theoretic frameworks and descriptions of data and methodology therefore show some overlap between chapters.

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## 2 The changing effect of home ownership on residential mobility in the Netherlands, 1980–98

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***Abstract** In most Western countries, home owners are much less likely to change residence than renters. In the last few decades, the rise in home ownership in the Netherlands has been spectacular. This would imply that the population has become less mobile, which has consequences for the functioning of the housing market -at least, if the relationship between home ownership and residential mobility has not changed. This research addresses the question of whether the effect of home ownership on the probability of residential mobility has changed over the last few decades and if so, how. Using data from the 1981–98 Netherlands Housing Demand surveys and logistic regression models, it is found that the difference between home owners and renters in residential mobility has changed over time. The results indicate a decrease in the effect of home ownership with an interruption in 1984–85. This finding might indicate stability in the effect of home ownership, except for periods of booms or busts on the housing market.*

### 2.1 Introduction

According to Rossi (1955), housing tenure is the single most important predictor of residential mobility (see also Mulder, 1993). Indeed, in almost every study that has included tenure as an explanatory factor of residential mobility, home owners are found to be much less likely to move than renters (Clark & Dieleman, 1996; Dieleman, 2001; Speare et al., 1975; Van Leuvensteijn & Koning, 2000).

In the last few decades, there have been important changes in housing careers in the Netherlands. The rise in home ownership has been spectacular and the time when people become first-time home owners has shifted within the life course, occurring increasingly at an earlier age (Feijten & Mulder, 2002; Mulder & Wagner, 1998). A constant reluctance by home owners to move while the share of home owners in the Netherlands keeps growing has major implications for the functioning of the housing market, which might become inert. This inertia might lead to a decrease in access to appropriate housing, particularly for starters on the housing market. The growing share of home owners, therefore, gives rise to an investigation into changes in the impact of home ownership on residential mobility.

There are reasons for thinking that home owners' reluctance to move might have diminished as the share of home owners increased. People might be expected to move more readily between owner occupied homes as home ownership becomes less exclusive. Furthermore, first-time buyers are increasingly younger and without children (Feijten & Mulder, 2002; Mulder & Wagner, 1998). Both the younger age and the longer child-free period imply that a home is bought more often at a stage in the life course with a higher

level of residential mobility. While buying a home used to be the start of an immobile period in the housing career, becoming a first-time home owner might now be the start of a career on the owner occupied market, after which more residential moves might follow. Since there are more young home owners, it can therefore be expected that home owners will be more likely to move and the residential mobility of home owners and renters will become more similar. It is believed that this hypothesis has not been tested before.

This study addresses the question of whether the effect of home ownership on residential mobility changed in the Netherlands in the 1980s and 1990s, and if so, how. Individual level data have been used from five Netherlands Housing Demand Surveys (WoningBehoeftOnderzoeken), carried out between 1981 and 1998 by Statistics Netherlands. The combined dataset includes detailed information on individual and household characteristics for almost 200,000 respondents. The effects of home ownership, period, and various control variables on residential mobility were estimated using logistic regression.

## **2.2 Theoretical and contextual background**

In order to address the research question, the paper provides a theoretical and contextual background involving three issues. First, there is a look at the general theoretical background of residential mobility. From this can be derived expectations of the influence on residential mobility not only of home ownership, but also of other factors. Residential mobility can be defined as ‘residential moves over a short distance: that is, within the daily activity space’. Labour migration and other long-distance moves are disregarded.

Second, there is a focus on the difference between home owners and renters in the probability of making a residential move. Finally, there is a need to discuss the possible changes in this difference over time associated with the growth in home ownership and other changes in the Netherlands housing market. For this third discussion background information is also required about the changing context of home ownership in the Netherlands.

### *2.2.1 A theoretical background of residential mobility*

The classical view of residential mobility is that the decision to change residence can be seen as a function of the household’s dissatisfaction with the present housing situation (Browne & Moore, 1970; Speare et al., 1975). According to this literature, people do not generally change residence unless they have a compelling reason to do so.

Later studies have stressed that reasons for moving need not always relate to dissatisfaction. The life course approach to residential mobility offers a more complete framework within which the reasons for residential mobility can be understood. According to the life course approach, life consists of several domains (household, employment, education, residence) and each domain is associated with a career. An individual’s various careers interact; at the household level the careers of the household members are intertwined (Willekens, 1999). Life events such as marriage and childbirth are critical transitions that challenge people to reorganise their lives and their housing situations. When experiencing the life event of family expansion, for example, people might want to move to a larger home, or a home in a safer neighbourhood. Furthermore,

life-course careers also provide the resources enhancing the realisation of a wish to move and the restrictions hampering residential mobility (Mulder & Hooimeijer, 1999).

Life events do not occur randomly in people's life courses, but are to a large extent structured in life-course stages. Therefore, there is a strong relationship between a person's probability of moving and the stage in the life course (Dieleman, 2001; Dieleman & Mulder, 2002). Age and household composition are of crucial importance in this relationship.

Age is a strong indicator of stage in the life course. The young adult years are particularly years of change, accompanied by uncertainty and demands for flexibility (Mulder, 1993). Young people are busy shaping their occupational, household and housing careers. People are likely, therefore, to make several adjustment moves before settling down in more permanent accommodation.

Household composition is another important indicator of stage in the life course. People with children will be more reluctant to move than people without children, even over short distances; parents are reluctant to make their children change schools (Mulder, 1993). Singles find it far easier to move, because they are not tied to the wishes and daily activity spaces of other household members. Furthermore, singles are likely to move for reasons of marriage or cohabitation, mostly over short distances (Grundy & Fox, 1985).

Financial resources are likely to influence residential mobility, because they are needed to be able to move, and they pay for the new rent or mortgage (Mulder & Hooimeijer, 1999). Financial resources are closely related to the household income and to the level of education of the adult members of the household. A higher level of education means a higher earning potential and a more readily obtained mortgage. Financial resources make a wish to move easier to realise; at the same time, people with more resources are more likely to have already secured satisfactory accommodation and therefore be more likely to be content with their current housing. Therefore, the relationship between resources and residential mobility may not be straightforward.

Dissatisfaction with the housing quality may arise from a lack of dwelling space (a high 'crowding ratio': the ratio of the number of people to the number of rooms). Crowding has been shown to be associated with a greater probability of residential mobility (Clark et al., 2000).

### *2.2.2 The effect of home ownership on residential mobility*

Home owners are much less likely to move than renters are (Clark & Dieleman, 1996; Dieleman, 2001; Speare et al., 1975; Van Leuvensteijn & Koning, 2000). One of the causes of this difference in residential mobility may be found in the fact that buying a home involves long-term financial and non-financial commitments.

Becoming a home owner requires a substantial long-term financial commitment, because most people need a mortgage to be able to buy a home. Borrowing such a considerable amount of money ties people down in the sense that they will have to repay the mortgage as well as pay the interest over a long period. The long-term financial commitment and the willingness to carry the risks home ownership involves (for example, the risk of a collapse in the housing market or of losing income) is not usually embarked on before a stable household has been formed (Feijten & Mulder, 2002; Speare et al., 1975). The transaction costs involved with moving into and from owner occupied homes form an important aspect of the financial commitment. For the Netherlands, these costs are

estimated at 10 per cent of the value of the home (including 6 per cent for transfer tax). Moving between rental homes does not involve these costs; there are fewer financial barriers to residential mobility for renters than for owners.

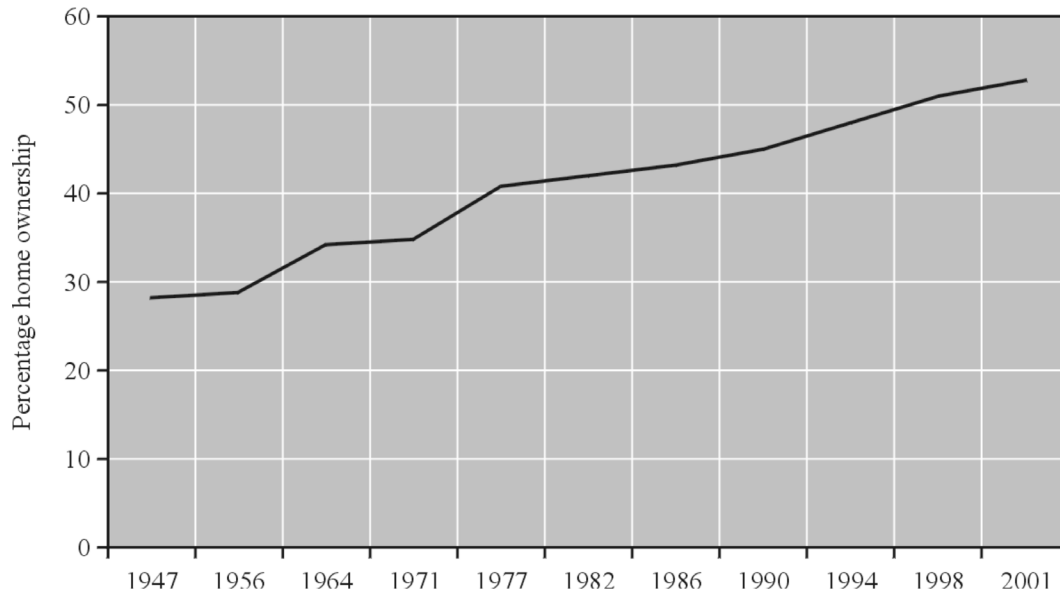
The financial commitment that comes with buying a home can be attractive to many people for investment reasons. For most home owners, their home is their major form of savings (Kendig, 1984) and in most cases the value of an owner occupied dwelling increases over the years. In the Netherlands, moreover, home owners enjoy a major fiscal advantage that renters do not have: mortgage interest is tax deductible (Haffner, 2002). Considerations of financial planning and investment might play a role in decisions on residential mobility particularly for people with high incomes. Some might move with the explicit aim of investing in home ownership or releasing equity from an owner occupied home. Home ownership also involves non-financial commitments. Owners often make changes to their homes, such as a new kitchen or bathroom, to adjust the home to personal preferences (Rossi, 1955). Such changes will probably make people feel less inclined to move out of that home, even if the costs of the changes could be recouped. Renters make fewer adjustments to their homes, which is why rented homes are often not very distinctive and the number of alternatives for the current dwelling is higher. Other reasons can be put forward for home owners being more attached to their homes than renters are (Saunders, 1990), and therefore less likely to move. Saunders even goes so far as to argue that the desire for home ownership has to do with cherished and widespread values emphasising independence, security and a personal identity: home as a base from which to venture out into the world.

Another non-financial factor that might play a part in explaining the difference between owners and renters with regard to residential mobility is non-financial transaction costs. In contrast to renters, owners not only have to put an effort into finding a suitable alternative to the present home; they also have to sell it. Not everyone accomplishes that in a short time, so there may be a period between buying and selling a home that leaves the unfortunate mover with either two homes or none. In the first case it means higher costs; in the latter case an extra move is necessary, which incurs extra effort.

Home owners are also thought to move less than renters because owner occupied homes are often of higher quality than homes in the rental sector (Speare et al., 1975). This better quality refers not only to the physical characteristics of owner occupied homes, but also to the attractiveness of the neighbourhood. They are often larger, so that there is more room for family expansion, for instance. The higher quality of their homes decreases the likelihood of owners' dissatisfaction with the housing situation compared with renters, and therefore the necessity to move.

It is possible that the impact of home ownership on residential mobility changes with the stage in the life course. Young, first-time buyers without children may perceive the home they own as a temporary step in their housing career, with more steps in home ownership to follow (for example, once they plan to have children, or once they have saved enough to buy a better home). Couples with children, on the other hand, may be more likely to regard their housing situation as more or less permanent, because they have 'settled down' in the family domain.

Figure 2.1. Percentage of owner occupied homes in the Netherlands, 1947–2001



Source: Netherlands Ministry of Housing, Spatial Planning and the Environment, 2002

### 2.2.3 Changes in home ownership in the Netherlands and the consequences for the effect of home ownership on residential mobility

The relationship between housing tenure and residential mobility is strong, but there are reasons for expecting there to have been changes in this relationship over time. These reasons can be found both in the growth of home ownership and in other changes in the housing market.

In the Netherlands, the number of home owners has increased from 28 per cent in 1947 to 53 per cent in 2001 (see Figure 2.1). Since the Second World War, the share of home ownership in the Netherlands has been low compared with other European countries. To a considerable extent this situation is the result of the Netherlands government's policy reaction to a long-term housing shortage. This policy reaction included rent control and massive support for the construction of social housing (Mulder & Wagner, 1998). For decades, social rented housing built after the Second World War made up the bulk of the housing stock. Social housing still comprises approximately 35 per cent of the Netherlands housing market (Netherlands Ministry of Housing, Spatial Planning and the Environment, 2002). When responsibility for adequate housing was decentralized from the central government to the local authorities, subsidies to build in the social rented sector were abolished and the regulations for housing allowances for lower-income households became stricter. At present, not many social rented homes are being built (Dieleman, 1999).

Various developments in the Netherlands society and the housing market in particular have been instrumental in achieving home ownership for many in the course of the post-war decades. Real incomes have risen. From 1981 to 1998, the period on which this research concentrates, household incomes rose nominally by 43 per cent and real household income rose by approximately 3 per cent. In addition, the average number of

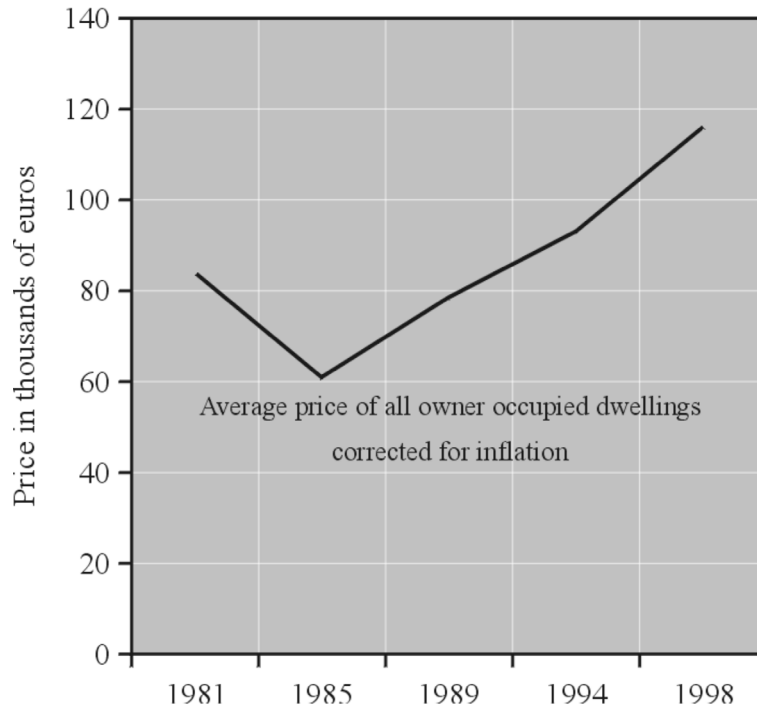
household members decreased from 2.8 to 2.3 persons (Michiels, 2000). The number of dual-earner households has risen enormously since the 1960s, even though the rise was slow at first (De Graaf & Keil, 2001). In 1981, the share of dual-earner households within the group of households in which the main earner was between 15 and 65 years old and had a partner present in the household was approximately 29 per cent. By 1998, this share was 45 per cent (Statistics Netherlands, 1999). On average, women account for 31 per cent of the total household income. This percentage is higher in the case of young couples (Statistics Netherlands, 2002). Another factor contributing to easier access to home ownership is the fact that the conditions for obtaining mortgages have become less restrictive (Boelhouwer, 2000; Mulder & Wagner, 1998).

It is possible that the sheer rise in home ownership has led to a decrease in the difference in residential mobility between owners and renters. With the rise, home ownership has become less exclusive, possibly leading to two phenomena. First, the category of home owners might consist less specifically of the least mobile households. Second, the choice of housing options in the owner occupied sector has increased, thereby enhancing the opportunities for households to further improve their housing situation within the owner occupied sector. It is therefore expected that the negative effect of home ownership on residential mobility will become less strong.

In the Netherlands, home ownership has not only become much more widespread, it also occurs in earlier stages in the life course, at younger ages and before having children (Feijten & Mulder, 2002; Mulder & Wagner, 1998). The previous section argued that the immobilising effect of home ownership might be less strong for young and childless home owners. Based on that idea, a decrease (or an extra decrease) might be expected through time in the negative impact of home ownership on residential mobility. This is because the growing number of childless couples among home owners should disappear after accounting for the changes in the household composition of home owners.

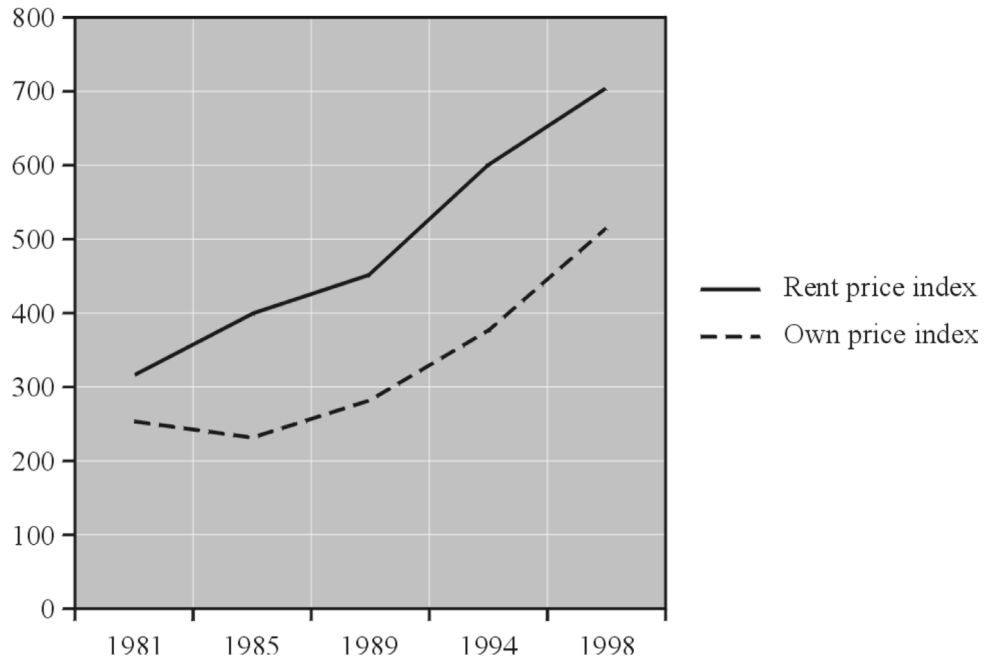
Apart from the rise in home ownership, there have been other developments in the Netherlands housing market that may have caused changes in the comparative reluctance to move of home owners and renters. The owner occupied market was in trouble in the first half of the 1980s. As a result of an economic crisis and increases in mortgage interest rates, the prices of owner occupied dwellings dropped considerably (Figure 2.2). When the housing market started to recover in 1985, buying a home was comparatively inexpensive (Figure 2.2); selling prices were moderate and mortgage interest rates low. The combination of these factors formed an excellent incentive for renters to move to ownership in the Netherlands so that, not surprisingly, massive tenure shifts of households occurred. Households with moderate and higher incomes in particular made the transition to home ownership. In the 1990s, the Netherlands economy performed well and mortgage interest was low, providing the right conditions for an increase in the prices of owner occupied dwellings. Policy in the Netherlands was also geared towards stimulating home ownership by reducing subsidies for the rental sector, thereby making home ownership more attractive. Housing prices have risen particularly sharply since 1991. Mortgage interest rates in the Netherlands have remained low, however, which means that even though *housing prices* have risen, the relative *costs* of home ownership have remained below those of renting. Furthermore, until well into the 1990s, rents rose at least as fast as ownership prices (Figure 2.3).

Figure 2.2. Average price of owner occupied dwellings, 1981–98



Source: Boelhouwer et al., 2000

Figure 2.3. The relative price of home ownership and renting, 1981–98 (1965=100)



Source: Netherlands Ministry of Housing, Spatial Planning and the Environment, 2002

In times of rising ownership prices, people will be more likely to see home ownership as a safe and profitable investment than merely a way of securing accommodation. Under those circumstances, renters are likely to be more inclined to make the transition to home ownership rather than in a troublesome market, while owners will also be more inclined to improve their housing situation within the owner occupied sector. Therefore, in times of rising prices, the likelihood of residential mobility can be expected to be greater for home owners than in other periods, and for renters the likelihood of moving into ownership will also be greater.

Overall, a decrease through time can be hypothesised in the difference in residential mobility between owners and renters, possibly with a temporary interruption at the time of the difficult housing market circumstances of the first half of the 1980s.

### **2.3 Data and methods**

The data used in this paper were taken from five Netherlands Housing Demand Surveys (WoningBehoeftOnderzoeken) conducted approximately every four years between 1981 and 1998 by Statistics Netherlands (1999). The research population is representative of the Netherlands population aged 18 and over and not living in an institution. The dataset includes detailed information on individual and household characteristics. Furthermore, the dataset includes information on residential moves in the four years before the interview and information on the previous location of residence, the household composition before the last move, and characteristics of the former residence.

For the analysis, respondents aged from 18 to 65 years old were selected, excluding the respondents still living with their parents, in student accommodation, rented rooms and temporary accommodation. They are excluded because tenure is a central variable in the analyses and any former tenure of these respondents would be their parents', not their own. The research population consisted of those respondents who had not moved in the two years preceding the interview and those who had moved 35 km or less in this two-year period. The definition with regard to distance is made based on reasons for moving by distance (Goetgeluk, 1997). Respondents who had moved a distance of more than 35 km were not included in the analyses, because such moves are often employment related and are therefore less relevant for the analyses in this paper. The result was a total of 193,200 respondents in the combined dataset of the five surveys ( $N_{1981}=42,680$ ;  $N_{1985-86}=35,026$ ;  $N_{1989-90}=35,353$ ,  $N_{1994}=41,056$ ;  $N_{1998}=39,085$ ); about 9 per cent of them (17,207) had moved 35 km or less in the two years preceding the interview.

Although the Housing Demand Surveys include information on all residential moves in the four years preceding the interview, only those moves in the two years before the interview were included, because part of the independent variables were measured at the date of interview rather than before a potential move, and a period of two years was considered to be the maximum time to regard the current values of these variables as a satisfactory approximation of those preceding a potential move. Furthermore, information about the previous residence was only gathered for the most recent move, so looking back for a longer time would imply that more information about moves preceding the most recent one would have to be discarded. In the descriptive analyses, only those moves that took place in the year prior to the year of interview were included. This was



done because the interviews were conducted at different times in the year, so that the observation period is not equally long for every Housing Demand Survey.

The analyses consist of two parts. The first descriptive part shows differences in home ownership between types of households, with a focus on the difference between owners and renters in the probability of making a residential move.

Table 2.1. Variable summary statistics and definitions

	Mean	Stand. Dev.	Range
Dependent (moved over 35km or less)	0.091		0, 1
Homeowner <sup>1</sup>	0.547		0, 1
Period			
1980-81	0.222		0, 1
1984-85	0.181		0, 1
1988-89	0.184		0, 1
1992-93	0.211		0, 1
1997-98	0.203		0, 1
Household composition <sup>1</sup>			
One person household	0.094		0, 1
Couple without children	0.276		0, 1
Couple with children	0.594		0, 1
One parent household	0.036		0, 1
Age (in years)	42.323	11.234	18.00-64.0
Crowding ratio <sup>1,2</sup>	0.706	0.271	0.14-2.00
Household income <sup>3</sup>	2.107	1.389	0.00-51.78
Level of education			
Primary	0.187		0, 1
Secondary	0.630		0, 1
College or University	0.183		0, 1
Number of respondents = 193,200			

<sup>1</sup>Measured before the move for movers and at the moment of the interview for non-movers

<sup>2</sup>Crowding ratio is the ratio of the number of people to the number of rooms

<sup>3</sup>Annual net household income in tens of thousands of 1981 euros

Source: Statistics Netherlands, Housing Demand Surveys, 1981–98

For the descriptive analyses, the data were weighted using person weights provided by Statistics Netherlands. The second part consists of multivariate analyses. The dependent variable in these multivariate analyses indicates whether or not respondents moved a distance of 35 km or less in the two years preceding the interview. Since this dependent variable is dichotomous, a logistic regression model was used. Except for income and level of education, the independent variables were measured before the move for movers and at the moment of the interview for non-movers. To analyse the changes in the effect of home ownership on residential mobility, an interaction effect between period and tenure was included in the model. Changes in transaction costs and house prices are represented in the variable ‘period’. Table 2.1 presents the summary statistics and definitions of the variables used in the analysis.

In order to see whether there were any differences in the effects of the independent variables between renters and owners, separate analyses were also run for the two tenures. Furthermore, it was tested whether it was necessary to control for the degree of

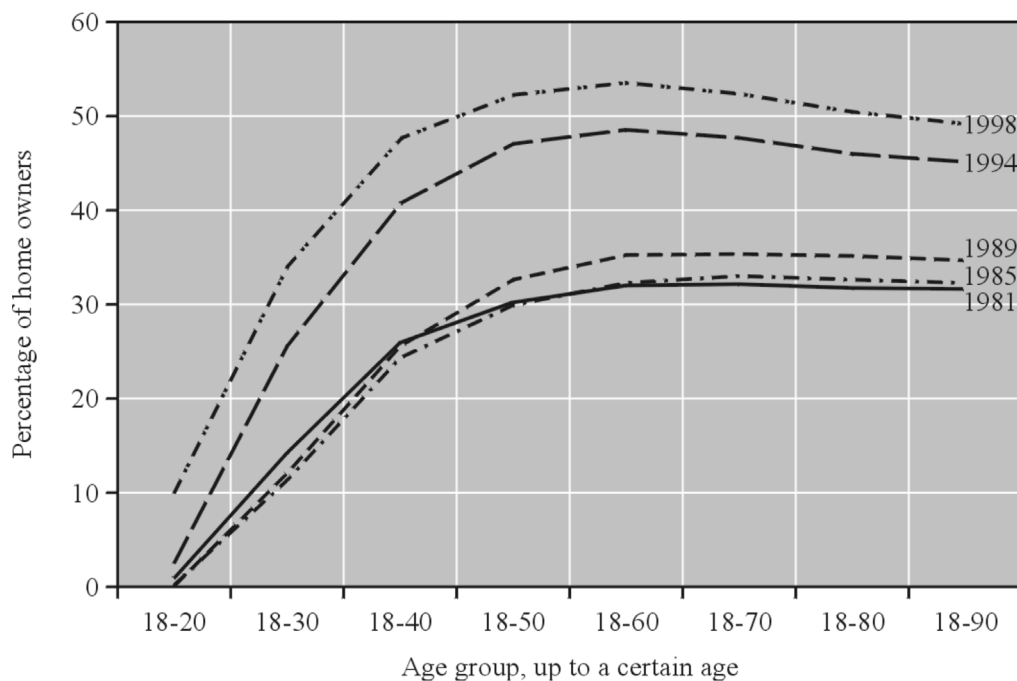
urbanisation as a proxy for the local supply of housing. No significant changes in the results occurred, so the results of these analyses have not been shown.

## 2.4 Results

### 2.4.1 Descriptive Results

A factor underlying the main hypotheses for this paper is the increase in home ownership and the increasingly early age at which people become home owners for the first time. This situation is illustrated in Figure 2.4, which shows the percentage of home owners in certain age groups. We see that, as expected, the percentages are higher for the more recent years. The age groups under 40 indeed show the largest growth through time.

Figure 2.4. Percentage of home owners from 18 up to various ages, per year



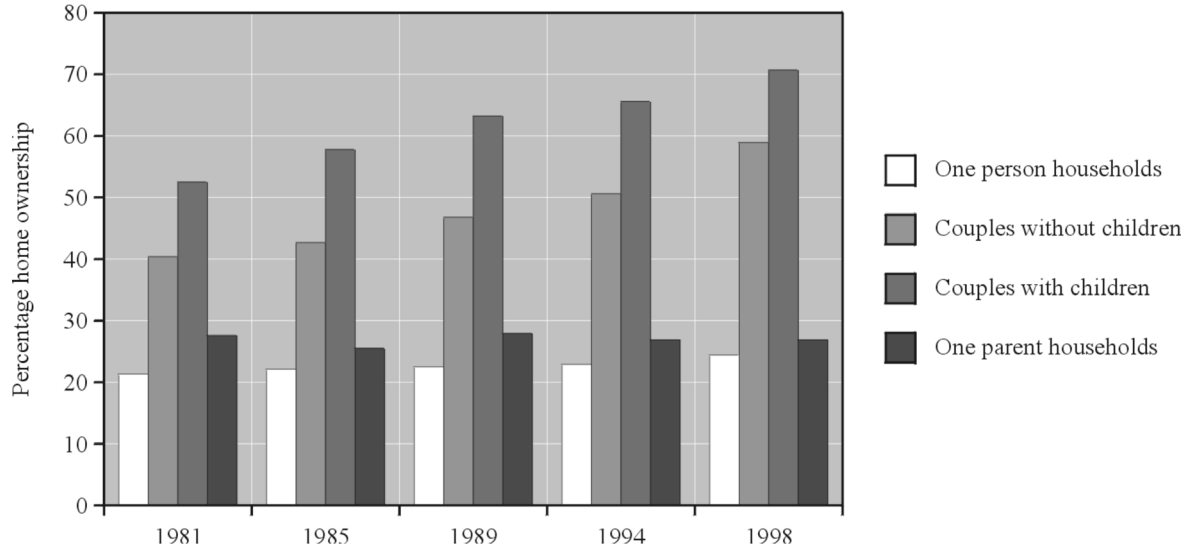
Source: Statistics Netherlands, Housing Demand Surveys 1981–98

Another basis for the hypotheses is the notion that couples without children, who are relatively free to move, are a growing category among home owners. In Figure 2.5, the percentage of home owners is depicted according to household composition. Home ownership has indeed grown fastest among couples without children, even though home ownership is still even more common among couples with children.

