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Inequalities in young adults' access to home-ownership in Scotland: a widening gap?

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Background

- “Late, protracted and complex” (Billari & Liefbroer, 2010) youth transitions to economic and residential independence, as well as to family formation.
- As elsewhere in the UK, young people in Scotland are now facing considerable challenges getting onto the housing ladder.
- An averagely priced house now costs about five times the average annual income, putting owner occupation beyond the reach of many people in Scotland, especially young adults. (Report of the Commission on Housing and Wellbeing, June 2015)



Social and geographical inequalities

On a New Schedule: Transitions to
Adulthood and Family Change

Frank F. Furstenberg Jr.

“Men and women have become more alike over the course of the past century in how they move into adult roles. Class differences, however, have increased” (2010 : 72)

All that is Solid

How the Great Housing Disaster Defines
Our Times, and What We Can do About It

Danny Dorling (2014)

Traces how housing has come to
reflect class and wealth in Britain



Research Questions

For young adults in Scotland:

- What are the key determinants of leaving the parental home, and have these changed since the 1990s?

And then, **for those that left:**

- Have social inequalities in access to home-ownership widened since the 1990s?
- Has geographical polarisation in access to home-ownership increased since the 1990s?



Data and Sample

- Needed a data set with a large enough sample of young people in Scotland and information on their changing living arrangements and tenure transitions



The Scottish Longitudinal Study

- 5.3% sample of the Scottish population
- the large scale of the SLS, with anonymised linked data from censuses (1991, 2001 & 2011) provided the main dataset
- we were also able to derive contextual variables by linking housing and employment data at the local authority level to individual records

Research design

Young adults

- individuals aged 16-29 living with their parents at the beginning of the decade

Aged 16-29
in 1991



Aged 26-39
in 2001

N = 18,327

Aged 16-29
in 2001



Aged 26-39
in 2011

N = 15,182

Repeated cross-sectional design



Methods

For those who left the parental home by the end of each decade:

