

# Housing, Welfare and Intergenerational Inequalities in Southern Europe

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Source: <https://www.globalpropertyguide.com/news-brazils-house-prices-continue-to-fall-3673>

# 1. INTRODUCTION

- Southern Europe (SE) Spain, Italy, Greece and Portugal, last decade.
- Impacted 2008 GFC; Troika (2012-2014), reversed the strong real estate growth of the last decades, and made it difficult for families to access housing, especially the younger ones.
- After 2015, increase in housing prices, liberalization, short-term rentals (Airbnb).
- COVID-19 “Stay home”; housing problems have worsened after 2020, several legislative measures were created to mitigate the effects of this crisis.

## 2. LITERATURE REVIEW

- *Housing system in southern Europe*
- Esping-Andersen (1990); Kemeny (1992; 1995); Ferrera in (1996).
- Trade-off (Castles & Ferrera, 1996), housing is an important asset for future elderly and pensioners.
- SE, high levels of homeownership, low levels of social housing, high cultural value and family plays a key role (Allen et al. 2004; Allen 2006; Xerez, Rodrigues, Lima & Cardoso, 2019).
- Important asset, source of capital accumulation, and financialization.

## 2. LITERATURE REVIEW

- ***Housing and intergenerational inequalities (southern Europe)***
- Housing is a source in wealth accumulation, intergenerational transfers, and social mobility (Arundel, 2017; Cook, 2021; Gentili, & Hoekstra, 2021).
- Housing is key in promoting prosperity and welfare — it has a pivotal role in reshaping inequality within and across generations.
- *Baby Boomers* (61-81 years old in 2022), *Generation X* (42-61) *Millennials* (23-41) *Generation Z* (21 years old or less).
- Young generations three crises — made them more vulnerable to inequalities.

### 3. DATA AND METHODS

- Multimethod research: qualitative & quantitative data (SILC microdata).
- 2012-2022, Major Planning Options (MPO) 2012-2015; 2013; 2014; 2015; 2016-2019; 2017; 2018; 2019; 2020-2023) Social Democratic Party and the Socialist Party, Governments.
- Housing legislation and legislation passed during the COVID-19 pandemic has been developed through a search on the *Diário da República Eletrónico*, retrieved 325 results.

### 3. DATA AND METHODS

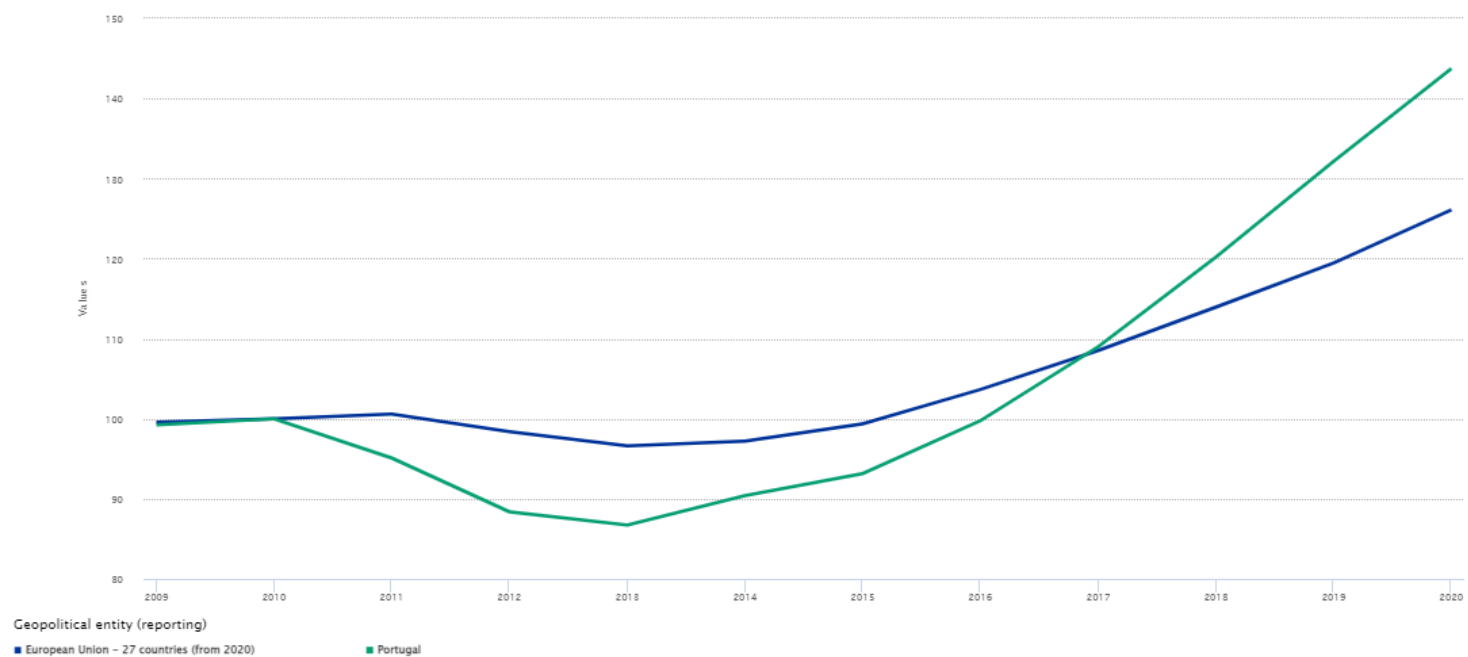
Dimension	Variable
Housing system	Estimated average age of young people leaving the parental household
	Share of young adults aged 18-34 living with their parents
	Distribution of population by tenure status
Housing deprivation	Overcrowding rate
	Severe housing deprivation rate
	Material deprivation for “Housing” dimension rate
	Housing cost overburden rate