As expected, Figure 2.6 shows that the likelihood of moving was lower for people in owner occupied homes than for people in rented homes in the Netherlands throughout the entire 1980s and 1990s. Although the difference between owners and renters was expected to become smaller, the figure does not show a clear trend. A slight drop in the

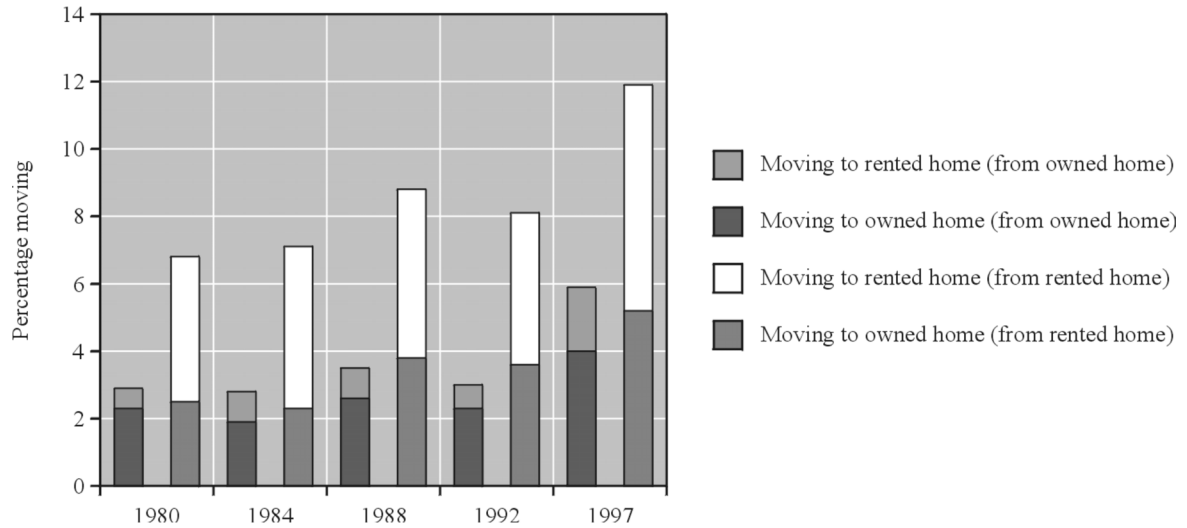
likelihood of moving among owners can be seen in the first half of the 1980s, but no such trend is visible for renters. Establishing whether the type of tenure into which home

Figure 2.5. Percentage of home ownership by household category



Source: Statistics Netherlands, Housing Demand Surveys 1981–98

Figure 2.6. Percentage moving by tenure of origin and destination



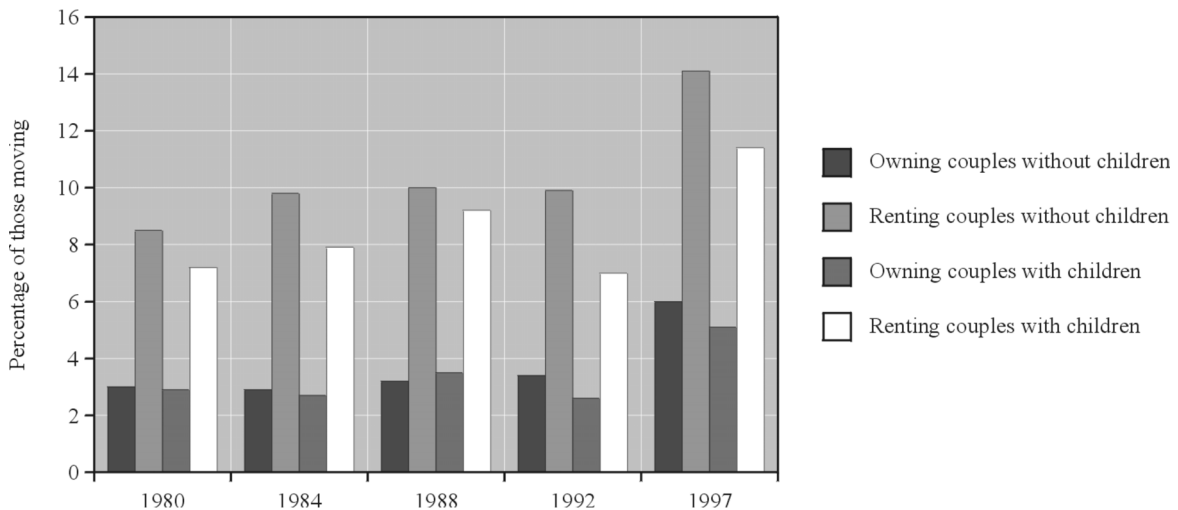
Source: Statistics Netherlands, Housing Demand Surveys 1981–98

owners and renters move changes over time would contribute to a better understanding of any variation there might be in the meaning of home ownership. As could be expected, the moves of both owners and renters were less frequently directed to owner occupied homes in the mid-1980s than in the early 1980s. In the early 1990s there was a slight drop

in residential mobility among both renters and owners, possibly caused by the economic bust at the time. In the boom year of 1997, a considerable proportion of renters moved into owner occupied homes. Interestingly, home owners moved more frequently to rented accommodation in that year than in previous years. Some home owners possibly took the opportunity of high prices to release the equity from their homes by moving to the rental sector.

Fluctuating percentages of movers can be seen for all combinations of household composition and housing tenure except home owning couples without children. For these, a slight, but steady increase in the probability of moving over the years can be seen (Figure 2.7). This finding, together with those in Figure 2.6, contributes to the idea that the residential mobility of home owners has increased particularly among the category for which home ownership has increased most.

Figure 2.7. Percentage of those moving who were couples without and with children by tenure



Source: Statistics Netherlands, Housing Demand Surveys 1981–98

#### 2.4.2 Multivariate Results

Table 2.2 presents the results of the logistic regression model of the probability of moving over a distance of 35 km or less. Model 1 includes home ownership, period of interview, and the interaction effect between period and home ownership. The results confirm that home owners move less than renters. The main effect of period does not show any changes over time except for between 1980–81 and 1984–85, after which there was little further change. From the interaction effect it can be seen that, compared with 1980–81, the difference between home owners and renters first became greater in 1984–85, returned to the level of 1980–81 in 1988–89, and was smallest in 1997–98. From this finding it can be concluded that the difference between renters and owners in residential mobility is not stable through time. The result might indicate a decrease in the effect of home ownership on the probability of residential mobility, with a temporary interruption during the housing market bust of 1984–85. Alternatively, the result might indicate stability in the effect of home ownership, except for periods of boom in the housing market (such as 1997–98) and bust (such as 1984–85).

One of the hypotheses reflected the expectation that a decrease in the effect of home ownership on residential mobility would disappear after controlling for changes in the household composition and ages of home owners. Model 2 includes household composition and other relevant control variables. The main effects of home ownership and period are the same as in Model 1. The interaction effect of period and tenure is also similar. For 1997–98, the decrease in the effect of home ownership is even stronger in Model 2 than in Model 1. The fact that controlling for the household composition and age of home owners does not change the interaction effect in the expected direction indicates that the changes in the effect of home ownership on residential mobility do not result from changes in age or household composition.

With regard to the control variables, the results show that couples without children, with children and single parents move less than singles. Couples with children are the least likely to move. The probability of moving is non-linearly related to age. According to the model, the probability of a residential move first decreases with increasing age and then rises after the age of 55. The effect of crowding is shown to be as expected. The likelihood of moving increases as the number of rooms in the residence has to be shared with more people in the household. The probability of a residential move increases with

Table 2.2. Logistic regression models of residential moves (35 km or less)

	Model I			Model II		
	B	Sig	s.e.	B	Sig	s.e.
<i>Homeowner (ref.=renter)</i>	-1.088	***	0.042	-1.031	***	0.043
<i>Period (ref.=1980-81)</i>						
1984-85	0.328	***	0.031	0.336	***	0.032
1988-89	0.356	***	0.031	0.361	***	0.032
1993-94	0.368	***	0.030	0.331	***	0.032
1997-98	0.320	***	0.033	0.369	***	0.034
<i>Period*homeowner (ref.=1980-81*renter)</i>						
1984-85 by homeowner	-0.207	***	0.060	-0.201	**	0.061
1988-89 by homeowner	0.056		0.057	0.088		0.058
1992-93 by homeowner	-0.004		0.055	0.047		0.056
1997-98 by homeowner	0.135	**	0.056	0.233	***	0.057
<i>Household composition (ref.=one person hh)</i>						
Couple without children				-0.100	**	0.032
Couple with children				-0.571	***	0.035
One parent household				-0.246	***	0.050
<i>Age</i>				-0.110	***	0.006
<i>Age squared</i>				0.001	***	0.000
<i>Crowding ratio</i>				1.044	***	0.037
<i>Household income</i>				0.185	***	0.012
<i>Income squared</i>				-0.007	***	0.001
<i>Level of education (ref=primary)</i>						
Secondary				0.187	***	0.025
College/ university				0.332	***	0.031
<i>Constant</i>	-2.107	***	0.022	-0.117		0.127

\*=p<0.10; \*\*=p<0.05; \*\*\*=p<0.01

Source: Statistics Netherlands, Housing Demand Surveys, 1981–98

increasing household income. The parameter of income-squared shows that the effect of income is positive, but slightly less so for the very high incomes. The probability of a residential move increases with the level of education.

## **2.5 Discussion**

This study addressed the question of how the effect of home ownership on residential mobility changed in the Netherlands in the 1980s and 1990s. A major reason for addressing this question was that home ownership has grown in the Netherlands in the past few decades, possibly leading to a decrease in residential mobility if the relationship between home ownership and residential mobility has not changed.

The main conclusion is that, in the Netherlands, the difference between home owners and renters in residential mobility has indeed shown changes through time. However, the change is not linear. Compared with 1980-81, the period 1984-85 shows a greater difference in the probability of moving over a distance of 35 km or less between home owners and renters. This difference can be ascribed to the housing market crisis in the early 1980s and the reluctance of people to sell for less than the outstanding mortgage. After 1984-85, the difference between owners and renters first returned to the level of 1980-81 and then, between 1997-98, became significantly smaller.

A comparison of analyses with and without controls for household situation, age, and several other variables known to influence residential mobility makes it clear that the changes through time in the differences between owners and renters cannot be attributed to changes in the composition of the population with regard to these variables. The results are in line with two other explanations for the changes: the sheer growth of home ownership, allowing people to move more easily between owner occupied homes, and the succession of boom and bust periods in the market for owner occupied housing.

From the results here, it has become evident that the difference in the likelihood of residential mobility between renters and home owners does not necessarily remain constant over time. Therefore, any further growth of home ownership in the future would not necessarily imply a decrease in residential mobility and an accompanying inertia on the housing market that could be automatically derived from the current level of this difference. But this inference will hardly be reassuring. The difference between owners and renters might decrease further, as it did in the second half of the 1990s, or it might increase again with future bust periods in the housing market, as it did in the first half of the 1980s. Furthermore, the difference in the likelihood of residential mobility between renters and owners was still very considerable at the end of the period researched here. Despite the changes through time, the overall picture is still one of low residential mobility among home owners.

This paper has concentrated on residential mobility: residential moves over a short distance, most frequently intended to improve the housing situation, or to adjust the housing situation to changes in family composition. Moves over longer distances have been excluded in this paper because these moves have different causes; the authors plan to devote attention to long-distance moves in future work. Including the long-distance moves in the current analyses would not have led to substantial changes, because they only form a small minority of the moves.

The Housing Demand Surveys used in this study have a major advantage: each involves several tens of thousands of people, providing great statistical power. However, there are only five separate datasets. Five moments of data recording are not many for studying a 20-year period. With a much greater number of data points, hypotheses on changes through time could be tested more directly. Instead of using period effects, variables indicating changes through time could be introduced, such as the annual percentage of home owners, the average price of owner occupied housing, or other measures of economic or housing market circumstances. Such an approach would not be feasible with just five observation periods. Furthermore, even though the provision of data on changes through time is one of the purposes of the Housing Demand Surveys, they were not designed with the purpose of analysing them together. They differ in the methods of data collection and in the efforts put into realising a satisfactory response over and above changes in the willingness to respond to surveys in general. The descriptive results and the main effect of period in the multivariate results might have been partly affected by these differences. However, there is no reason to mistrust the findings with regard to the other determinants of residential mobility, or the interaction between period and home ownership.

A drawback of the measurement of the independent variables is the fact that income was only measured at the time of interview. This measure seems to be a reasonable approximation of the income before a potential move for most people, since the move occurred within the previous two years. However, for some people the move may have caused a change in household income and for them the assumption that the causality runs from income to residential mobility would not be justified. This might be the case, for example, for those who moved for reasons of divorce.

It might be argued that the low residential mobility of home owners is only problematic to a limited extent. As long as home owners are satisfied with their current dwellings, there is no need to move. However, it is certain that the immobility of home owners is not merely the result of greater satisfaction, but to some extent the high transaction cost of moving within the owner occupied housing market sector. An indication of this can be found in the temporary increase in the effect of home ownership on residential mobility during the housing market bust in the first half of the 1980s. Furthermore, low residential mobility leads to small numbers of vacancies on the housing market. The speed of re-matching changing households to housing might be slowing down, decreasing the opportunities for moving not only for those seeking better housing, but also for those wanting to make a first start on the housing market, and those wanting to move for reasons of work or education. For example, empty nesters might not move to smaller houses fast enough so that family-sized housing is released for the next generation too slowly. Consequently, a further growth of home ownership may indeed lead to problems associated with low residential mobility.

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### 3 Migration and home ownership

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***Abstract** It is well known that home ownership has an impeding effect on migration. However, the strong increase in home ownership in the Netherlands since the Second World War has not led to a decrease in migration. In this paper three factors are identified which may counterbalance the expected negative effect of increasing home ownership on migration. First, the composition of the population of homeowners has changed towards younger, more mobile households. Second, home ownership has become more common, possibly leading to greater dynamics within the owner-occupied segment of the housing market. And third, macro factors such as economic growth may have led to more migration. Using the Housing Demand Surveys and logistic regression analysis, we investigated to what extent the effect of home ownership on migration changed in the Netherlands during the 1980s and 1990s. We find – contrary to what we expected – that during the research period the negative effect of home ownership on migration seems to have strengthened somewhat. Within the research period, however, this negative effect was compensated by a general rise in migration for both owning and renting households, possibly attributable to macro factors affecting migration, such as economic growth and changes in the housing market.*

#### 3.1 Introduction

Migration – changing residence over long distances – is an important instrument enabling people to improve their earnings and labour market position. Workers who are prepared to accept jobs over a longer distance and change residence can take advantage of job opportunities elsewhere. Migrants tend to earn more after a move than before (Sjaastad, 1962; Bartel, 1979; Davanzo, 1981; Smits, 2001; Haapanen, 2003). It is important for individuals to be flexible so that they can take full advantage of opportunities offered on the labour market (Van Ham, 2002). At the macro-level, a lack of spatial flexibility of the workforce may have negative consequences because the available national human capital is under-utilised. A lack of spatial flexibility may also cause workers to decide to commute over longer distances with longer commuting trips as a result (Yapa et al., 1971; Van Ommeren et al., 2000). This leads to more pressure on infra-structure, leading to road congestion, and possible environmental problems (Schutjens et al., 1998). People do not generally take the decision to migrate lightly. There are many ties connecting a person to a certain location; one of the main barriers to migration is home ownership. It has often been found that home ownership has a negative effect on migration (Speare et al., 1975; Clark & Dieleman, 1996; Van Leuvensteijn & Koning, 2000). The main reason put forward for this is that moving from an owner-occupied home is more costly than

moving from a rented home, because of specific transaction costs (Van Ommeren & Van Leuvensteijn, 2003).

Since the Second World War, home ownership in the Netherlands has increased strongly. In the 1980s and 1990s home ownership grew from 41 to 51 per cent (Netherlands Ministry of Housing, Spatial Planning and the Environment, 2002), partly because it has been stimulated by the Dutch Government by means of tax benefits. Because of the negative effect of home ownership on migration, the increase in home ownership could be expected to lead to a decrease in migration in the Netherlands.

Surprisingly, however, the increase in home ownership did not lead to a decrease in the overall migration levels; migration propensities have remained stable over the last two decades. Possible explanations for this surprising finding may be that the negative effect of home ownership was compensated by other factors, or that the negative effect may have changed over time. If the compensating effects are only temporary, there might be reason for concern, because migration levels, and therefore the spatial flexibility of the population, might be influenced negatively by the increased level of home ownership in the future. It is therefore important to investigate which compensating factors have been in play and whether their nature is temporary or not.

The above leads to the following research questions: To what extent did the effect of home ownership on migration change in the Netherlands in the 1980s and 1990s? And which mechanisms counterbalancing the expected effect of the growth of home ownership on migration can be identified for this period? The Housing Demand Surveys of Statistics Netherlands, conducted from 1981 to 1998, and logistic regression analysis of those having migrated recently before the surveys have been used to address these questions.

## **3.2 Theory and background**

### *3.2.1 Migration behaviour; triggers, restrictions and opportunities*

Events that can trigger migration are found in the different parallel life course careers (Mulder & Hooimeijer, 1999). Migration decisions originate most often in the occupational career or the educational career (Mulder, 1993). People often need to migrate if they accept a job located beyond the commuting distance that can be covered within a reasonable travel time for sustaining a daily commute (Van Ommeren, 1996; Van Ham, 2002).

People will not generally migrate unless it is necessary to do so, because migration has many more consequences than merely moving home. People who move over a long distance can no longer frequent the familiar nodes of services, friends, workplaces and schools because they no longer live within a reasonable travel time. The area that is contained by this reasonable travel time from the place of residence is referred to as the potential daily activity space (Hägerstrand, 1970; Roseman, 1971). Displacing the daily activity space makes migration costly. Migration is therefore only undertaken if it is expected to render more than it costs.

In addition to triggers and restrictions, the presence (or lack) of opportunities in both the housing and the labour market also influences migration. The probability that people will migrate increases when jobs are available elsewhere that are better than the one currently

held. At the same time, if it is difficult to find a home within alternative regional labour markets, the probability that people migrate decreases.

Home ownership and migration – Home ownership is known to have an impeding effect on moving behaviour (Speare et al., 1975; Clark & Dieleman, 1996; Van Leuvensteijn & Koning, 2000; Helderma et al., 2004). Owning a home can be seen as a specific local tie that can be described as location-specific capital or location-specific advantages (Bartel, 1979; Davanzo, 1981; Fischer & Malmberg, 2001). Because of these local ties, homeowners are less likely to migrate than renters.

With an owner-occupied home comes a long-term financial commitment, mostly in the form of a mortgage. A large share of most home-owners' savings is tied up in their home, so moving is harder for homeowners than for renters. When they move, homeowners are confronted with higher transaction costs than renters. The transaction costs involved in selling a home contain both financial and non-financial costs. There are moving costs, taxes to pay, the services of an estate agent, as well as the effort involved in selling the home.

The implications of the specific transaction costs of moving to or from owner-occupied housing compared with rented housing are reinforced by a certain selectivity of home ownership. People who are expecting to move again soon do not usually buy a home. Stability in income and a stable relationship between partners or family members facilitate carrying the financial burden and are often also conditional for buying a home. Reasons for not (yet) buying a home may in many cases be related to not (yet) having reached a stable position in the labour market, or foreseeing an early move for housing or household reasons.

Home ownership grew from 41 per cent to 51 per cent in the Netherlands in the 1980s and 1990s (Netherlands Ministry of Housing, Spatial Planning and the Environment, 2002). Underlying this growth are rising incomes – mainly from the increased number of dual-income households – and the continuation of government policy geared towards stimulating home ownership by tax benefits rather than through government support for rental housing. If the negative effect of home ownership on migration described above has not changed, one would expect the overall occurrence of migration to decrease, because of the growth of home ownership. This, however, has not been the case, so there must have been counter-balancing factors playing a part.

Several factors can be considered capable of counterbalancing the impeding effect of home ownership on migration, including changes in the composition of the population of home-owners in the direction of more mobile household types. Over the last few decades, the composition of the population of homeowners has shifted towards younger and childless households (Mulder & Wagner, 1998; Feijten & Mulder, 2002). The young and childless are often still shaping their labour market careers. They may be relatively more likely to migrate – even though they own a home – than other categories of homeowners, especially families with children who are also tied to their children's schools.

Second, the importance of home ownership as a restriction for migration may have decreased. While home ownership is increasing, the number of options in the owner-occupied segment of the housing market is growing. These provide more opportunities for improvement within this segment. Furthermore, becoming a homeowner is regarded to a lesser extent as an 'end-destination' in the housing career. Increasingly, households

move within the owner-occupied segment, with every change of residence representing an upward step in the housing career.

Third, the influence of economic and other macro circumstances on migration can be expected to be considerable. There is a better chance for career advancement in times of economic prosperity (De Koning et al., 2003) possibly leading to more job changes and more migration. The improved housing market circumstances and the low mortgage interest rate in the late 1990s may also have played a part. Therefore, the negative effect of a growth in home ownership on migration may have been counterbalanced at the end of the 1990s. To make clear the implications of the changing composition of the population of homeowners, we must first pay some attention to the individual determinants of migration.

### *3.2.2 Individual determinants of migration*

Migration is not equally likely for all. At earlier ages people are still in the process of gathering experience and developing a range of skills that are obtainable in different places. Many young people are not yet strongly committed to particular places to live, work, or spend leisure time, so that the potential daily activity space has a less permanent status. Furthermore, as people become older, they have fewer years of work ahead of them in which to recoup the costs of a move. The probability of migrating can therefore be expected to decrease with increasing age.

Well-paid jobs for which people need a high level of education are generally concentrated in a limited number of places (Börsch-Supan, 1990; Simpson, 1992; Van Ham, 2002). Consequently, highly-educated people need a larger search area to find a better job and are thus more likely to move over greater distances (Mulder, 1993; Van Ham et al., 2001). A high income furthermore allows people to afford the transaction costs involved with buying and selling a home. A higher income also brings a larger range of available housing options within the reach of the household income. Both of these reasons would lead us to expect the probability of migration to increase with increasing income.

The self-employed often have less flexibility when locating their workplace than people who have an employer. The self-employed are often tied to local investments and relationships with clients and suppliers which, like home ownership, can be defined as location-specific capital, or location-specific advantages (Fischer & Malmberg, 2001). Furthermore, self-employed people are never subject to transfer. We can therefore expect self-employment to have a negative effect on migration.

Dual-income households have to combine two workplaces with one residential location. In this situation, if one of the working partners wants to accept a job over a longer distance, there will also be implications for the other working partner. We therefore expect dual-income households to be less likely to move over larger distances than households with one income, other things being equal (see also Hardill et al., 1997; Van Ham, 2002; Smits et al., 2003). The composition of households can also be expected to influence the probability of migration. People running a one-person household are often more free to migrate, because they do not have to deal with multiple individual wishes if they decide that a move is necessary. Families with children can be expected to be the households least likely to migrate.

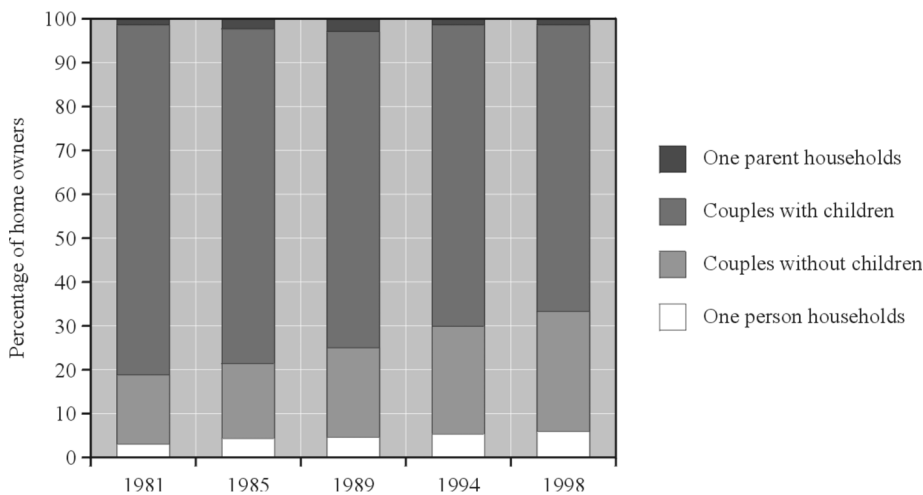
Table 3.1. Some differences between owners and renters in 1998

	Dual earners	Couples with children	Above average income
Homeowners	51.1%	65.3%	54.5%
Renters	27.1%	42.6%	22.6%

Source: Statistics Netherlands, Housing Demand Survey (1998)

The changing composition of the population of homeowners – Homeowners are different from renters (Helderman, 2004). Among home-owners there are more households with children, more dual earner households, and more high income households (see Table 3.1). As can be seen in Figure 3.1, over the past few decades the share among homeowners of one-person households and couples without children has increased. The young childless couples constitute the fastest growing group of home-owning households (Helderman et al., 2004). These households also increasingly have two incomes. Even though incomes have not risen as steadily as have house prices, acquiring a mortgage has become easier for these groups, because lenders have become more inclined to base the maximum mortgage amount on two incomes.

Figure 3.1. Household composition of homeowners



Source: Statistics Netherlands, Housing Demand Surveys (1981–1998)

As stated above, young people living in one-person households or as couples without children have a higher probability of migrating than couples with children. The development towards more mobile homeowners can be expected to decrease the selectivity of home ownership. With the advancement of more mobile households into home ownership, for the category of homeowners as a whole home ownership might have had a diminished effect on migration even if it stays the same for the separate household types. At the same time, the increase in dual earnings among homeowners may to some extent have offset the expected increase in migration of homeowners.

### 3.2.3 The potentially changing effect of home ownership on migration

In addition to changes in the composition of homeowners, a potentially important change in the meaning of home ownership may be expected to operate as a restriction to migration. An increased choice on the owner-occupied segment of the housing market

and falling interest rates making new mortgages easier to obtain may have led to a greater ease of moving within this segment and more opportunities to improve one's housing situation within the owner-occupier market. As a result, the owner-occupier market would acquire a different function, with homeowners still moving less than renters, but with more internal dynamics within the owner-occupied segment than before. First-time homeowners might regard their home less as the 'final destination' in the housing career than they used to. A move to an owner-occupied home may thus increasingly be a step in a series of moves to owner-occupied homes, with each step signifying a move upwards in the owner-occupied segment. These potentially changing internal dynamics in the owner-occupied segment of the housing market may have brought about a change in the importance of home ownership as a restriction for migration. This change may have helped diminish the negative effect of home ownership on migration.

#### *3.2.4 Macro-level factors affecting migration*

Economic growth has a strong positive effect on the number of job transitions (De Koning et al., 2003), and can therefore be expected to boost migration for reasons of job change, which is the most important reason for migration. An economic crisis, as was the case in 1992, results in fewer job changes and less frequent entrance into employment for non-participating people. Periods of economic growth and a restored labour market – as occurred from 1994 onwards – have greater job availability. The period from 1996 to 2000 showed a particularly marked increase in the number of job changes. At the end of the research period, migration – among both renters and owners – may well have been facilitated by the economic growth and increased prosperity in the Netherlands, possibly fostering a change in attitude towards the investment of home ownership and moving behaviour. This prosperity may also have helped counterbalance the negative effect of home ownership on migration.

The probability that people have of migrating can also be expected to vary over time as a result of changes in the housing market. This is susceptible to temporal change resulting from economic circumstances, household evolution, changes in new construction, or changes in the mortgage interest rate. The successive Housing Demand Surveys indicate that the housing shortage was at an historical low at the end of the 1990s. The opportunities for people to realise their migration wishes probably increased.

The spatial distribution of employment and housing opportunities is expected to have an influence on migration, because the tolerable commuting distance may not afford access to alternative regional markets. There are more specialised jobs available in urban areas than in rural (or less urbanised) areas. Migration to facilitate career advancement is therefore not as necessary in urban areas (Van Ham, 2002).

### **3.3 Data & method**

Three analytical steps are needed to investigate the role of these three causes: first, to investigate the evolution of total migration; second, to compare the evolution of the migration of homeowners with that of renters (that is, to investigate the changes in the effect of home ownership on migration); third, to investigate this effect after accounting for the individual determinants of migration.

The data used in this study originate from five Netherlands Housing Demand Surveys (WoningBehoeft Onderzoeken 1981, 1985–86, 1989–90, 1994, 1998). Statistics Netherlands conducts this survey approximately every four years. The research population is representative of the Netherlands population aged 18 and over and not living in institutions. In the datasets, both individual and household characteristics can be found. The respondent is considered a reference person for the household. What makes the Housing Demand Survey particularly suitable for this study is the data on residential moves in the four years preceding the interview as well as information about the previous place of residence and the previous household situation.

Migration is defined as a residential move over a distance greater than 35 kilometres. Below 35 kilometres, people mainly move for housing reasons; above the 35 kilometre breakpoint, job reasons become predominant. Moves exceeding 35 kilometres occur in approximately 68 per cent of the cases for job reasons (see also Goetgeluk, 1997). The time needed to travel 35 kilometres also approximates the general commuting tolerance, an equivalent of about 45 minutes (Van Ommeren, 1996).

The analyses were restricted to respondents aged between 25 and 55 years and living in independent dwellings. People still living with their parents were excluded, because their housing tenure is in fact their parents' tenure. The lower age limit was chosen to exclude students. These are likely to migrate for enrolment into education, which is a different phenomenon from job-related moves, the main type of migration of interest here.

The research population consists of people who did not move in the two years preceding the interview and people who moved over a distance of more than 35 kilometres in that same period. Moving over a distance of 35 kilometres or less is regarded as a competing risk (compare Hachen, 1988). Respondents who moved over a distance of less than 35 kilometres were therefore excluded from the analyses. The combined dataset contains 151,581 respondents ( $N_{1981}=33,069$ ;  $N_{1985-86}=27,116$ ;  $N_{1989-90}=27,832$ ;  $N_{1994}=32,541$ ;  $N_{1998}=31,023$ ). Of these, about 1.3 per cent (1,970) had moved over a distance of more than 35 kilometres in the two years preceding the interview. Limiting the period in which people may have moved to the year of interview and the year preceding the interview allows values at the moment of interview to be used as a proxy for those at the moment of the potential move.

