

# SOCIODEMOGRAPHIC HETEROGENEITY IN HOUSING QUALITY: SPAIN IN EUROPEAN COMPARISON

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The last residential boom in Spain improved the average quality of housing, as there was an intense renewal of stock. At the end of the boom in 2007, 27% of Spanish residential stock was less than 10 years old.

According to data from the 2001 Spanish census, the main dwellings built since 1970, which represent almost 50% of the stock, are clearly those of greater quality. Sixty-eight per cent of households who made their last residential movement in the nineties live in these dwellings. Moreover, almost two thirds of all households with the reference person between the age of 25 and 34 live in residences built after 1970. These data confirm that with the Spanish residential system initial access is frequently to recently built accommodation, which reduces the need to improve homes and explains, in part, the low general residential mobility.

All these contextual elements, the prevalence of ownership and the fact that housing quality does not present great differences between ownership and rental are in contradiction with the main results of the international literature on the residential conditions of the population. This leads to our research questions: what factors are the most determinant in the evolution of the residential quality of the Spanish population? Can we rule out a relationship with the biography of households? What distinguishes the Spanish case and what does it have in common with the rest of the European countries?

The hypothesis of the article is that with classical, social democratic (Norway), corporatist (Germany) and liberal (United Kingdom) residential systems the housing tenure status presents different options both in social and in biographic terms. In this framework, quality is closely associated with the type of tenure and, in particular, ownership is a positive indicator of housing quality. Likewise, as the transitions from rental to ownership are organized over the life course, residential quality also varies favourably with the biographic journey.

On the other hand, in the Mediterranean system (Spain), and in the East European countries (Poland), the extent of ownership is such that rental is a residual option of the system. The differences in quality are not closely related to one or another form of tenure. This means an absence of organized transitions from rental to ownership, a framework of low residential mobility and that residential quality is not particularly determined by the biographic stage of the household.

To achieve the aforementioned objectives we will model the probability of the households from the five countries considered living in housing with quality problems (as opposed to those who live in housing without problems). It will be considered that housing has quality problems when it presents any of the following shortcomings: a) insufficient natural light, b) problems of damp or c) it does not have adequate bath or shower facilities inside the housing.

The statistical source used is the European Statistic on Income and Living Conditions (EU-SILC). This survey has an annual frequency and a rotating panel design which is renewed each year or cycle. The cross-sectional data from the 2007 edition were used to carry out this study. This edition contains a sample of 5,900 households from Norway, 13,850 from Germany, 9,270 from the United Kingdom, 12,300 from Spain and 14,300 from Poland.

In relation to the method, multivariate modelling was chosen, combining two types of logistic regression. The stepwise method was used to determine the importance of the factors considered in the housing quality problems. The forward Wald regression method was then used to analyze the level of statistical association of each independent variable with the dependent one.

The *independent variables* included in the modelling can be classified in two groups:

A). *Sociodemographic*. Includes the demographic and economic variables par excellence: *the age of the reference person in the household* and *the distribution of the household's disposable income*. In order to avoid problems of statistical significance, age was grouped in four categories (under 35 years old, 35-54, 55-74, 75 and over), which are broadly indicative of the family life cycle of individuals. Income was grouped in quartiles according to the distribution of disposable income of each of the five countries considered. In both cases they are categorical variables.

B). *Residential*. The group consists of two variables: *tenure status* and *housing type*. Tenure covers five categories: paid ownership, ownership with payments pending, rental at market price, rental at price below market and housing provided free or semi-free. The *housing type* differentiates between detached, terraced, blocks of flats with less than 10 dwellings and blocks of flats with 10 or more dwellings.

According to the quality indicator, 12% of households in Norway lived in housing with some quality problem. This percentage rises to 16.4% of households in Germany, 21.9% and 25.5% of those of the United Kingdom and Spain, and to 40.4% in Poland. Broadly speaking, the different variables which make up the quality indicator show the same pattern. In the five countries considered, damp is the most frequent problem, followed by natural lighting and the lack of an adequate bathroom installation inside the dwelling. The most notable case is Poland, where over 8% of households do not have an adequate bathroom installation, while in the rest of the countries the percentage is less than 1% of the total. This difference is partly

explained because Poland still has a high percentage of dwellings with the bathroom outside the dwelling.

Two aspects of the model stand out to determine the influence of the independent variable on housing quality. The first one is that all the independent variables are sufficiently explanatory to be included in the model. The exception is the age of the reference person in the household, which is excluded in Spain because its explanatory contribution is insignificant. It should also be stressed that the models in Germany and Norway do not include the housing type variable as it presents collinearity with tenure status.

The final model, in relation to housing tenure status, shows that owners have better residential conditions than those living with another tenure status in all countries, although with significant differences.

In relation to the age of the reference person in the household, the results confirm that people are more likely to occupy housing with quality problems in the initial stages of the life cycle of the household and gradually improve as the stages progress. The sole exception to the hierarchical model by age is observed in Poland which follows the opposite pattern and where the risks of living in a dwelling with quality problems increase with age, due to an intense generational change in favour of the younger cohorts.

As regards housing type, the results are very different in the two countries where this variable is explanatory. In the United Kingdom, the households which occupy detached dwellings enjoy better residential conditions than those which occupy flats or apartments. The opposite occurs in Spain, where the households with more housing quality problems are those which live in detached dwellings, which are mainly old and in rural environments.

Finally, the influence of disposable family income is the same in the three countries where this variable is explanatory, in that higher income means a lower propensity to occupy housing with quality problems.

The unequal influence of the different housing quality variables of the countries studied is undoubtedly indicative of the characteristics of their residential system. In Norway, Germany and the United Kingdom, the factors which explain part of the quality problems are the tenure status and the sociodemographic factors indicative of the life cycle of the households (age and income). That is to say that the results are in line with the literature. On the contrary, in Spain and Poland the life cycle of the household is not associated with housing quality. In Spain the tenure type and status predominate, and in Poland income and the interaction between the housing tenure type and status. The factors which influence housing quality therefore vary in accordance with the residential system, there being an unequal explanatory power which also varies depending on the country analyzed.

Spain is a clear example that there is not always a perfect correlation between tenure and the housing quality level. The association between ownership and quality is not universal, as it sometimes appears to be from the specialized literature. This article confirms the conclusion of Hoekstra (2005) that the Mediterranean countries form a separate block from the Northwest European countries. In the South of Europe, quality is linked more to the type of housing, its physical characteristics and age, than to tenure. In countries like Spain, ownership is so dominant that it is a heterogeneous category in terms of quality. Rental is residual, and although on average presents greater quality problems, it is impossible for it to cover all the dwellings with problems. In Spain, ownership and detached suburban dwelling do not go

hand in hand. Access to ownership cannot therefore be accepted as a universal indicator of an improvement of quality on the individual level. Nor can it be accepted, on the aggregate and cross-system comparative level, that a greater percentage of homes with ownership represents better quality indicators for the residential stock. In short the Spanish case, and in the context of this article the Polish one, invalidate the universal nature of these relations, which are specific to some systems, and even periods.