Multilevel logistics regression models

- predicting transition to home-ownership by t2

Model Covariates

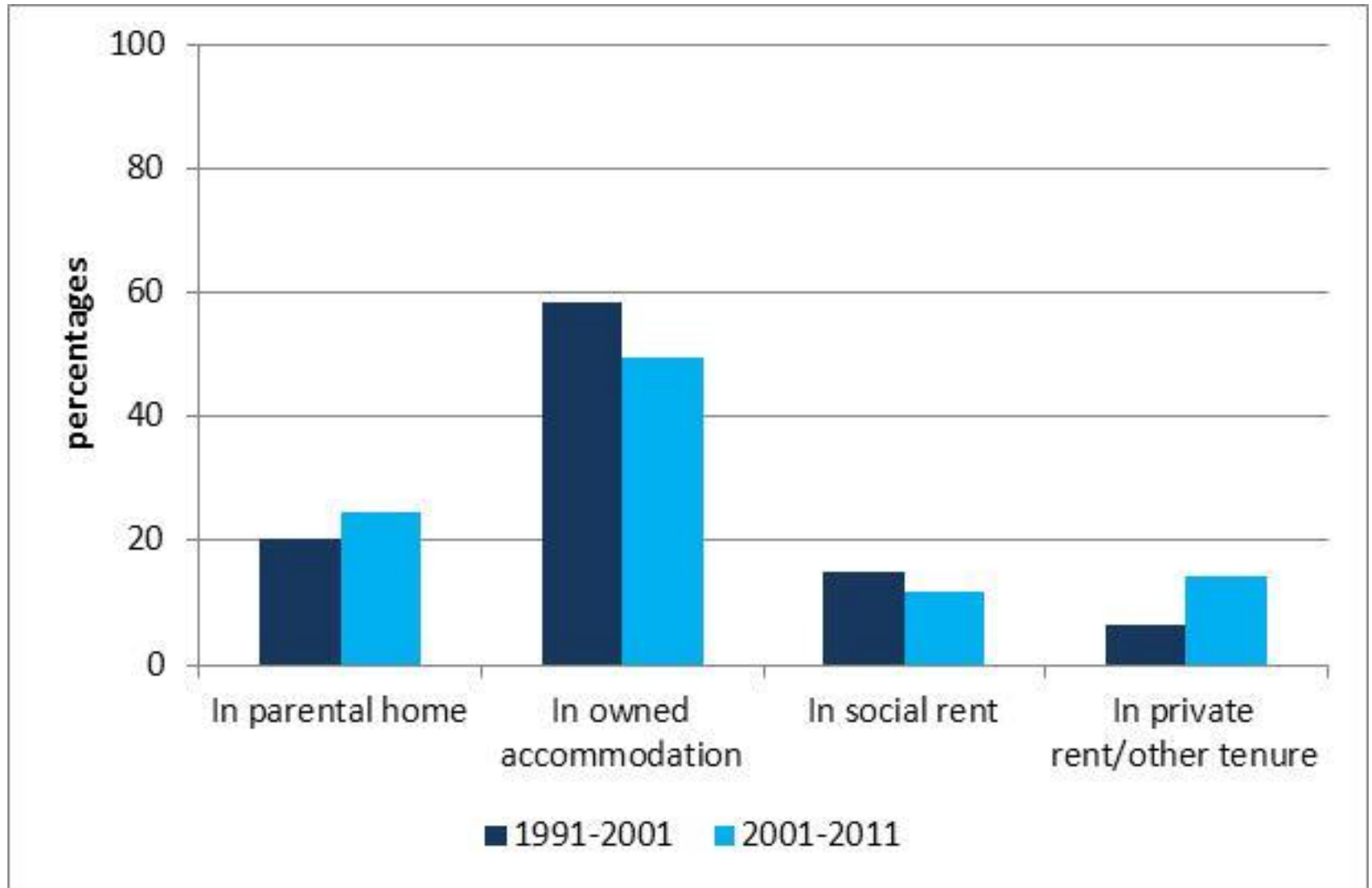
Individual level

- Gender
- Age at t1
- Educational attainment by t2
- Living arrangements at t2
- Employment status at t1
- Change in health between t1 and t2
- One parent family at t1
- Parental social class at t1
- Parental housing tenure at t1
- Overcrowding at t1

