

# Housing and living arrangements

*Martin Kohli, Harald Künemund and Tanja Zähle*

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[martin.kohli@iue.it](mailto:martin.kohli@iue.it)

[kunemund@zedat.fu-berlin.de](mailto:kunemund@zedat.fu-berlin.de)

[tanja.zaehle@iue.it](mailto:tanja.zaehle@iue.it)

## **The increasing importance of housing in old age**

Housing and living arrangements are central aspects of the welfare position of individuals and households. They provide action spaces and dimensions of meaning all through the life course but with varying emphasis in the different stages of life (cf. Motel et al., 2000). The transition to retirement greatly increases the importance of one's home because the references and daily routines of the world of employment disappear (Matthes, 1978). This is even more the case in advanced age when restrained physical mobility increasingly makes for a concentration of daily activities in and around the home. Everyday life in old age is above all life at home (Saup, 1993).

Housing thus becomes a primordial concern for the elderly. Differences in housing may explain over-all patterns of well-being and health. Many studies show that residential moves occur mostly at younger life stages, and that the willingness to move decreases with age. The desire to remain in one's familiar surroundings may be counterproductive if they are ill adapted to the needs of advancing age. Here again, however, the 'satisfaction paradox' of old age implies that even where living conditions are deficient their subjective valuation may remain positive. The reasons are habituation effects, attempts to keep up positive self-perceptions, and adaptive (downward) regulation of goals and yardsticks for comparison.

Young and old adults attach different meanings and projects to their accommodation (Dittmann-Kohli, 1995): For the young, the projections are positive (a larger apartment, a house of one's own), while for the old, thinking about the future revolves around the fear of loss. Loss of one's home is linked to loss of one's independence, and the dominant concern becomes one of attempting to keep both as long as possible. There are exceptions such as those of retirement migration – people actively embracing the new possibilities for mobility offered by retirement, and moving to more attractive (usually more southern) destinations (King et al., 2000). But for them as well the new home in the sun – and the fear of having to relinquish it eventually – becomes the centre of gravity.

The home is moreover the place where the family convenes. It may be a family home acquired from previous generations or furnished with their belongings, and which may eventually become the centrepiece of the bequest to one's own descendants. Investing in home ownership may be a specific form of family investment.

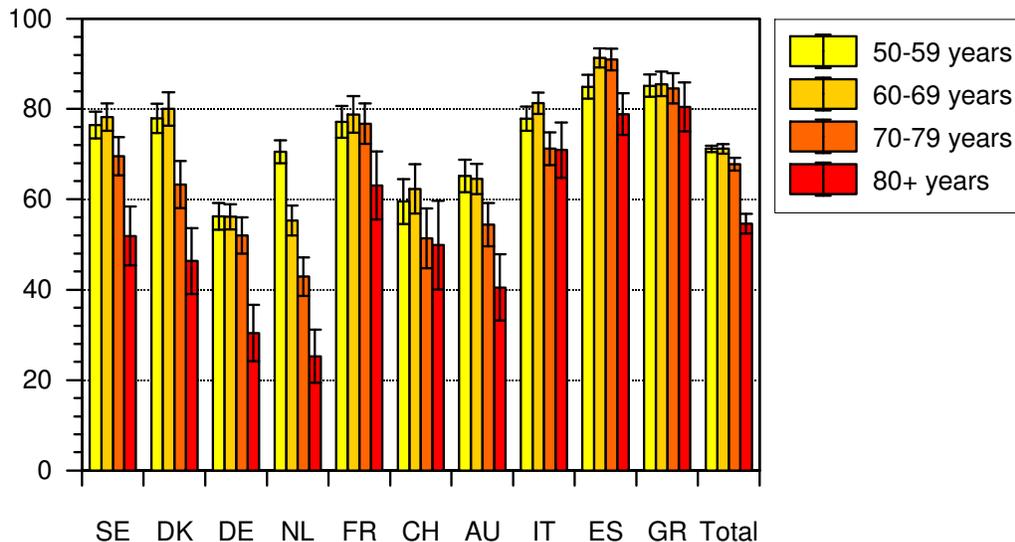
At present there exist only very few cross-national studies that allow for a comprehensive assessment of these issues. SHARE presents a unique opportunity for studying housing and its most important correlates in a strictly comparative frame across Europe. The task of this chapter is to give some basic information on housing and living arrangements of the elderly European population covered by SHARE. We will present descriptive findings concerning ownership status, residential mobility, size and equipment of residences and their immediate environment, and the potential for remaining in one's home even with physical impairments.