The first analytical step consists of a graphical representation of the evolution of migration for the total population and for several relevant sub-categories, including homeowners and renters. For this analysis, a different migration interval was used. Only one full year of observation – the one before the year of interview – has been used. The observation periods of the individual Housing Demand Surveys are slightly longer for some than for others owing to shifts in the months of interview. Particularly in 1998, a greater share of interviews was conducted at the end of the year or early in 1999.

The method used for the second analytical step was logistic regression analysis. The dependent variable describes whether or not migration occurred. Wherever possible, variables were measured just before the potential move. The net annual household income and education level were not measured before the potential move, but at the moment of interview. Table 3.2 presents the summary of the statistics and definitions of the variables used.

To ascertain that we could estimate parameters for variables measured over a period of almost twenty years without having to account for potential changes in parameters over



that period, separate logistic regression analysis was run for every individual dataset. For the main analysis, we used two models to determine whether any changes through time in the effect of home ownership were the result of changes in the age and household composition of the population of homeowners versus renters, or to greater dynamics in the owner-occupied market. One model only contains the period effect (which has been used as a proxy for economic circumstances, labour market, and housing market conditions); housing tenure; and the interaction effect of the two. The second model also includes individual characteristics and the degree of urbanisation as control variables. The differences between the two models in the period-tenure interaction gives us information about the role of population composition: a period-tenure interaction in the first model and not in the second would have to be the result of compositional change over the research period.

Table 3.2. Variable summary statistics and definitions

	Mean	S.D.	Range
<i>Dependent (moved over more than 35km)</i>	0.02		0, 1
<i>Homeowner<sup>1</sup></i>	0.55		0, 1
<i>Period</i>			
1980-81	0.23		0, 1
1984-85	0.19		0, 1
1988-89	0.19		0, 1
1993-94	0.21		0, 1
1997-98	0.19		0, 1
<i>Age (in years)</i>	39.17	8.20	25.00-54.00
<i>Level of education</i>			
Primary	0.16		0, 1
Secondary	0.64		0, 1
College or University	0.20		0, 1
<i>Net annual household income<sup>2</sup></i>	2.58	1.31	0.00-14.99
<i>Self-employed</i>	0.14		0, 1
<i>Dual Income</i>	0.34		0, 1
<i>Household composition<sup>1</sup></i>			
One person household	0.10		0, 1
Couple without children	0.21		0, 1
Couple with children	0.65		0, 1
One parent household	0.04		0, 1
<i>Urban area<sup>1</sup></i>	0.64		0, 1
Number of respondents = 151,581			

<sup>1</sup>Measured before the move for movers and at the moment of the interview for non-movers; all other variables measured at moment of interview only

<sup>2</sup>Annual net household income in tens of thousands of 1998 euros

Source: Statistics Netherlands, Housing Demand Surveys (1981–98)

No variable for gender has been included in the analysis. For couple households the inclusion of gender would not make much sense, because the data do not allow a distinction to be drawn between reasons for moving relating directly to the circumstances of the respondent, or to the partner of the respondent. The gender effect is therefore only clearly defined for one-person households. For these, the gender effect proved to be insignificant.

Because it was not known whether one model for the research period of almost twenty years could be used without having to account for potential changes in parameters over that period, separate logistic regression models were also run for every individual Housing Demand Survey.

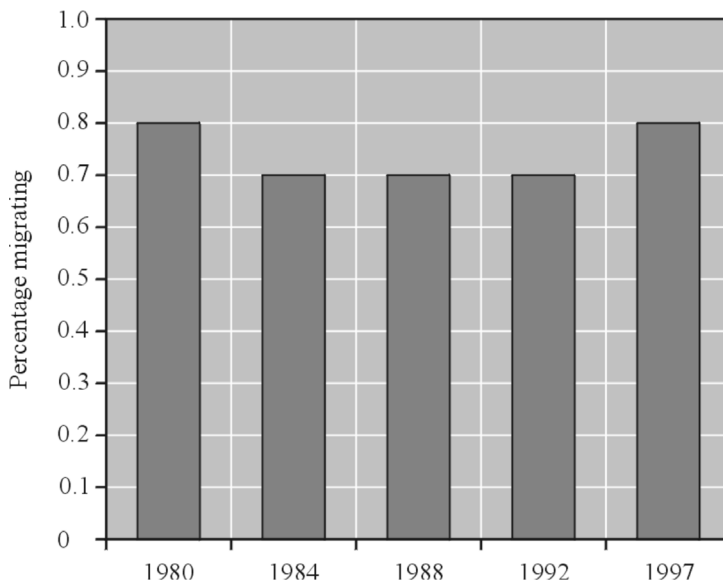
### 3.4 Results

As already mentioned in the introduction, the probability of migrating has been relatively stable over the years with only slight fluctuations (Figure 3.2). There is no sign whatsoever of an ongoing decrease of the percentage migrating as a result of an increase in home ownership. We may therefore conclude that at least one factor counterbalancing the expected negative effect of the growth of home ownership on migration is at work.

The impression drawn from Figure 3.3 is that the difference in levels of migration between homeowners and renters has remained approximately the same. Homeowners moved slightly more often to rented accommodation in 1997, perhaps taking advantage of the high house prices to release the equity from their homes (Helderman et al., 2004).

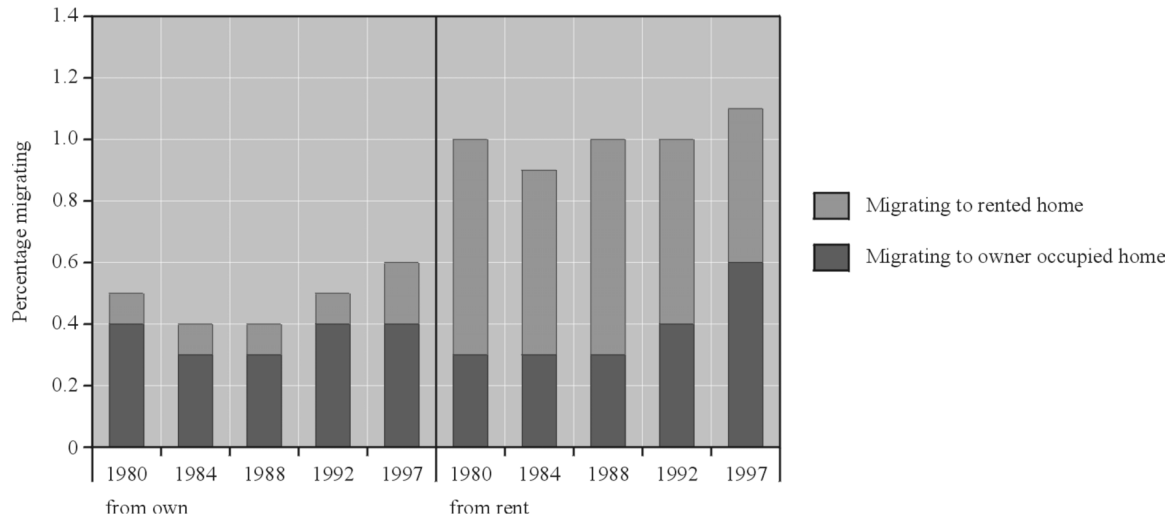
The percentage of migration by household composition, shown in Figure 3.4, has developed differently for the various household categories. The overall picture, however, is that one-person households and childless couples are still the most frequently-migrating categories, among both homeowners and renters. Both these household types also show the greatest growth in their share among homeowners (see Figure 3.1). A further increase of these household types among homeowners might indeed lead to higher levels of migration among homeowners.

Figure 3.2. Percentage migrating



Source: Statistics Netherlands, Housing Demand Surveys (1981–1998)

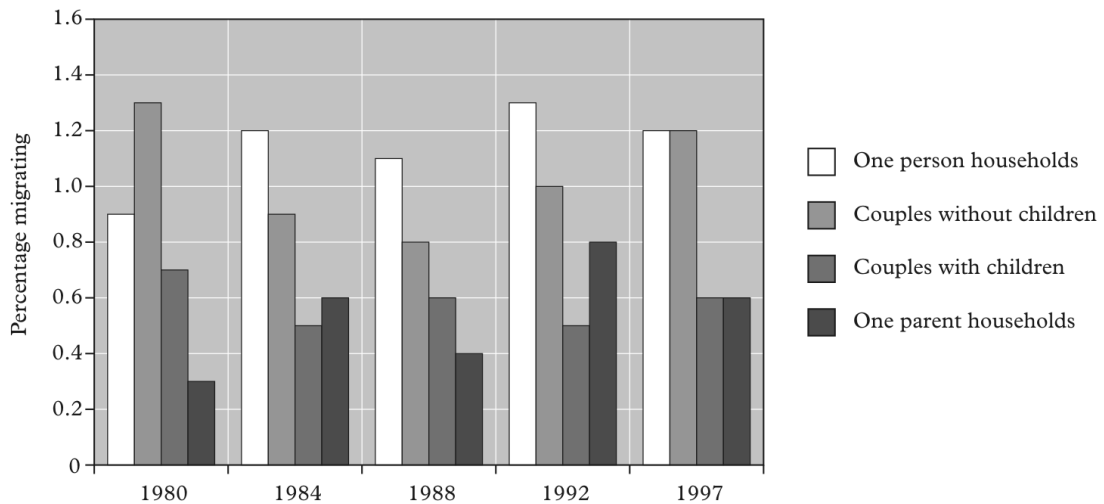
Figure 3.3. Percentage migrating by tenure



Source: Statistics Netherlands, Housing Demand Surveys (1981–98)

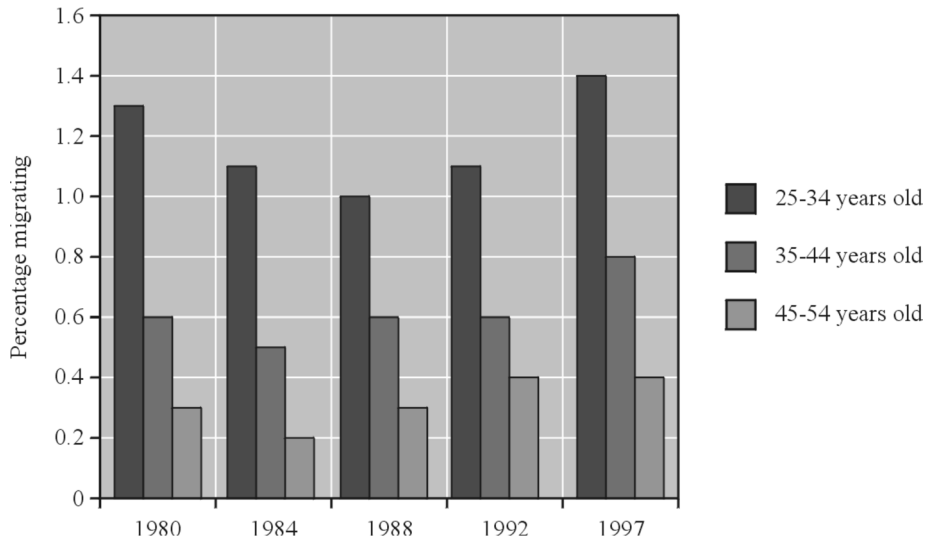
The changes in migration also differ slightly by age (Figure 3.5). Furthermore, among home-owners, the younger age categories show a particularly strong increase in migration at the end of the research period: more than the older age categories, and also more than their renting counterparts.

Figure 3.4. Percentage migrating by household composition



Source: Statistics Netherlands, Housing Demand Surveys (1981–98)

Figure 3.5. Percentage migrating by age



Source: Statistics Netherlands, Housing Demand Surveys (1981–98)

### 3.4.1 Multivariate results

To check whether we could use one model for the research period of almost twenty years without having to account for potential changes in parameters over that period, separate logistic regression models were run for every individual Housing Demand Survey (see Table 3.3). The results show that the parameters of the independent variables do not vary much over the research period and all parameters have the same sign for every period (+/-). Income turns out to be more important to migration in the period of 1984–85 than in the other periods. Only the effect of the tertiary level of education is significantly different from the primary level in the 1990s. In 1988–89, the differences between household types are less marked than in the other periods. The separate models for each period give a first impression of the effect of being a homeowner on the probability of migrating. The results show that the negative effect of being a homeowner on the probability of migrating is fairly constant over the five periods although the effect seems to become slightly stronger between 1988–89 and 1997–98 (see Table 3.3). Although we expected the difference between owners and renters to become smaller, we might draw a first conclusion that this is not the case. Rather, the opposite seems to be true.

Table 3.4 presents two multivariate models including respondents from all five Housing Demand Surveys. Model 1 only includes the main effect for home ownership, period and the interaction between home ownership and period. As expected, the main effect for home ownership is negative, indicating that home-owners migrate much less than renters. In Model 1, the period effect is significant and positive for 1993–94 and 1997–98, indicating an increase in the probability of migrating in these periods after accounting for housing tenure. For 1997–98 this was to be expected, given the fact that migration increased in that period even before tenure was accounted for (see Figure 3.2). It must be noted that the period effect for 1997–98 is probably slightly exaggerated owing to a longer observation period for Housing Demand Survey 1998.

Table 3.3. Logistic regression of moving 35 kilometres or more in the two years preceding the interview by Housing Demand Survey (1981–98).

	1980-81			1984-85			1988-98			1993-94			1997-98		
	B	Sig.	S.E.	B	Sig.	S.E.	B	Sig.	S.E.	B	Sig.	S.E.	B	Sig.	S.E.
<i>Home-ownership (ref=rent)</i>	-0.907	***	0.115	-1.106	***	0.128	-0.978	***	0.134	-1.049	***	0.117	-1.192	***	0.100
<i>Age</i>	-0.061	***	0.007	-0.062	***	0.008	-0.067	***	0.009	-0.054	***	0.007	-0.074	***	0.006
<i>Level of education (ref=primary education)</i>															
Secondary education	0.665	***	0.176	0.578	***	0.216	0.790	**	0.349	0.205		0.253	0.103		0.143
College or University	1.199	***	0.197	1.494	***	0.233	1.714	***	0.358	1.179	***	0.261	0.818	***	0.154
	0.375	**	0.152	1.105	***	0.222	0.714	***	0.149	0.961	***	0.143	0.453	***	0.108
<i>Income</i>															
Income squared	-0.032		0.023	-0.103	***	0.030	-0.042	***	0.016	-0.072	***	0.015	-0.035	***	0.012
<i>Self-employment (ref=not self-employed)</i>	0.312	*	0.165	-0.045		0.197	-0.060		0.197	0.297	*	0.154	0.059		0.135
<i>Dual income household (ref=no dual income household)</i>	-0.582	***	0.156	-0.887	***	0.158	-0.705	***	0.157	-0.895	***	0.133	-0.441	***	0.119
<i>Household composition (ref=one person household)</i>															
Couple without children	0.070		0.211	-0.008		0.240	-0.121		0.235	0.047		0.185	0.285	*	0.159
Couple with children	-0.553	***	0.194	-0.341	*	0.207	-0.201		0.200	-0.432	**	0.171	-0.373	**	0.147
One-parent household	-0.305		0.421	-0.384		0.424	-0.422		0.417	0.793	**	0.328	0.400	*	0.212
<i>Urban area (ref=outside most urban areas)</i>	-0.203	*	0.107	-0.405	***	0.116	-0.341	***	0.123	-0.240	**	0.104	-1.182	***	0.094
<i>Constant</i>															
Initial -2 Log Likelihood	-2.518	***	0.391	-3.524	***	0.468	-3.335	***	0.514	-3.593	***	0.410	-0.855	***	0.287
Model -2 Log Likelihood	4185		3378	3143		4249	5381		4725	656		656	df=12; p=0.00		
Improvement	3892		3088	2873		3863	3863		3863	3863		3863	df=12; p=0.00		
	293; df=12; p=0.00		290; df=12; p=0.00	270; df=12; p=0.00		386; df=12; p=0.00	656; df=12; p=0.00		656; df=12; p=0.00	656; df=12; p=0.00		656; df=12; p=0.00	656; df=12; p=0.00		

\* = p &lt; 0.10; \*\* = p &lt; 0.05; \*\*\* = p &lt; 0.01

Source: Statistics Netherlands, Housing Demand Surveys (1981–98)

The interaction of period and tenure only shows a negative and significant effect for 1997–98. This is the only period during which home-owners changed their behaviour significantly. In order to be able to compare the effect of being a homeowner versus that of being a renter for the different periods, the estimates of the main and interaction effects of period and home ownership should be interpreted together. For renters this is straightforward because the period effect for renters is the main effect of period in the model. For homeowners, the main effect of being a homeowner, the main effect for period and the interaction effect between period and home ownership have to be added. Doing this reveals that for both renters and homeowners the probability of migrating increased between 1980 and 1998, but that this increase was less strong for homeowners than for renters (for renters the increase in the parameters between 1980–81 and 1997–98 is 0.657 and for owners the increase is 0.351).

Table 3.4. Logistic regression of moving 35 kilometres or more in the two years preceding the interview

	Model 1			Model 2		
	B	S.E.	Sig.	B	S.E.	Sig.
<i>Home ownership (ref=rent)</i>	-0.798	0.107	***	-1.015	0.110	***
<i>Period (ref=1980-81)</i>						
1984-85	0.050	0.094		0.098	0.096	
1988-89	-0.066	0.099		-0.078	0.102	
1993-94	0.173	0.090	*	0.047	0.093	
1997-98	0.707	0.084	***	0.686	0.089	***
<i>Interaction between period and tenure (ref=1980-81 by rent)</i>						
1984-85 by own	-0.007	0.158		0.012	0.160	
1988-89 by own	0.056	0.161		0.175	0.163	
1993-94 by own	-0.056	0.148		0.084	0.150	
1997-98 by own	-0.356	0.139	**	-0.230	0.141	
<i>Age (in years)</i>				-0.063	0.003	***
<i>Level of education (ref=primary education)</i>						
Secondary education				0.398	0.088	***
College or University				1.206	0.094	***
<i>Income</i>				0.594	0.060	***
<i>Income Squared</i>				-0.043	0.007	***
<i>Self Employment (ref=not self employed)</i>				0.111	0.073	
<i>Dual income household (ref=no dual income household)</i>				-0.645	0.062	***
<i>Household composition (ref=one person household)</i>						
Couple without children				0.127	0.088	**
Couple with children				-0.344	0.080	***
One parent household				0.117	0.141	
<i>Urban area (ref=outside most urbanised areas)</i>				-0.535	0.047	***
<i>Constant</i>	-3.990	0.062	***	-2.640	0.178	***
Initial -2 Log Likelihood	20608			20400		
Model -2 Log Likelihood	20145			18623		
Improvement	463; df=9; p=0.00			1777; df=20; p=0.00		

\*p = <0.10; \*\*p = <0.05; \*\*\*p = <0.01

Source: Statistics Netherlands, Housing Demand Surveys (1981–98)

The overall conclusion is that homeowners clearly have a lower probability of migrating than renters in all periods. For both renters and homeowners, the probability of migrating increased from 1993 onwards and the increase was largest for renters. So, contrary to our expectations, these results show again that the differences between owners and renters seem to have become greater instead of smaller. Possibly, renters took particular advantage of the new opportunities provided by the booming economy to advance their labour-market career. As shown by Wagner (1989), homeowners are less likely to change jobs than renters, probably to some extent because they have more frequently already 'settled down' in their labour market careers.

In Model 2, the control variables are included. In comparison with Model 1, the main effect of tenure is even stronger, while the period effect remains almost the same. So, after controlling for other variables, renters migrated more than homeowners and migration became more likely in the period 1997–98. If the interaction effect between period and tenure as found in Model 1 had been the result of changes in the composition in the population of homeowners over time, we would expect this effect to disappear after controlling for various individual and household characteristics. The interaction between period and tenure in Model 2 is indeed closer to zero and no longer yields significant parameters. However, the effect for 1997–98 only just exceeds the 10 per cent confidence level (the significance level is 0.103) and the change in magnitude of the parameter is only small. Furthermore, had we chosen 1988–89 as the reference period, we would have found a significant difference between that period and 1997–98. From additional analyses (not shown), we found that it was not the inclusion of one single variable that caused the interaction effect to change, but rather the combination of many.

Again, in order to get the full picture, the estimates of the main and interaction effects of period and tenure should be interpreted together. Doing this gives roughly the same picture as for Model 1. For both renters and homeowners the probability of migrating increased between 1980 and 1998, but for renters the increase was stronger (for renters the increase in parameters between 1980–81 and 1997–98 is 0.686 and for owners the increase is 0.456). It was possible that these results were partly caused by differences between categories of respondents in the impact of home ownership or changes in these differences through time, possibly in combination with changes in the composition of the population through time. To ascertain that personal characteristics did not differ in their effects for renters and owner occupiers, interactions for tenure with personal characteristics were added to Model 2 (not shown). The interaction with dual income rendered a significant parameter. Therefore extra attention was given to the combined effect of the main effects of housing tenure and dual earnings and the interaction effects of housing tenure with both the observation period and dual earnings. This rendered only minor changes in the findings on the probability of migrating and the changes therein through time for owners versus renters: from these models, it seemed that the growth in migration between 1980–81 and 1997–98 was similar for owners and renters, but started earlier for owners. An additional check was made by testing the interaction between housing tenure and dual earnings for separate models for the observation periods. Again, the results of these models did not lead to different conclusions. Based on these results, the conclusion can be drawn that home owner-ship is still a very strong restriction for migration, despite the arrival of younger household types among homeowners.

As expected, the probability of migrating decreases with increasing age. Also as expected, the higher the level of education, the more likely is migration to occur. Income has a similar positive effect on migration, but given the negative effect of income squared, the effect is less strong for very high incomes. Self-employment, unexpectedly, shows a positive effect on migration, but it is insignificant. If the multivariate analysis is run with only self-employment, or with any combination of all other control variables except home ownership, self-employment shows the expected negative and significant effect. The explanation is that about 76 per cent of self-employed own their homes. Dual-income households are less likely to migrate than single earners, in accordance with our expectations. Couples without children are more likely to migrate than other household types. As expected, couples with children are the least likely to migrate. The negative and significant effect of the degree of urbanisation supports the notion that living in one of the most urbanised areas in the Netherlands eliminates the need for migration for some people.

### **3.5 Discussion**

This study addressed the question to what extent the growth in home ownership led to a decrease in migration in the Netherlands in the 1980s and 1990s, and to what extent the effect of home ownership on migration changed. Although one might assume that a growth in home ownership ought to lead to a decrease in migration, there was no decrease in migration in the period under study. On the contrary: migration grew in the second half of the 1990s. There were three reasons capable of explaining why the connection between the evolution of home ownership and migration may not be straightforward. First, homeowners increasingly belong to the otherwise mobile categories; the young and the childless. Second, the internal dynamics in the owner-occupied segment of the housing market might have intensified, because of a widening choice in this segment. Third, a positive effect of macro factors affecting migration might have offset the negative effect of an increase in home ownership. Examples of these macro factors are the economic growth at the end of the research period, accompanied by an increase in job opportunities and job mobility, an historically low housing shortage, and low mortgage interest. The results show that the growth of home ownership among younger, childless households did not lead to an increase in the migration of homeowners compared with renters. Instead, the effect of home ownership on migration became stronger at the end of the research period in the model that only accounts for housing tenure and period: homeowners became more likely to migrate, but so did renters, and to an even greater extent. After accounting for household composition, age, dual earnings, and other control variables, the change in the effect of home ownership on migration through time was reduced to a smaller and (just barely) insignificant effect. Home ownership still remained a very strong restriction for migration. The conclusion must be that the overall growth of migration in the research period owed much to macro factors. Home ownership is still growing in the Netherlands, rising to 54 per cent in 2002 and expected to grow further. This growth means that there will be an increasing number of households who are generally less interested in, or capable of, migrating for the sake of a job. During the research period, economic growth and a favourable housing market probably compensated for a possible negative effect of the growth of home ownership on



migration. In periods of economic and/or housing market decline, this compensation will be absent, possibly leading to a future decrease in migration. Such a decrease might also lead to a greater reliance on daily mobility if jobs elsewhere were accepted without resulting in migration. This increased mobility would lead to environmental problems and road congestion, despite the fact that road networks improved in the 1980s and 1990s, allowing people to access jobs at much greater distances without having to migrate (Forrest, 1987; Van Wee, 2000).

Furthermore, the results indicate that two different policy goals of the Dutch Government seem to contradict each other: a continued growth in home ownership, and a limitation of daily mobility growth would be difficult to achieve concurrently.

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## 4 Once a homeowner, always a homeowner? An analysis of moves out of owner-occupation

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Submitted

***Abstract** This paper addresses the motives for which homeowners move to a rented home, and the prevalence of motives for moving to rented homes. Multiple Netherlands' Housing Demand Surveys combined make studying the rare transition between housing tenures possible, using both descriptive methods and logistic regression analysis. While controlling for individual and household characteristics, period, and spatial characteristics, motives for moving emanating from divorce or separation incur the highest probability of the tenure outcome being a rented home, closely followed by motives for relocating relating to ageing or health for one-person households.*

### 4.1 Introduction

In Western countries, consecutive homes in a housing career generally show an upward trend regarding price, size, and quality. Additionally, an individual's chain of consecutive homes often changes tenure from rented to owner-occupied at some point in time. Research for the USA, for example, has shown that the vast majority of people who occupy a rented home will go through upward moves on the housing market (Clark et al., 2003), with a good chance of eventually obtaining an owner-occupied home. Possibly because of this general pattern, existing research into transitions between housing tenures has nearly always concentrated on moves from rented to owner-occupied homes (Clark et al., 1994; Davies Withers, 1998; Deurloo et al., 1987; Deurloo et al., 1994; Morrow-Jones, 1988; Mulder & Wagner, 1998).

The general trend of moves from rented to owner-occupied homes, however, may be interrupted for some people, even after owner-occupancy has been attained (Dieleman et al., 1995). The practical implications of a move out of homeownership may include a decline in housing quality and an interruption in building up equity from repaying the mortgage and possible increases in house prices. These practical implications lead to an inequality on the housing market that stands apart from socio-economic inequality. It is therefore important to assess the development of the occurrence of moves from owner-occupied to rented homes, and any changes in the relative importance of the various motives and circumstances for moving that underlie them.

In previous research, moving from owner-occupied to rented homes has been found to be associated with disruptive events in one's family life (for example, union dissolution) (Dieleman et al., 1995; Feijten, 2005a; McCarthy & Simpson, 1991; Symon, 1990). It has been shown that divorce and separation lead to a substantially greater probability of moving to a rented home than moves for other motives (Feijten, 2005a; McCarthy & Simpson, 1991; Symon, 1990; Van Noortwijk et al., 1992). It has also been hypothesised that the probability of moving to a rented home is greater for people who move to a different region, for example for job reasons (Dieleman et al., 1995; Feijten, 2005a).

Goetgeluk (1997) and Hooimeijer and Oskamp (1999) provided some evidence for the greater probability of moving to a rented home among those moving over great distances. Ageing and deteriorating health have also been linked to the transition from owning to renting (Filius, 1993; Vanderhart, 1994). Additionally, differences in local housing market circumstances have been found to affect the probability of moving from an owner-occupied to a rented home (Dieleman et al., 1995).

Because moving from an owner-occupied to a rented home is such a rare event, many previous studies addressing this issue have suffered from too few observations of such moves, limiting the statistical power of the analyses (Feijten, 2005a; Vanderhart, 1994). The motives for relocation from owner-occupied to rented homes have therefore not previously been studied in detail and little is known of their relative importance for such tenure changes. For this study, six consecutive Housing Demand Surveys were used. The Housing Demand Surveys offer large datasets that allow the analysis of moves of individuals in different life stages, in different circumstances, and with different motives for moving in the Netherlands over a substantial period.

This study has ascertained what motives for moving from owner-occupied to rented homes are discernible, and what the relative importance of these motives is after controlling for individual and household characteristics, and temporal and spatial characteristics. The Housing Demand Surveys 1981-2002 and logistic regression analysis have been used to analyse the housing tenure outcomes of those moving from owner-occupied homes, using destination choice models.

## **4.2 Theoretical background**

Moving from owner-occupied to rented homes does not occur on a very large scale. This can be explained by the typical attractions of homeownership, the costs involved in moving from an owner-occupied home, and the (household) circumstances in which owner-occupiers may find themselves.

The attraction of owner-occupation is partly related to the accumulation of capital by paying off mortgage loans and increasing house values, and (in the Netherlands) the tax deductibility of mortgage interest. In addition to financial considerations, there are also emotional reasons for opting for homeownership. These relate to a sense of continuity and security, having full control over one's housing situation, and the status with which owner-occupancy is regarded in many societies (cf. Saunders, 1990; Megbolugbe & Linneman, 1993).

Moving from an owner-occupied home incurs considerably more effort and expense than moving from a rented home. Homeowners have committed themselves to a (long-term) financial investment. Continuation is often preferred to termination, which might lead to a loss in the returns on the investment. To recoup, another buyer for the home has to be sought, which requires an effort. Additionally, there are transaction costs, such as estate agent fees, moving costs, transfer taxes, and penalties for terminating the mortgage, all of which make a move from an owner-occupied home expensive.

Homeowners often have stable, nuclear family households for which the home forms a safe, secure, and personal environment. Owner-occupied homes are more often adjusted to personal preferences and needs than are rented homes. Homeowners do not want to

interrupt a stable home situation and the continuity of a safe, personal environment by moving (cf. Saunders, 1990).

Owner-occupied homes are often larger and of better quality than rented homes are (Speare et al., 1975; Megbolugbe & Linneman, 1993), which is probably why in many countries homeowners are more satisfied with their housing situation than renters are (Elsinga & Hoekstra, 2005). This greater satisfaction implies that moving is generally less practicable for homeowners than for renters. Should homeowners decide on a move, they are likely to move to another owner-occupied home. Most people wish to maintain housing quality. Owner-occupied homes may match most people's housing preferences better than rented homes; available space and quality are likely to be less of a concern in owner-occupied homes than in rented homes. Additionally, homeowners generally bring with them available equity from previous homes, facilitating a new purchase.