# 4. RESULTS AND DISCUSSION



House price index (2015 = 100) - annual data  
 Time / Geopolitical entity (reporting) Time frequency:Annual Purchases:Total Unit of measure:Annual average index, 2010=100



#### House price index (2015 = 100) - annual data

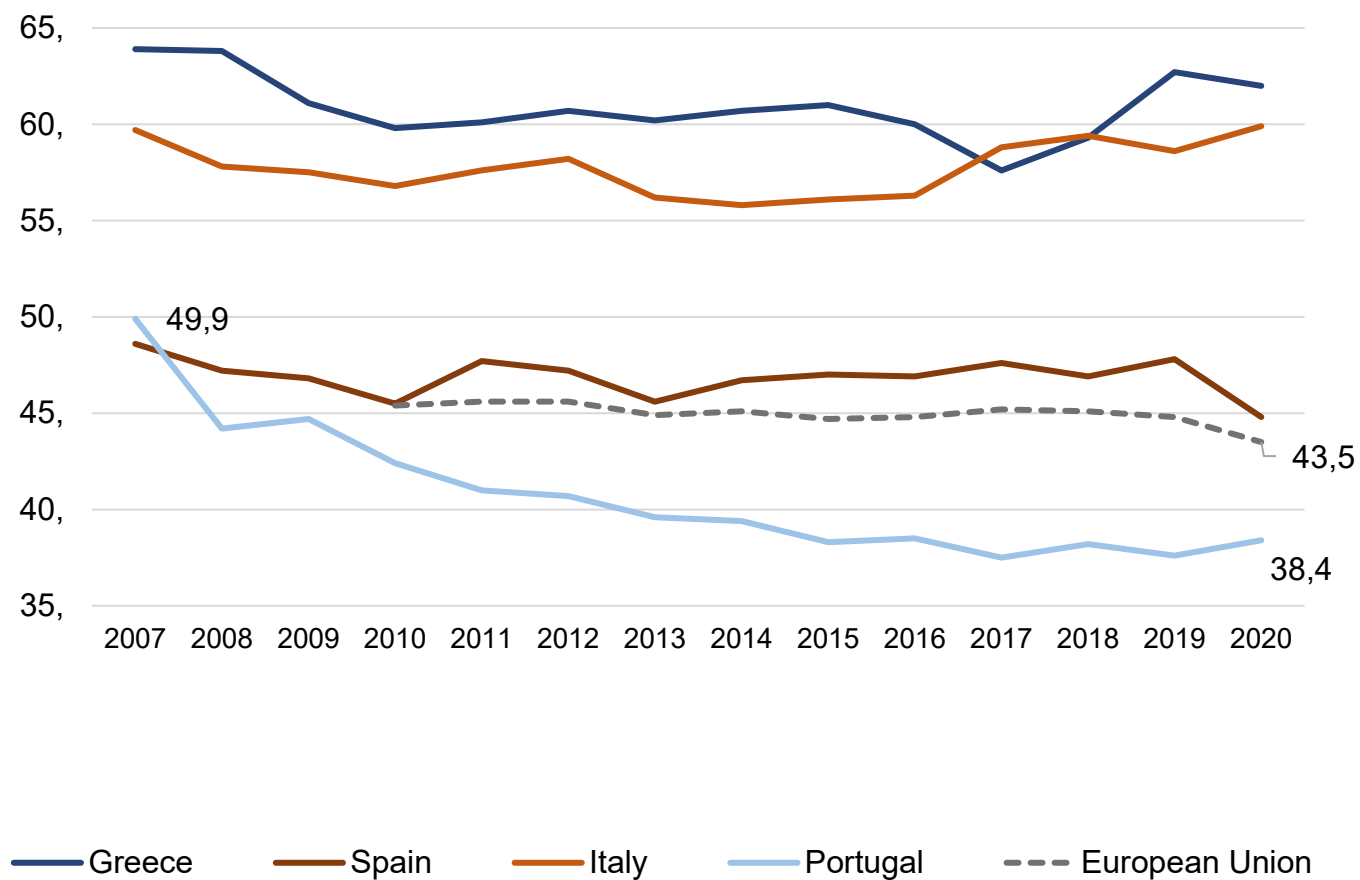
Source of data: Eurostat (online data code: PRC\_HPI\_A)  
 Last update 08/07/2022 10:00