## **The benefits of home ownership**

Home ownership has many advantages. Ownership is associated with larger and better-equipped homes. Since mortgage payments as a proportion of household income are usually decreasing over time, ownership for the elderly increasingly confers some measure of economic and emotional security. It offers living free of rent or at lower costs, and thus acts as an income buffer in times of need, and it allocates the control over staying or moving to the owner. It also increases a person's stake in his or her community. Last but not least owners have the possibility of transferring their property to their descendants.

The link between home ownership and economic well-being merits some further comments (cf. Kurz & Blossfeld, 2004). As the life-time costs of ownership are skewed – high at the beginning, low in old age – home ownership and pensions may to some extent be seen as alternative routes to social security in old age (Castles, 1998). In a society where home ownership is widespread, public old-age pensions can be smaller (Kurz & Blossfeld, 2004:7). The extent and life-time distribution of home ownership thus becomes one of the main dimensions of social inequality.

Figure 1: Ownership (percentages by country and age group)



Note: Vertical brackets indicate the size of confidence intervals at the .05 level

SHARE respondents were asked if they live as an owner, a member of a cooperative (in some countries), a tenant, a subtenant, or rent free (Figure 1 and Table 1). For making the results comparable between countries we have recoded members of a cooperative to ownership and those benefiting from “usufruit total” (existing only in France) to the rent-free-category.

Ownership rates among the European elderly range from 53 percent in Germany to 87 percent in Spain. There exist three groups of countries partially linked to the types of welfare state regimes usually distinguished in the literature. The first group is made up by the Mediterranean countries with very high rates of ownership (more than three quarters of the elderly population) and only between 5 to 15 percent of tenants. France also belongs to this group even though it has a somewhat higher share of tenants. Sweden and Denmark belong to the second group of countries, both with 72 percent owners and 26 percent tenants. In the central European countries of Austria, Switzerland, the Netherlands and Germany, owners make up only slightly more than half of the population and many people (between 27 percent in Austria and up to 40 percent (in the Netherlands) live as tenants.

Ownership rates generally decrease with age. In the high ownership countries of Southern Europe this is least the case; the oldest age groups are almost at the same level as the middle and younger ones, indicating a long-term stability of ownership acquisition. Here home ownership is so wide-spread among the elderly that it may indeed function as an alternative form of social security. In Scandinavia and especially in the Central European countries the decrease by age is steeper. The most extreme difference is found in the Netherlands; among the respondents over 80 only a quarter live in their own accommodation, while among those aged 50 to 59 it is 70 percent. This seems to reflect a more recent expansion of ownership. In

virtually all Western countries, the unprecedented economic boom decades of the 1950's and 1960's saw a rise of ownership rates. "Households profited from rising incomes and inflation, which reduced the real costs of their mortgages and increased the value of their houses" (Kurz & Blossfeld, 2004:14). An alternative explanation of the age difference in ownership rates would be that ownership rights have already been transferred from the older to the younger generations. Given what we know from smaller studies, this alternative seems less likely, but in the absence of longitudinal data a valid conclusion is not possible. There are also some differences by gender. In all countries women have lower ownership rates than men, and correspondingly live more often as a tenant. These findings need to be explored further, particularly with regard to more detailed socio-economic and socio-demographic characteristics of the respondents. At this point, we can ascertain the effect of family structure: controlling for age, owners are much more likely to be married.

