Performance of Social Inequalities in the Housing Market: Meanings of Mortgages and Intergenerational Financial Transfers

Tomáš Samec
Institute of Sociology of the Czech Academy of Sciences, Jilská 1, 110 00 Praha 1, Czech Republic
email: tomas.samec@soc.cas.cz

Abstract

In the following paper I describe how first-time buyers attach themselves to various kind of debt and obligation (mortgages and family loans and gifts). I depict the results of qualitative content and narrative analysis of 40 interviews with first-time buyers and of 10 interviews of their parents from the Czech Republic in order to classify the arguments used to justify their actions. I argue that certain culturally shared perception and evaluation of mortgages and family transfers contributes to reproduction of socioeconomic inequalities. The relevance of intergenerational financial transfers for attachment to formal debt has been proved by survey data and regression modeling, however the cultural and moral legitimation of practice has been under-researched. Adding the perspective of both generations I enrich the perspective on debts and gifts in the housing context and broader our understanding of various kind of inequalities generated on housing market.

Keywords: homeownership - mortgages - social inequality - intergenerational financial transfers - justification

Introduction

Housing is a domain, which concerns all kinds of actors ranging from macro-scale - embodied by governments using housing as welfare device (Fahey, Norris 2011) - to micro-scale, represented by households and individuals, who seek security of home and gain of assets (Ronald 2008: 237 - 238). Subsequently, decisions regarding the housing tenure influence not only people's identities and their social status, but very often form people's social relations and dependencies by demanding them to participate in formal and informal debt relations. In this article, I aim to depict discursive and practical techniques used by first-time buyers in order to attach themselves to debt and to housing market in general (Deville 2015: 45 - 50). Furthermore, I argue that the very particular mode of attachment to debt and market by performance of certain cultural norms and moral orders contribute to reproduce intergenerational material and symbolic inequality.

This article depicts the process when intergenerational financial transfers (i. e. money or real estate gifts, interest-free loans, long-term money contributions on savings accounts) function for actors entering the housing market as a tool to engage with the mortgage and attach themselves to the housing market. From the evidence across Europe (and especially from southeast UK and London) we observe continual diminution of homeownership affordability for young households (Kennet, Forrest, Marsh 2012; McKee 2012). In this context the significance of other practices (i. e. intergenerational transfers) is gaining immanent significance. All sorts of these interaction between parents and adult children create specific bond and obligation between the giver and the receiver (Peebles 2010: 228). Family transfers would be doubtfully perceived as debt in the classical economic sense. However, in the anthropological perspective each gift creates relation and form of dependency at least in the expectation of future action. In the familial context we may observe blurring of clear distinction between loan and gift regarding the wealth transfers with housing purposes (Heath, Calvert 2013: 1127 - 1131).

Intergenerational financial transfers and their impact on housing tenure of children of givers has been subject to scrutiny (Mulder, Lauster 2010), however either in context of Southern Europe (Minas, Mavrikou, Jacobson 2012) or through purely quantitative perspective (Mulder, Smits 2013; Helderman, Mulder 2007; Lerch, Luijxs 2015; Boehm, Schlottmann 1999; Kohli 1999). This article aims to supplement the debate by providing an analysis of in-depth interviews with actors who are entering the housing market and their parents bringing the intergenerational perspective. I depict the ambiguous attitudes toward debt as both enabling and disabling device of social action, which has to be justified in order to be perceived as reasonable and legitimate practice. Thus, I focus on the various practical and discursive strategies (Van Leeuwen 2008: 105 - 121), performed by actors in order to justify different forms of debt attachments.

Inequalities generated through different levels of availability of (in)formal debt and credit might be conceptualized in four dimensions: economic - to have an asset (real estate) or capital gains from homeownership (Burbidge 1998); sociocultural - earning higher social status and morally correct identity of owner (Samec 2016; Lauster 2010; McKee 2009; McKee 2011); emotional - homeowners having a feeling of “good investment” and ontological security (Hiscock, Kearns, Macintyre, Ellaway 2001; Dupuis, Thorns 1998) and political - based on the institutionalized differentiation of rights of owners and renters, guaranteed by the state (Winter 1994: 35-46). Literature on housing and inequalities focus either on the outcomes of inequality or on the purely economic causes and do not uncover culturally influenced justifications and affective attachments to the ownership or to particular debt strategies. I present the perspective, which aim to deconstruct the cultural determined reasons of why the inequalities might be reproduced in first place. This perspective grows from the various schools of new cultural economy and economic sociology acknowledging the cultural dimension of economic actions and takes into account both micro-level (interaction in families) and macro-level (culturally shared norms and institutional settings) of social world.