This graph has been created automatically by ESTAT/EC software according to external user specifications for which ESTAT/EC is not responsible. Graphic included.  
 General disclaimer of the EC website: [https://ec.europa.eu/info/legal-noticia\\_en.html](https://ec.europa.eu/info/legal-noticia_en.html)

eurostat

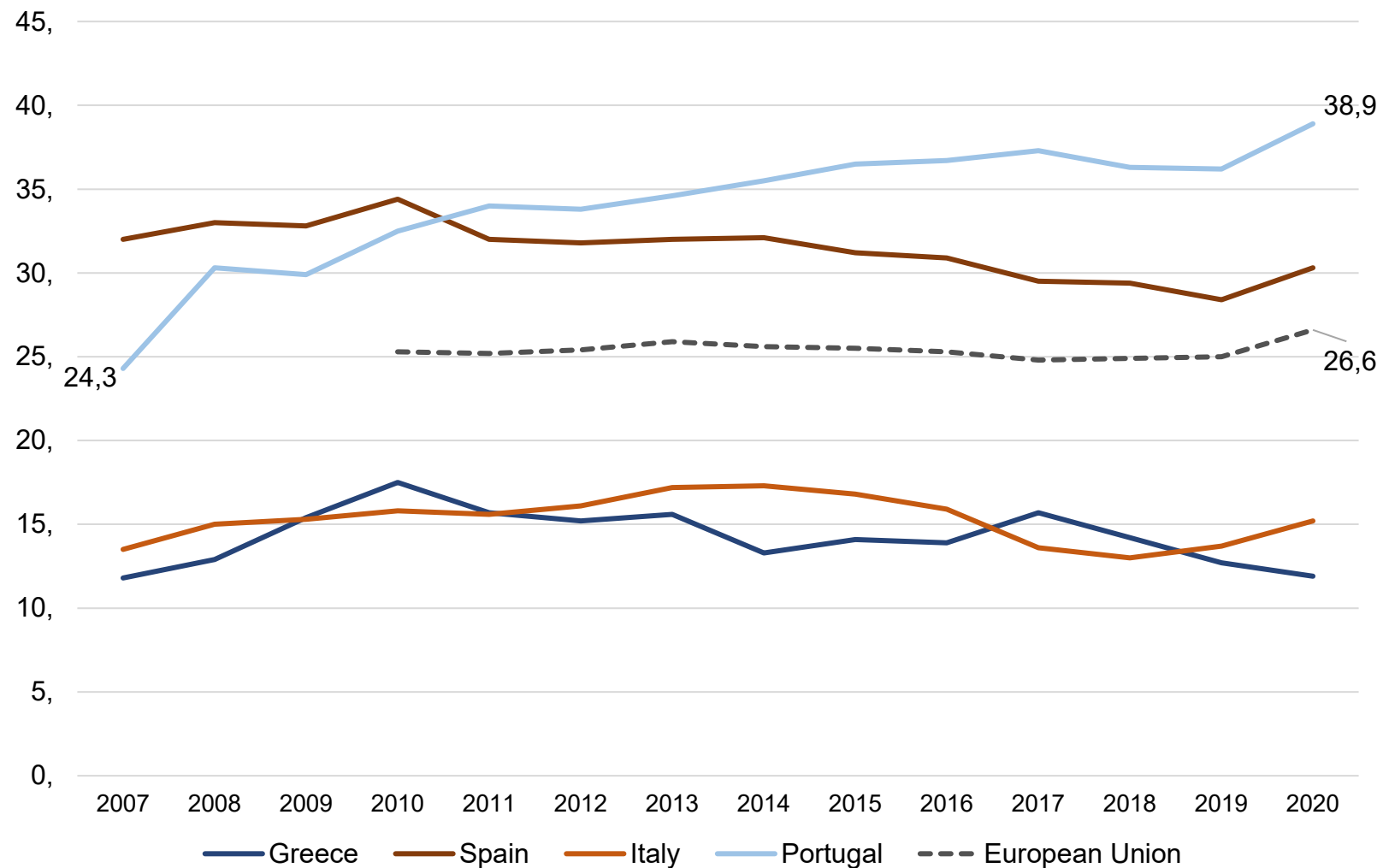


