

THE HOUSING MARKET IN ITALY AND ITS IMPACT ON LEAVING PARENTAL HOME

Anna De Pascale and Alessandra De Rose

Background

Italy is among countries in Europe with the latest leaving parental home, union formation and parenthood and the lowest fertility levels (Dalla Zuanna 2001). Housing dynamics and the imperfections of the housing market are often recalled among the factors which lead to delay for young people to start their independent household careers and form unions and families (Castiglioni, Dalla Zuanna 1994; Pinnelli 1995). This hypothesis, although overall accepted and cited while studying young people behaviours, has not been substantiated by a great wealth of empirical research yet.

Only recently the attention of the population researchers has been drawn on the strictly interrelationship between partnership and family behaviours and housing dynamics in the European countries (Mulder & Wagner 2001; Mulder & Billari 2006).

Leaving the parental home takes place for different reasons, and the role of housing is likely to differ for each of them (Mulder 2006): “Those who want to leave home for reasons of education or work have little room for postponement. They are likely to move even if they have to accept substandard housing. Those who want to leave for reasons of independence, cohabitation or marriage have more opportunities to wait until they have found suitable or affordable housing”.

Finding a suitable and affordable housing proved to be particularly hard in those countries where the levels of homeownership is high, and where there is a low access to mortgages and an under-development of the rental sector. Around the year 2000, the Southern European countries are those with the greatest share of homeowners (Spain, Greece and Italy, with 85.3, 83.6 and 75.5 percent homeowners respectively), the lowest Total Fertility Rates (1.24 children per woman for Italy and Spain, 1.29 for Greece) and the highest share of young people still living in the parental home. In the Southern-European welfare regimes (Esping-Andersen, 1999), with low levels of state support for young people and a strong focus on support from the family, the access to home-ownership depends not only on personal savings but mainly on family help or inheritance.

Research questions

Although the previous relationship is easily recognised, still the characteristics and functioning of the housing market is far to be entirely explored and a number of questions remained to be answered.

Such as: Why is there such a small amount of affordable rental housing in an high home-ownership regime? What are the ways to operate of the real estate markets in terms of factors affecting the demand of housing other than demographic, such as income, prices of housing, access to credit, consumer's preferences? What are the mechanism of the financial markets and the way of banks operating?

In this paper we deal with some of the previous issues with reference to the Italian housing and financial market specific data sources (Nomisma 2007, Tecnoborsa, Censis 2006). We focus, in particular, on recent attention the policies and the economic developers have drawn on the young people difficulties in entering the labour and the housing market, and evaluate the expected effects of some special mortgage's loan conditions proposed by important banking groups (Unicredit Banca, Capitalia, e Barclays Bank) in terms of young people attitudes and behaviours.

At individual level, we performed a logistic regression analysis of factor affecting young people leaving parental home using the Italian data set of the European Survey EU-SILC (Statistics on Income and living conditions, 2004). Results confirm that housing condition plays an important role in affecting the Italian young people independency and leaving arrangements, and the way and the timing of forming a union.

Selected references

- Castiglioni, M., Dalla Zuanna, G. (1994), Innovation and tradition: Reproductive and marital behaviour in Italy in the 1970s and 1980s, *European Journal of Population*, 10(2), 107-142.
- Censis (2006), *Il futuro dell'immobiliare all'insegna della stabilità*, Roma.
- Dalla Zuanna, G. (2001), The banquet of Aeolus: A familistic interpretation of Italy's lowest low fertility, *Demographic Research*, 4, 133-162.
- Esping-Andersen, G. (1999), *Social foundations of postindustrial economies*. Oxford: Oxford University Press.
- Mulder, C. H. (2006), Population and housing: A two-sided relationship, *Demographic Research*, 15, 401-412.
- Mulder, C. H., Billari F.C. (2006), Lowest-low fertility and home-ownership regimes, presented at the 2006 European Population Conference, Liverpool.
- Mulder, C. H., Wagner, M. (2001), The connections between family formation and first-time home ownership in the context of West Germany and the Netherlands. *European Journal of Population*, 17, 137-164.
- Nomisma (2007), *Primo Rapporto sul mercato immobiliare italiano*, Bologna.
- Pinnelli, A. (1995), Women's condition, low fertility, and emerging union patterns in Europe. In K. O. Mason & A.-M. Jensen (Eds.), *Gender and family change in industrialized countries*, Oxford: Clarendon Press.
- Tecnoborsa (2005), *Indagine 2004 sulle famiglie e il mercato immobiliare*, www.tecnoborsa.com

Authors' biographical information

Alessandra De Rose,

Università degli studi di Roma "La Sapienza"
Dip. di studi geoeconomici, linguistici, statistici e storici per l'analisi regionale
Via del Castro Laurenziano, 9
00161 ROMA
tel. 06 49766419
fax 06 4957606
e-mail: alessandra.derose@uniroma1.it

Current position

Professor of Demography, University of Rome "La Sapienza", Faculty of Economics

Other affiliation

Italian Statistical Society (SIS)
European Association for Population Studies (EAPS)
International Union for the Scientific Studies of Population (IUSSP)
Editorial Board of *Genus*, International Review of Demography, Roma

Research interests

The main interests are reproductive and marital behaviours, studies on determinants of fertility and union formation and dissolution with application of statistical models for life history analysis. Topics are addressed taking a European comparative perspective and a multilevel approach. Recent themes are gender studies and combining data from different sources.

Selected recent publications

De Rose A., Racioppi F. (2001), Explaining voluntary low fertility in Europe : a multilevel approach, *Genus*, vol.LVII, n.1
De Rose A. (2001), *Introduzione alla Demografia*, Carocci Editore, Roma
Pinnelli A., De Rose A., Di Giulio P., Rosina A. (2002), Interrelations between partnership and fertility behaviours, in Corjijn M. and Macura M., *Dynamics of fertility and partnership in Europe*, vol.1, UNECE, pp.77-98
De Rose A., Racioppi F. (2004), A Multiway Analysis for Cross-Countries Comparisons of Family Behaviors in Southern Europe, Atti della XLII Riunione Scientifica della SIS, Bari 9-11 giugno, CLEUP, Padova, pp.375-378
Dalla Zuanna G., De Rose A., Racioppi F. (2005), Low fertility and limited diffusion of modern contraception in Italy during the second half of the twentieth century, *Journal of Population Research*, vol.22, n.1, pp.21-47
Rendall M.S., Admiraal R., De Rose A., Di Giulio P., Handcock M. S., Racioppi F. (2006), Estimating first birth probabilities in Italy by combining population and survey data, Atti della XLIII Riunione Scientifica della SIS, Cleup, Padova.

Anna De Pascale,

Università degli studi di Roma "La Sapienza"
Dip. di Scienze Demografiche
Via Nomentana, 41
00161 ROMA
e-mail: anna.depascale@uniroma1.it

Current position

Phd student in Demography

Research interests

The main interests are young people family attitudes and behaviours and relationship with recent changes in the economic situation, namely the labour market and the housing market.

Publications

De Pascale A., La lunga permanenza dei giovani in famiglia : un focus sugli studenti universitari, dicembre 2005

De Pascale A., Formazione, lavoro, mercato immobiliare : quale impatto sui progetti familiari dei giovani pontini?, Giornate di Studio sulla Popolazione – VII Edizione, Latina 14-16 febbraio 2007