The housing tenure decision of moving homeowners may not, however, be in favour of owner-occupation as a consequence of changes in the household's available resources, restrictions or housing preferences. There are many different motives for moving that may lead homeowners to move from an owner-occupied to a rented home, but whether such motives indeed incur a change in housing tenure depends heavily on whether any causes for moving to a rented home apply. Causes for moving to a rented home may be found in changing income (1), a changed need for living space (in terms of quantity or quality) (2), limited available time for the housing decision (3), and the available knowledge of the local housing market in the place of destination (4). A desire to rent so as to avoid the responsibility of maintenance (5) or to consume equity from the owner-occupied home (6) are also possible causes for moving to a rented home.

First, a fall in income or, more specifically, a decreased housing budget may make it no longer possible or desirable to remain a homeowner (Clark et al., 2003; Feijten, 2005a; McCarthy & Simpson, 1991). If a considerable drop in income or budget for housing occurs, the choice set for another home becomes limited by costs and opting for a rented home is then more likely.

Second, a small number of household members, a decrease in household size, or ageing and health issues may lead to a re-evaluation of, or a change in, the need or preference for housing consumption. A decrease in the number of household members may diminish the amount of living space the household needs or desires (Clark et al., 2000). Smaller types of dwelling, such as apartments, are under-represented in the owner-occupied segment of the housing market. Few household members, a decrease in their number, or their ageing are therefore likely to increase the probability of moving to a rented home.

Third, if there is an urgent necessity to move and thus limited time available in which to make a housing tenure decision, a move to a home with sub-optimal tenure – often a rented home – becomes more likely. Finding a rented home, at least in the privately-rented segment of the housing market, usually takes less time than finding a suitable owner-occupied home. If the motive for relocating is not urgent, much time and effort may be needed to familiarise oneself with the (new) local housing market and subsequently to find another owner-occupied home (Dieleman, 2001; Feijten, 2005b; Goetgeluk, 1997; Hooimeijer & Oskamp, 1996).

Fourth, unfamiliarity with the prospective housing market may also influence the housing tenure decision (Dieleman, 2001; Feijten, 2005b; Goetgeluk, 1997; Hooimeijer & Oskamp, 1996). This unfamiliarity will be even greater if the new housing market is

located at a considerable distance from the current location of residence. Unfamiliarity with housing market circumstances in distant places may be partly reduced by investing resources – time and money – into investigating the area of destination. Optimally familiarising oneself with the new locale, however, may not be possible owing to the extra effort required (learning about the new region) and costs (time and travel expenses). In the Netherlands a move to a rented home is more quickly and more easily realised than a move to an owner-occupied home. Unfamiliarity with the new housing market may therefore lead to a greater probability of moving to a rented home.

Fifth, a desire to rid oneself of the responsibility of maintaining an owner-occupied home is especially relevant for older people. Physically, people may no longer be fit enough to carry out maintenance themselves, and finding an agent may be expensive and difficult to arrange. In moving to a rented home, these efforts and expenses can be avoided.

Sixth, a preference to consume equity from one's housing may occur, especially among the elderly. As they get older, people may want to free up their investment that is locked in their housing and use their built-up equity for another benefit. Freeing up a considerable share of the value of the home may incur a move to a rented home.

The causes for moving to a rented home as described above are difficult to observe. Information regarding changes in monetary budgets and the available time for housing decisions, for example, is limited or not available at all in datasets. This deficiency also applies to the Housing Demand Surveys used in this study. Causes of moving to a rented home form the backgrounds of motives for moving that are available in the data. The extent to which such motives are associated with the different causes of moving probably influences the likelihood of moving from an owner-occupied to a rented home.

#### *4.2.1 Analysing housing tenure outcomes using motives for moving*

Moving behaviour involves a sequence of decisions (Brown & Moore, 1970): a decision to move, and a choice of destination. The multivariate analyses in this paper focus on one aspect of the destination choice among those who move: the housing tenure outcome. This approach is similar to applied by Mulder and Hooimeijer (1995) for the tenure choice of moving renters. For studying the housing tenure outcome of movers, it is important that the assumption can be made that the moving decision is independent of the housing tenure decision.

The assumption of the independence of the two decisions is made possible by selecting respondents whose motives for relocating are likely to be independent of housing tenure outcomes. To make the assumption of independence of decisions credible, the motives for relocating that are under analysis should lead to a move even if housing of the preferred tenure were not available (cf. Hachen, 1988). The motives for moving that are suitable for the tenure outcome analysis are therefore not related to a housing preference that has to do with housing tenure directly. This would be the case when the motive is expressed as: 'I would like to move to a rented home' or 'I would like to free equity from my home'. In fact, although moving from owner-occupied to rented homes occurs relatively more frequently among older people than with the middle-aged, people over 65 do not mention a preference for renting as a motive for relocating much more often than do people in other age groups (Housing Demand Surveys 1994 & 1998). While on average 0.7 of all those moving mention a preference for renting as the main motive for relocating, 0.9 percent of people aged over 65 do so. Motives related to equity release are

not among the pre-coded motives in the data used in this study. However, Haffner (2004) found not only disinvestment in housing occurs on a very limited scale in the Netherlands, but also that this motive very rarely leads to relocation. Vanderhart (1994) similarly found that financial considerations are of minor importance in moving from owner-occupied homes, using USA data.

Furthermore, some motives for relocating related to housing and neighbourhood preferences may only be met by moves to homes of certain housing tenures. Such moves may be readily postponed if a home of a certain housing tenure is not found instantly, which means that the motive for moving may not lead to a move if a preferred tenure is not available, and thus the assumption of independence of decisions is not correct. To err on the side of caution, therefore, motives for moving associated with housing and neighbourhood characteristics are excluded.

Ageing people often prefer single-storied and smaller homes that are maintenance free and may offer care facilities. The likely tenure outcome of a rented home, however, is not likely to be part of the motivation for relocating: moves motivated by ageing or health will not be postponed if an owner-occupied rather than a rented home is found.

Motives for relocating that meet the criterion described above are thus those relating to union dissolution, union formation, changes in the labour career, and ageing or deteriorating health.

In the following sections, these motives for moving are associated with the main causes for leaving the owner-occupied segment of the housing market that have been identified in the previous section.

#### *4.2.2 Motives for moving arising from the household career: union dissolution and union formation*

Union dissolutions almost by definition necessitate the immediate move of one of the partners in a household. The immediacy that is embedded in this motive for relocation invokes urgency in the tenure decision. Couples benefit from pooled resources. As soon as a union is dissolved, either by separation or divorce, this benefit is lost. Subsequently, savings and assets are divided up, and frequently there is not sufficient to be able to afford another owner-occupied home. If one of the partners stays in the marital home, the decreased budget might also make the present home without the partner harder or even impossible to afford (Feijten, 2005a). For one of the partners, a decrease in the budget for housing expenses may also be caused by the requirement to pay alimony. Women have been found more often than men to stay in the marital home directly after a divorce (Symon, 1990). Once women move from the marital home after divorce or separation, however, they have been found to move to a rented home more often than men do (Feijten, 2005a; Holmans, 1990; Symon, 1990; Wasoff & Dobash, 1990). Less need for space after a divorce or separation is likely; a home might then be more suitable (Clark et al., 2000). A decreased budget, a change in housing consumption needs, and limited available time all incur a greater probability of moving to a rented home. It could therefore be expected that moves for union dissolutions lead considerably more often to moves to rented homes than moves for other motives for relocating.

Union formation has frequently been shown to be a life event that induces, or facilitates, the transition from a rented to an owner-occupied home (Clark et al., 1994; Feijten et al., 2003; Mulder & Manting, 1994). A moving decision motivated by union formation is



characterised by newly-gained advantages such as pooled resources while the desired level of housing consumption increases. Changes in the household income and in the housing space needed thus point in the opposite direction than for people incurring a greater probability of moving to rented homes. Moves from owner-occupied to rented homes motivated by union formations thus indeed seem highly unlikely to occur. Marriage and cohabitation are expected to lead to a lower probability of moving to rented homes than other motives for relocating do.

#### *4.2.3 Motives for moving arising from the labour career: moving closer to an existing job and moving to a new job*

A change of jobs may trigger a move if transaction costs are outweighed by the improvement in the individual situation (Helderman et al., 2006; Sjaastad, 1962; Van Leuvensteijn & Koning, 2004; Van Ommeren et al., 2000). So, if someone moves for job reasons, the individual's income or budget for housing is likely to increase rather than decrease. Once a decision to move has been taken, the time available for the tenure decision may be limited and a move to a rented home becomes more likely, especially for someone who obtains a new job at such a distance from the present residence that a daily commute is unsustainable (Van Ommeren, 1996). Unfamiliarity with a new housing market may also increase the probability of moving to a rented home (Hooimeijer & Oskamp, 1999; Goetgeluk, 1997).

Of the four causes for moving that are most likely to lead to a tenure decision in favour of a rented home, limited available time and unfamiliarity with the local housing market in the place of destination seem to be capable of being met. It could therefore be expected that the probability of moving to a rented home is greater for moves for the labour career than it is for moves resulting from union formation, but smaller than for motives of union dissolution.

#### *4.2.4 Motives for moving relating to ageing and health*

When people age and are affected by health problems, daily routines, housekeeping, and maintenance may become problematic (Filius, 1993; Vanderhart, 1994). Continuing to live in an independent, owner-occupied, dwelling may ultimately be no longer possible. Older people may desire or need a single-storied home, or a home that is provided with care services. Single-storied homes and homes with care facilities are both found more frequently in rented than in owner-occupied housing (Kullberg & Ras, 2004). If a person's state of health deteriorates or a physical condition becomes critical, a move may become urgent. Tenure outcomes of people with motives for moving relating to ageing or health may thus in some cases be affected by the limited time available to find an optimally suited owner-occupied home.

A change in housing preferences or needs and/or limited available search time are relevant for the motive for moving for reasons associated with ageing or health. The relocation motives related to ageing or health issues could therefore be expected to increase the probability of moving to a rented home, although not to the same extent as would divorce or separation.

#### *4.2.5 Individual and household circumstances*

Apart from motives for relocating, the individual and household situation after the planned move is likely to influence the tenure decision outcome for an individual, and should thus be accounted for. It could be expected that the greater the number of adults in the (new) household and the greater the household's desired housing consumption, the smaller will be the probability of moving to a rented home. For families with children, the desire for continuity of housing quality and reluctance to disinvest in housing might be greater than for households without children. One-person households and single-parent households were therefore expected to be more likely to move to a rented home than are more stable households with two adults and children (Dieleman et al., 1995).

Women on average have a somewhat lower income potential than men have, because of the gender wage gap, which is caused by average lower wages for women than for men who hold similar positions. Women's frequent periods of part-time work or withdrawal from the labour market altogether, particularly among women with children, partly explain the differences in income potential in the Netherlands. Women may therefore find it harder than men to fulfil mortgage obligations. It could therefore be expected that women have a greater probability of moving to a rented home than men have.

As people get older, they increasingly prefer smaller residences with low maintenance and easy access, such as a single-storied home. Such homes are more often found in the rented segment of the housing market. It was therefore expected that the older a person is, the greater the probability of opting for a rented home is. This effect of age was expected to be independent of whether the motive for relocating is ageing or health.

The mortgage payments on an owner-occupied house must not be allowed to lapse and the out-of-pocket costs of homeownership are generally higher than those for rented homes. These expenses are easier to afford on a high income. Therefore a higher income could be expected to lead to a smaller probability that the tenure outcome is a rented home.

A higher level of education generally implies not only a better income potential, but also more knowledge of the alternatives on the mortgage and housing market that facilitate maintaining homeownership. Higher levels of education could therefore be expected to decrease the probability of opting for a rented home.

The farther away people move, the less likely they will be to know about the new local housing market. Unfamiliarity with housing market circumstances in distant places may lead to sub-optimal housing tenure outcomes. It could therefore be expected that the greater the distance moved, the greater is the probability of moving to a rented home.

#### *4.2.6 Spatial differences in the opportunity structures of housing markets*

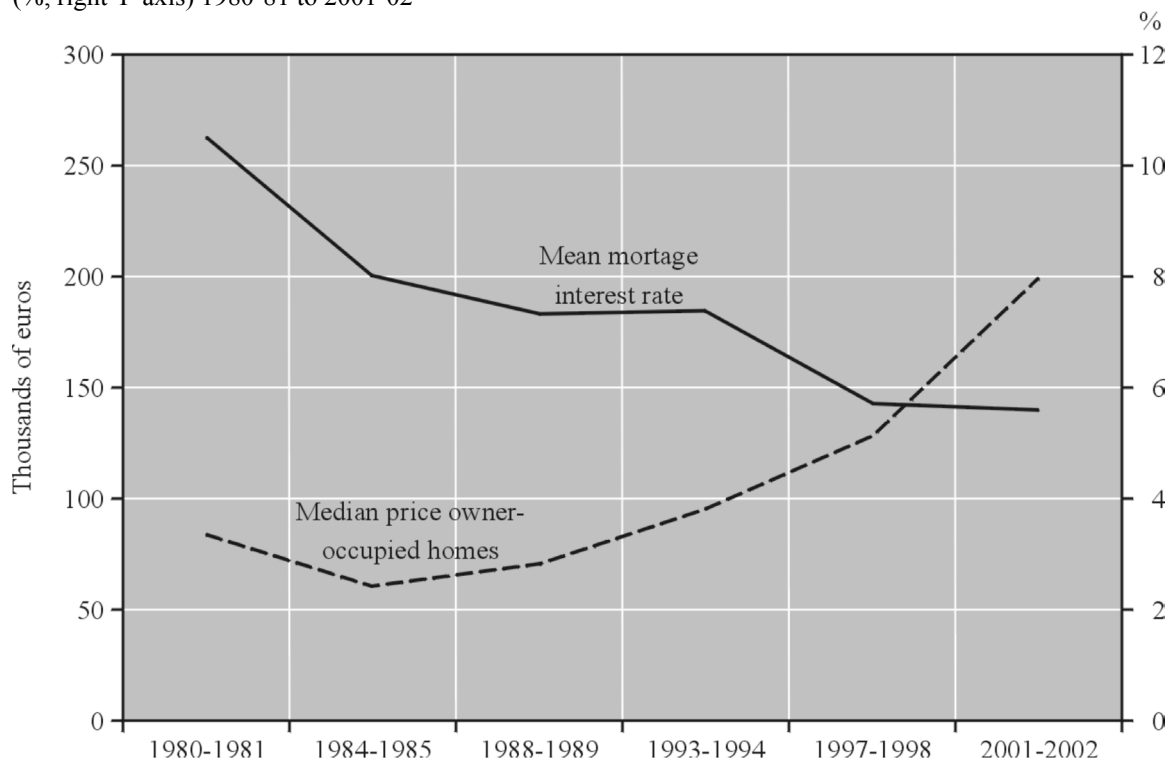
Maintaining homeownership after a move is more likely if owner-occupied homes are in plentiful supply at the place of destination. The percentage of owner-occupied homes in the local housing stock, therefore, can be expected to be important to housing tenure decisions. The local or regional price level of owner-occupied homes is also likely to influence the housing tenure outcome. If the price level of owner-occupied homes in the area of destination is high, the number of owner-occupied homes within reach of the potential buyer may be constricted, possibly making a move to a rented home more likely. Alternatively, high house prices in an area may also indicate relatively high equity levels and a large housing budget for people moving within such areas, possibly leading

to a smaller probability of moving to a rented home. The degree of urbanisation reflects the housing market structure. This is often characterised in urban areas by a larger percentage of rented homes, higher prices of owner-occupied homes, and a greater turnover of homes (Clark & Dieleman, 1996; Helderma & Mulder, *submitted*). Because the supply of rented homes in urban centres is larger, a move to a rented home could be expected to be more likely in highly urban destination areas than in rural destination areas.

#### 4.2.7 Temporal changes in the opportunity structure of the housing markets

Changes in the economic climate are important for the occurrence of moves from owner-occupied to rented homes, because economic changes affect fluctuations in house prices (Figure 4.1) and thus, indirectly, the built-up equity. Economic growth and high and rising house prices may tempt homeowners to take another step in their housing career (Helderma et al., 2004; 2006). Economic growth provides better opportunities on the housing market, which are expected to cause smaller probabilities of moving to a rented home than in unfavourable economic circumstances.

Figure 4.1. Median price of owner-occupied homes (€1000s, left Y-axis) and mean mortgage interest rate (% , right Y-axis) 1980-81 to 2001-02



Source: NVM (Netherlands Network of Brokers and Real Estate experts), 2005; Statistics Netherlands, 2005

Besides house prices, mortgage interest rates also fluctuate with time. Mortgage interest rates indicate the price of financing, and therefore the difficulty with which people obtain

a new mortgage and thus a new home. High mortgage rates may hamper people's opportunities to opt for another owner-occupied home when moving.

Less favourable times on the Netherlands housing market could be discerned in 1980-81, when prices were decreasing and mortgage rates were high (see Figure 4.1). It was expected that there had been an increased probability of moving to a rented home in 1980-81 and 1984-85, perhaps even up to 1993-94, because house prices were still only increasing slightly before 1994, while mortgage interest rates were relatively high.

Favourable periods on the Netherlands housing market were 1997-98 and 2001-02, when house prices increased more than in previous years. From 1994 onwards, increasing house prices and decreasing mortgage interest rates created better opportunities on the housing market. Many people may have entered into, or moved upward within, the owner-occupied segment of the housing market from that time onwards. In 1997-98, owner-occupied homes were particularly attractive investments and mortgages were renewed more easily than before. It was expected that there was a decreased probability of moving to a rented home in 1997-98 and 2001-02.

### **4.3 Data and Method**

#### *4.3.1 The Housing Demand Surveys*

The data used in this study are derived from six of the Netherlands Housing Demand Surveys, conducted approximately every four years by Statistics Netherlands and Netherlands Ministry of Housing, Spatial Planning, and the Environment (*Woning Behoeft Onderzoeken* 1981; 1985-86; 1989-90; 1994, 1998 and 2002). The samples are representative of the Netherlands population aged 18 and over and not living in an institution. Both individual and household characteristics are included in the datasets. The respondent is considered the reference person for the household. The Housing Demand Surveys are cross-sectional datasets that jointly provide large numbers of cases over a total research period of more than two decades. What makes the Housing Demand Survey particularly suitable for this study is the data on the most recent residential move in the four years preceding the interview, or two years for the data from 2002. The motives for moving, information about the previous tenure, geographic location of the residences, and the household and housing situation are all available.

#### *4.3.2 Measurements*

The measurement of motives for moving was not always consistent in the different Housing Demand Surveys. Over time, the questionnaires have featured more categories from which the respondents can choose as the best answer representing the most important motive for their most recent move. As a consequence, motives for moving have been measured more accurately over time, capturing more diverse motives for relocating within separate answer categories. Details over time have mostly been gained in motives for moving relating to housing and neighbourhood characteristics. The structure of the questions relating to motives for residential relocations also differed slightly over time. In the datasets of the 1980s and early 1990s, questions addressing motives for moving targeted the most important motive for moving directly, whereas in the Housing Demand Surveys of 1998 and 2002 an inventory was first made of the reasons related to the latest

Table 4.1. Variable summary statistics and definitions

	Moving homeowners, all classified motives			Moving homeowners, selected motives		
	Mean	SD	Range	Mean	SD	Range
<i>Whether moved to a rented home (rent=1)</i>	0.27			0.42		0, 1
<i>Motives for moving from owner-occupied home</i>						
Marriage or cohabitation	0.06		0, 1			
Divorce or separation	0.06		0, 1			
Labour career	0.12		0, 1			
Ageing and health	0.18		0, 1			
Housing characteristics	0.43		0, 1			
Neighbourhood characteristics	0.16		0, 1			
<i>Motive for moving with household composition and gender</i>						
Couple, moved for work				0.40		0, 1
Single, moved for work				0.02		0, 1
Female single, moved for divorce				0.10		0, 1
Male single, moved for divorce				0.05		0, 1
Couple, moved for marriage/ cohabitation				0.16		0, 1
Couple, moved for ageing/ health				0.22		0, 1
Female single, moved for ageing/ health				0.05		0, 1
Male single, moved for ageing/ health				0.01		0, 1
Children in household				0.52		0, 1
<i>Female</i>						
<i>Age</i>				46.02	15.59	18-88
<i>Level of education</i>						
Primary				0.17		0, 1
Secondary				0.56		0, 1
Tertiary				0.28		0, 1
<i>Household income (1998€10,000s)</i>				2.67	1.64	0.0- 14.59
<i>Period of observation</i>						
1980-1981				0.15		0, 1
1984-1985				0.15		0, 1
1988-1989				0.15		0, 1
1993-1994				0.20		0, 1
1997-1998				0.16		0, 1
2001-2002				0.20		0, 1
<i>Degree of urbanisation</i>						
Very urban				0.11		0, 1
Urban				0.21		0, 1
Moderately urban				0.25		0, 1
Moderately rural				0.21		0, 1
Rural				0.16		0, 1
Very rural				0.07		0, 1
<i>Percentage owner-occupied homes in municipality</i>				58.2	12.3	18.3- 84.0
<i>Value of owner-occupied home in housing market area (in 1998€)</i>				57.46	13.58	7.50- 84.00
<i>Moving distance (for those who have moved; measured in kilometres)</i>				28.20	45.78	0- 279.88
Number of respondents	12,607			2,256		

Source: Housing Demand Surveys, 1981-2002 and ABF Real Estate Monitor 2002

move after which the respondents identified the most important motive for moving. This approach may lead to more accurate evaluation before singling out the most important motive for the last move, but whether this was actually the case is not clear. To make the data recorded in the different research periods comparable, new and fewer categories were designed in such a way that more detailed descriptions would fit as well as possible into the categories. The result was the following categories of motives for relocating: marriage or cohabitation, divorce or separation, ageing or health, labour career, housing characteristics, neighbourhood characteristics, and 'other' motives for moving. The last named were eliminated from the analyses because they were highly diverse and were mentioned only rarely.

Table 4.1 presents a summary of the statistics and definitions of the variables used. The first series of frequencies relates to all homeowners moving except those with motives that could not be classified, while the second series relates to all homeowners who move for motives for relocating selected for the multivariate analysis (see section on Multivariate methods).

All the variables, including household characteristics, were measured at the time of interview — that is, after the move. It can be assumed that the housing tenure was decided within this (new) household context. The percentage of owner-occupied homes in the municipality (ABF real estate monitor, 2002) and the mean price of owner-occupied homes in the housing market area (Housing Demand Survey, 2002) were all measured in 2002. It was assumed that municipalities with many owner-occupied homes in 2002 were similarly characterised in the other periods under observation and that relatively expensive areas in 2002 were expensive in all periods.

#### *4.3.3 Descriptive method*

The descriptive results consist of bivariate analyses of the motives for moving from an owner-occupied home. The descriptive analyses were restricted to respondents whose former residence was an owner-occupied, independent dwelling. Respondents who previously lived or were living in institutional homes, (hotel) rooms, and dwellings such as houseboats, mobile homes, and temporary constructions were excluded from the analyses. People still living or having previously lived with their parents were also excluded, because their (former) housing tenure was in fact their parents'. Households with incomes higher than €150,000 were also excluded from the analyses, to prevent outliers from influencing the regression coefficients. Of all homeowners with these characteristics (149,292) in the Housing Demand Surveys, 7.3 percent (10,904) had moved within two years before the moment of interview. For the Housing Demand Survey of 2002, only moves up to two years before the moment of interview were available. The descriptive analyses referred to all previous moves recorded in the data; where available, those more than two years before the interview were also included. Homeowners moving for motives that could not be classified were excluded from the analyses. The combined dataset contains 12,609 selected homeowners who had moved for the selected motives ( $N_{1981}=1,773$ ;  $N_{1985-86}=1,285$ ;  $N_{1989-90}=1,951$ ;  $N_{1994}=2,559$ ;  $N_{1998}=2,614$ ;  $N_{2002}=2,427$ ). Of these, 26.6 percent (3,353) had moved to a rented home.

#### 4.3.4 *Multivariate method*

Logistic regression analysis is necessary to assess whether the differences in the probabilities for moving to rented homes for various motives for moving can still be discerned after controlling for other personal and household characteristics. The analyses model the probability of having a rented home as a destination among owner-occupiers who had moved in the two years before the moment of interview. Only moves and tenure outcomes in that period were analysed, because of the differences in retrospective observation periods between the Housing Demand Survey of 2002 (two years) and all other Housing Demand Surveys (four years). The dependent variable describes whether the tenure-decision outcome of those moving from owner-occupied homes was an owner-occupied (0) or a rented home (1). In contrast with the descriptive analysis, homeowners who had moved for housing or neighbourhood characteristics were excluded from the multivariate analysis (see Theoretical Background;  $N_{\text{total}}=2,256$ ). List-wise deletion was applied for all missing values. According to Allison (2002), list-wise deletion of cases renders less biased parameters than the substitution of missing values by the average (Cohen & Cohen, 1975), which would lead to an overestimation of the parameters of the variables with the missing cases and an underestimation of all other parameters.

Since it was not known whether one model for the research period of roughly twenty years could be used without having to account for potential changes in the parameters over that period, separate logistic regression models were also run for every individual Housing Demand Survey. The parameters of most variables are fairly stable for the different periods regarding direction (-/+ ) and size. The parameters for motives for moving to a rented home combined with household composition and gender show larger differences between Housing Demand Surveys and even change direction. These parameters, however, are also particularly large and have large standard errors, indicating that there are too few cases for the analysis of motives for relocating from owner-occupied to rented homes with individual Housing Demand Surveys.

The degree of urbanisation, percentage of owner-occupied homes in the municipality, and the mean value of owner-occupied homes in the housing market area are very likely to be associated with each other. To avoid the risk of over-controlling for spatial characteristics, several multivariate models were estimated to show each parameter separately from that of other spatial attributes as well as in the same model. The observations of spatial characteristics (percentage of owner-occupied homes and mean price of owner-occupied homes) are not independent among respondents, but are clustered in different spatial entities: municipalities and housing market characteristics. The standard errors of the estimates for the effects may therefore be biased. To correct for this possible bias, analyses were also run while correcting for the clustering of respondents in housing market areas. These analyses did not yield any different results.

## 4.4 Results

### 4.4.1 *Descriptive results*

Among moving homeowners, the percentages moving to a rented home differ depending on the year of observation. While the percentages among all moving homeowners have varied between 22.0 (2001) and 33.3 (1984) percent, there have been few homeowners

who moved to a rented home within a year: between 0.7 (1980) and 1.5 (1997) percent (Housing Demand Surveys, 1981-2002).

Divorce or separation was the motive for relocating leading most often to a rented home during the entire observation period. Between 65.4 percent and 78.6 percent of owner-occupiers moving for this motive moved to a rented home (see Table 4.2). Among owner-occupiers moving to rent, divorce or separation seems to have been of increased importance in 1982-86 (15.3 per cent) and 2001-02 (22.1 per cent; see Figure 4.2). If the motive for moving is divorce or separation, the probability of moving to a rented home is considerable, but divorce or separation is not the motive that is most frequently mentioned for moving to a rented home (Figure 4.2).

High percentages of those relocating for ageing or health reasons also reported moving to a rented home (varying between 50.4 and 66.0; see Table 4.2). Although ageing or health was the motive for moving for only a minority of moving homeowners (10.2-17.0 per cent; see Figure 4.2), it has been the most common motive for moving among those moving from an owner-occupied to a rented home (25.7-36.8 per cent; see Figure 4.2).

A striking finding is that, among moves brought about by motives for moving relating to marriage or cohabitation, higher percentages of moves to rented homes were found (24.9-43.4) than among moves for motives for relocating relating to the labour career (14.3-24.2; Table 4.2). It should be borne in mind that only a small minority, between 3.4 and 7.0 percent of moving homeowners and between 4.2 and 10.8 percent of homeowners moving to rent mentioned marriage or cohabitation as their motive for moving (Figure 4.2). The labour career was associated with a motive for moving relatively often by those moving to a rented home (11.4-28.2 per cent; see Figure 4.2).

Not surprisingly, motives for moving relating to housing and neighbourhood characteristics have not often led to moves to rented homes (Table 4.2). These motives for moving may reflect a desire for more space, a better housing quality or a better neighbourhood. An owner-occupied home is therefore a much more likely tenure outcome.