## Owner, no outstanding mortgage or housing loan



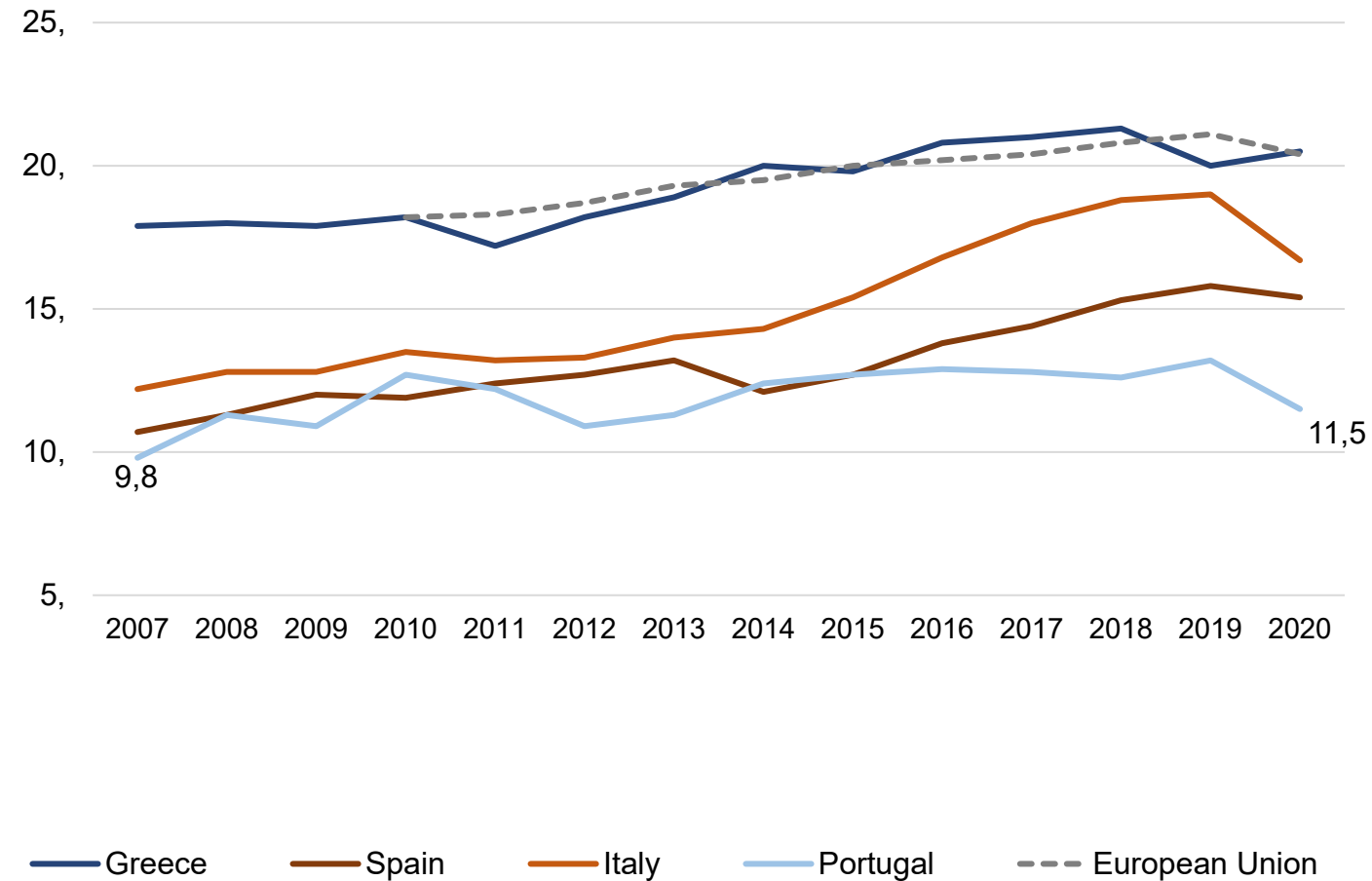
Source: EU-SILC survey, Eurostat, 2022 [ILC\_LVHO02\_\_custom\_3095796]; European Union - 27 countries (from 2020)

## Owner, with mortgage or loan



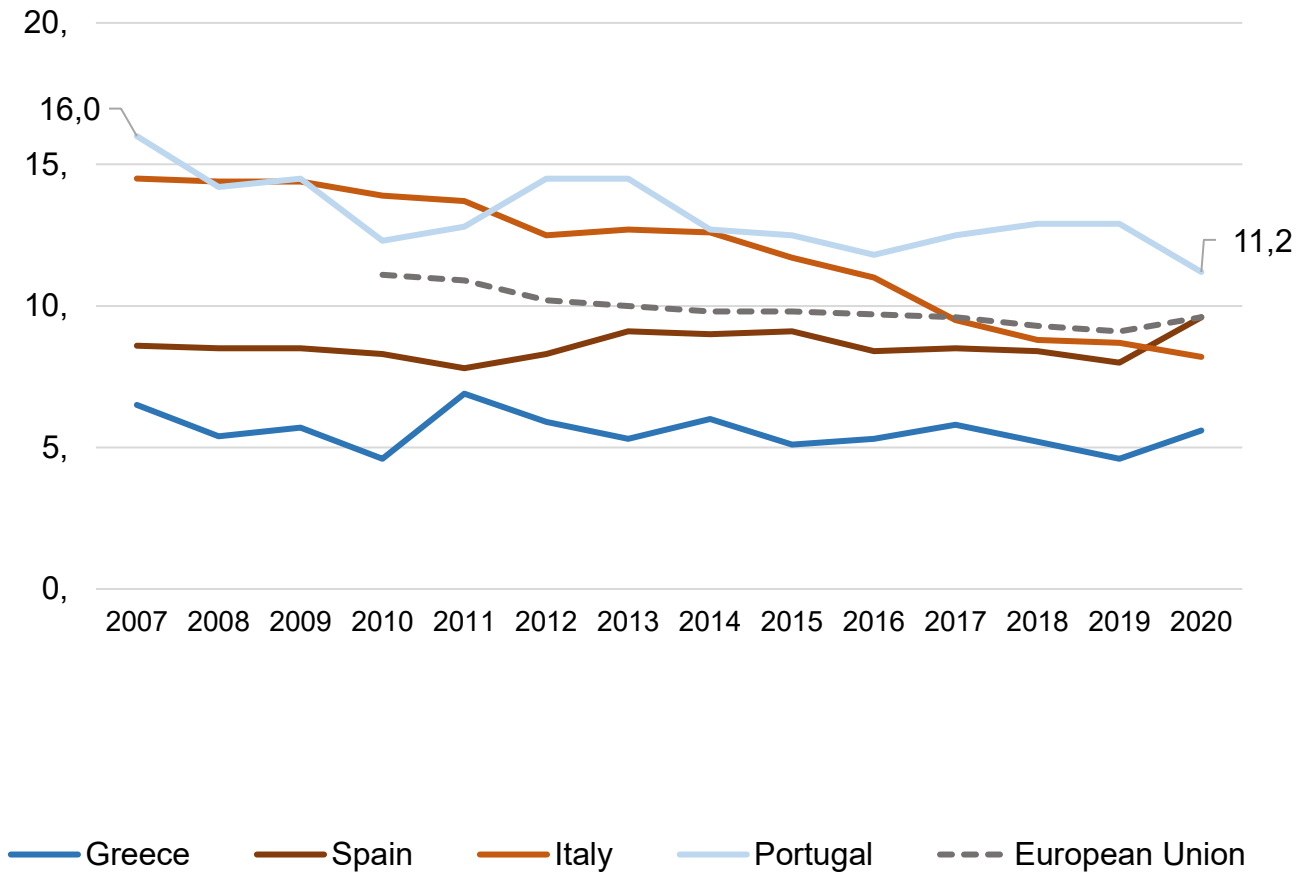
Source: EU-SILC survey, Eurostat, 2022 [ILC\_LVHO02\_\_custom\_3095796]; European Union - 27 countries (from 2020)