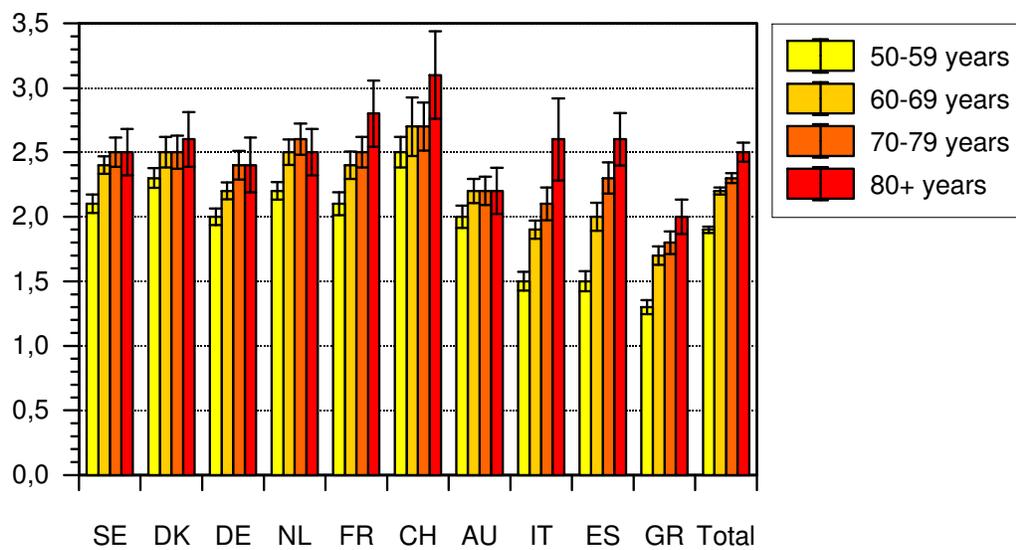
Home ownership is associated with the distribution of private assets (cf. chapter 6.3). Real estate holdings make up a large part of private wealth. In the Mediterranean countries their share is especially high. This is usually explained by the lack of attractive alternatives given the less developed financial markets. It seems equally plausible, however, to link this to the strong family tradition of these countries (cf. chapter 4.1). Investment in home ownership – first but also second and subsequent homes – means investment in tangible property that can be bequeathed to one's descendants as a family holding and an opportunity to live a family life. Homes moreover may be a focus of family memory and family gatherings. Some studies show that homes are less freely disposed of by heirs than financial wealth.

This link is corroborated by the patterns of property acquisition (Table 2). In Scandinavia and the Netherlands property acquisition is an overwhelmingly individualized process, with more than nine tenths of owners saying that they have acquired their property solely through their own means. In the 'strong family' countries of Southern Europe this proportion is lower, ranging from 62 percent in Italy to 73 percent in Spain. In Italy 21 percent have received their property as a bequest, 2 percent as a gift, and 11 percent have had help from their family.

### **Size, residential mobility, and quality of equipment**

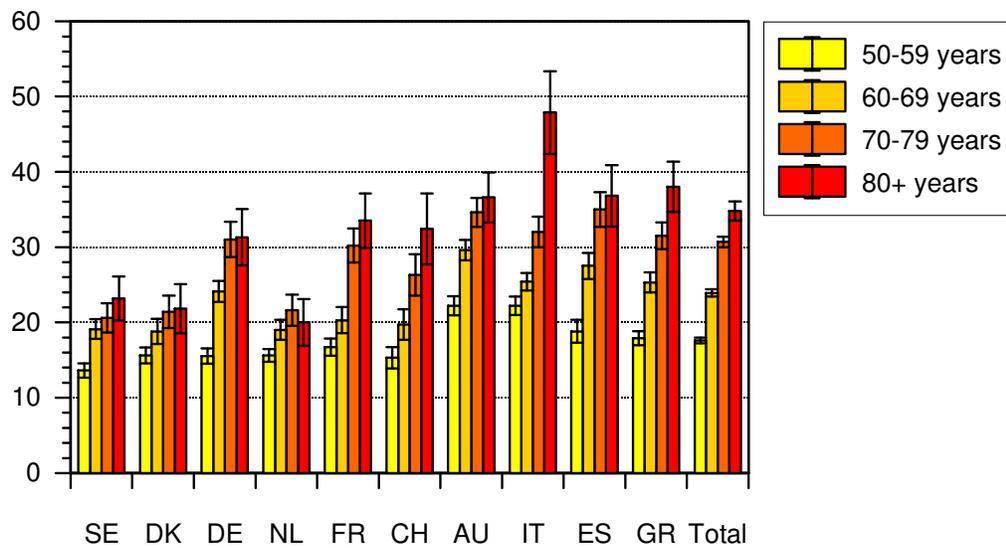
The size of the accommodation is covered by asking the respondents about the number of rooms for the household members' personal use. This includes bedrooms but excludes bathrooms, kitchen, hallways, or rooms which are let.