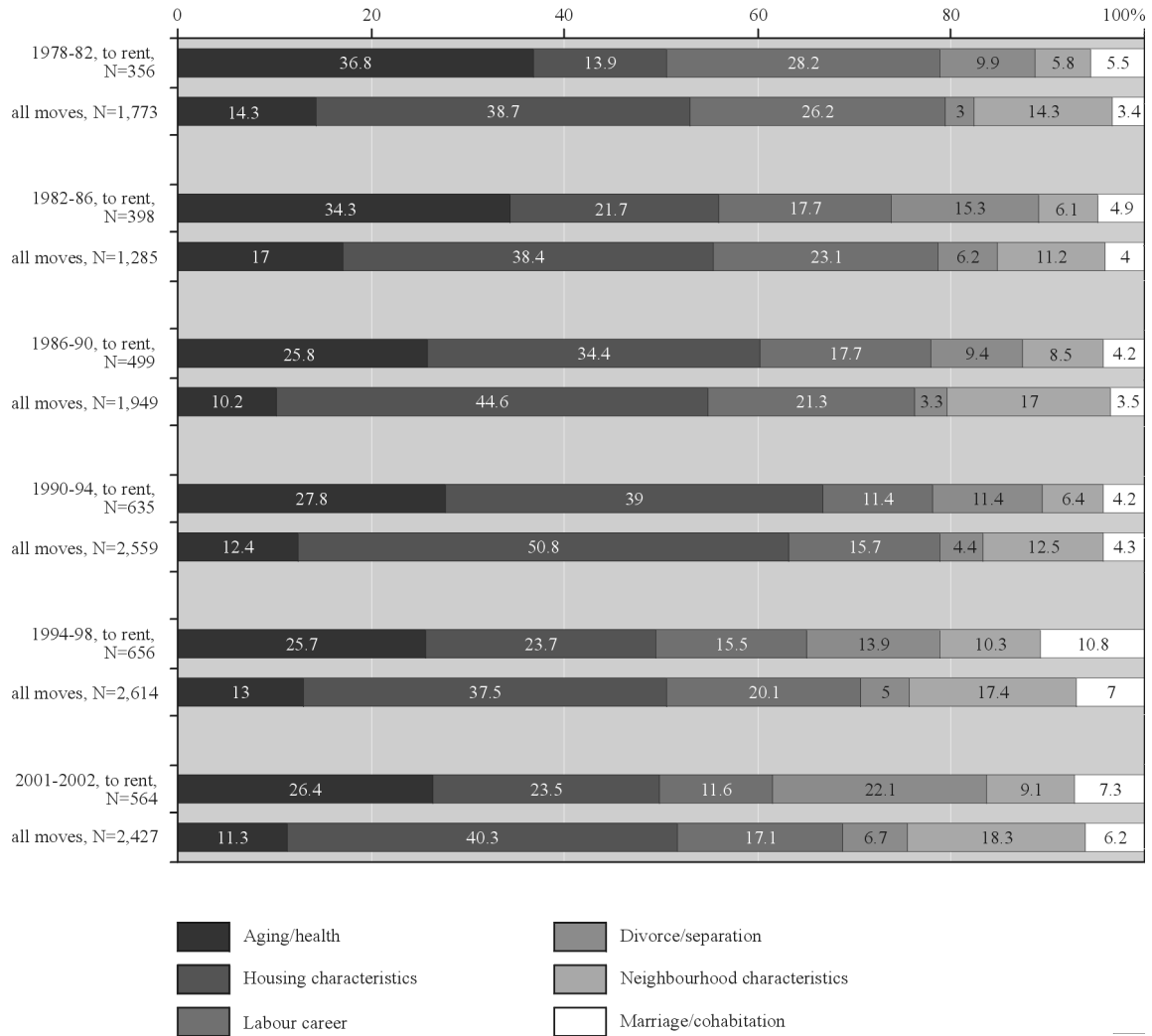
Table 4.2. Percentage moving to rented homes of all moving homeowners by motive for moving

	1978	N	1982	N	1986	N	1990	N	1994	N	2001	N
	-82		-86		-90		-94		-98		-02	
Divorce/ separation	68.6	46	77.4	74	74.1	57	65.4	95	78.6	112	70.2	203
Ageing/ health	53.9	243	63.4	217	66.0	192	56.6	313	56.5	343	50.4	231
Marriage/ cohabitation	30.2	60	41.2	52	29.5	65	24.9	105	43.4	157	25.1	198
Labour career	22.6	478	24.2	295	21.7	431	18.3	416	21.8	535	14.3	371
Housing characteristics	7.6	689	17.6	502	20.7	869	19.4	1306	17.9	1013	12.5	954
Neighbourhood characteristics	8.1	251	16.9	145	13.1	337	12.9	322	16.7	454	11.0	417
All motives	24.8		33.3		26.5		25.4		28.8		22.0	
N <sub>moving homeowners</sub>		1,767		1,285		1,951		2,557		2,614		2,347
N <sub>moving to rent</sub>	356		398		499		635		656		564	

Source: Housing Demand Surveys 1981-2002



Figure 4.2. Share of motives for relocating among homeowners moving to a rented home and among moving homeowners



Source: Housing Demand Surveys 1981-2002

The descriptive results have provided a general impression of what motives for moving lead homeowners to move to rented homes. The results regarding the motives for relocating were not all straightforward. To obtain a better idea of the way in which motives for moving influence the probability of moving to a rented home, it was necessary to analyse the motives for moving to a rented home while controlling for individual and household characteristics.

#### 4.4.2 Multivariate results

The multivariate results consist of three logistic regression models of housing tenure outcome (Table 4.3). Corresponding with the descriptive results, divorce or separation incurs the highest probability of a rented tenure outcome, as becomes obvious from the

Table 4.3. Logistic regression analysis of housing tenure outcome (0=owner-occupied, 1=rented) for households moving from an owner-occupied home motivated by union formation, household dissolution, motives for moving related to the labour career, or ageing or health

	Model I			Model II			Model III		
	B	Sig.	S.E.	B	Sig.	S.E.	B	Sig.	S.E.
<i>Household composition with motive for moving (ref=couples moved for work)</i>									
One-person households moved for work	0.636	*	0.363	0.611	*	0.363	0.612	*	0.363
One-person households moved for divorce/ separation female	2.151	***	0.221	2.241	***	0.222	2.193	***	0.222
One-person households moved for divorce/ separation male	1.821	***	0.265	1.818	***	0.265	1.815	***	0.266
Couple moved for marriage/ cohabitation	0.122		0.178	0.119		0.178	0.110		0.179
Couple moved for ageing/ health	0.287		0.186	0.303	*	0.186	0.293		0.187
One-person household moved for ageing/ health female	1.847	***	0.378	1.850	***	0.378	1.855	***	0.379
One-person household moved for ageing/ health male	1.291	**	0.578	1.448	**	0.580	1.457	**	0.584
<i>Presence of children in household (after move)</i>	0.048		0.126	0.048		0.126	0.047		0.126
<i>Age</i>	-0.163	***	0.024	-0.158	***	0.024	-0.162	***	0.024
<i>Household income (1998€ 10,000s)</i>	0.002	***	0.000	0.002	***	0.000	0.002	***	0.000
<i>Level of education (ref. =primary)</i>	-0.302	***	0.046	-0.288	***	0.046	-0.294	***	0.046
Secondary	-0.584	***	0.152	-0.569	***	0.151	-0.569	***	0.152
Tertiary	-1.120	***	0.184	-1.114	***	0.183	-1.113	***	0.184
<i>Period of observation (ref. = 1980-81)</i>									
1984-85	0.316	*	0.183	0.291		0.183	0.292		0.184
1988-89	0.244		0.181	0.229		0.182	0.219		0.182
1993-94	0.131		0.174	0.082		0.174	0.087		0.175
1997-98	-0.359	*	0.183	-0.376	*	0.183	-0.410	**	0.184
2001-02	-0.412	**	0.198	-0.453	**	0.198	-0.454	**	0.199
<i>Moving distance</i>	0.000		0.001	0.000		0.001	0.000		0.001
<i>Degree of urbanisation (ref. = Very urban)</i>									
Urban	-0.097		0.196			0.196	0.169		0.220
Moderately urban	-0.573	***	0.194			0.194	-0.212		0.245
Moderately rural	-0.741	***	0.201			0.201	-0.313		0.285
Rural	-0.738	***	0.212			0.212	-0.308		0.307
Very rural	-0.761	***	0.260			0.260	-0.321		0.353
<i>Percentage of owner-occupied homes in municipality</i>									
Mean value of owner-occupied home in housing market area (2002€ 10,000s)	4.524	***	0.616	-0.024	***	0.004	-0.014	*	0.007
Constant				-0.040	***	0.013	-0.045	***	0.013
				6.268	***	0.730	5.852	***	0.717

Table 4.3. continued

	Model I	Model II	Model III
Initial -2 Log Likelihood	3065	3064	3064
Model -2 Log Likelihood	2359	2350	2345
Improvement	706; df=24; p=0.00	714; df=21; p=0.00	720; df=26; p=0.00
Nagelkerke R <sup>2</sup>	0.362	0.365	0.368
N=2,256			

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

Source: Housing Demand Surveys 1981-2002

large positive effects for both males and females (Model I, Table 4.3). Only the motive of ageing or health for one-person households does not appear to have a significantly smaller probability of moving to a rented home. Males and females appear to have a different probability of moving to a rented home, which was expected, but the difference has not been found to be significant. There may not in fact be a difference between the probabilities to move to a rented home by gender. Not finding a difference may also be the result of the limited number of males moving for divorce or separation (N=108), and thus limited statistical power. The motive of ageing or health incurs the second greatest probabilities of moving to a rented home, although couples moving for ageing or health have a significantly smaller probability than do singles moving for the same motive. A difference between males and females could not be discerned for the motive of ageing or health either. Not finding a difference may be the result of limitations in statistical power in this case as well; only 23 males were found to move for ageing or health. The third greatest probability of moving to a rented home appears to be incurred by marriage or cohabitation. Couples who move for their work have a significantly smaller probability of moving to a rented home than for other motives measured in this study except marriage or cohabitation and ageing or health for couples ( $p=0.123$ ) (Table 4.3, Model I). Couples moving for work are thus significantly less likely to move to a rented home than one-person households moving for work, as was expected.

A somewhat unexpected result is that the presence of children does not appear to be very important for the housing tenure outcome: the impact is small and insignificant. Even though the presence of children might be instrumental for women to retain the marital home in the case of a divorce, the results do not indicate an importance of the presence of children's influence for the housing tenure outcome in its own right.

Older people have a smaller probability of moving to a rented home than younger people do. According to the model estimation, from approximately 48 years of age onwards, however, a rented home becomes an increasingly probable housing tenure outcome. The expected additional effect of age, while controlling for the motive for relocating of ageing or health, is thus found.

The greater one's income is, the less likely is a move to a rented home. The level of education appears to have a similar effect: the higher the level of education, the less likely is a housing tenure decision in favour of a rented home.

The commonly assumed relationship between unfamiliarity with a new and distant local housing market (by proxy of moving distance) and moving to a rented home could not be identified. The effect found for moving distance was negligible and insignificant.

During the periods 1997-98 and 2001-02, the probability of moving to a rented home was significantly smaller than in 1980-81, as was expected. When controlling for the degree of urbanisation in Model I, 1984-85 appears to have been a period in which people moved to rented homes significantly more often than in 1980-81. However, no significantly different effect for 1984-85 was found when the value of owner-occupied homes was also accounted for (Model III).

All the spatial characteristics yield significant effects. Moving to a rented home appears to be less likely in rural environments than in urban environments (Model I). According to expectations, the higher the percentage of owner-occupied homes on the local housing market, the less likely is a move to a rented home (Model II). Additionally controlling for the degree of urbanisation (Model III) renders the effect of the percentage of owner-

occupied homes just barely insignificant ( $p=0.050$ ). In areas with higher house prices, the probability of opting for a rented home appears to be significantly smaller than in less expensive areas (Model II). High mean house prices do not seem to limit the choice options of movers to the extent of increasing the probability of moving to a rented home. This finding provides some evidence for the alternative hypothesis introduced in the Theoretical Background section: people moving within an area with high mean house prices often have considerable buying power.

The degree of urbanisation has smaller and insignificant effects after controlling for the percentage of owner-occupied homes in the municipality and the value of owner-occupied homes in the housing market area (Model III), indicating that the degree of urbanisation to a large extent represents the percentage of females that could not be discerned for the motive of ageing or health either. Our failure to find a difference may have been the result of limitations in statistical power in this case as well; only 23 males were found who moved for ageing or health. The third greatest probability of moving to a rented home appears to be marriage or cohabitation. Couples who move for their work have a significantly smaller probability of moving to a rented home than do those moving for other motives measured in this study except marriage or cohabitation and ageing or health for couples ( $p=0.123$ ) (Table 4.3, Model I). Couples moving for work are thus significantly less likely to move to a rented home than one-person households moving for work, as was expected.

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Older people have a smaller probability of moving to a rented home than younger people do. According to the model estimation, from approximately 48 years of age onwards, however, a rented home becomes an increasingly probable housing tenure outcome. The expected additional effect of age, while controlling for the motive for relocating of ageing or health, is thus found.

The higher one's income, the less likely is a move to a rented home. The level of education appears to have a similar effect: the higher the level of education, the less likely is the housing tenure decision to be in favour of a rented home.

The often-assumed relationship between unfamiliarity with a new and distant local housing market (by proxy of moving distance) and moving to a rented home could not be identified. A negligible, insignificant effect was found for moving distance.

During the periods 1997-98 and 2001-02, the probability of moving to a rented home was significantly smaller than in 1980-81, as was expected. When controlling for the degree of urbanisation in Model I, 1984-85 appears to have been a period in which people moved to rented homes significantly more than in 1980-81. However, no significantly different effect for 1984-85 is found when the value of owner-occupied homes is also accounted for (Model III).

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for the degree of urbanisation (Model III) brings the effect of the percentage of owner-occupied homes just below the level of significance ( $p=0.050$ ). In areas with higher house prices the probability of opting for a rented home appears to be significantly smaller than in less expensive areas (Model II). High mean house prices do not seem to limit the choice options of movers as much as they increase the probability of moving to a rented home. This finding provides some evidence for the alternative hypothesis introduced in the Theoretic Background section: people moving within an area with high mean house prices often have considerable buying power. The degree of urbanisation has smaller and insignificant effects after controlling for the percentage of owner-occupied homes in the municipality and the value of owner-occupied homes in the housing market area (Model III), indicating that the degree of urbanisation to a large extent represents the percentage of owner-occupied homes and the value of owner-occupied homes. The opposite direction of the effect found for the value of owner-occupied homes indicates that the percentage of owner-occupied homes is a more important aspect of the degree of urbanisation than is the mean value of owner-occupied homes.

#### **4.5 Discussion**

This study addressed the motives that lead people to move to a rented home in the Netherlands, and the relative importance of those motives after accounting for individual and household characteristics, and temporal and spatial aspects. The main conclusion from the multivariate analyses must be that, while controlling for personal and household characteristics, divorce or separation incurs the greatest probability of homeowners moving to a rented home. This motive leads to significantly greater probabilities of moving to a rented home than all other motives for homeowners' moving except for singles moving for ageing or health. Remarkably, the majority (between 65 and 78 percent) of those moving for divorce or separation move to rented homes: in these cases, at least one of the partners moves. Divorce is thus likely to lead to at least one move from an owner-occupied to a rented home. Among homeowners moving for ageing or health, the majority also moves to a rented home (between 50 and 66 percent). No differences were found between men and women in the multivariate analysis. Limited statistical power may also have led to this result. Indications were found that the presence of children in the (new) household is less important for moving to a rented home (although a significant effect was not found) than the number of adults.

Motives for moving relating to the labour career have been found to lead to (temporary) moves to rented homes in some cases. People often move for job reasons over considerable distances. Unfamiliarity with the local housing market circumstances in the place of destination was more likely to lead to a rented home. This study found that moving for labour motives leads to a rented home in only 14 to 24 percent of the moves for this motive, far less than for divorce or separation and ageing or health. Moves to rented homes for job motives do not occur much more often than for motives relating to housing or neighbourhood characteristics.

In the multivariate analysis, an attempt was made to show the effect of unfamiliarity with new housing market circumstances with moving distance as a proxy. Moving distance may well be unimportant for the tenure outcome of moving homeowners. Alternatively, part of the reason for not finding an effect for moving distance may lie in the cross-

sectional nature of the data employed in this study. Because of the rare nature of such moves, the chance of observing transitions to rented homes are slim; long distance moves occur much less frequently than short distance moves and the small number of cases - and thus limited statistical power - still appears to be a problem, despite the large samples of the Housing Demand Surveys.

A drawback of the data is that the causes for moving from an owner-occupied to a rented home were not measured. Instead, the motives for moving were analysed in this paper. Analysing the motives rather than causes for potentially moving to a rented home means that the motives for moving are only measured for those who have already realised a move. It is therefore impossible to study the effects of life events such as divorce on moving to rent for all homeowners. A minor drawback of the Housing Demand Surveys is that they were not designed to be analysed together, and the categories in which motives for moving were recorded differ for the different Surveys. Ageing and health motives, for example, could not be successfully distinguished from one another, because they were recorded in the same category for some Housing Demand Surveys. Both the motive and the effect of age squared lead to a greater probability of moving to a rented home. Despite its drawbacks, the Housing Demand Surveys are a major advantage over previous studies of tenure transitions from owner-occupied to rented homes, since they yield greater statistical power than other datasets, allowing the analysis of the association between motives for moving and tenure outcomes in a much more detailed fashion than previously was the case.

The motives for relocating that create the context within which people decide on their tenure often represent situations in which people do not have an equal chance of improving their situation. One of the findings of this paper, the unchanged predominance of divorce as the motive for moving with the highest probability of moving from an owner-occupied to a rented home, is especially striking divorces has increased in the Netherlands. Between 1980 and 2001, the number of divorces rose from 25,735 to 37,104: from 7.5 to 10.5 per thousand couples (Statistics Netherlands, 2005). This may lead to increasing inequality on the housing market in the future a decrease in housing quality, a decrease in the quantity of housing consumed, and an interruption of building up equity from increased house prices.

The analyses presented in this paper provided evidence for the expectation that divorce or separation leads to many more moves from owner-occupied to rented homes than do other motives. In previous research, moves for divorce or separation have been studied without relating to other motives' effects on moving from owner-occupied to rented homes (for example Dieleman, 1995; Feijten, 2005a). Another notion that has been popular in the literature on residential relocations, with or without empirical support, is that moves for the labour career lead to many moves out of homeownership. The results reported in this paper indicate that the motives for moving that involve job changes lead significantly less often to moving from owner-occupied to rented homes than moving for divorce or separation, or ageing or health do. Moving for a job in fact just barely leads to more moves to rented homes than do the motives for moving incurred by housing or neighbourhood characteristics.

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## 5 Intergenerational transmission of homeownership: the roles of gifts and continuities in housing market characteristics

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***Abstract** Parental homeownership influences the younger generation's housing tenure through parental gifts and similarities in housing market circumstances (for example urban-rural differences), among other mechanisms. This paper contributes to the distinguishing of these mechanisms and their relative importance of these mechanisms, using the Netherlands Kinship Panel Study data and logistic regression analysis of housing tenure. Both gift giving and continuities in housing market characteristics appear to be important mechanisms underlying the intergenerational transmission of homeownership. After controlling for these mechanisms and other individual and parental characteristics, a strong effect of parents' housing tenure on children's housing tenure remains, which may be partly attributed to mechanisms such as socialisation.*

### 5.1 Introduction

The housing tenure (owning versus renting) of different generations of the same family often shows a high degree of similarity (Henretta, 1984; 1987; Mulder & Smits, 1999). Mulder & Smits (1999) denoted this similarity of housing tenure between generations as the *intergenerational transmission of homeownership*. Owner-occupied homes in the Netherlands are generally larger, of better quality (Mulder & Wagner, 1998), and situated in more salubrious neighbourhoods than rental homes are (Megolugbe & Linneman, 1993). They also provide better opportunities for building up capital assets (Saunders, 1990). Intergenerational transmission of homeownership is therefore an important way of reproducing social inequality over the generations.

The part parents play in their children's attaining homeownership can take different forms. An important form consists of financial contributions, either specifically earmarked towards housing or not, which are more easily affordable to home owning parents. Nowadays parental gifts may be particularly important for the younger generation's housing tenure in the Netherlands. The reason is twofold. First, the population of new homeowners is younger (Feijten & Mulder, 2002; Mulder & Wagner, 1998; Helderma et al., 2004). Second, the prices of owner-occupied homes doubled in the last two decades of the 20<sup>th</sup> century (Boelhouwer, 2000), and are continuing to rise. Buying a home is a particularly large expenditure in the early adult life cycle stage, when consumption needs generally rise more quickly than income. The decreasing age of the population of new homeowners in the Netherlands combined with the high prices of owner-occupied homes might lead homeowners to depend on their parents' resources to a greater extent. This increasing importance of parental support may exacerbate the current

patterns of inequality (Henretta, 1984; Jenkins & Maynard, 1983; Semyonov & Lewin-Epstein, 2000).

The intergenerational transmission of homeownership through gift giving represents a deliberate action by the parents. However, the intergenerational transmission of homeownership may also reflect coincidence: parental homeownership is important for their offspring's housing tenure not only through gift giving, but may also be linked to their children's housing tenure by similarities in housing market conditions. People often live in close proximity of their parents' residential location, either by choice, or because residential relocations mostly take place over short distances while people with children of middle age and older hardly move. If people live in the vicinity of their parents, they have to deal with the same housing market conditions in which either the rental or the owner-occupied sector prevails (Henretta, 1987; Mulder & Smits, 1999). Particularly within the most urban and most rural environments in the Netherlands, there is limited variation in housing tenure within a short distance.

Whether intergenerational transmission of homeownership takes place through gift giving or through similarities in housing market conditions makes a great difference for transmission in the future. If gifts are the most important, an increase in transmission might be expected, and inequalities on the housing market might be exacerbated. If similarities in housing market conditions are the most important, transmission may decrease: through time and with educational expansion, children have become less likely to live close to their parents (compare Mulder & Kalmijn, 2004).

In previous research, several attempts have been made to unravel the various mechanisms underlying the intergenerational transmission of homeownership (for example, Henretta, 1984, 1987; Kurz, 2004). These attempts were only partially successful, however, because there were insufficient direct measurements of the different mechanisms of intergenerational transmission of housing tenure available in the datasets. Previous work has not addressed the relationship between the attainment of homeownership and the proximity to home-owning parents, indicating that they operate in the same housing market. The study reported in this paper, therefore, aims to unravel two mechanisms underlying the intergenerational transmission of homeownership: gift giving and similarities in housing market characteristics. In doing so, we aim to contribute to a better understanding of why different generations of the same family are similar with regard to housing tenure. The first wave of the Netherlands Kinship Panel Study is used. Compared with surveys used in previous research, this survey has only limited opportunities for retrospective longitudinal analysis. A great advantage of the data, however, is that it provides detailed information regarding housing tenure, parental gift giving and the residential locations of respondents and their parents. The method used is logistic regression analysis of whether or not someone owns a home.

## **5.2 Explaining the intergenerational transmission of homeownership**

Many of the social and economic characteristics of one generation are similar to those of the next. This similarity does not come about by chance, but because characteristics are passed from one generation to the next. This phenomenon is referred to as *intergenerational transmission*. Examples of characteristics that are transmitted are socioeconomic status (Blau & Duncan, 1967) and level of education (De Graaf &

Ganzeboom, 1993). For the transmission of housing tenure, a transmission mechanism with the active involvement of parents is gift giving. However, location choice relative to parents' location is also important for the attainment of homeownership. This mechanism does not require the active involvement of parents and so it harbours an element of chance. Housing market characteristics and similarities between generations deserve special attention because they determine the opportunity structure in which housing tenure is attained. It is also important to acknowledge that the transmission of housing tenure might be a side effect of the transmission of socioeconomic status and it might also be partially caused by socialisation towards homeownership.

### 5.2.1 Gift giving

Gift giving towards housing is a direct way for people to transmit homeownership to their children and is known to influence the transition to homeownership significantly (Davies Withers & Katz Reid, 2004). Gifts take the form of money transfers that are sometimes specifically earmarked as gifts towards buying a home. By giving a large sum of money to their adult children, parents may influence the timing of purchase, the quality of the home, and the mortgage duration (Engelhardt & Mayer, 1998; Guiso & Jappelli, 1999). Parents who are homeowners themselves can afford to give gifts towards their children's homeownership more easily than parents who are renters (Jenkins & Maynard, 1983; Mulder & Smits, 1999). Home owning parents of young adults have often accumulated equity in the form of homeownership, while their housing costs are low because either they already own their home outright or they are getting close to paying off their mortgage (Haffner, 2004). Equity from their homeownership and low housing costs provides parents with sufficient resources to be able to give gifts to their children. In the Netherlands nowadays, more parents of young adults are homeowners. In 1981, 43 percent of 49-65 year olds owned their homes, while by 2002 this percentage had grown to 60 percent (Statistics Netherlands, 1981-2002). On average, homeowners aged 49-65 have the most capital in housing; the lowest shares of their home values are mortgaged and they have the most equity (Table 5.1).

Table 5.1. Average values of owner-occupied homes and share of value tied up in mortgages by age in the Netherlands

Age	% of home-ownership	Average value of home	% outright owners (without mortgage)	Average outstanding mortgage	Equity (difference between home value and outstanding mortgage)	% of value of homes mortgaged
≤29	31.7	€181,842	1.5	€133,968	€47,874	73.7
30-49	61.3	€248,177	3.0	€126,059	€122,118	50.8
50-65	59.9	€275,901	14.3	€94,224	€181,677	34.2

Source: Statistics Netherlands, Housing Demand Survey 2002

The causal direction of the relationship between receiving a gift and the ownership of a home may not be straightforward. That is, the timing, and possibly even the occurrence, of parental gifts may be influenced by the interest expressed by the younger generation in purchasing a home or by the occurrence of an actual offer of a home on the market. If it were just the timing of the gift that was influenced in this way and not the occurrence, the processes of gift giving and the transition to homeownership would show the following

association. The assumption would be that a certain number of parents have put aside a sum of money to give to their children. They intend to give that sum at some point in time, but sooner if this child becomes a homeowner. At young ages, those children who already have become homeowners would already have received their gift, whereas those who were still renting would still be waiting for their gift. With increasing age, an increasing share of the children would either already have become homeowner and have received their gift on that occasion, or have received the gift without having become a homeowner. One would therefore expect gift giving to be particularly associated with homeownership at younger ages. Separate analyses for different age groups can be used to investigate whether this is the case. It is not possible, however, to investigate whether some parents deliberately withhold gifts from children who do not wish or intend to become homeowners.

### *5.2.2 Intergenerational continuities in housing market characteristics*

The housing tenure that can be attained depends considerably on the opportunity structure of the local housing market. In the Netherlands, children frequently live at short distances from their parents (Mulder & Kalmijn, 2004; see Results section for further details). The proximity of people's homes to their parents' residences implies that parents and their offspring are often operating in the same housing market (Henretta, 1987; Kurz, 2004; Mulder & Smits, 1999) and so they have to deal with the same housing market circumstances. It is therefore possible that the relationship between parents' and children's housing tenure is explained by characteristics of the local housing market.

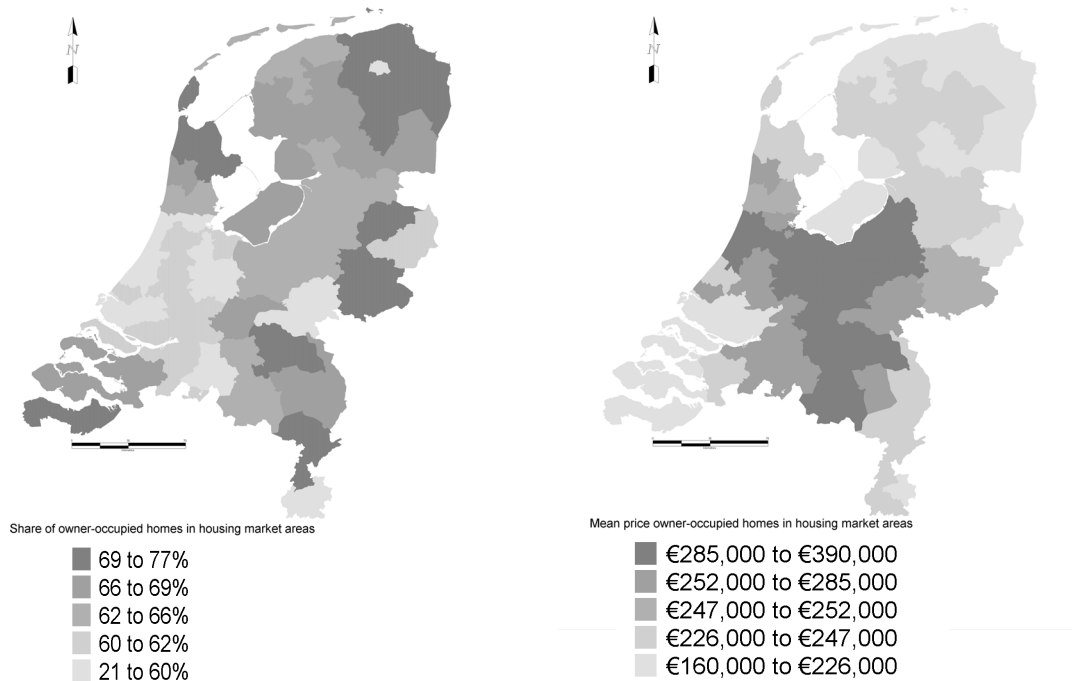
If there are not many owner-occupied homes in the local housing stock, the probability of owning a home can be expected to be smaller than if there are. Furthermore, the probability of owning a home is expected to be smaller if the prices of owner-occupied homes on the local housing market are high, because a higher income or more capital is required to purchase a home in such an area. Rents differ less between regions in the Netherlands, because of rent control. The differentiation in shares of owner-occupied homes in the local housing stock and in house prices is shown in Figure 5.1.

Rural areas are dominated by owner-occupied housing, whereas urban areas have more rental housing (Clark & Dieleman, 1996). House prices are higher in urban areas and the suburban and rural areas near cities (see also Figure 5.1b; the mid-western part of the Netherlands is the most urban). The degree of urbanisation is also associated with the turnover rate: the percentage of homes that changes occupiers within a certain period (Dieleman, 2001). The turnover rate is a lot higher for rental than for owner-occupied homes, which implies that, in urban areas, there are not only more rental homes, but they also become available at a higher rate. Not surprisingly, therefore, a negative association between the degree of urbanisation and the likelihood of becoming a homeowner has been found (Deurloo et al., 1990; Feijten, 2005; Mulder & Wagner, 1998).

Almost by definition, it will not be possible to account perfectly for local housing market characteristics and therefore for similarities between generations in these characteristics.

Remaining similarities are expected to be captured by the distance to parents: it is to be expected that the closer people live to their parents, the more similar their housing tenure will be. More specifically: if people live closer to home owning parents, the probability

Figure 5.1a and 5.1b. Shares of owner-occupied homes and mean prices of owner-occupied homes in the Netherlands housing market areas



Source: Statistics Netherlands, 2002

that they are also homeowners is greater. And similarly, if people live closer to renting parents, the probability of their renting is greater. When the residential locations of family generations are at a considerable distance, however, additional distance may not make much difference.

### 5.2.3 Other factors explaining the intergenerational transmission of homeownership

The intergenerational transmission of homeownership may partly be a side effect of the transmission of other parental characteristics. Socioeconomic status and the ability to accumulate capital tends to be transferred from one generation to the next, perhaps making it easier for the younger generation to purchase a home. The socioeconomic status of parents, parents' self-employment, and their level of education should therefore be taken into account.