## Tenant, rent at market price



Source: EU-SILC survey, Eurostat, 2022 [ILC\_LVHO02\_\_custom\_3095796]; European Union - 27 countries (from 2020)

## Tenant, rent at reduced price or free



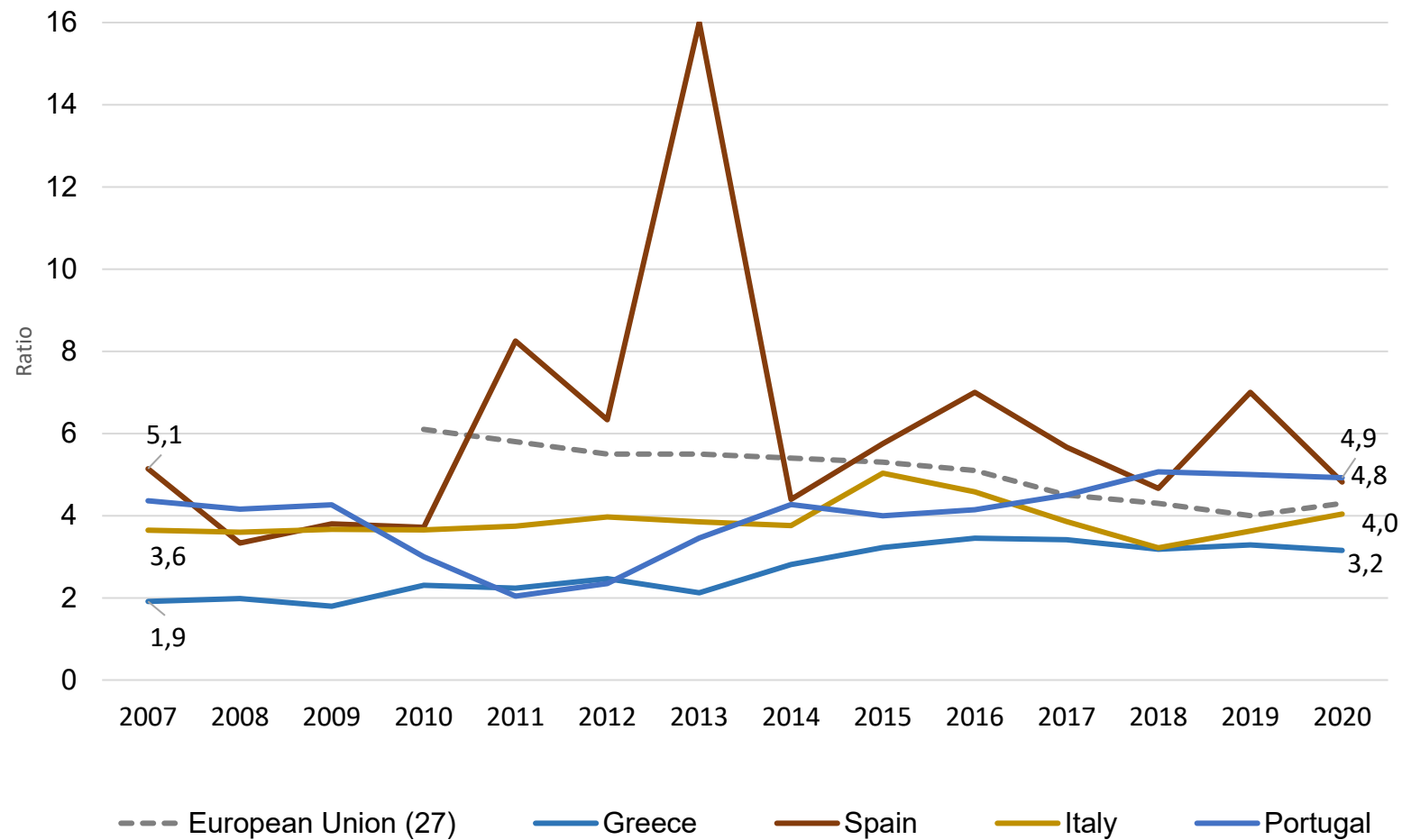
Source: EU-SILC survey, Eurostat, 2022 [ILC\_LVHO02\_\_custom\_3095796]; European Union - 27 countries (from 2020)