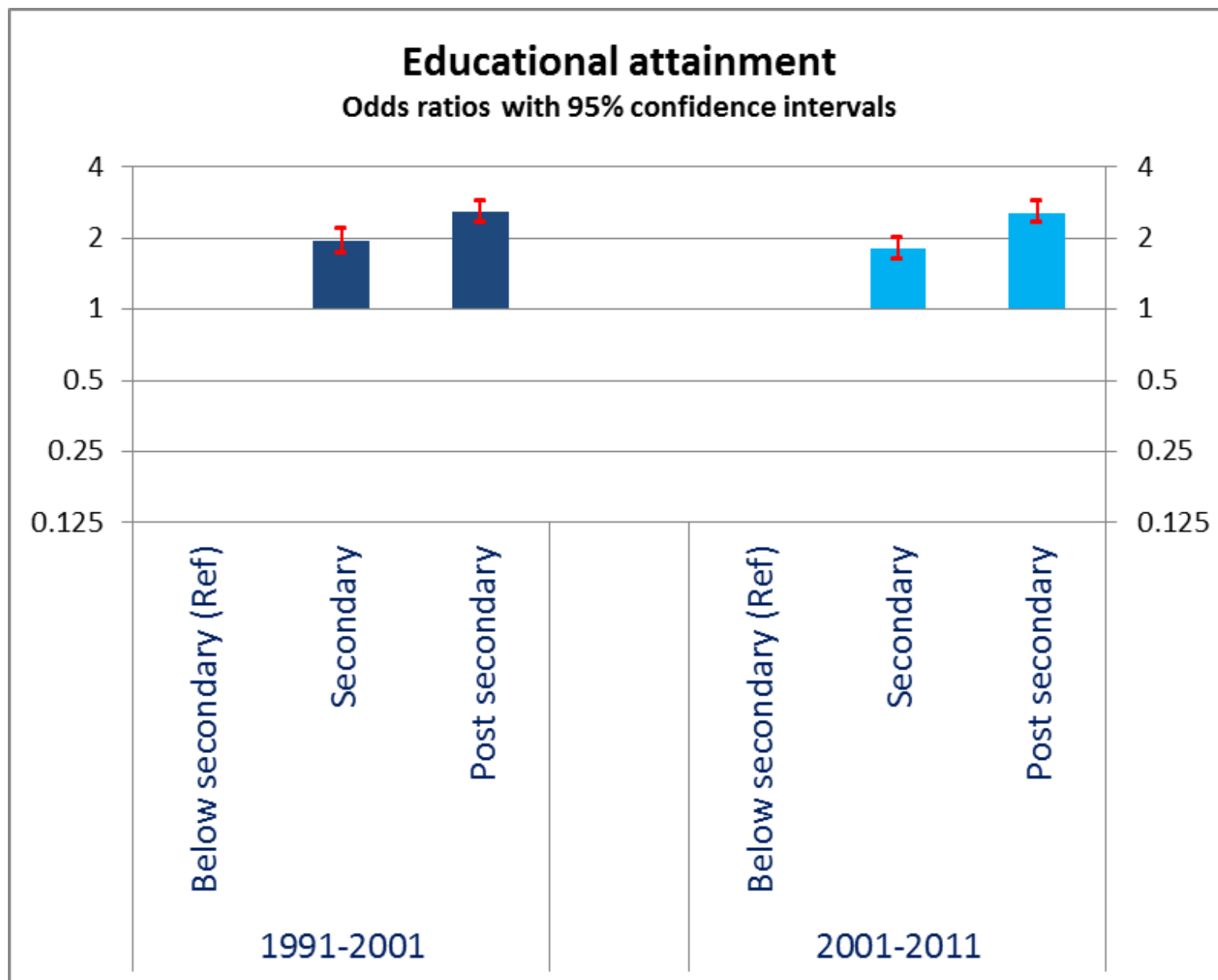
Local Authority level

- Average median housing prices (1993-2001 & 2001-2011)
- Relative difference in median housing prices (1993-1999 & 2003-2009)

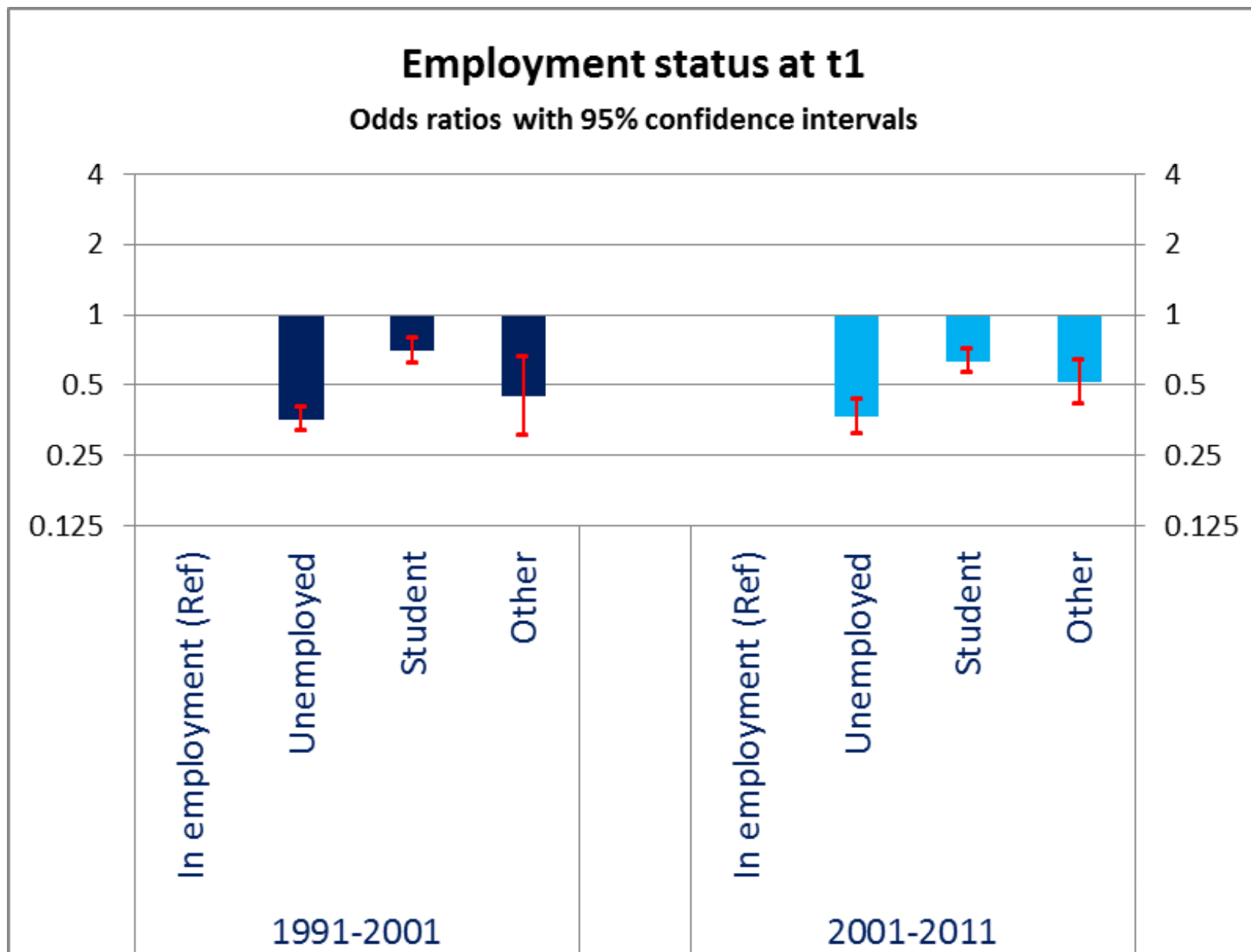
Young adults housing transitions in 1990s & 2000s