Figure 2: Rooms per person (means by country and age group)



Our findings show that across all countries the number of rooms per person increases with age, and across all age groups is lower for men than for women (Figure 2 and Table 3). This may be an effect of having the children move out, and especially of becoming widowed. Country means of rooms per person range from 1.6 in Greece to 2.7 in Switzerland. Undersupply thus does not seem to be a general problem. But particularly in the southern European countries the differences between age groups are sizable, reflecting both the later age of children at leaving the parental home, and the more massive onset of widowhood. In these countries the 50-59 year olds have only 1.3 to 1.5 rooms per person at their disposition, compared to 2 to 2.6 rooms for those aged 80 and over. Table 4 demonstrates that at the level of distribution among households there are indeed problems. If we define undersupply as less than one room per person and oversupply as more than 3 rooms, we find that in Greece almost thirty percent of the 50-59 year olds live in a situation of undersupply. This again decreases by age, so that in the oldest age group the rate of undersupply is down to 5 percent. Oversupply may seem to be a happier situation, but it also may present problems of social isolation or excessive costs. The total proportion living in a situation of oversupply is twice that of undersupply, 11 vs. 5 percent. This proportion increases to one fifth in the oldest age group.

Figure 3: Years living in accommodation (means by country and age group)

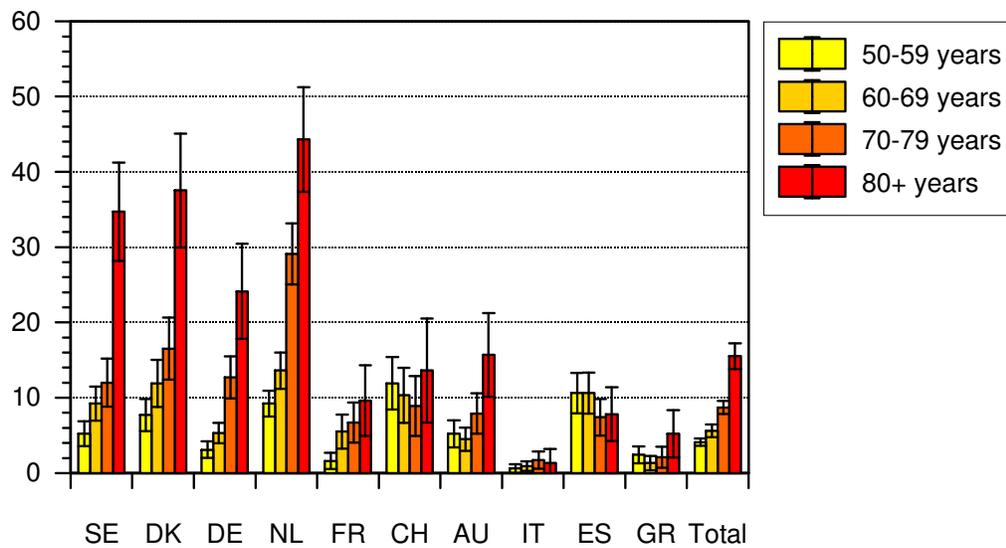


Residential mobility has been assessed by asking for years spent in the present accommodation (Figure 3 and Table 6). Results show the obvious age effect, but it is smaller than expected, with a mean difference of 17 years between the oldest and the youngest group. Overall the elderly Europeans have been living for 25 years in their present home, with Sweden, Denmark and the Netherlands at the lower end, and Austria, Italy and Spain at the upper.