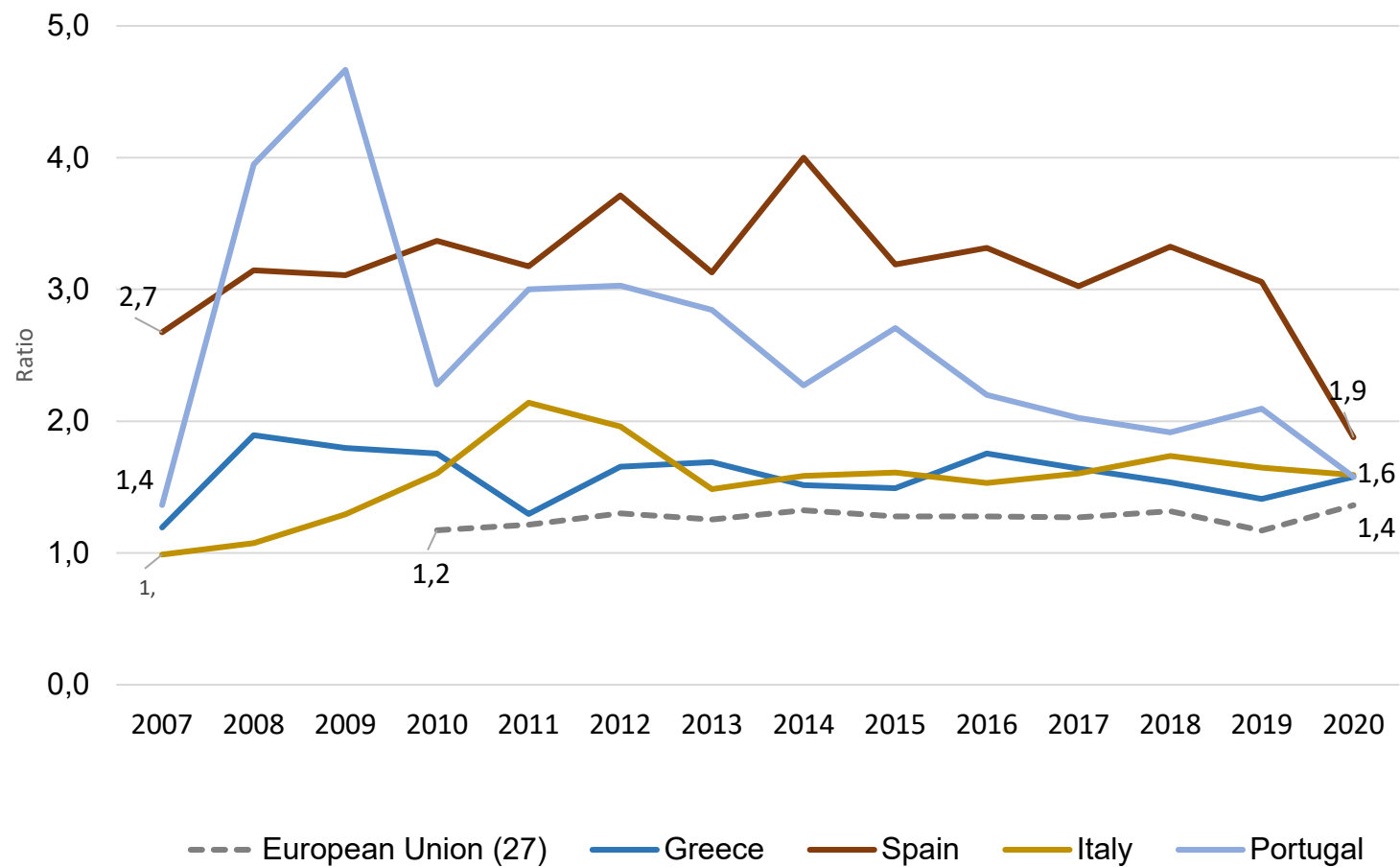
## 4. RESULTS AND DISCUSSION

- Growth in the homeownership (a noticeable increase in homeowners with mortgage, likely explanations: cultural importance of homeownership, the relevance of the family in accessing their own housing, the reduced size of the rental market, liberalization and the high price of rents “push” people to buy a house.