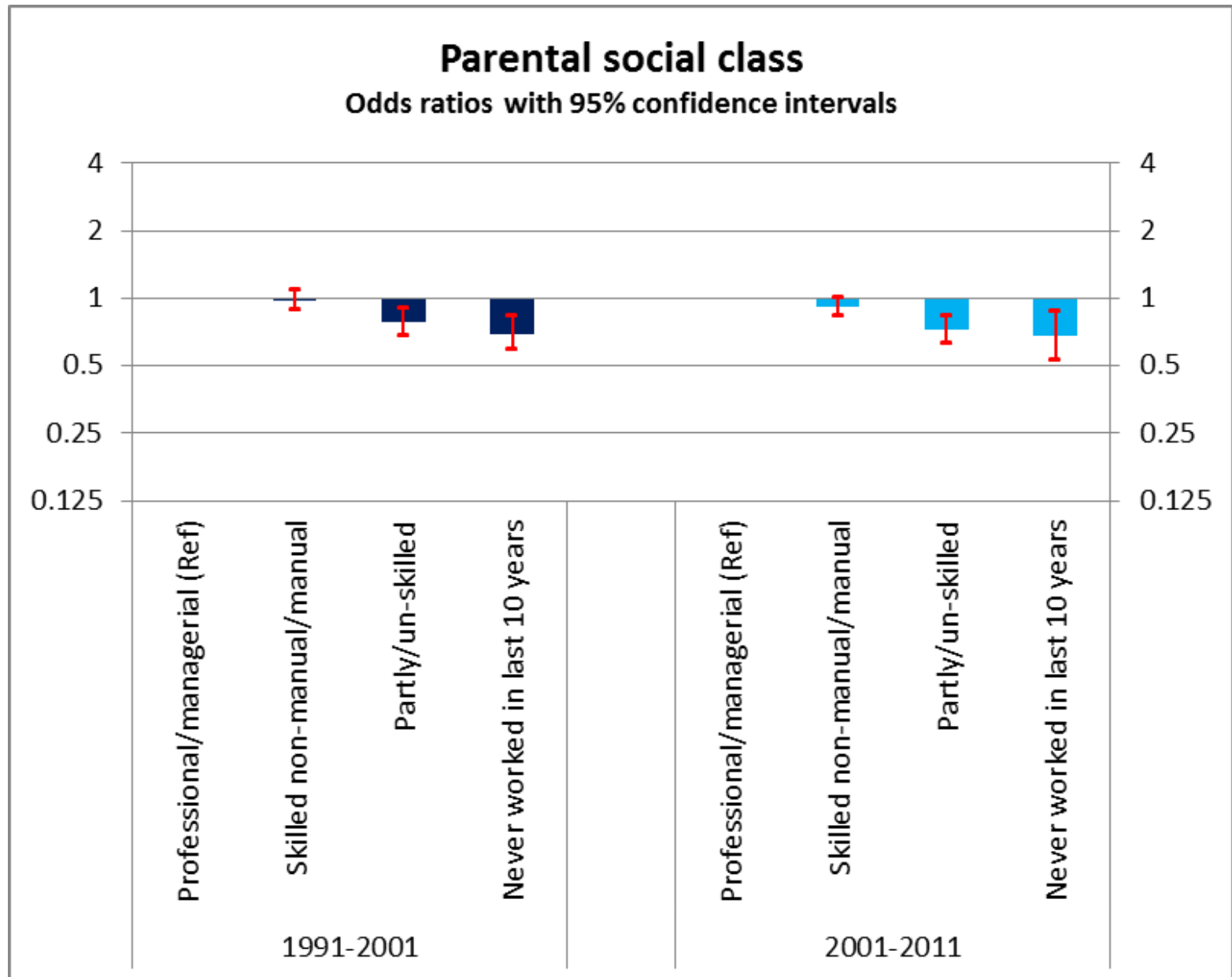
Results: education



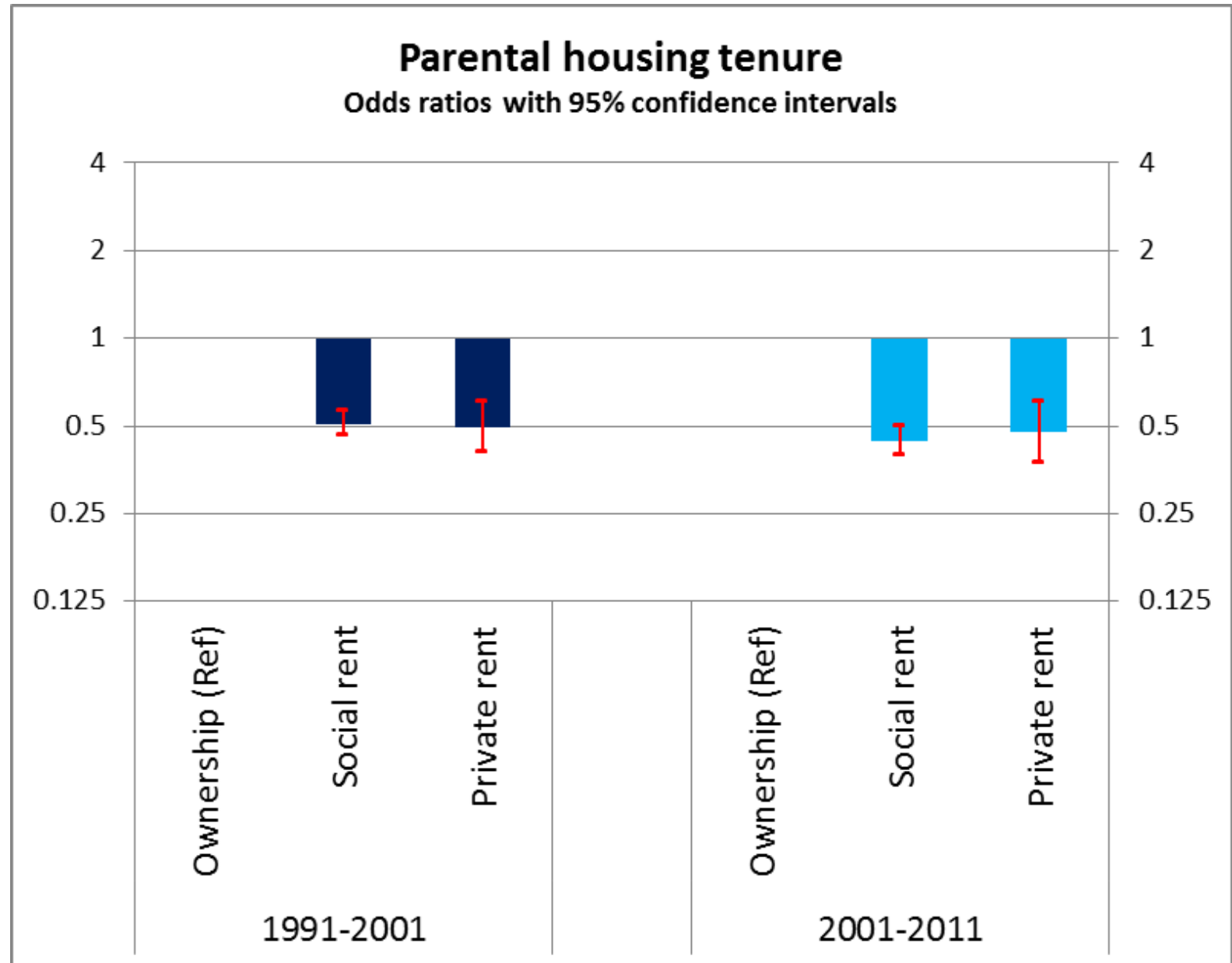
Results: employment



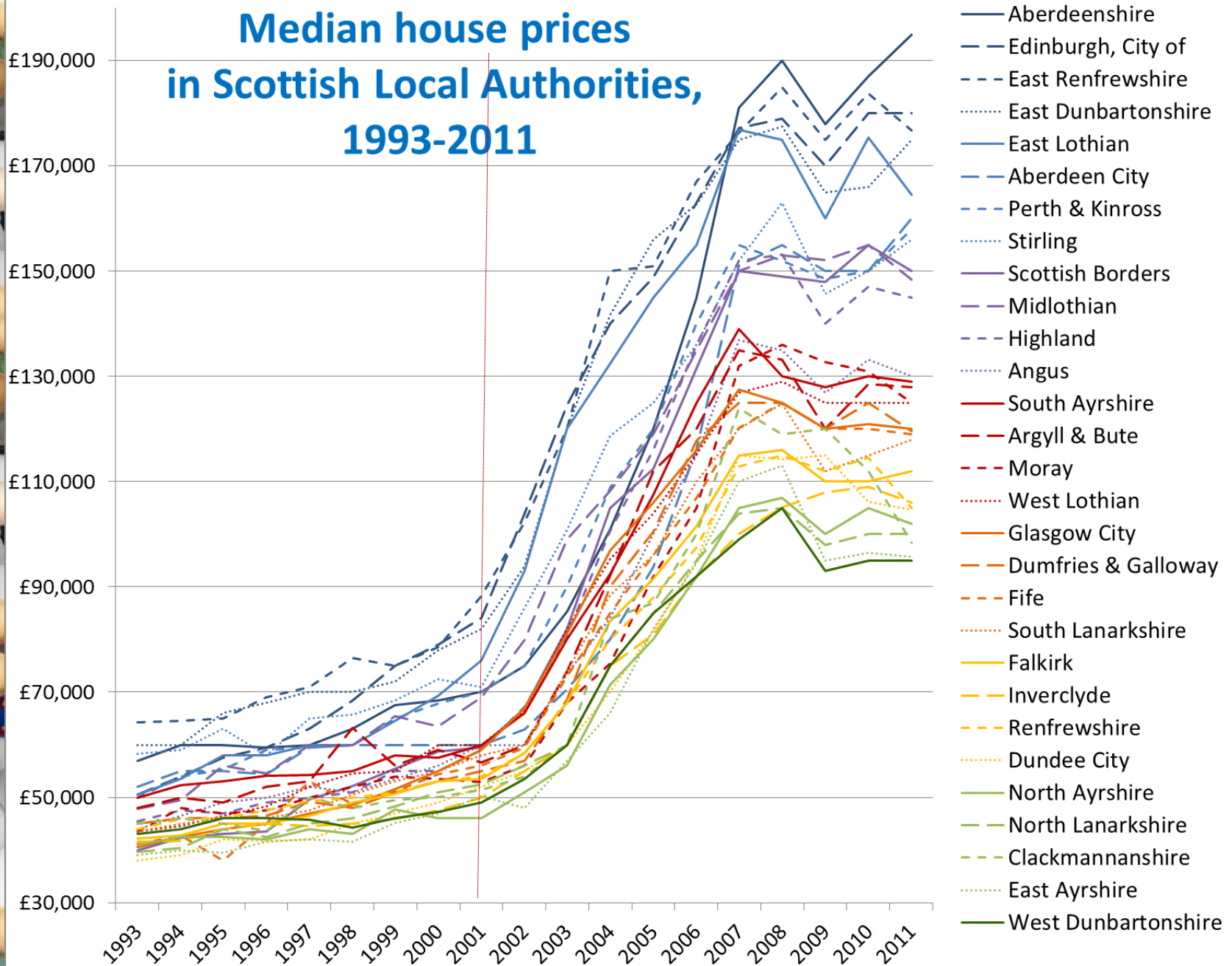
Results: parental social class



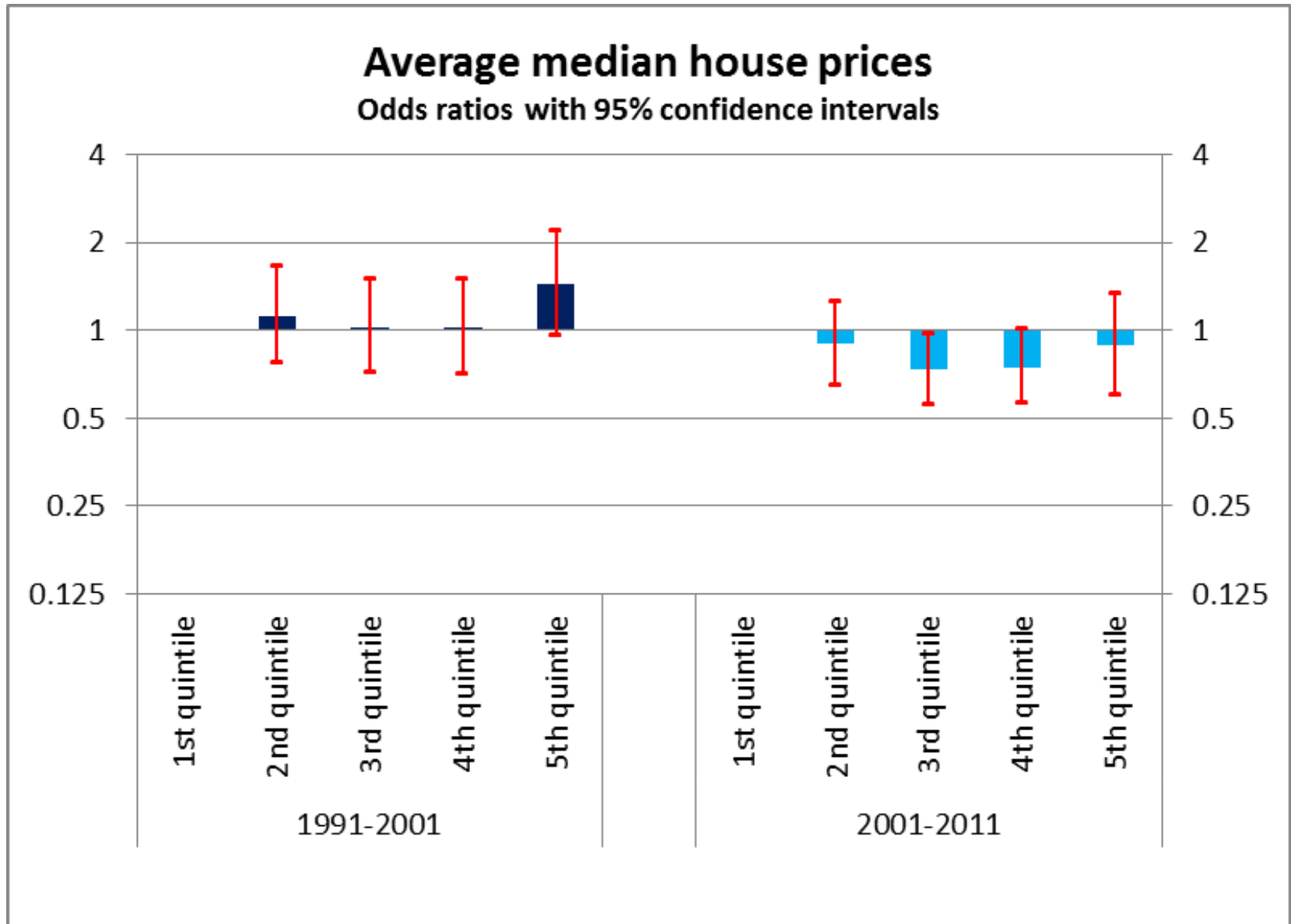
Results: parental housing tenure



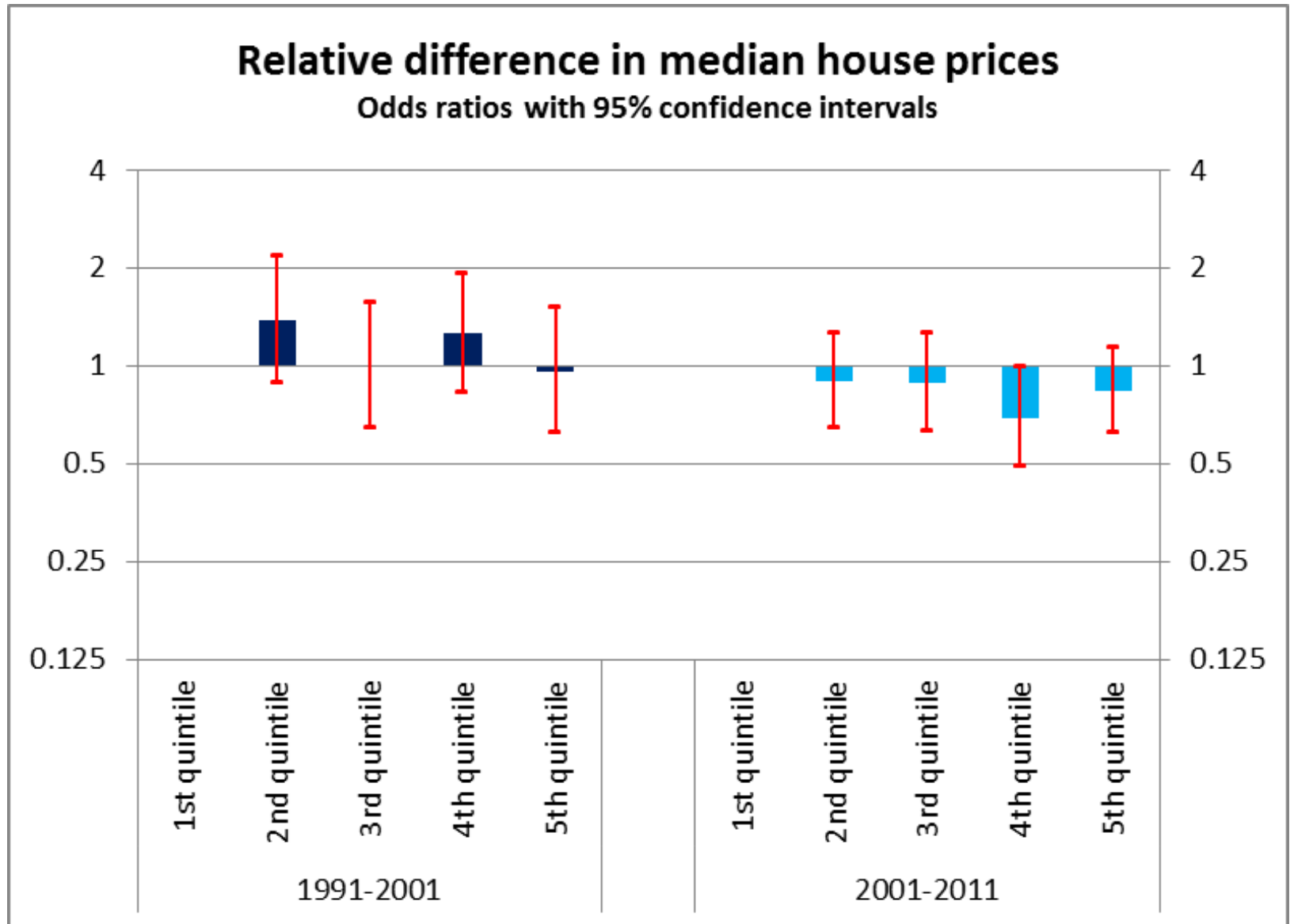
Median house prices in Scottish Local Authorities, 1993-2011



Results: Local housing markets



Results: Local housing markets





Conclusions

- There remain significant **social inequalities** in decadal transitions to home-ownership and in some respects the gap between the most and least advantaged has widened between the 1990s and the 2000s:
 - The **educational gradient** has changed, strengthening the relative advantage of post-secondary education over secondary education, but **employment status** differences have narrowed.
 - Differences by **parental social class** have increased, as has the relative disadvantage of having parents who are **social renters**.
- Our findings also suggest that young adults' opportunities to get onto the housing ladder have become more differentiated across **local housing markets** in Scotland.

CPC Briefing paper:

ESRC Centre for Population Change • Briefing 26 • June 2015



Who gets on to the property ladder in Scotland? Changing transitions to home ownership among young adults over two decades

Young adults in Scotland, as elsewhere in the UK, are now experiencing greater difficulties getting onto the property ladder than they did in the 1990s. This study examines the characteristics and family background of those who left the parental home and became homeowners between 2001 and 2011. It then compares their experiences with the experiences of young adults in the previous decade. The findings indicate that the advantage associated with higher education has increased but so has the influence of family background, whereas securing professional employment is less of an advantage for getting onto the property than it was in the past. Thus there is a risk of inherited inequalities becoming entrenched and further reducing the social mobility of young adults in the future.

Key Points

- Young men are more likely to be living in the parental home than young women, but they are also slightly more likely to become homeowners when they leave.
- Education matters, as those with higher education qualifications are more likely to become homeowners.
- Employment also matters, as those employed in professional/managerial jobs are more likely to become homeowners. However, the gap between the high achievers and the rest has narrowed since the 1990s.
- Parental social class and housing tenure both influence whether or not a young adult becomes a homeowner, and this influence has strengthened since the 1990s.
- There is a risk that inherited inequalities may become entrenched and further reduce social mobility among young adults in the future.

Introduction

In the 1980s, homeownership became the main type of housing tenure in Scotland for the first

time, displacing the previously dominant social housing sector. However, since the economic downturn in 2008, homeownership rates among young adults have declined markedly due to a



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- The findings, interpretations, and conclusions of this analysis are solely those of the authors and should not be attributed in any manner to the ESRC, National Records of Scotland (NRS) or LSCS.

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