### Special provisions for coping with physical impairments

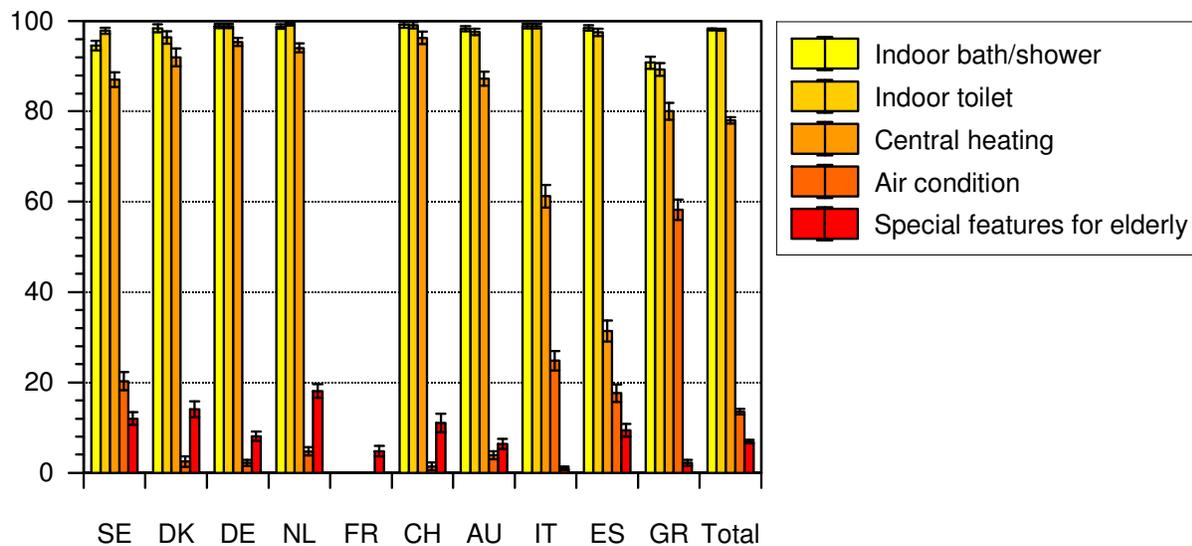
In the perspective of ageing populations, a further important point covered by SHARE concerns the supply with special provisions that assist persons who have physical impairments or health problems. As mentioned above, this is also a key question for the elderly themselves: whether they can remain in their home even with limited physical mobility. A case in point is the risk of falling, increasingly recognized as one of the main barriers for being able to maintain one's own home.

Figure 4: Special features for persons with physical impairments or health problems (percentages by country)



SHARE does not collect detailed lists of special features but asks a general question on the presence of such equipment. Not surprisingly, those 80 and over on average live almost four times more often in households with special features than those aged 50-59, but even for them the overall proportion with 16 percent remains fairly low. This overall proportion hides important differences between countries. The highest provision for physical impairments is found in the Netherlands where close to one half of the population 80 and over live in accommodations thus equipped, followed by Denmark and Sweden, while Italy and Greece are lowest with 1 and 5 percent, respectively. This may again be linked to the strong family traditions in the South, where services provided by co-residing or close family members may be expected to make up for impairments instead of technical features of the physical environment. With further survey waves we will be able to determine whether at comparable levels of disability, special physical equipment and family help are indeed equally effective alternatives for maintaining elderly disabled people at home.

Figure 5: Equipment (percentages by country)



Another dimension concerns more general housing equipment which also may be critical for the ability of the elderly to remain in their home: an indoor bath or shower and toilet, central heating, and/or air conditioning. In this respect our results paint a surprisingly positive picture (Figure 5 and Table 7). Almost 100 percent of our respondents have an indoor bath or shower and toilet for their household's personal use. The only slight exception is Greece where this proportion amounts to 91 percent. Differences between countries, age groups and gender are obviously rather small. Toilet and bath therefore do not seem to be a limiting factor for being able to remain at home. Some more variation exists with regard to central heating facilities where differences between countries are larger. They correspond closely with the variation in climates and needs, so that one would not readily rate them as indications of deficiencies. While in the Central and Northern countries central heating exists in nine tenths of the cases or more, the corresponding figure for Italy is 61 percent, and for Spain, 31 percent. It should however be noted that this is indeed perceived as a deficit by many in these countries (Table 11).

The final point to be covered here is the quality of the immediate environment. It is an important dimension of living standards in addition to the size and equipment of the home. Here again, our findings give a mostly positive account (Table 10). 85 percent of the respondents are satisfied with the supply of facilities such as pharmacies, medical care and shopping for groceries, 77 percent with the possibilities for public transport. Further analyses will link these perceived deficits with the available assessments of objective conditions.

### **What is to be concluded?**

In conclusion, we emphasize three points:

- Overall there are good housing conditions well into old age, with size increasing, and deficiencies – including those of the immediate environment – not much higher than among middle-aged adults.
- Home ownership is typically associated with larger and better-equipped homes. It may moreover provide an important form of economic and social security. Since ownership rates are lower in old age, however, there is less security for the current elderly. Further studies will show whether future cohorts of elderly people will be better off in this respect.
- In most countries – especially so in the South – there is a clear deficit of special provisions that assist persons with physical impairments or health problems. This creates a considerable risk of having to move out of one's home eventually. Housing policy should focus on making up for this deficit.

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