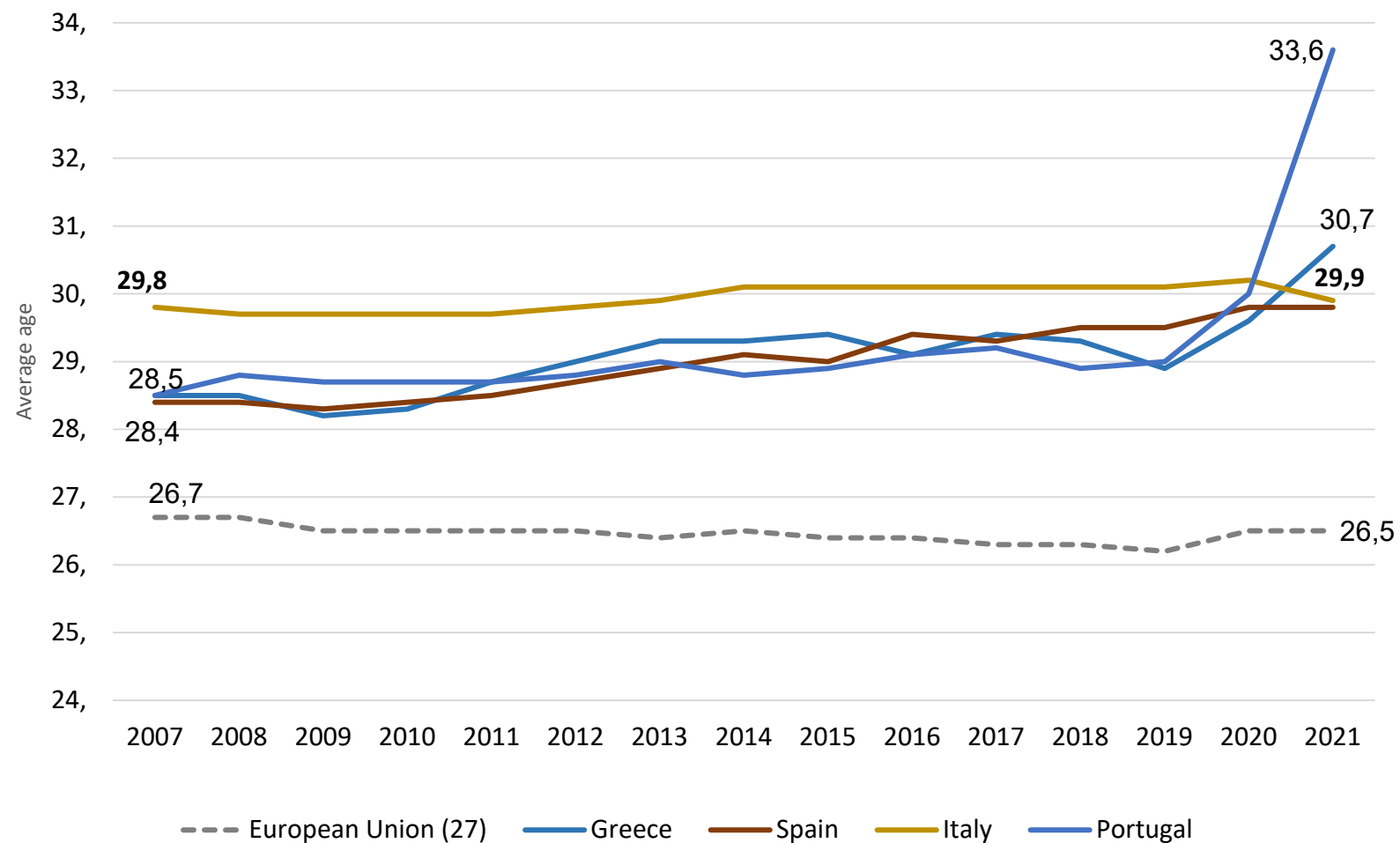
## Ratio of severe housing deprivation rate for those between 20-29 years and 65 years old or over in southern countries and EU, 2007-2020



## Ratio of housing cost overburden rate for those between 20-29 years and 65 years old or over in southern countries and EU, 2007-2020



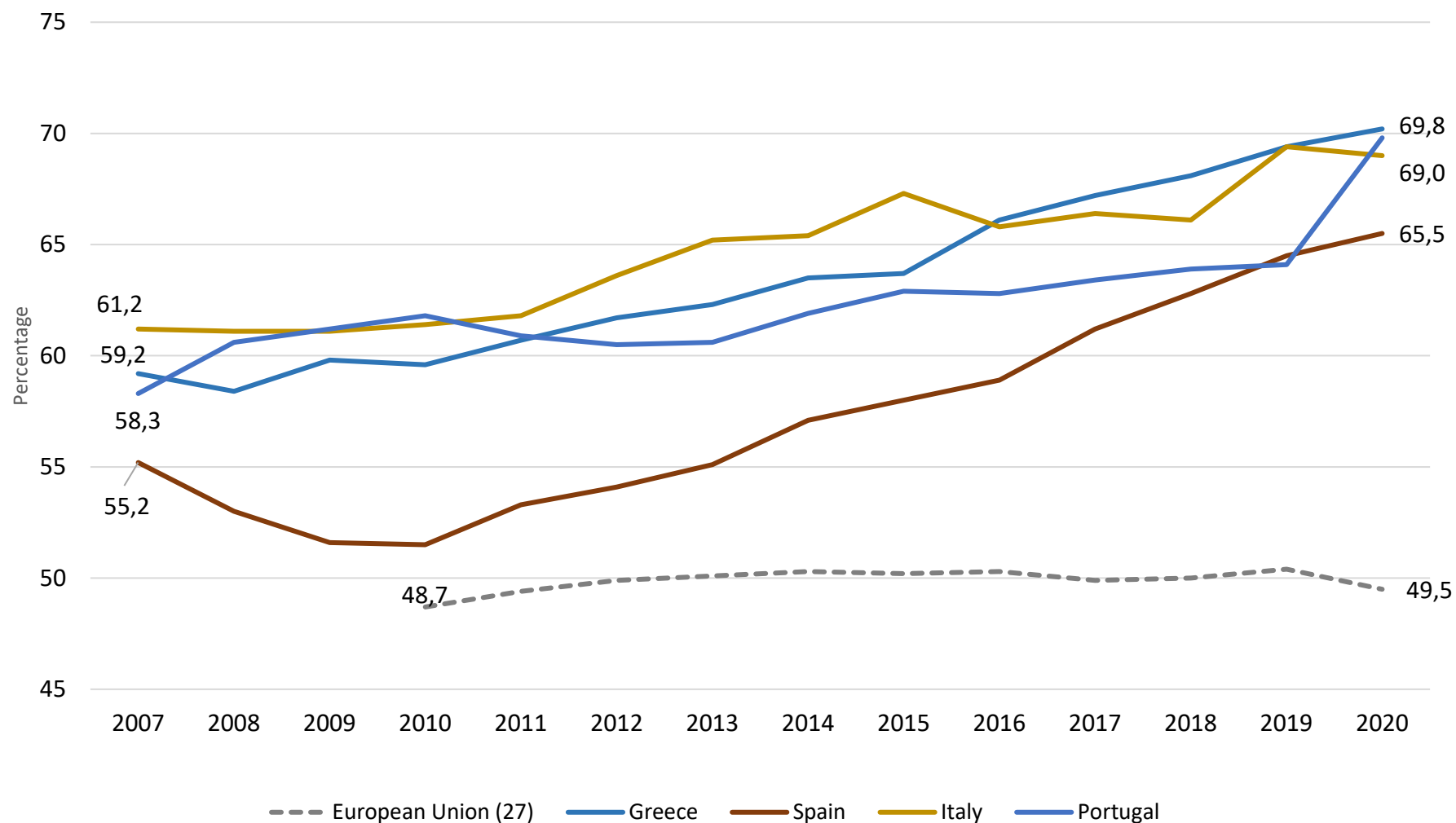
## Estimated average age of young people leaving the parental household in southern countries and EU, 2007-2021