Children are supposed to base their expectations concerning living standards on their parents' home situation (Henretta, 1984; Semyonov & Lewin-Epstein, 2000) and homeownership is part of this. Socialisation in the parental home might therefore make homeownership a natural goal for the children of homeowners. It is argued that people strive to reach at least the socioeconomic status of their parents (Easterlin, 1980; Henretta, 1984). If parents own the family home, their child is also likely to own a home

someday (Boehm & Schlotmann, 1999; 2001; Iasnaia & Magun, 1999; Mulder & Smits, 1999). This replication may be regarded as a passive socialisation process, operating through an expectation level based on the parents' achievements. Another part of socialisation towards homeownership may be active socialisation, in which case the parents may praise homeownership as a life goal and even show their children how to obtain a mortgage. The complex nature of socialisation explains why socialisation towards homeownership is so hard to measure. Socialisation towards homeownership has not been measured in previous studies, even though many authors (Henretta, 1984; Mulder & Smits, 1999; Kurz, 2004) refer to socialisation towards homeownership and recognise its likely influence in intergenerational transmission in homeownership. In our data, we do not have satisfactory indicators of socialisation towards homeownership either.

#### *5.2.4 Individual factors influencing homeownership*

To be able to study the mechanisms of intergenerational transmission of homeownership more accurately, individual factors determining housing tenure need to be accounted for. The respondent's age is an indicator for the stage in the life course. Young people are still shaping their occupational and household careers and generally have shorter employment histories, which makes obtaining a mortgage and thus becoming a homeowner harder. And, the older people are, the more time they have had to attain homeownership. But younger generations have better chances of being a homeowner because owner-occupied homes have grown spectacularly in number since the Second World War. The effect of age might thus be non-linear.

Gender is also of importance. Women are less likely to be homeowners than men are (Boehm & Schlotmann, 1999). Income expectations are somewhat lower for women than for men, possibly leading to greater difficulty in obtaining a mortgage.

Household income is important for being a homeowner because of the high out-of-pocket expenses in the first few years. Mortgage re-payments are initially higher than a monthly rent, although they usually remain at the same level while rents increase. Additionally, a substantial down payment is often necessary to obtain a mortgage. Because of the long-term nature of the financial commitment, the decision to strive for homeownership is often based on future expectations of income. These are partly based on the level of education. Therefore, regardless of income, respondents with a higher level of education are expected to be more likely to have attained homeownership.

Generally, people do not enter into homeownership before they have formed a stable household (Clark & Dieleman, 1996; Mulder & Wagner, 1998; Feijten, 2005). People with children are more likely to have settled down than people without children, especially one-person households. People with children might be more open to the long-term commitment that homeownership represents. In general, owner-occupied homes are often larger and so more suitable for families than rental homes are. One-person households are also less likely to be homeowners because they cannot benefit by pooling resources as couples can (Mulder & Smits, 1999).



### 5.3 Data and Methods

The data used in this study is the main sample of the first wave of the Netherlands Kinship Panel Study (Dykstra et al., 2004; see also [www.nkps.nl](http://www.nkps.nl); N=8,155; response rate 42.2 per cent). The migrant sample (an oversampling of migrants) and the substitute sample (consisting of respondents who refused a face-to-face interview but filled out a shorter written questionnaire) were excluded because of incomplete information. Because only the first wave of the panel study is available, the data is in fact cross-sectional. The dataset is representative of individuals in the Netherlands between the ages of 18 and 79 living in private households: that is to say, not in an institution. The purpose of this survey is to gain insight into the complex nature of contemporary family relationships. The data used was collected from the main respondent (*anchor*) through computer assisted personal interviews. The measurement of the variables was most detailed at the individual level, but some household characteristics were also available.

A disadvantage of the data is the limited availability of retrospective information. For example, it is not known whether parental gifts were given before or after the respondent became a homeowner. Furthermore, information about only one set of the parents of couples is available. The advantage of the spatial information of residential locations of several generations within the same family and the information on gift giving between generations, however, provides this data with an unprecedented advantage.

The selection of the data is limited to those respondents (N=4,917) who have moved out of their parental home, are not enrolled in education as their main activity, and have at least one parent still alive. This selection is necessary to ascertain that the respondent, not the parents, attained the housing tenure in question and to enable a precise measurement of the distance between the parents' and children's residences. Theoretically, the selection of those living away from the parents might be problematic if leaving the parental home would be related closely to first-time home-ownership and, therefore, to the younger generation's ability to buy a home. This is, however, not the case in The Netherlands. In 2001, the mean age for leaving the parental home for women was rather young: around 21 years old and for men around 23 years old (Statistics Netherlands, 2004). Only a small minority of those leaving the parental home move to an owner-occupied home immediately (Mulder, 2003). The limitation to those with living parents did not seem to influence the results: in models without distance to parents, including or excluding respondents whose parents were no longer alive led to similar results.

Housing tenure -the dependent variable- categorises respondents according to whether they are tenants or homeowners (renting: 33 per cent; owning: 67 per cent). The age of the respondent was measured in years. The level of education was categorised in three levels; up to primary level, secondary level (high school and/or lower vocational training), and tertiary level (higher vocational training or university).

Household income was the net annual income of the respondent plus, if present, that of the partner measured in thousands of euros. No selection for income was made because excluding outliers from the analyses (incomes over 150,000 euros) did not render different results. Household composition was classified in four categories; one-person households, couples without children, couples with children, and one-parent families.

The socioeconomic status of parents was measured using the International Socioeconomic Index (ISEI; Ganzeboom et al., 1992) at the time when the respondent was 15 years old. For both the socioeconomic status and the level of education of the

respondent's parents, the higher score of the two parents was used where the data for both parents was available. The same procedure was followed for the parents' self-employment: if either of the respondent's parents was self-employed at the time the respondent was 15, the parents were considered to be self-employed.

The parents' homeownership was measured retrospectively for the year in which the respondent was 15 years of age. In this way, the possibility is ruled out of including cases where the parents had moved into homeownership after their children had done so, or that children helped their parents move into homeownership rather than the other way around. Gifts are defined both as gifts earmarked for the purchase of a home (derived from the question 'did your parents ever give you money to buy a home') and as monetary gifts of at least €5,000.00 not earmarked for the purchase of a home (derived from the question 'Did your parents ever give you a sum of at least 5,000 euros or 10,000 guilders in one go?'; bequests were not measured). Gifts are measured as having taken place at some time up to the moment of interview.

The distance to the parents' residence was measured, in kilometres, at the time of interview. This moment of measurement is not the same as that for the parents' housing tenure (which was measured for the situation when the respondent was 15 years of age). However, because people with children more than 15 years old show little mobility, it is likely that the distance to the parents' current home forms a good approximation of the distance to the home the parents owned when the respondent was 15 years old. In the descriptive analysis, a boundary of 10 kilometres was used to distinguish those living close to their parents from the other respondents. This boundary was based on the empirical observation that about half of the respondents live within 10 kilometres of their parents' residence. Distance is used in the multivariate analysis in a logarithmic transformation, both as a main effect and in interaction with the parents' tenure. The logarithm was used because it could be expected that the impact of living close to parents decreases more rapidly for short distances to parents than for long distances, so there should be more emphasis on the variation in the lower values of distance. All distances from respondents to their parents between 0 and 1 were given the value 1 before the transformation. Furthermore, the mean log-distance was subtracted from the log-distance to make the reference category the mean rather than zero. This step makes interpretation easier because the main effect of parental homeownership now reads as the effect of parental homeownership for the mean distance to parents.

The main effect of distance should be interpreted as the distance effect for renting parents and is thus expected to be positive. The farther away the children live from renting parents, the greater is their likelihood of owning. The parameter for the interaction between distance and the parents' tenure indicates the additional effect of distance for those with home-owning parents compared with those whose parents rent. This parameter is expected to be negative and to more than offset the positive main effect of distance. The farther children live away from owning parents, the smaller their likelihood of owning will be.

The share of owner-occupied homes in the respondent's municipality was measured using data from Statistics Netherlands. An indicator was constructed for the mean price (in €10,000s) of an owner-occupied home in the housing market area, using the 2002 Housing Demand Survey (Statistics Netherlands, 2002). The degree of urbanisation distinguishes five levels of urbanisation based on the density of addresses of

municipalities: very strongly urbanised, strongly urbanised, moderately urbanised, hardly urbanised, and not urbanised. Descriptive statistics of the dependent and independent variables are given in Table 5.2.

Table 5.2. Summary statistics of dependent and independent variables

	Mean	SD	Range
<i>Homeownership</i>	0.65		0,1
<i>Age</i>	40.7	9.9	18-80
<i>Female</i>	0.60		0,1
<i>Household income (€ 1000s)</i>	2.40	2.34	0.00-98.61
<i>Level of education<sup>1)</sup></i>			
Primary	0.16		0,1
Secondary	0.45		0,1
Tertiary	0.39		0,1
<i>Household composition</i>			
One person household	0.24		0,1
Couple without children	0.16		0,1
Couple with children	0.55		0,1
One-parent household	0.06		0,1
<i>Highest socioeconomic status of both parents<sup>1)</sup></i>	48.5	15.8	16-88
<i>Level of education of parents (the higher if both present)<sup>1)</sup></i>			
Primary	0.58		0,1
Secondary	0.21		0,1
Tertiary	0.21		0,1
<i>Either parent's self-employment<sup>1)</sup></i>	0.25		0,1
<i>Homeownership of parents<sup>2)</sup></i>	0.44		0,1
<i>Received gift from parents towards homeownership or monetary<sup>2)</sup></i>	0.20		0,1
<i>Distance to parents' residence</i>	28.1	41.6	0-279
<i>Share owner-occupied homes in the municipality<sup>3)</sup></i>	54.1	14.8	18.3-83.3
<i>Mean price owner-occupied homes housing market area (€10,000s)<sup>3)</sup></i>	25.29	3.46	16.10-38.94
<i>Degree of urbanisation in the municipality</i>			
Very strongly urbanised area	0.20		0,1
Strongly urbanised area	0.29		0,1
Moderately urbanised area	0.20		0,1
Hardly urbanised area	0.20		0,1
Not urbanised area	0.11		0,1

Number of respondents = 4, 052

<sup>1)</sup>Measured retrospectively for situation at age 15 respondent

<sup>2)</sup>Measured as having occurred ever, up to moment of interview

Sources: Netherlands Kinship Panel Study, 2004; <sup>3)</sup>Statistics Netherlands, 2002

Five logistic regression models have been estimated. The first model includes the personal characteristics of the respondent (age, gender, level of education, household income, and household composition) and the homeownership of the parents. In four consecutive models, variables representing the socioeconomic characteristics of the parents (Model 2), gift giving (Model 3), the housing market characteristics (Model 4) and the distance to the parents (Model 5), are added to evaluate the contribution of each to the explanations of the intergenerational transmission of housing tenure. Model 1 was compared with the null model and each consecutive model was compared with the previous model. This approach makes it possible to unravel the effects of parental housing tenure on the respondent's housing tenure by monitoring the decrease in the

effect of parental homeownership, the magnitude of the newly included parameters, and the value of Nagelkerke R Squared of each model.

Missing values were deleted listwise. This led to the exclusion of 15.2 per cent of the cases, mainly due to partial non-response on household income and the distance to parents. Alternatively, we also estimated models in which for these variables the missing values were substituted by the average in the sample selection and a dummy was created to account for the average estimation (Cohen & Cohen, 1975; results not shown). The results of these models were not very different from those of the models shown. According to Allison (2002), listwise deletion of cases yields less biased parameter estimates than the method suggested by Cohen and Cohen (1975).

Parents may decide to give towards homeownership sooner if their children express their interest in purchasing a home. In that case, one would expect to find a stronger association between parental gift giving and housing tenure at younger than at older ages (see Second section). To investigate to what extent this occurs, separate logistic regression models of housing tenure were run for different age categories (not shown). As it turned out, the importance of parental gift giving was only slightly smaller for respondents more than forty years of age than for younger respondents.

## 5.4 Results

### 5.4.1 Descriptive results

Over 40 percent of the respondents grew up in a home their parents owned. Of the respondents who grew up in an owner-occupied home, 63 percent also lived in an owner-occupied home at the time of interview. Of the respondents who grew up in a rental home, only 26 percent had ever attained homeownership.

Of all the respondents, 8.8 percent had received gifts earmarked for home purchase and about 15.6 percent received non-specific gifts of at least €5,000.00. Altogether, 22.3 percent of respondents had received either a gift specifically for home purchase or a non-specific gift of at least €5,000.00. This latter percentage is similar to the share in the United States: there, a 21 percent occurrence of parental gifts was found (Mayer & Engelhardt, 1996). In Table 5.3 the percentages of parental gifts received are shown by the respondent's housing tenure. It is notable that most people, and even most homeowners, have not received a parental gift towards housing or otherwise.

Table 5.3. Occurrence of intergenerational gift giving by housing tenure of the respondent

Intergenerational gifts	Does not own home		Owns home	
	Column%	Row%	Column%	Row%
No gift	89.3	34.8	76.1	65.2
Gift towards homeownership	1.5	11.5	5.4	88.5
Monetary gift of at least €5,000.00	8.0	22.9	12.2	77.1
Both gift towards homeownership and monetary gift of at least €5,000.00	1.2	8.0	6.2	92.0
N=4,555				

Source: Netherlands Kinship Panel Study, 2004

The relationship between gifts towards homeownership and the housing tenure of the respondent is significant ( $p=0.00$ ), as is the relationship between intergenerational gifts towards housing plus money transfers over €5,000.00 ( $p=0.00$ ) and housing tenure.

Half the respondents live within 10 kilometres of their parents' residence. The average distance between respondents and their parents is 28 kilometres, varying between zero and 279 kilometres. A respondent who lives within 10 kilometres of the parental home and whose parents live in an owner-occupied home has a 79.1 percent probability of living in an owner-occupied home as well. If the distance exceeds 10 kilometres, the probability of the respondent living in an owner-occupied home drops to 67.5 per cent. If the respondent lives within 10 kilometres of parents who rent their home, the probability of the respondent being an owner-occupier is 60.2 percent. When the respondent lives more than 10 kilometres from renting parents, the probability of living in an owner-occupied home rises to 67 per cent. Distance to parents indeed seems to matter for housing tenure.

#### 5.4.2 *Multivariate results*

The first logistic regression model includes the personal characteristics of the respondent (age, gender, level of education, household income, and household composition), and the housing tenure of the parents when the respondent was 15 years of age (Table 5.4).

The older people are the more likely are they to live in an owner-occupied home. At an older age this association between age and homeownership is only slightly less strong (see small negative parameter for age squared). The effect of gender indicates that women have a smaller probability than men of becoming owner-occupiers. Results from a model including an interaction between gender and household composition (not shown) suggest that this is specifically true for one-person households and one-parent households. People with higher incomes have greater probabilities of becoming homeowners, as we expected. Also, the higher the level of education, the greater is the probability of living in an owner-occupied home. Couples, either with or without children, have a better chance of living in an owner-occupied home than one-person households do. Couples with children have by far the largest probability of living in an owner-occupied home.

One-parent households are not significantly different from one-person households. The expected positive effect of parental homeownership is found.

In Model 2, the socioeconomic characteristics of the parents are added. None of the parents' socioeconomic characteristics have a significant, independently identified effect, except the parents' level of education. Separate models including only one of the parents' socioeconomic characteristics rendered similar results, even if the respondent's household income was left out of the analysis. The effect of tertiary education of the parents is negative, suggesting that if the parents are highly educated, there is a smaller probability of their children living in an owner-occupied home. This finding cannot be explained easily. Compared with Model 1, the  $-2$  Log Likelihood measure drops by 12 ( $df=4$ ,  $p=0.00$ ), while the parameter of parents' housing tenure and *Nagelkerke*  $R^2$  hardly changes. The intergenerational transmission of socioeconomic status does not appear to offer an explanation for the intergenerational transmission of housing tenure.

In Model 3, the indicator for gift giving is added. The effect on homeownership of having received gifts is quite strong and significant. The  $-2$  log likelihood measure is reduced by

Table 5.4. Logistic regression analysis of respondents' housing tenure

	Model I			Model II			Model III			Model IV			Model V			
	B	S.E.	Sig.	B	S.E.	Sig.	B	S.E.	Sig.	B	S.E.	Sig.	B	S.E.	Sig.	
<i>Age of respondent</i>	0.133***	0.028	0.130***	0.028	0.122***	0.028	0.126	0.126	0.029	0.126	0.029	0.126	0.126	0.029	0.126	0.029
<i>Age squared</i>	-0.001***	0.000	-0.001***	0.000	-0.001***	0.000	-0.001	0.000	-0.001	0.000	0.000	-0.001	0.000	0.000	-0.001	0.000
<i>Gender of respondent (ref=male)</i>	-0.318***	0.080	-0.319***	0.081	-0.315***	0.081	-0.292	0.081	-0.292	0.081	0.083	-0.288	0.083	0.083	-0.288	0.083
<i>Household income of respondent (€ 1000s)</i>	0.219***	0.035	0.218***	0.035	0.207***	0.035	0.230	0.035	0.230	0.035	0.229	0.036	0.229	0.036	0.229	0.036
<i>Level of education (ref=Primary)</i>																
Secondary	0.662***	0.109	0.682***	0.112	0.664***	0.113	0.695	0.114	0.678	0.114	0.678	0.115	0.678	0.115	0.678	0.115
Tertiary	0.930***	0.121	1.006***	0.128	0.965***	0.130	1.116	0.133	1.105	0.133	1.105	0.136	1.105	0.136	1.105	0.136
<i>Household composition of respondent (ref=one person household)</i>																
Couple without children	0.846***	0.122	0.855***	0.123	0.880***	0.125	0.768	0.127	0.767	0.127	0.767	0.127	0.767	0.127	0.767	0.127
Couple with children	1.985***	0.100	1.979***	0.101	2.025***	0.103	1.786	0.106	1.789	0.106	1.789	0.107	1.789	0.107	1.789	0.107
One parent household	0.017	0.166	0.031	0.166	0.074	0.168	-0.053	0.173	-0.045	0.173	-0.045	0.173	-0.045	0.173	-0.045	0.173
<i>Homeownership of parents when respondent aged 15</i>	0.648***	0.081	0.638***	0.084	0.543***	0.086	0.419	0.088	0.325	0.088	0.325	0.094	0.325	0.094	0.325	0.094
<i>Higher socioeconomic status of both parents</i>																
<i>Level of education of parents (the higher if both present) (ref=Primary)</i>																
Secondary	0.030	0.105	0.023	0.105	0.023	0.106	0.026	0.107	0.016	0.107	0.016	0.108	0.016	0.108	0.016	0.108
Tertiary	-0.251**	0.121	-0.299**	0.121	-0.299**	0.122	-0.205	0.126	-0.200	0.126	-0.200	0.126	-0.200	0.126	-0.200	0.126
<i>Either parent's self-employment</i>	0.200**	0.094	0.139	0.094	0.139	0.095	0.129	0.097	0.133	0.097	0.133	0.098	0.133	0.098	0.133	0.098
<i>Received gift</i>																
<i>Degree of urbanisation (ref=Very strongly urbanised)</i>																
Strongly urbanised area																
Moderately urbanised area																
Hardly urbanised area																
Not urbanised area																
<i>Percentage of owner-occupied homes in the municipality</i>																
<i>Mean price of owner-occupied homes in housing market area (€10,000s)</i>																
<i>Log distance to parents' residence minus mean</i>																
<i>Homeownership of parents at age 15 * log distance to parents' residence minus mean</i>																
<i>Constant</i>	-5.022***	0.590	-4.921	0.600	-4.724	0.603	-5.705	0.695	-5.547	0.695	-5.547	0.699	-5.547	0.699	-5.547	0.699

Table 5.4. continued

	Model I	Model II	Model III	Model IV	Model V
Initial -2 Log Likelihood	6256				
Model -2 Log Likelihood	4147	4135	4065	3936	3927
Improvement <sup>a)</sup>	1084; df=10; p=0.00	12; df=4; p=0.00	70; df=1; p=0.00	129; df=6; p=0.00	9; df=2; p=0.00
Nagelkerke R Square	0.324	0.327	0.345	0.377	0.380
N=4,052					

\*= $p < 0.10$ ; \*\*= $p < 0.05$ ; \*\*\*= $p < 0.01$ .

<sup>a)</sup> Model I is compared to null model, models II to V are compared to previous model.

Sources: Netherlands Kinship Panel Study, 2004; Statistics Netherlands, 2002

70 ( $df=1$ ,  $p=0.00$ ). The parameter for parents' housing tenure changes from 0.638 to 0.543, indicating that the effect of parental homeownership found in Models 1 and 2 was partly caused by gifts from the parents. The *Nagelkerke R<sup>2</sup>* measure rises slightly from 0.327 to 0.345.

Model 4 includes the characteristics of the housing market in which the respondent operates, namely the share of owner-occupied homes in the municipality in which the respondent lives, the mean price of owner-occupied homes in the housing market area, and the degree of urbanisation in the municipality in which the respondent lives. The share of owner-occupied homes in the housing stock of the local housing market area has the expected positive effect.

The mean price of owner-occupied homes in the housing market area has a negative effect, indicating that it is more difficult to attain homeownership when purchasing a home is more expensive. The effects of the degree of urbanisation indicate that the probability of living in an owner-occupied home does not change significantly with the degree of urbanisation. This result does not conform with earlier findings (Deurloo et al., 1990; Feijten, 2005; Mulder & Wagner, 1998). The degree of urbanisation does, however, show a significant effect before controlling for the share of owner-occupied homes and the mean price of owner-occupied homes (not shown). This result might indicate that a degree-of-urbanisation effect may not be important for housing tenure in its own right, but might in fact reflect the composition of the housing stock and/or the price of owner-occupied housing. The  $-2$  log likelihood decreases by 129 ( $df=6$ ,  $p=0.00$ ) with the introduction of housing-market characteristics, suggesting that these characteristics are quite important in explaining homeownership. The parameter of parents' homeownership drops from 0.543 to 0.419; this suggests the intergenerational transmission of homeownership is partly explained by similarity in housing-market characteristics. *Nagelkerke R<sup>2</sup>* increases from 0.345 to 0.377.

In Model 5, the intergenerational similarity of housing markets not captured by our indicators of housing-market characteristics is accounted for by adding both the actual logarithm of the distance between residences as a continuous variable and the interaction effect between the logarithm of the distance and the housing tenure of the respondent's parents. The effect of distance itself shows the impact of the distance to renting parents. As expected, the farther away people live from their renting parents, the greater is the probability of their owning a home. The effect of the interaction is negative and more than offsets the main effect. This finding indicates that the farther away a person lives from home-owning parents, the smaller is the probability of living in an owner-occupied home.

So, the hypothesis regarding children having a greater probability of reaching the same housing tenure as their parents if they live nearby, and vice versa, is supported. By including the indicators for distance-to-parents in the model the  $-2$  log likelihood is brought down by 9 ( $df=2$ ,  $p=0.00$ ). The parameter for parents' housing tenure drops from 0.419 to 0.325, suggesting that proximity to parents in relation to their housing tenure is quite important. *Nagelkerke R<sup>2</sup>* rises from 0.377 to 0.380. This finding suggests that similarity in housing-market characteristics is not captured completely by the housing-market indicators in the model. Furthermore, it cannot be ruled out that part of the proximity effect is caused by a greater influence on tenure decisions of parents living nearby than of parents living further away.



## 5.5 Discussion

The aim of the study reported in this paper was to unravel the different mechanisms that operate in the intergenerational transmission of homeownership and show their relative importance. The mechanisms that were investigated were gift giving and the continuity of housing market characteristics over successive generations.

It was found that gift giving formed an important explanation of intergenerational transmission of homeownership. Intergenerational similarities in housing market characteristics, however, are at least as important. This finding is of importance because the role (in terms of the similarity) of housing market characteristics in intergenerational transmission of housing tenure offers a further explanation of the similarity of successive generations' housing tenure. The importance of housing market characteristics and distance to parents also sheds light on the deliberate versus the coincidental character of the mechanisms of intergenerational transmission of homeownership. Living near parents and thus dealing with the same local housing market characteristics does not involve a deliberate strategy to reach a certain housing tenure, but it does play a significant part in the intergenerational transmission of homeownership.

After controlling for parental and personal characteristics, gift giving, distance to the parents' home, and (the similarities of) housing market characteristics, there is still quite a strong effect of parents' housing tenure. This remaining effect might partly be attributed to imprecise measurements of the mechanisms. For example, parents' financial support might take the form of parents co-signing an offspring's mortgage, which is not measured in the data. Alternatively, other mechanisms than gifts or housing market circumstances may play a part. It is likely that one of these is socialisation towards homeownership. Measuring this socialisation process adequately would be a major contribution towards unravelling the process of intergenerational transmission of homeownership.

The data set used for this study was chosen because the precise residential locations of the respondents and their parents were available next to measurements of parental housing tenure and gift giving. It must be noted, however, that the cross-sectional rather than longitudinal character of the data -only the first wave of the Netherlands Kinship Panel Study is available to date- is a weakness.

Another shortcoming of the data is that information about only one set of parents of one of the adult members of the household is present. Even though the residential locations of the in-laws of the respondent are available in the data set, gift giving and housing tenure are not.

An interesting finding is that the degree of urbanisation, which has repeatedly been found to be associated with homeownership in previous studies (Deurloo et al., 1990; Feijten, 2005; Mulder & Wagner, 1998), does not show a significant effect for housing tenure after controlling for the tenure composition of the local housing stock and the prices of owner-occupied homes, while it does show a significant effect before controlling for those characteristics. This finding seems to imply that the degree of urbanisation represents the composition of the typical housing stock in urban versus less urban environments.

It is not easy to predict to what extent the findings are specific for the Netherlands. On the one hand, children might live closer to their parents in the Netherlands than in other countries, owing to the limited spatial scale of the country. Proximity to parents may therefore play a greater role in the intergenerational transmission of housing tenure. On

the other hand, the variety in housing tenure and price levels between housing market areas is also limited, so the residential locations of both parents and the younger generation might be less relevant to housing tenure in the Netherlands than in other countries.

The relative importance of financial support from parents might increase if younger people moved into homeownership and housing prices rose. Because parents increasingly own their homes, and homeownership equity provides them with a greater capacity to give to their children than renters, homeownership for the younger generation becomes more affordable with support from parents. This greater capacity of the better off to purchase homes may drive up the prices of owner-occupied houses, making homeownership even less attainable for people with renting parents. This effect would help reproduce inequality on the housing market in the future, because people who are not in a position to receive gifts from their parents would in that case be disadvantaged. At the same time, the importance of intergenerational similarity in housing market characteristics may become less important if people live further away from their parents in the course of time. Some indications that this might be the case were found by Mulder and Kalmijn (2004).

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## 6 Conclusion and discussion

### 6.1 Introduction

Homeowners have been shown to be much less likely to move than renters (Clark & Dieleman, 1996; Dieleman, 2001; Rossi, 1955; Speare et al., 1975; Van Leuvensteijn & Koning, 2000). Homeowners' moves are impeded by the long-term nature of the financial commitment that accompanies homeownership - in the form of a mortgage, among other things. To benefit fully from possible increases in home values, an owner-occupier has to stay put for a substantial time. This requirement is likely to contribute to homeowners' reluctance to move. The considerably higher costs involved in moving from an owner-occupied than moving from a rented home further increase the continuity of residential location among homeowners.

When a move has been decided upon, homeowners are likely to remain homeowners. The continuity of homeownership is sustained by the attractive features of homeownership, and the rising incomes and housing consumption needs throughout a large period of people's lives. Moreover, people who have previously been homeowners have often acquired sufficient equity to facilitate future home purchases. Such continuities in homeownership consolidate its impeding effect and possibly individual inflexibility to act upon housing or job opportunities, during individual life courses.

Continuity of homeownership may even span over to housing careers in the next generation. As home owning households mature, housing consumption needs level off, or may even decrease. Assets acquired from equity or otherwise are no longer mainly directed towards their own housing needs. Instead, the younger generation's housing may become a prioritised goal. Receiving certain personal characteristics that positively influence becoming a homeowner and perhaps gifts towards housing from parents may lead to a preferential bias for owner-occupied homes. Additionally, parents and children often live close to each other and have common housing market circumstances that may greatly influence the younger generation's housing tenure outcome. The intergenerational transmission of housing tenure may reinforce inequality on the housing market. The central question addressed in this book is: how are continuities of homeownership invoked and how persistent is the continuity of residence incurred by homeownership?

During the 1980s and 1990s, homeownership became more readily obtainable and more affordable in the Netherlands. This availability led to an increase of younger households among homeowners, often as yet without children, who are known to be relatively mobile households. The meaning of homeownership for residential relocations may also have changed, owing to the wider availability of owner-occupied homes. Owner-occupied homes are no longer automatically regarded as the end-destinations of housing careers. Economic fluctuations may also have a considerable effect on the readiness with which people may move, because of the perceived level of risk involved with such a move. In Chapters 2 and 3 of this book we assessed whether these three (possible) developments

may have affected the impeding effect of homeownership on residential mobility and migration in the Netherlands during the 1980s and 1990s. The research questions were: “Has the effect of homeownership on residential mobility changed, and if so, how?” (Chapter 2) and “to what extent has the effect of home ownership on migration changed? If it has not changed, what mechanisms have counterbalanced the effect of increasing homeownership?” (Chapter 3).

The focus in Chapter 4 of this book is the continuity of housing tenure — or continuity of homeownership. The motives for moving from owner-occupied to rented homes have been investigated. The research question was: “What motives for moving from owner-occupied to rented homes are discernable and what is their relative importance?”

Chapter 5 concentrated on the roles of parental gift giving and spatial proximity in the intergenerational transmission of homeownership. The research question was: “To what extent is the intergenerational continuity of housing tenure influenced by parental gifts, proximity to parents, and (joint) local housing market characteristics; and what is the relative importance of parental gifts with respect to the similarities in housing market characteristics?”

The chapters of this book were all independent studies, some of which have been previously published. This final chapter summarises the findings and integrates them in order to answer the main research question: *How are continuities of homeownership invoked and how persistent is the continuity of residence incurred by homeownership?* What follows is a discussion and reflection on the results.

