Taylor & Francis
Online

Housing, Theory and Society ›
Volume 33, 2016 - Issue 2

3,287 Views | 96 CrossRef citations to date | 76 Altmetric

Articles

Changing Inequalities in Housing Outcomes across Western Europe

Caroline Dewilde & Pascal De Decker

Pages 121-161 | Published online: 24 Nov 2015

Cite this article https://doi.org/10.1080/14036096.2015.1109545

Check for updates

Sample our
Health and Social Care
Journals
>> Sign in here to start your access
to the latest two volumes for 14 days

Full Article | Figures & data | References | Citations | Metrics
Reprints & Permissions | Read this article | Share

Abstract

We evaluate to what extent the financialization of housing is associated with changing inequalities in housing outcomes for low-income owners and private renters, using data for two time points (1995 and 2012) for 11–13 western European countries. We find that in countries with a more commodified housing regime, low-income respondents experience more affordability problems (resulting in a wider gap with middle-income respondents), but better housing conditions. Concerning trends over time, we find that with regard to housing affordability, in most countries the position of low-income owners and private renters has deteriorated over time compared to their middle-income counterparts. This trend can be explained by increases in the level of financialization of housing, and decreases in the supply of private rental housing – controlling for trends in absolute incomes and income inequality. Declining affordability for low-income owners and private renters in more financialized housing regimes has

furthermore not been compensated by improved housing conditions. Although it may have intensified since 2008, the observed trend does not originate from declining household incomes following the Great Financial Crisis (2008–2009), as the affordability gap between low- and middle-income private renters already grew significantly larger with the increased financialization during the period 1995–2007.

Key Words:

Housing regimes | Financialization | Affordability | Housing conditions | Comparative research

Acknowledgements

The authors thank the reviewers for their help in improving this paper. We also thank Manuel Aalbers for some useful literature suggestions. ECHP and EU-SILC data were provided by Tilburg University.

Disclosure statement

No potential conflict of interest was reported by the authors.

Notes

1. According to Polanyi ([1944] 2001, 75), commodities are defined as objects produced for sale on the market (i.e. industrial production). Commodification refers to the process by which material (e.g. land) and immaterial (e.g. labour, knowledge) goods and services, which are not commodities by nature and are originally produced for their use-value, are turned into “fictitious commodities” and hence acquire exchange-value, through which economic agents seek to derive monetary revenues (Jessop, 2012).

2. “… the private rent level is determined by the current capital value of the dwelling, irrespective of what the house originally cost to build” (Kemeny 1981, 27).

3. We adhere to a general definition as put forward by Esping-Andersen (1990, 22): “De-commodification occurs when a service is rendered as a matter of right and when a person can maintain a livelihood without reliance on the market”.

4. In some countries, however (e.g. the UK), this historical decline has recently been reversed. This is related to difficulties experienced by younger cohorts to access homeownership, because of high house prices (before the Great Financial Crisis) or because of stricter lending practices (after the Crisis).

5. We use the term “market failure” in a fairly general sense, referring to either the operation of the private market itself (e.g. market closure, non-coverage because of adverse selection/moral hazard), or the social implications of market dependency (e.g. negative externalities, social choice vs. individual choice). The basic issue is simply that if the state does not provide or step in, housing needs of the most needy will not be met or will not be met adequately (e.g. Spicker 2014).

6. In Sociology, “stratification” and “inequality” are used interchangeably, although the former draws more attention to institutional processes determining unequal access to valuable and desirable goods. Stratification is multidimensional (e.g. relates to different types of assets), and in increasingly complex societies it is no longer valid nor accepted to narrow the concept to occupational stratification (DiPrete 2002; Grusky and Ku 2008).

7. Using the modified OECD-equivalence scale.

8. The concept of “total housing costs” refers to all costs connected with households’ right to live in the accommodation. For owners, housing costs include mortgage interest payments (net of any tax relief), structural insurance, mandatory services and charges, regular maintenance and repairs and taxes. For renters, housing costs include rent payments, gross of housing benefits, structural insurance (if paid by the tenants), services and charges, taxes on the dwelling (if applicable), regular maintenance and repairs.

Additional information

Funding

This work was supported by the European Research Council [ERC Starting Grant HOWCOME, grant number 283615, PI: Caroline Dewilde], www.tilburguniversity.edu\howcome.

Related Research Data

The Rhetoric ofMouvementand Passionate Expression in Seventeenth-Century French Harpsichord Music
Source: Seventeenth-Century French Studies
Housing Conditions, States, Markets and Households: A Pan-European Analysis
Source: Journal of Comparative Policy Analysis Research and Practice
Neoliberalism and the geographies of marketization
Source: Progress in Human Geography
Financial market imperfections and home ownership: A comparative study
Source: European Economic Review
The Global Economic Crisis and the Reshaping of Housing Opportunities
Source: Housing Theory and Society
Housing and Welfare in Southern Europe
Source: Unknown Repository
Four models of explaining the growth of home-ownership
Source: Scandinavian Housing and Planning Research

Related research

People also read | Recommended articles | Cited by 96

Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Keep up to date

Register to receive personalised research and resources by email

Sign me up

Copyright © 2026 Informa UK Limited Privacy policy

Cookies Terms & conditions Accessibility

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG

Taylor & Francis by informa