Source: Eurostat, 2022 [YTH\_DEMO\_030\_\_custom\_3081777]



## Share of young adults aged 18-34 living with their parents in SEC and EU, 2007-2020 (%)



Year	Major Planning Options	Housing Policy
2012	- Rental market	Social rental market Program New Urban Lease Act (NULA) — Amendment
2013	- Fight poverty	- Decree-Law 163/2013 - Rehabilitate for rental - Extraordinary credit debtor protection regime of housing in a very difficult economic situation.
2014	- Political priorities in the field of youth Spatial planning and nature conservation	Exceptional Regime for Urban Rehabilitation/RERU - NRAU – Amendment - Subsidized Housing Loan Scheme for Disabled People - Law No. 80/2014 Conditional annuity regime (social housing) Law No. 81/2014 – Supported rental Scheme (social housing)
2015	- Political priorities in the field of youth - Urban lease reform - Urban rehabilitation	- National Housing Strategy (2015-2031) - Rehabilitate for Rent Program - Affordable Housing

Year	Major Planning Options	Housing Policy
2016	<ul style="list-style-type: none"> <li>- New Generation of Housing Policies</li> <li>- Urban rehabilitation and housing</li> </ul> <p>Social and affordable housing Incentives and tax benefits for urban rehabilitation</p> <ul style="list-style-type: none"> <li>- Prevent housing foreclosures</li> <li>- Relaunch the social housing policy</li> </ul>	<p>National Building Rehabilitation Fund - Urban Rehabilitation and Revitalization Financial Instrument / IFRRU 2020</p> <ul style="list-style-type: none"> <li>- Law No. 32/2016 (August 24)</li> <li>- New supported lease regime</li> </ul>
2017	<ul style="list-style-type: none"> <li>- Enhancement of the territory</li> <li>- Urban rehabilitation for the sustainability, efficiency and intelligence of cities</li> </ul>	<ul style="list-style-type: none"> <li>- Resolution of the Assembly of the Republic No. 48/2017</li> <li>- Recommendation of the Assembly of the Republic to create a new resettlement program – Resettlement - Efficient House Program</li> <li>- Review of “Door 65” Program</li> </ul>
2018	<p>Enhancement of the territory - Competitive territory</p> <ul style="list-style-type: none"> <li>- From social housing to habitat</li> <li>- Affordable lease</li> <li>- Rehabilitation as a rule – Rehabilitation support</li> </ul>	<ul style="list-style-type: none"> <li>- Decree-Law No. 29/2018, of 05/04 - - Resolution of the Council of Ministers No. 50-A/2018 - New - Generation of Housing Policies Decree-Law No. 37/2018 of 4 June</li> <li>- 1st Right Resolution of the Council of Ministers no. 56/2018</li> <li>- From Housing to Habitat</li> </ul>
2019	<ul style="list-style-type: none"> <li>- Enhancement of the territory</li> <li>- Competitive territory</li> </ul>	<ul style="list-style-type: none"> <li>- Housing Legislation and Covid-19 Legislation   COVID19 Exceptional Support Regime</li> </ul>
2020-2023	<ul style="list-style-type: none"> <li>- Housing Renew the commitment to housing policies Eradicate unworthy housing situations and discrimination in access to housing</li> <li>- Ensuring access to housing for all Ensuring transparency and security in access to housing and the quality of the housing stock - Conceiving housing as an instrument of social inclusion and territorial cohesion</li> <li>- Recovery and Resilience Plan</li> </ul>	<ul style="list-style-type: none"> <li>- Decree-Law No. 10-J/2020</li> <li>- Housing Legislation and COVID-19 - Legislation   COVID-19 Exceptional Support Regime</li> <li>- PRR (Recovery and Resilience Plan)</li> </ul>

## 5. CONCLUSIONS

- Housing system in SE, namely in Portugal, may lead to intergenerational inequalities, it may be exacerbated by the impact of the COVID-19 and Ukraine war.
- The high number of young people living at home with their parents and the sharp increase in the last decade, namely in Portugal, suggests a worsening of access to housing for the Millennials, which may worsen with *Generation Z*.
- Our exploratory research findings: more housing policy rental programs, and Intergenerational perspective of housing policy development.



# FUTURE RESEARCH

- **Housing4Z**
- Housing, Welfare and Inequalities in Southern Europe: Exploratory Research from Portugal on Generation Z
- Research Project, financed by FCT, 2023-2025

# Thank You!

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