## **6.2 Summary of findings**

### *6.2.1 The changing effect of homeownership on residential mobility in the Netherlands, 1980-98*

The widely acknowledged low level of residential mobility among homeowners and the spectacular growth of homeownership in the Netherlands gave rise to the question whether the level of residential mobility among homeowners has changed. Continuity of residence among homeowners may have led to inertness in the housing market and a decrease of access to appropriate housing, in particular for starters on the housing market who need low-cost housing. It was hypothesised that the rise of homeownership led to a smaller difference in the probability of residential mobility between homeowners and renters. This hypothesis was based on the increasing youth and mobility of individuals entering the owner-occupied segment, the possibly changed meaning of homeownership for individuals as a result of less exclusivity, and changes in the performance of the economy. The main conclusion drawn was that, in the Netherlands, with regard to residential mobility differences between homeowners and renters have indeed changed over time. These differences, however, were not linear and do not seem to be ascribable to changes in the composition of homeowners. Instead, the housing market crisis of the early 1980s and the sheer growth of homeownership itself seem to be the main factors at play. The difference between homeowners and renters was large in the early 1980s, probably owing to homeowners’ reluctance to sell for less than their outstanding mortgage. In 1998, the difference between homeowners and renters in the probability of moving was significantly smaller than in other years. A growth in homeownership

appears to have facilitated more moves between owner-occupied homes. Any further growth of homeownership in the future, however, implies that more households will be less interested in moving. Additional increases in the level of homeownership may thus indirectly contribute to further immobility and inertia on the housing market. With future boom and bust cycles on the housing market, the difference between owners and renters in residential mobility may well change again. Even at its lowest, the difference between renters and homeowners is still considerable. A further growth of homeownership may lead to problems associated with low residential mobility: housing may not be matched with searching households fast enough, leading to a problematic access to housing, especially for starters on the housing market.

### *6.2.2 Migration and home ownership*

Even though moving over longer distances (migration) is a different process from residential mobility, homeownership also has an impeding effect on migration. After people have formed independent households, migration is mainly undertaken for motives relating to the labour career (De Jong & Fawcett, 1981; Goetgeluk, 1997), and circumstances relating to the household's labour situation such as dual incomes and self-employment should thus be accounted for. An indifference of homeowners to migration may thus affect their freedom to benefit from individual opportunities to advance in their labour career. As in the study described in the second chapter, in the third chapter it was hypothesised that owners would overcome their reluctance to migrate as a result of three possible developments. First, the composition of homeowners has changed in the direction of younger and often childfree households. Second, the different meaning of homeownership for migration may have led to greater dynamics within the owner-occupied segment. And third, changes in economic growth are likely to have influenced the probability of migrating. It was found that there was no decrease in migration, even though the effect of homeownership on migration actually increased somewhat during the 1980s and 1990s. As in the case of residential mobility, the negative effect of homeownership was not compensated by a change in the composition of homeowners. The overall growth in migration during the research period, especially in 1997-98, is likely to have been brought about by economic growth and favourable housing market circumstances: both renters and owners migrated significantly more. The ongoing growth in the level of homeownership in the Netherlands nevertheless implies an increasing number of individuals who are less interested in, or less capable of, moving for the sake of finding a better job. This increasing inertness may be compensated by economic growth. In less favourable economic circumstances, this compensation may be lost. In unfavourable economic circumstances there may possibly be less individual flexibility to take better jobs or a greater reliance on daily mobility, with increased road congestion and environmental problems as a consequence.

### *6.2.3 Once a homeowner, always a homeowner? An analysis of moves out of owner-occupation*

The continuity of housing tenure may further increase individual spatial inflexibility to benefit from opportunities on the housing and labour markets. A move from an owner-occupied home to a rented home may lead to a decrease in housing quality and an interruption in building up equity from possible increases in house prices. These

implications contribute to inequality on the housing market. In the fourth chapter, four major causes for moving to a rented home were identified: a diminished housing budget; decreased housing needs; the urgency of a move; unfamiliarity with the place of destination. These factors were believed to influence the likeliness of moving to a rented home by the extent to which they were represented in the motive given for moving. It was hypothesised that divorce or separation would incur the greatest probability of moving to a rented home, because almost all possible causes for moving to a rented home are likely to be involved with such a motive for moving. The motives that were expected to be less likely to lead to moves from an owner-occupied to a rented home were expected to be ageing or health, job reasons, and marriage or cohabitation. The latter was considered the least likely to incur a move to a rented home. The main conclusion must be that, while controlling for personal and household characteristics, divorce or separation incurs the greatest probability of homeowners moving to a rented home. This motive leads to significantly greater probabilities of moving to a rented home than all other motives for moving homeowners except ageing or health (for singles) and job reasons (for one-person households). Ageing or health (for couples), marriage or cohabitation and job reasons (for couples) are the motives for relocating with smaller probabilities of moving to a rented home. The probability of homeowners moving to a rented home was lower in economically strong periods (1997-98 and 2001-02) than in the rest of the research period. It was found that, in rural areas, moving to a rented home is significantly less likely than in other areas, mostly as a result of the percentage of owner-occupied homes in the local housing stock. Furthermore, a larger mean value of owner-occupied homes in a housing market area is found to decrease the probability of moving to a rented home. Inequality on the housing market owing to disruptive life course events is thus most likely to occur in cities and in economically unfavourable periods.

#### *6.2.4 Intergenerational transmission of homeownership: the roles of gift giving and continuities in housing market characteristics*

Continuity of housing tenure goes beyond individual housing careers. Parents may influence their children in their tenure choice in several ways, for instance through transferring personal characteristics, by gift giving, and by socialisation. Among these parental influences on the younger generation's tenure choice, gift giving is the most straightforward. Intergenerational transmission of homeownership contributes to inequalities on the housing market in addition to an increased level of homeownership, with possible consequences for restricted individual spatial flexibility. Transfers of capital and benefits between generations of the same families multiplies existing inequalities, because only the parents who can afford to do so give to their children; they are often homeowners themselves. Research has previously concentrated on the role of gift giving, which was shown to be a very important mechanism of the intergenerational transmission of homeownership. Henretta (1987) has shown the importance of housing market characteristics, which has a somewhat unintended or coincidental outcome. In Chapter 5 of this book we addressed the hypothesis that an association between parents' and children's housing tenure is partly caused by the proximity of their residences and thus similar housing market circumstances. Gift giving was found to account for the intergenerational transmission of homeownership to an important extent.



Intergenerational similarities in housing market characteristics are, however, at least as important. This finding offers a further explanation of the similarity of successive generations' housing tenure. In times of rising housing prices, the relative importance of parental gift giving might increase. The greater capacity of the more prosperous to purchase homes may drive up the prices of owner-occupied houses, thereby making homeownership even less attainable for people whose parents rent their homes and exacerbating inequality on the housing market. Some indications for people living increasingly farther away from their parents were found by Mulder and Kalmijn (2004). If the distance between different generations of the same family continues to increase, the importance of intergenerational similarity in housing market characteristics may decrease.

### **6.3 Conclusion**

One of the issues addressed in this study is how the continuities of homeownership are invoked. They were identified on three different levels: continuity of the location of residence (Clark & Dieleman, 1996; Dieleman, 2001; Mulder, 1993; Rossi, 1955; Speare et al., 1975; Van Leuvensteijn & Koning, 2000); continuity of housing tenure; and continuity of housing tenure across generations within the same family. Different factors underlie each of these levels.

Evidence can be found in the literature on housing tenure that continuity of the location of residence is invoked by financial factors (Bartel, 1979; Davanzo, 1981; Fischer & Malmberg, 2001; Goldscheider, 1971, Van Ommeren & Van Leuvensteijn, 2003), the physical characteristics of owner-occupied homes generating residential satisfaction (Rossi, 1955), the types of household attracted by owner-occupied homes (Bogue, 1959; Feijten & Mulder, 2002; Mulder, 1993; Mulder & Wagner, 1998), and the emotional values owner-occupiers attach to their homes (Saunders, 1990).

The continuity of housing tenure seems to be invoked in part by rising incomes and increasing housing needs, which occur during the large part of a person's individual life course while household and labour careers are developing. Disinvesting in housing is rarely a preferred action on the housing market; leaving the owner-occupied segment of the housing market means an interruption in building up equity. Additionally, maintaining housing quality is an important motivation for people to move to another owner-occupied home when a moving decision has been made. Owner-occupied housing is often of better quality than rented homes are (Megbolugbe & Linneman, 1993). Leaving the owner-occupied segment of the housing market is often not necessary for homeowners, because equity from a previous home often facilitates the purchase of a new home. Causes for moving to a rented home may typically involve a decrease in the housing budget, changes in housing consumption needs, an urgent need to relocate, or unfamiliarity with housing market circumstances. These causes generate motives associated with moving to a rented home and probably lead to such a move. There are still relatively few people whose motives for moving lead to a move to a rented home. Continuity of homeownership within individual housing careers may thus consolidate the association between homeownership and residential relocations.

It was found in this study that the intergenerational transmission of homeownership is invoked by both direct and indirect mechanisms. Direct mechanisms include parental gift

giving. Parents who own their homes have often built up sufficient equity to be able to afford gifts towards their children's housing (Henretta, 1984; Mulder & Smits, 1999; Kurz, 2004; Davies Withers & Katz Reid, 2004). Transmission of such characteristics as socioeconomic status and level of education that increase people's abilities to obtain an owner-occupied home is also often found (De Graaf & Ganzeboom, 1993; Blau & Duncan, 1967), even though this study has shown that these factors are less important for the intergenerational transmission of homeownership than are parental gift giving and the similarity of the housing market characteristics of different generations of the same family. This study has indeed found that housing market characteristics and proximity to parents' location of residence is of considerable importance for the similarity of housing tenure between the generations. This unintended element plays a considerable part, providing a new explanation of the similarity of housing tenure between generations of the same family.

Besides the factors invoking the continuity of homeownership, in this study consideration is given to the persistency of the continuity of residence incurred by homeownership. Even though theoretically it could be argued that the changed composition of homeowners in the direction of more mobile households, a potentially changed meaning of homeownership as a decreasing factor in residential relocations, and economic growth may all compensate for the decreasing effect of homeownership on residential relocations, not all of these compensating mechanisms could be found to play a part. An increase among homeowners of such typically mobile households as singles and couples without children has been shown, but not to the extent the influence on the association between homeownership and residential relocations is significant for either residential mobility (short distance moves) or migration (long distance moves). A decreased effect of homeownership on residential mobility by sheer numbers and increasingly common nature cannot be ruled out, but does not seem to affect migration. In times of economic growth and favourable housing market circumstances, the differences between homeowners' and renters' residential relocations become slightly smaller. Both homeowners and renters appear to migrate more in favourable economic periods. Even during the most dynamic periods on the housing markets, however, the difference remains considerable, which may lead to diminished opportunities or less interest in benefiting from opportunities on the housing and labour markets for homeowners compared with renters.

#### *Specificity of results for the Netherlands*

For this study, some particular circumstances of the housing market required consideration. First, homeownership is more important as an impeding factor for residential relocations in Western Europe than elsewhere (Clark et al., 1984), but there are some variations even within Western Europe. Even though homeownership is generally known to impede residential relocations, in Great Britain, for example, renting social housing impedes migration to an even greater extent than home ownership does (Boyle, 1995). Renting social housing has much less effect in the Netherlands, where the association between tenure and residential relocation seems to be more straightforward. Second, tax incentives in the Netherlands, such as deductible mortgage interest rates, make owning a home more attractive than renting. Compared with many other Western countries, the level of homeownership in the Netherlands has historically been low,

probably accompanied by an unmet demand leaving room for an increase in the future. The typical circumstances on the Netherlands housing market imply that both the difference between homeowners and renters in moving behaviour and the growth of homeownership are larger than in many other countries. These characteristics make the Netherlands an intriguing arena for housing tenure and mobility studies. For other countries, studies may show less variance of residential relocations with time and smaller differences between owners and renters in their moving behaviour. The role of the proximity of parents and their adult children for their similarities in housing tenure may be more important in the Netherlands than in other countries, because of the relatively small size of the country. Then again, for the same reason of scale, the Netherlands housing market is less varied than in many other countries, which may make the location of residence less important than elsewhere.

#### **6.4 Data and methods**

The research questions focus on changes through time and also on the relatively rare transitions from owner-occupied to rented homes. The nature of these questions made it necessary to use datasets that were already available and which contained large sample sizes with a long observation period. To a large extent, the available datasets already had the information needed for this research.

The Housing Demands Surveys that were used in Chapters 2 to 4 of this book have a great advantage. They have a large sample size — hundreds of thousands of respondents in all the Housing Demand Surveys combined, including 194,000 homeowners — and so they provide great statistical power. The Housing Demand Surveys contain datasets that allowed this study to be carried out directly and effectively. The Housing Demand Surveys also have a number of disadvantages, however, which may to some extent have affected the results in this study. The Housing Demand Surveys provide few moments of data recording (five or six) during a twenty-year period. Changes through time are generally tested more directly, by constructing variables indicating changes through time such as the price of an owner-occupied home or a percentage of owner-occupied homes in a municipality at a certain moment, instead of using period effects. Constructing such variables was not feasible, however, because of the limited number of data points. Furthermore, the Housing Demand Surveys were not designed to be analysed together. They differ in methods of data collection, in the efforts undertaken to obtain a satisfactory response, and in the willingness to respond to surveys in general. These differences may have led to some problems with the period effects, which should therefore be interpreted with care. The differences in measurements between the different observation periods may be reflected in the descriptive results and in the period effects of the multivariate analyses reported in Chapters 2 to 4. There is no reason to mistrust the other factors or the interaction effects in the analyses. In Chapters 2 and 3, some variables were only measured at the time of interview (income, for example) while others were measured before the move. When a measurement was not available at the time of interview, a reasonable approximation was substituted in most cases. However, a change in income may possibly be a cause and part of the motive for moving (see also chapter 4). Unfortunately, not all Housing Demand Surveyed measured the moment of marriage or divorce. This deficiency was a disadvantage in Chapter 4. Motives for moving including

marriage or cohabitation and divorce or separation were available, however, and could be analysed. Even though the moment of marriage or divorce is still not exactly clear, at least it is known that the union formation or solution relates directly to the previous move.

The Netherlands Kinship Panel Study, used in Chapter 5, has some major advantages. Not only does the data contain many respondents (8,155); it also provides detailed spatial information about the residential location of the respondent and the respondent's parents, combined with information regarding parental gift giving. Nevertheless, the Netherlands Kinship Panel Study also has its shortcomings. Information on the present parental housing tenure, for example, was not to be had, although the housing tenure of the parents when the respondent was aged 15 was available. The moment of gift giving (whether earmarked for housing or not) was not measured. The association between parental gift giving and the purchase of a home for the first time is therefore fuzzy. Another drawback of the NKPS is that information is only available for one set of the household's parents. Furthermore, only one wave of the survey is available as yet, which limits the opportunities for longitudinal analysis.

There were a number of disadvantages in the choice of methods, which were to a large extent determined by the available data. While moves out of owner-occupation would typically be analysed with such methods as event history analysis, unfortunately the Housing Demand Surveys did not have sufficient retrospective information to allow such a technique to be applied. In its place, the Housing Demand Surveys provided a satisfactory number of cases and sufficient statistical power to allow the analysis of moves out of owner-occupation using cross-sectional techniques. Similarly, ideally the intergenerational transmission of homeownership would also have been studied using event history analysis. Many of the independent variables, however, had not been measured retrospectively in the Netherlands Kinship Panel Study, limiting the possibilities for event history analysis.

## **6.5 Discussion and reflection**

### *6.5.1 Societal implications*

The impeding effect of homeownership on residential relocation may have a negative influence on individual flexibility on the housing and labour markets, which may be regarded as a disadvantage of homeownership comparable with the risks of mortgage arrears and defaults that have received considerable attention (for example Doling & Ford, 1996; Forest & Murie, 1994; Lawson, 2003). The impedance on residential relocations incurred through homeownership is not addressed as often as are other potentially negative aspects of homeownership. In this study, indications of the individual inflexibility of homeowners to take advantage of opportunities on the housing and labour markets were provided that show that spatial inflexibility may also be positioned among the disadvantages of homeownership. In this respect, this book may be considered to have contributed to the body of literature on the risks involved with homeownership.

On the individual level, however, the lesser individual flexibility of homeowners compared with renters is not necessarily a problem. Probably inherent in the generally larger size, better quality, and better situation of owner-occupied homes, homeowners are

found to be more satisfied with their homes than renters are with theirs (Elsinga & Hoekstra, 2005), and are less likely to see the need to relocate. Homeowners seem therefore to be immobile to a large extent out of choice and through satisfaction with their current housing situation. Furthermore, people who opt for owner-occupied homes often have stable household situations, which would encourage them to accept a long-term commitment, especially if they have no reason to foresee another move in the near future. For many homeowners, continuity of residence may be exactly what they are looking for in order to settle down in a safe, personal environment. On the aggregate level, however, inertia on the housing markets may still threaten fair purchasing opportunities for all, especially starters.

If the meaning of homeownership were to be re-evaluated in the light of the findings from this study, the absence of a change in the association between homeownership and residential relocations caused by the changing composition of homeowners should be considered. An influx of young, childless households among homeowners has not apparently had the expected effect of decreasing the influence of homeownership on residential relocation. It has become evident in this study that homeowners still consist largely of couples raising a family or couples who are expecting to do so in the near future (Mulder, forthcoming), who are typically immobile households. Not many typically mobile households are interested in homeownership, probably because they expect to move in the near future for reasons of work or union formation. Young households are therefore likely to prefer rented homes from which moves are easier and less costly to undertake. There would seem to be a permanent need for rented homes for young households who foresee moving again soon, as put forward by Mulder and Helderma (2002).

#### *6.5.2 Future developments*

As yet, the changing composition of homeowners in the direction of younger and more mobile households does not appear to have influenced the impeding effect of homeownership on residential relocations. Government intervention is likely to shift to the support of starters, who are often young households (Netherlands Ministry of Housing, Spatial Planning and the Environment Council, 2004). Despite the fact that no effect of a somewhat changing composition of homeowners was found, it cannot be ruled out that the future composition of homeowners will shift more in the direction of young, childless households, possibly changing the effect of homeownership on residential relocations in spite of the lack of current evidence. Doucet (1991) has found some evidence for the association between economic growth and lower ages of first becoming a homeowner, using historical data from Canada. The composition of homeowners may thus also shift in the direction of younger households in economically favourable periods. No evidence has been found so far to indicate whether such prosperity may lead to increasingly mobile homeowners, however. It may be called in question whether the direction of Netherlands housing policy towards homeownership and younger households (Netherlands Ministry of Housing, Spatial Planning and the Environment, 2004) is an effective strategy to stimulate flows from cheaper to more expensive housing and from rented to owner-occupied homes to create fair opportunities on the housing market. Indications were found in this study that younger households may explicitly not be interested in homeownership and the associated (financial) commitments, because their

lives are still taking shape and another move in the near future is likely. If policy goals are oriented towards supporting the housing market position of young households, attention should also be paid to the rented segment of the housing market. Mulder and Helderma (2002) argue that a share of 30 percent of rented homes on the housing market is likely to remain necessary for housing the Dutch population in the near future. Many young adults in the Netherlands move into the – affordable – rented segment of the housing market when leaving the parental home. They do so at an increasingly younger age and increasingly more often alone, thereby raising the demand for rented homes (Mulder & Hooimeijer, 2002).

Young households who do opt for purchasing a home may increasingly favour non-traditional housing types. So far, owner-occupied homes have still largely consisted of single-family homes. These are geared towards families, and these households are typically less mobile. It is not clear whether the association between homeownership and residential relocations would be affected if the share of apartments among owner-occupied homes were to increase in the future.

With the ongoing growth in homeownership, it seems possible that the increased variety of options within the owner-occupied segment will feed an increased level of residential relocations within the owner-occupied segment of the housing market. Indications have been found in this study that, within the owner-occupied segment, more moves seem to occur as the segment grows. It seems unlikely, however, that growth in homeownership would lead to an equal level of homeowners and renters. Even after the spectacular growth of homeownership during the last decades of the 20<sup>th</sup> Century, the difference in mobility between homeowners and renters is still considerable, even in favourable economic periods characterised by high residential mobility rates for both homeowners and renters and the smallest differences between them. The persistent low mobility among homeowners suggests that policy geared towards stimulating homeownership is likely to have an adverse effect on another policy goal: limiting daily mobility.

The prevailing importance of divorce or separation and ageing or health as reasons for moving to rented homes indicates that a higher share of people may decide on such a move in the future. The level of divorce in the Netherlands has been increasing markedly, while people over 65 years of age make up an increasing share of the population in the Netherlands. Continuity of homeownership may be of less importance for consolidating the association between homeownership and residential relocations through increasing union dissolutions and the ageing of homeowners. Ageing in particular is an ongoing process of considerable scale in the Netherlands that creates a mismatch between the existent housing stock and a considerable share of the Netherlands population. Policy will have to address the problem of meeting the housing preferences of older people. Then again, older people will increasingly have been homeowners at some point in their housing career and are still often homeowners. Having equity in an owner-occupied home may positively influence their opportunities on the housing career in the future.

From several studies it has become obvious that gifts and inheritances are important in attaining homeownership. Parental gifts may become more important for the intergenerational transmission of homeownership in times of high house prices. In fact, parental gift giving may even drive up house prices, thereby exacerbating inequalities on the housing market. Homeownership may then become unaffordable for single-earner households and households who do not receive a parental gift; these would most likely be

the children of renting parents. It is as yet unclear how such developments will pan out in the future. Future developments also seem to indicate that children will live further away from their parents, so that the impact of similarities in housing market characteristics between parents and children may be of decreasing importance.

The concept of continuity has contributed to the unravelling of the factors that invoke continuities in homeownership with regard to residential location, housing tenure during individual housing careers, and housing tenure for different generations of the same family. This study has also shown that individual inflexibility among homeowners should not be ignored in future policy debates on stimulating homeownership and matching housing supply and demand more effectively. The continuing impeding effect of homeownership on residential relocations and daily mobility is a potentially negative aspect — a risk, even, that has so far been largely ignored in research. This study has also identified several remaining issues that may give direction to future research. It would be interesting to study the possible changes in the type of housing within the owner-occupied housing stock in the direction of apartments and the possible effect of homeownership on residential relocations. More retrospective information in future datasets such as future editions of the Housing Demand Surveys would facilitate a better understanding of the causes of housing tenure changes. Even though motives for moving are often measured adequately, still little is known about the circumstances under which people have made tenure choices. Information about becoming unemployed, changes in marital status, the level of income or changed health situations since moving is usually limited. The causes for older people to move to rented homes deserve particular attention. In an ageing society, it seems particularly relevant to know what their housing demands are. Many authors assert that socialization towards homeownership has a role in the intergenerational transmission of homeownership (Easterlin, 1980; Henretta, 1984; Kurz, 2004; Semyonov & Lewin-Epstein, 2000). To date, however, no proper measurement of socialization has been made. To do so would contribute greatly to research on the intergenerational transmission of homeownership.

This study has added to the body of literature on housing tenure and residential relocations by addressing changes through time in society, including the composition of homeowners, possible changes in the meaning of homeownership, and economic changes. As it turns out, changes in the composition of homeowners do not appear to have influenced the impeding effect of homeownership as yet. For residential mobility, an increased level of homeownership may have had some effect, but most of the variation in the differences between the probability of moving between homeowners and renters appears to be to the result of economic circumstances. This study has also contributed to research on tenure changes by identifying the relative importance of the various motives for moving from owner-occupied to rented homes, showing that divorce or separation and ageing or health are the most important. Third, this study has helped unravel the transfer of socioeconomic characteristics, parental gift giving, and parental proximity and housing market circumstances as mechanisms of intergenerational transmission of homeownership. This final contribution has revealed that housing market characteristics and geographical locations are (at least) as important for housing tenure outcomes as important as individual and family characteristics.

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## 7 Summary in Dutch; Continuïteit in eigenwoningbezit en verhuismobiliteit

### 7.1 Inleiding

Eigenwoningbezit prijkt hoog op de volkshuisvestingsagenda's van veel overheden in met name Westerse landen. Door eigenwoningbezit te steunen, dragen overheden bij aan een betere aansluiting tussen vraag en aanbod van woningen, wordt de kapitaalmarkt gestimuleerd en worden individuen gestimuleerd om eigen vermogen op te bouwen. Overheden richten zich op potentiële kopers van een eerste woning om doorstroming te bevorderen. Hierdoor worden kansen voor starters op de woningmarkt gecreëerd. In Nederland worden daarom subsidies voor het kopen van een woning verstrekt. Daarnaast is de hypotheekrente aftrekbaar. Zodoende heeft het volkshuisvestingsbeleid in Nederland bijgedragen aan een groei van het eigenwoningbezit in Nederland sinds de Tweede Wereldoorlog: van 28 procent in 1947 tot 54 procent in 2004 (Ministerie van Volkshuisvesting, Ruimtelijke Ordening en Milieubeheer, 2004).

Het kopen van een woning betekent voor velen een mijlpaal in het leven. Naast een financiële investering vertegenwoordigt eigenwoningbezit voor velen ook status, en is als zodanig van emotionele waarde (Saunders, 1990). Eigenwoningbezit geeft mensen in veel gevallen een gevoel van veiligheid, vrijheid en onafhankelijkheid. Koopwoningen zijn bovendien vaak groter en van betere kwaliteit dan huurwoningen.

Naast de vele voordelen die koopwoningen bieden zijn er ook nadelen. Er zijn financiële risico's verbonden aan het bezitten van een woning. Net als bij andere typen vastgoed kan van een woning in slechte economische tijden een de waarde dalen tot onder de aankoopprijs. Eigenaar-bewoners kunnen in dergelijke perioden een lager inkomen hebben. Dit kan mogelijk leiden tot achterstanden in hypotheekaflossingen of zelfs gedwongen verkoop (Doling & Ford, 1996; Forest & Murie, 1994; Lawson, 2003).

Eigenaar-bewoners verhuizen veel minder dan huurders. Eigenwoningbezit is in het verleden zelfs aangewezen als een van de belangrijkste voorspellende factoren van verhuismobiliteit (Rossi, 1955). De langdurige financiële verbintenis en de aanzienlijke verhuiskosten voor huiseigenaren leiden veelal tot een continuïteit van de woonlocatie. Niet-financiële factoren dragen hieraan bij. De keuze voor eigenwoningbezit hangt vaak samen met de voorkeur voor de continuïteit van een veilige, persoonlijke omgeving. Koopwoningen zijn bovendien vaker dan huurwoningen aangepast aan persoonlijke voorkeuren die een emotionele hechting aan de eigen woning versterkt (Saunders, 1990). Blau en Duncan (1967) hebben het belang van verhuismobiliteit aangetoond door te wijzen op de relatie tussen verhuismobiliteit en sociale mobiliteit. Als eigenwoningbezit van onverminderd belang is voor verhuismobiliteit, zal een sterke toename van eigenwoningbezit gevolgen hebben voor het toekomstige niveau van verhuismobiliteit in Nederland. Eigenaar-bewoners kunnen dan, op individueel niveau, mogelijk minder

profiteren van kansen op de woning- en arbeidsmarkt dan huurders. Een woningvoorraad voor huishoudens met lagere inkomens is nodig om te kunnen voldoen aan de vraag naar starterswoningen en eerlijke kansen op de woningmarkt. Verhuismobiliteit over korte afstand (verhuizen) is met name nodig om dergelijke kansen te creëren. Verhuismobiliteit over lange afstand (migreren) duidt op individuele flexibiliteit op de arbeidsmarkt.

Twee andere typen van continuïteit van eigenwoningbezit wijzen eveneens op de mogelijke samenhang tussen het toenemend eigenwoningbezit en een toenemende ruimtelijke inflexibiliteit: de continuïteit van eigenwoningbezit tijdens individuele wooncarrières en de intergenerationele continuïteit in eigenwoningbezit. Continuïteit in eigenwoningbezit houdt in dat individuen tijdens hun levensloop een geruime periode het belemmerende effect van eigenwoningbezit op verhuismobiliteit ervaren. Door stijgende inkomens en de stijgende behoeften aan woonruimte houdt de voorkeur voor koopwoningen tijdens een groot deel van de levensloop aan. Ouders van volwassen kinderen kunnen echter besluiten zich meer op de woonbehoefte van hun kinderen dan die van henzelf te richten. De generatieoverstijgende continuïteit van eigenwoningbezit betekent dat de impact van eigenwoningbezit op verhuismobiliteit tijdens een langere periode gedurende individuele levenslopen geldt. Met de hulp van ouders worden volwassen kinderen eerder in de levensloop eigenaar-bewoners.

Eigenwoningbezit staat al lange tijd en in verschillende ruimtelijke contexten bekend als een sterke factor in verhuismobiliteit. Toch is er weinig bekend over de effecten van mogelijke veranderingen of verschillende omstandigheden op de samenhang tussen eigenwoningbezit en verhuismobiliteit. De mechanismen die leiden tot de continuïteiten van eigenwoningbezit, bijvoorbeeld via sociaal-economische achtergronden en woningmarktkenmerken zijn deels ook nog onontgonnen terrein. De hoofdvraag die in dit onderzoek centraal gesteld werd is: *Wat veroorzaakt continuïteit in eigenwoningbezit en in welke mate leidt eigenwoningbezit tot een continuïteit in woonlocatie?*

## **7.2 Continuïteit in woonlocatie**

Een veelvoorkomende reden om te verhuizen is onvrede met de huidige woonsituatie. De woning kan als minder passend worden beschouwd tijdens vele momenten in het leven: bijvoorbeeld door gezinsuitbreiding (Rossi, 1955) of veranderingen in de arbeids- of opleidingscarrière (Mulder, 1993; Hooimeijer et al., 1994). Een groot deel van eigenaar-bewoners zijn weinig mobiele huishoudens. Ze zijn financieel gebonden aan de woning, en vaak ook in emotionele zin. Eigenaar-bewoners hebben vaak een partner en kinderen, en een vaste baan en inkomen. De verschillende parallelle carrières geven derhalve weinig aanleiding tot verhuizen. Jonge huishoudens die volop bezig zijn om hun diverse carrières vorm te geven zijn daarentegen meestal veel mobieler.

De mate waarin men sociaal (familie en vrienden) en economisch (werk en/of een bedrijf) gebonden is in de lokale omgeving is eveneens van belang voor verhuismobiliteit. Een eigen woning is een locatiespecifieke financiële investering op zich die mensen verankert op een bepaalde plaats wegens de onverplaatsbaarheid van vastgoed (Bartel, 1979; Davanzo, 1981; Fischer & Malmberg, 2001; Goldscheider, 1971). Een verhuizing kan een ruimtelijke verplaatsing van de potentiële dagelijkse activiteitenruimte (Wolpert, 1965, Hägerstrand, 1970) en dus tot op zekere hoogte een (gedeeltelijke) ontwrichting van de dagelijkse activiteitenpatronen betekenen. Dit maakt

verhuizen lastig en duur omdat financiële en sociale investeringen mogelijk ongedaan moeten worden gemaakt.

Met verhuizen uit een koopwoning zijn behalve verhuiskosten ook transactiekosten gemoeid (Van Leuvensteijn & Koning, 2003): makelaarskosten, overdrachtsbelasting, en eventueel boetes voor het beëindigen van de hypotheek. Ook kan het mogelijk zijn tijdelijk twee woningen aan te moeten houden. Dergelijke kosten gelden niet voor het verhuizen uit een huurwoning. Ook met extra inspanningen bij het verhuizen van een koopwoning moet rekening worden gehouden. Het vinden van een makelaar, het werven en ontvangen van potentiële kopers, en soms het ondernemen van meerdere verhuizingen als de woning verkocht is voor een nieuwe gevonden is zijn hiervan voorbeelden.

In een koopwoning worden vaak specifieke investeringen gedaan om de woning aan te passen aan persoonlijke voorkeuren. Zelfs als dergelijke investeringen kunnen worden terugverdiend kunnen deze leiden tot een geringere bereidheid tot verhuizen. Eigenaar-bewoners zijn vaak meer tevreden met hun woonsituatie dan huurders (Elsinga & Hoekstra, 2005). Als verhuizen wordt gezien als een economische afweging is het daarom vanzelfsprekender dat het besluit om te verhuizen vaker door huurders dan door eigenaar-bewoners wordt genomen.

### **7.3 Continuïteit in eigenwoningbezit**

Als een eigenaar-bewoner verhuist, is de kans groter dat naar een andere koopwoning wordt verhuisd vanwege de in het algemeen betere kwaliteit van koopwoningen vergeleken met die van huurwoningen. Ook zullen eigenaar-bewoners in veel gevallen overwaarde willen blijven opbouwen. De overwaarde van de vorige woning vergemakkelijkt een nieuwe aankoop.

Er zijn echter toch oorzaken aan te wijzen die tot een verhuizing van een koopwoning naar een huurwoning kunnen leiden. Deze zijn: een afname in het beschikbare budget voor huisvesting, een afname in behoefte aan woonruimte, verhuisingurgentie, onbekendheid met een nieuwe woningmarkt, overwaarde willen consumeren en een voorkeur voor een huurwoning. Verhuismotieven die samenhangen met dergelijke oorzaken om naar huur te verhuizen zijn bijvoorbeeld (echt)scheiding, op leeftijd raken of gezondheid, of veranderen van baan.

### **7.4 Intergenerationele continuïteit in eigenwoningbezit**

De continuïteit in eigenwoningbezit overstijgt zelfs de individuele wooncarrière tot die van verschillende generaties van dezelfde familie. De intergenerationele continuïteit van eigenwoningbezit betekent dat volwassen kinderen van eigenaar-bewoners vaak vroeger in hun leven eigenaar-bewoner worden dan kinderen van mensen die geen eigenaar-bewoners zijn. Op die manier zouden kinderen van eigenaar-bewoners ook een langere periode in hun levensloop hun woning bezitten en dus meer overwaarde op kunnen bouwen. Het opbouwen van meer overwaarde komt de individuele positie op de woningmarkt ten goede. Als jonge volwassenen in toenemende mate afhankelijk worden van ouderlijke giften kan intergenerationele overdracht ertoe leiden dat de verschillen tussen sociale klassen groter worden. Jonge eigenaar-bewoners die vroeger eigenaar-bewoners worden dan anders het geval was geweest zullen echter eveneens gedurende

een langere periode in hun leven worden belemmerd te verhuizen door eigenwoningbezit. Zij ondernemen dus mogelijk ook minder verhuizingen die kunnen helpen om kansen ter verbetering van de positie op de woning- en arbeidsmarkt te benutten. Vaak wordt de gelijkheid van eigendomssituatie van verschillende generaties van dezelfde familie toegeschreven aan ouderlijke giften (Henretta, 1984; Mulder & Smits, 1999; Kurz, 2004; Davies Withers & Katz Reid, 2004), de overdracht van individuele kenmerken als sociaal-economische status en opleidingsniveau (De Graaf & Ganzeboom, 1993; Blau & Duncan, 1967) en socialisatie (Easterlin, 1980; Henretta, 1984; Kurz, 2004; Semyonov & Lewin-Epstein, 2000). Henretta (1987) heeft bovendien laten zien dat woningmarktkenmerken intergenerationele overdracht van eigenwoningbezit beïnvloeden. Verschillende generaties van dezelfde families wonen vaak relatief dicht bij elkaar. Ze hebben dus te maken met dezelfde woningmarktkenmerken die van invloed zijn op de mogelijkheden om te huren of eigenaar-bewoner te zijn. De gelijkheid in woningmarktomstandigheden vergroot dus de kans dat verschillende generaties van dezelfde familie met een gelijke eigendomssituatie te maken hebben.

### **7.5 Te beantwoorden vragen**

In dit boek werden een aantal hiaten in de bestaande literatuur omtrent eigendomssituatie en verhuismobiliteit geïdentificeerd. Deze leiden tot vragen die dit boek heeft beoogd te beantwoorden.

1. Is het effect van eigenwoningbezit verhuizingen over korte afstand veranderd door de tijd, en zo ja op welke manier? (Hoofdstuk 2)
2. In welke mate is het effect van eigenwoningbezit op verhuizingen over lange afstand veranderd door de tijd? Zo nee, welke mechanismen hebben deze mogelijke ontwikkeling gecompenseerd? (Hoofdstuk 3)
3. Welke motieven voor verhuizingen van koopwoningen naar huurwoningen komen voor en wat is hun relatieve belang? (Hoofdstuk 4)

Voor het beantwoorden van bovenstaande vragen werden de WoningBehoeft-Onderzoeken van CBS en VROM (1981-2002) geanalyseerd met kwantitatieve (zowel beschrijvende als analytische) onderzoeksmethoden. De WoningBehoeft-Onderzoeken bieden gedetailleerde informatie over persoonlijke en huishoudenskenmerken, eigendomssituatie van de vorige en huidige woning, de recentste verhuizing die de betreffende respondent heeft meegemaakt, en enkele veranderingen in persoonlijke en huishoudensomstandigheden die met de verhuizing samenhangen.

4. In welke mate wordt de intergenerationele continuïteit van eigenwoningbezit beïnvloed door ouderlijke giften, nabijheid tot ouders en (gemeenschappelijke) woningmarktomstandigheden, en wat is het relatieve belang van ouderlijke giften vergeleken met overeenkomsten in woningmarktkenmerken? (Hoofdstuk 5)

Voor het beantwoorden van deze vraag is gebruik gemaakt van het Netherlands Kinship Panel Study (NKPS). Het NKPS bevat informatie over ouderlijke giften,

eigendomssituatie van de woning, sociaal-economische kenmerken en geografische locaties van de woonlocaties van verschillende generaties van dezelfde familie.

## **7.6 Bevindingen**

*Het veranderende effect van eigenwoningbezit op verhuizingen over korte afstand in Nederland, 1980-98*

In het tweede hoofdstuk van dit boek werd de hypothese geformuleerd dat de toename van eigenwoningbezit geleid heeft tot een verkleining van het verschil in verhuisgeneigdheid tussen kopers en huurders. Deze hypothese was gebaseerd op het toenemende aantal jonge, kinderloze huishoudens onder eigenaar-bewoners in de afgelopen jaren, een mogelijk veranderde betekenis van eigenwoningbezit door het sterk toegenomen aantal koopwoningen, en veranderingen in economische groei. De belangrijkste conclusie in dit hoofdstuk was dat verschillen tussen eigenaar-bewoners en huurders in de verhuisgeneigdheid inderdaad veranderingen door de tijd kennen. Deze bleken echter niet lineair en lijken niet toe te schrijven aan de veranderende samenstelling van eigenaar-bewoners. In plaats daarvan lijken economische groei en de groei van eigenwoningbezit zelf een rol te spelen. In de jaren 80 van de twintigste eeuw waren de verschillen in verhuisgeneigdheid tussen huurders en eigenaar-bewoners groot. Dit lijkt te verklaren uit het feit dat eigenaar-bewoners niet wilden verkopen voor een lagere waarde dan de uitstaande hypotheek. In 1998 echter waren de verschillen tussen huurders en eigenaar-bewoners significant kleiner dan in andere jaren. Een groei in het koopsegment lijkt te hebben bijgedragen aan een toegenomen aantal verhuisbewegingen binnen het koopsegment. Toekomstige toename van het eigenwoningbezit betekent mogelijk dat een toegenomen aantal huishoudens minder geïnteresseerd is in verhuizen. Zelfs als het verschil in verhuisgeneigdheid tussen huurders en eigenaar-bewoners op zijn kleinst is, blijkt het nog altijd aanzienlijk. Een toename in eigenwoningbezit kan dus mogelijk bijdragen aan verdere immobiliteit op de woningmarkt. Woningen en huishoudens kunnen dan mogelijk niet snel genoeg op elkaar worden afgestemd. Dit kan leiden tot problemen voor starters op de woningmarkt die mogelijk meer moeite krijgen met het vinden van een passende woning.

*Verhuizingen over lange afstand en eigenwoningbezit*

Nadat mensen onafhankelijke huishoudens hebben gevormd, worden verhuizingen over lange afstand vooral ondernomen met motieven die te maken hebben met de arbeidscarrière. Met kenmerken van huishoudens als tweeverdienschap en ondernemerschap moet dus rekening worden gehouden bij het onderzoek naar lange afstandsverhuizingen. De verwachting in dit derde hoofdstuk was, vergelijkbaar met die in het tweede hoofdstuk, dat eigenaar-bewoners om drie verschillende redenen hun lage verhuisgeneigdheid over lange afstand zouden kunnen bijstellen. Ten eerste is de samenstelling van eigenaar-bewoners verschoven in de richting van traditioneel wat mobielere huishoudens (jonge mensen die vaak nog geen kinderen hebben). Daarnaast kan de betekenis van eigenwoningbezit zijn veranderd. Dit kan hebben geleid tot een grotere dynamiek in het koopsegment van de woningmarkt. Ten derde kunnen veranderingen in economische groei het verhuisgedrag van eigenaar-bewoners

beïnvloeden. Er is geen afname in het aantal verhuizingen gevonden, ondanks een groei van het eigenwoningbezit en een versterkt effect van eigenwoningbezit op verhuizen over lange afstanden tussen 1980 en 1998. Het negatieve effect van eigenwoningbezit bleek ook bij lange afstanden niet gecompenseerd te worden door veranderingen in de kenmerken van eigenaar-bewoners. De groei in migratie bleek vooral het gevolg van economische groei en gunstige woningmarktomstandigheden in 1997-98: zowel huurders als eigenaar-bewoners verhuisden aanzienlijk meer over lange afstand. Desalniettemin impliceert de aanhoudende groei van eigenwoningbezit dat een toenemend aantal mensen minder interesse hebben voor of in staat zijn om te verhuizen om betere kansen te benutten zoals die op een betere of geschiktere baan. Deze inertie kan wellicht opnieuw worden gecompenseerd door economische groei in de toekomst, maar in slechtere tijden is deze compensatie niet aanwezig. Individuele besluiten om niet te migreren om kansen op de arbeidsmarkt te benutten kunnen leiden tot een grotere afhankelijkheid van dagelijkse mobiliteit, en daarmee met toenemende verkeersdruk en milieuproblemen .

*Eens een eigenaar-bewoner, altijd een eigenaar-bewoner? Een analyse van verhuizingen vanuit de koopsector*

De continuïteit in eigenwoningbezit kan individuele ruimtelijke inflexibiliteit vergroten om kansen op de woning- en arbeidsmarkt te benutten. Een verhuizing van een koopwoning naar een huurwoning kan leiden tot een afname in woonkwaliteit en een onderbreking van opbouw van overwaarde van de eigen woning door hypotheekaflossingen en prijsstijgingen. Deze gevolgen dragen bij aan ongelijkheid op de woningmarkt. In het vierde hoofdstuk van dit boek werden een aantal oorzaken voor het verhuizen naar een huurwoning geïdentificeerd; een afname van het woonbudget, afgenomen woonbehoeften, de haast waarmee een verhuizing moet worden gerealiseerd, en de onbekendheid met de nieuwe woonlocatie. Aangenomen werd dat de mate waarin deze oorzaken meespelen bij de verhuismotieven de kans beïnvloeden om naar een huurwoning te verhuizen. Er werd verwacht dat (echt)scheiding de kans op een verhuizing naar een huurwoning meer vergroot dan andere verhuismotieven, omdat meer oorzaken voor het verhuizen naar een huurwoning met dit verhuismotief lijken samen te hangen. De andere verhuismotieven die werden onderscheiden waren: ouderdom of een verminderde gezondheid, werk en trouwen of samenwonen. Dit laatste motief zou volgens de verwachtingen minder vaak tot een verhuizing van een koop- naar een huurwoning leiden dan andere motieven.

De belangrijkste conclusie is dat, nadat rekening is gehouden met persoonlijke en huishoudenskenmerken, (echt)scheiding inderdaad tot de grootste kans leidt voor eigenaar-bewoners om naar een huurwoning te verhuizen. Dit motief leidt tot grotere kansen om naar een huurwoning te verhuizen dan alle andere motieven behalve ouderdom of gezondheid (voor alleenstaanden) en werk (voor alleenstaanden). Ouderdom of gezondheid (voor stellen), huwelijk of samenwonen, en werk (voor stellen) brengen kleinere kansen met zich mee om naar een huurwoning te verhuizen. De kans waarmee eigenaar-bewoners naar een huurwoning verhuizen bleek groter in perioden van economische groei (1997-98 en 2001-02) dan in de rest van de onderzoeksperiode. Verder werd aangetoond dat in landelijke gebieden minder vaak naar een huurwoning wordt verhuisd dan in andere gebieden omdat er meer koopwoningen zijn. Een hogere gemiddelde waarde van koopwoningen in de lokale woningvoorraad vermindert de kans

om naar een huurwoning te verhuizen. Ongelijkheid op de woningmarkt door relatie-ontbindingen is dus het meest waarschijnlijk in steden en in economisch minder gunstige perioden.

*Intergenerationele overdracht van eigenwoningbezit: het belang van ouderlijke giften en de continuïteit in lokale woningmarktkenmerken*

Continuïteit in eigenwoningbezit overstijgt individuele wooncarrières. Ouders kunnen het bereiken van eigenwoningbezit van hun kinderen op verschillende manieren beïnvloeden, bijvoorbeeld door overdracht van persoonlijke kenmerken, door ouderlijke giften, en door socialisatie. Hiervan zijn ouderlijke giften de meest directe ouderlijke invloeden. Behalve de bijdrage aan een toename van eigenwoningbezit met mogelijk gevolgen voor het beperken van individuele flexibiliteit, draagt intergenerationele overdracht van eigenwoningbezit ook bij aan ongelijkheid op de woningmarkt. Overdracht van kapitaal en andere voordelen tussen generaties van dezelfde familie versterken al bestaande ongelijkheden omdat alleen ouders die zich dat kunnen veroorloven aan hun kinderen kunnen schenken. Zij zijn vaak zelf eigenaar-bewoners. In het verleden is er bij onderzoek naar dit thema vooral aandacht geschonken aan de rol van ouderlijke giften. Het is al eerder aangetoond dat dit een heel belangrijk mechanisme is voor de intergenerationele overdracht van eigenwoningbezit. Henretta (1987) heeft het belang van woningmarktomstandigheden laten zien. Dit laatste mechanisme van overdracht van eigenwoningbezit is bijzonder interessant aangezien het een onbedoelde aard heeft. In hoofdstuk vijf van dit boek werd de hypothese geformuleerd dat de relatie tussen de eigendomssituaties van de woningen van ouders en hun kinderen deels veroorzaakt wordt door nabijheid van hun woningen en dus de woningmarktkenmerken die ouders en kinderen gemeen hebben.

Gevonden werd dat ouderlijke giften een belangrijke verklaring vormen voor intergenerationele overdracht van eigenwoningbezit. Intergenerationele overeenkomsten in woningmarktkenmerken zijn echter minstens zo belangrijk. Deze bevinding biedt een verdere verklaring voor de overeenkomst in eigenwoningbezit van de woningen van opeenvolgende generaties, waar eerder weinig aandacht aan is geschonken.

Ten tijde van hoge woningprijzen kan het relatieve belang van ouderlijke giften groter worden. De grotere koopkracht van welgestelde ouders kan de huizenprijzen zelfs opdrijven waardoor het bereiken van koopwoningen voor kinderen van hurende ouders nog moeilijker kan worden. Dit zou de ongelijkheid op de woningmarkt versterken. Er zijn echter ook aanwijzingen gevonden dat mensen steeds verder van hun ouders gaan wonen (Mulder & Kalmijn, 2004). Als deze trend doorzet kan het belang van woningmarktkenmerken bij intergenerationele overdracht van eigenwoningbezit in de toekomst ook afnemen.

## **7.7 Conclusie**

Een centraal punt in dit onderzoek was hoe de continuïteit in eigenwoningbezit tot stand komt. Uit literatuur over dit onderwerp is gebleken dat financiële overwegingen een grote rol spelen bij de continuïteit in de woonlocatie (Bartel, 1979; Davanzo, 1981; Fischer & Malmberg, 2001; Goldscheider, 1971, Van Ommeren & Van Leuvensteijn, 2003). Daarnaast hebben koopwoningen vaak een aantal fysieke kenmerken die voor



tevredenheid met de woonsituatie zorgen (Rossi, 1955), waardoor een verhuizing minder waarschijnlijk wordt. Bovendien zijn de typen huishoudens die dikwijls eigenaar-bewoner zijn niet verhuisgeneigd door hun huishoudenssamenstelling en de situatie in hun huishoudenscarrière en arbeidscarrière (Bogue, 1959; Feijten & Mulder, 2002; Mulder, 1993; Mulder & Wagner, 1998). Waarschijnlijk speelt de emotionele beoordeling van koopwoningen door mensen eveneens een rol in de continuïteit van de woonlocatie. Men is in veel gevallen gehecht aan de eigen woning (Saunders, 1990).

Mobiele huishoudens als eenpersoonshuishoudens en stellen zonder kinderen nemen toe onder eigenaar-bewoners, maar nog niet in die mate dat deze toename de relatie tussen eigenwoningbezit en verhuismobiliteit beïnvloedt. Een afgenomen effect van eigenwoningbezit op verhuismobiliteit kan niet worden uitgesloten, maar lijkt niet waarschijnlijk voor lange-afstandsverhuizingen. Ten tijde van economische groei en gunstige woningmarktomstandigheden worden verschillen in verhuisgeneigdheid tussen eigenaar-bewoners en huurders wat kleiner. Zowel eigenaar-bewoners als huurders lijken meer te verhuizen over lange afstand in economisch gunstige tijden. Zelfs tijdens de meest dynamische perioden op de woningmarkt blijven de verschillen tussen de eigendomssituaties echter aanzienlijk. Dit kan leiden tot verminderde mogelijkheden en minder bereidheid om kansen op de woning- en arbeidsmarkten te benutten voor eigenaar-bewoners vergeleken met huurders.

De continuïteit in eigenwoningbezit lijkt deels te worden veroorzaakt door toegenomen inkomens en toenemende woonbehoeften gedurende een groot deel van de individuele levensloop. Desinvesteren is doorgaans niet populair; van een koopwoning naar een huurwoning verhuizen betekent een onderbreking van het opbouwen van overwaarde. Het behouden van tenminste een gelijk woongenot is een andere belangrijke motivatie om de voorkeur te geven aan een koopwoning. Koopwoningen zijn vaak van betere kwaliteit dan huurwoningen (Megbolugbe & Linneman, 1993). Naar een huurwoning verhuizen is bovendien vaak overbodig omdat overwaarde de aankoop van een andere woning makkelijker maakt. Redenen om naar een huurwoning te verhuizen kunnen te maken hebben met een afgenomen budget voor woonlasten, veranderingen in de woonbehoeften, een urgente noodzaak te verhuizen, of onbekendheid met de woningmarktomstandigheden. Verhuismotieven die met dergelijke redenen samenhangen leiden naar verwachting vaker tot een overstap naar een huurwoning. Er zijn relatief weinig mensen die de overstap naar een huurwoning maken. Continuïteit in eigenwoningbezit gedurende individuele levenslopen kan er dus voor zorgen dat eigenwoningbezit in de toekomst belangrijk blijft of zelfs belangrijker wordt voor verhuismobiliteit.

Uit dit onderzoek is gebleken dat intergenerationele overdracht van eigenwoningbezit zowel door directe en indirecte mechanismen wordt veroorzaakt. Onder directe mechanismen worden bijvoorbeeld ouderlijke giften verstaan. Overdracht van kenmerken zoals sociaal-economische status en opleidingsniveau vergroten de individuele mogelijkheden om eigenaar-bewoner te worden. Uit dit onderzoek bleek dat dergelijke factoren minder belangrijk zijn voor de overdracht van eigenwoningbezit dan ouderlijke giften en de overeenkomsten in woningmarktkenmerken van verschillende generaties van dezelfde familie.

## 7.8 Discussie en reflectie

### *Maatschappelijke gevolgen*

De beperking van verhuismobiliteit veroorzaakt door eigenwoningbezit wordt niet vaak genoemd als een mogelijk negatief aspect van eigenwoningbezit. In dit onderzoek zijn aanwijzingen gevonden voor individuele inflexibiliteit van eigenaar-bewoners voor het benutten van kansen op de woning- en arbeidsmarkten. In die zin heeft dit boek bijgedragen aan de literatuur over de risico's die zijn verbonden aan eigenwoningbezit.

Eigenaar-bewoners zijn relatief immobiel uit eigen keuze en tevredenheid met hun woonsituatie. Mensen die voor een koopwoning kiezen bevinden zich bovendien vaak in stabiele huishoudens waardoor zij makkelijker verbintenissen op lange termijn aan kunnen gaan, vooral als ze in de nabije toekomst geen verhuizing voorzien. Op geaggregeerd niveau kan inertie op de woningmarkten echter toch individuele mogelijkheden verkleinen, in het bijzonder voor starters.

De instroom van jonge, kinderloze huishoudens onder eigenaar-bewoners heeft niet het verwachte effect gehad van een afnemende invloed van eigenwoningbezit op verhuismobiliteit. Eigenaar-bewoners bestaan nog altijd vooral uit stellen met kinderen en stellen die een gezin willen starten (Mulder, te verschijnen). Zij worden als typisch immobiele huishoudens gezien. Niet veel mobiele huishoudens hebben (al) interesse voor eigenwoningbezit, waarschijnlijk omdat ze in de nabije toekomst verhuizingen kunnen verwachten vanwege veranderingen in de arbeids- of huishoudenscarrière. Jonge huishoudens hebben dus waarschijnlijk een voorkeur voor huurwoningen. Mocht een verhuizing nodig blijken, dan zal dit vanuit een huurwoning goedkoper en gemakkelijker te realiseren zijn. Dit lijkt op een minimaal benodigd aandeel huurwoningen in de woningvoorraad te wijzen voor jonge huishoudens die in de nabije toekomst mogelijk moeten verhuizen voor werk of gezinsvorming, zoals naar voren gebracht door Mulder en Helderma (2002).

### *Toekomstige ontwikkelingen*

De rol van de overheid richt zich in de toekomst waarschijnlijk meer op starters en jonge huishoudens op de woningmarkt (VROM Raad, 2004). Het kan niet worden uitgesloten dat de kenmerken van eigenaar-bewoners in de toekomst meer zullen veranderen in de richting van jongere, kinderloze huishoudens dan tot nu toe het geval was. Mogelijkerwijs verandert het effect van eigenwoningbezit op verhuismobiliteit dan alsnog.

Het valt te betwijfelen of Nederlands beleid gericht op eigenwoningbezit en jongere huishoudens (Ministerie van Volkshuisvesting, Ruimtelijke Ordening en het Milieu, 2004) effectief zal zijn om doorstroming van goedkopere naar duurdere huisvesting en van huur- naar koopwoningen op gang te brengen. In dit onderzoek zijn juist aanwijzingen gevonden dat jongere huishoudens ongeïnteresseerd zijn in eigenwoningbezit en de (financiële) verplichtingen die daaraan kleven, omdat hun levens zich nog ontwikkelen wat verhuizen in de nabije toekomst waarschijnlijk maakt. Indien beleid erop is gericht om de positie van jonge huishoudens op de woningmarkt te verbeteren, zou de aandacht juist ook naar het huursegment uit moeten gaan. Vele jonge volwassenen in Nederland verhuizen naar het –betaalbare- huursegment van de woningmarkt wanneer zij het ouderlijk huis verlaten. Dit doen zij op een toenemend

jongere leeftijd (Mulder & Hooimeijer, 2002), waardoor de vraag naar huurwoningen mogelijk zelfs toe zal nemen.

Wanneer er meer koopwoningen zijn op de woningmarkt, vinden er ook meer verhuizingen binnen het koopsegment plaats. Aanwijzingen hiervoor zijn gevonden in dit onderzoek. Het lijkt echter onwaarschijnlijk dat de groei in eigenwoningbezit tot een gelijk niveau van verhuismobiliteit onder eigenaar-bewoners en huurders kan leiden. Zelfs na een spectaculaire groei van eigenwoningbezit gedurende de laatste tientallen jaren van de twintigste eeuw is het verschil in verhuismobiliteit tussen eigenaar-bewoners en huurders nog aanzienlijk, zelfs in economisch gunstige perioden die worden gekenmerkt door de kleinste verschillen tussen eigenaar-bewoners en huurders. De aanhoudende lage mobiliteit onder eigenaar-bewoners suggereert dat beleid gericht op het stimuleren van eigenwoningbezit waarschijnlijk het tegengestelde effect heeft op het beperken van dagelijkse mobiliteit, een ander doel van beleid in Nederland.

Het aanhoudend belang van (echt)scheiding en ouderdom of gezondheid voor het verhuizen naar huurwoningen laat zien dat een groter aandeel van mensen mogelijk naar een huurwoning zal verhuizen in de toekomst. Het aantal (echt)scheidingen stijgt snel in Nederland, terwijl 65-plussers een toenemend aandeel van de Nederlandse bevolking vormen. Met name de veroudering van de bevolking creëert een slechte aansluiting tussen de bestaande woningvoorraad en de woonwensen. De andere kant van de medaille is dat ouderen in steeds meer gevallen eigenaar-bewoner zijn. De overwaarde van een eigen woning kan de kansen voor ouderen op de woningmarkt positief beïnvloeden.

Giften zijn belangrijk gebleken om een eigen woning te bereiken. Ten tijde van hoge woningprijzen kan worden verwacht dat ouderlijke giften in toenemende mate van belang zijn voor de intergenerationele overdracht van eigenwoningbezit. Ouderlijke giften kunnen zelfs huizenprijzen opdrijven, zodat ongelijkheden op de woningmarkt kunnen worden vergroot. Eigenwoningbezit kan dan onbereikbaar worden voor huishoudens met slechts één inkomen en voor huishoudens die geen ouderlijke gift ontvangen. Kinderen van ouders die huren zullen mogelijk onder hen die niet kunnen rekenen op een ouderlijke gift zijn oververtegenwoordigd. Ontwikkelingen wijzen mogelijk op het verder van de ouders gaan wonen door kinderen. De impact van overeenkomstige woningmarktkenmerken voor gelijke eigendomssituatie van de woningen zou in dat geval kunnen verminderen.

Het gebruik van het concept continuïteit heeft bijgedragen aan het uiteenrafelen van factoren die woonlocatie en eigenwoningbezit gedurende de individuele levensloop en voor verschillende generaties van dezelfde familie in stand houden. Eigenaar-bewoner worden is voor velen een mijlpaal in het leven, en eigenwoningbezit levert overwaarde, vaak een betere kwaliteit woning, meer tevredenheid met de woonsituatie, vrijheid, onafhankelijkheid en status op. Dit boek heeft echter eveneens gewezen op het voortdurende belemmerende effect van eigenwoningbezit op verhuismobiliteit en het mogelijke effect van eigenwoningbezit op dagelijkse mobiliteit. Dit zijn een aantal potentieel negatieve effecten van eigenwoningbezit, en het stimuleren van eigenwoningbezit, die grotendeels zijn genegeerd in onderzoek en debat tot dusver.

Er is behoefte aan meer kennis van mogelijke veranderingen in de koopwoningvoorraad, meer retrospectieve informatie in toekomstige datasets met betrekking tot omstandigheden waaronder een verhuisbeslissing tot stand komt, en een adequate meting van abstracte begrippen als socialisatie.

Dit onderzoek heeft bijgedragen aan de literatuur over eigenwoningbezit en verhuismobiliteit door maatschappelijke veranderingen aandacht te geven. Veranderingen in de kenmerken van eigenaar-bewoners, een toename in het aantal koopwoningen in de woningvoorraad, mogelijke veranderingen in de betekenis van eigenwoningbezit in het leven van mensen, en economische fluctuaties hebben hierbij aandacht gekregen. Het is gebleken dat het aantal koopwoningen van invloed is op de verhuismobiliteit van eigenaar-bewoners, maar dat verhuismobiliteit sterker wordt beïnvloed door economische fluctuaties. Het relatieve belang van verhuismotieven om het verhuizen van koop- naar huurwoningen heeft ook aandacht gekregen. Vastgesteld is dat (echt)scheiding en ouderdom en gezondheid de belangrijkste motieven zijn om van een koopwoning naar een huurwoning te verhuizen. Verschillende mechanismen van intergenerationele overdracht van eigenwoningbezit zijn in dit boek van elkaar onderscheiden. Sociaal-economische kenmerken, ouderlijke giften, geografische nabijheid van ouders en kinderen, en woningmarktkenmerken blijken afzonderlijk van elkaar relevant. Woningmarktkenmerken en geografische locaties zijn (tenminste) even belangrijk voor de keuzen voor eigendomssituaties voor de woning als individuele en familiekenmerken.

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