Housing debt in Central European historical context: mortgages and intergenerational financial transfers

In the context of Central Europe two factors have essential influence on tenure choice: prevailing cultural norm of preference of homeownership over renting (Lux et al. 2016; Samec 2016) and the fact, that people usually use credit (in the form of mortgage or family transfers) in order to obtain desired housing tenure. People currently entering the housing market usually recently entered the job market as well and founded their new families and generally do not dispose with large financial assets. Partial reliance on (in)formal debt is thus a standard way to achieve a desired ownership. In the Housing Attitudes 2013 survey (representative for the Czech Republic, N=3 003), the respondents who realized the purchase of dwelling in last five years (N=493) were asked about the structure of funding: although 58% used their savings, family transfers were used by 41%, and mortgages by 31% of respondents. Asking about the amount of value from combined value of real estate secured by specific mean in average mortgages covered 61% of estate's value, while direct family transfers cover 40% and one own's savings 46%. Family transfers thus figures as important tool to secure one's tenure status. In case of first-time buyers it is more likely they have to rely on "non-savings" sources even more, which indicates the symbiotic relation between formal and informal loans, while the first-time buyers are one of the groups endangered by exclusion from homeownership (McKee 2012).

The context of Central Europe is historically specific as during 1990s massive waves of privatization of housing stock took place, enabling sitting tenants to acquire the estate below the market price (Lux, Mikeszova 2012: 79). Newly established homeowners could invest their assets into the consumption of goods or use them for savings. However, privatization of housing stock liquidized the sector of public rental housing, making it rather marginal way to provide long-term and secure housing tenure. Private rental sector had been also subject to market ineffectiveness and social injustice due to the regulation of rents in restituted and privatized houses on one side and deregulated rents in newly established contracts (Lux, Sunega 2010: 370) This practices shed a bad light on rental sector, which has been perceived as insecure[1] in the long-term and comparatively expensive tenure.

The mortgage market has developed in the early 2000s, slowly expanding in the amount of provided loans[2]. The financial crisis had various impacts on housing markets for countries in Central and Eastern Europe. In the Czech Republic the impact was rather soft, lowering the demand for mortgages between years 2008 - 2013, but without harsh effects (e. g. forced foreclosures and negative equity) for actors. Cases of Poland and Hungary were different with significant number of mortgages denominated in foreign currency, mostly Swiss Francs. This fact caused major disruptions for Hungarian and Polish debtors, while world-wide investors were making "run on franc" after the Crises valuing in comparison with forint and zloty. Although governments took action either regulating the lending practically forbidding the denomination of mortgages in the foreign currency in case of Poland or practically nationalizing the banking sector in Hungary. Mortgages and their perceptions still played essential role in actors' imaginations (Gille, Riain 2002: 283 - 285) and in construction of meanings of complex global phenomena such as Financial Crisis and in their decision making regarding housing tenure strategies.

Market debt relations and meanings of the mortgages in context of Central Europe have been subject of attention in relation to debate over the financialization of everyday life (Lewicki 2014). These debates were connected to the way mortgages shape subjectivities and their influence on different kind of rationalities people practice (Pellandini-Simányi, Hammer, Vargha 2015). However, the issue of temporality and middle-class aspirations of mortgage borrowers were also deconstructed in case of Poland, where the imagination of ownership being a perfect housing pathway prevails strongly (Halawa 2015). In this theoretical perspective the actors performing economic actions are driven not by the economic rationality, but rather by assemblage of incentives and motivations ranging from certain moral orders, cultural norms, social status ascription rules and lay economic rationality. I attempt here to present the mortgages and intergenerational transfers as symbiotic socio-technical

[1] For example when signing a rental contract in private rental sector prevalent practice in the Czech Republic is one-year contract, comparing to the legally binding for unlimited time range in Germany
[2] The mortgage markets of the Czech Republic and Poland are still rather "under-developed" when comparing to EU average, while according to Hypostat Total Outstanding Residential Loans to Disposable Income of Households Ratio were 25% for CZ, 34% for PL and 79% for EU.

devices (Deville 2015), which are used to gain certain objects (i. e. real estate) in possession in order to gain certainty, status and assets and thus obtain material and symbolic advantage over those who cannot access them.

Valuation, moral orders and debt attachments

Data regarding factual family financial transfers[3] are not sufficient to fully understand the mechanism of inequalities reproduction, which may depend on wealth distribution, but also on the performance of cultural norms. In order to make sense and fully uncover the motivation of actors to engage in such social practice, the analysis of cultural norms and morality is essential. Cultural norms and morality of actors may be approached through analysis of family discourses and the meanings ascribed to various forms of debt. The main argument could be formulated as following - certain morally charged meanings and their discursive reproductions create hierarchy of worth, which is ascribed to people attached to various forms of debt and tenure status forming base for the symbolic and material inequalities. In this perspective, the inequality may be generated both by the factual financial transfers and by the meanings attached to certain form of debt and tenure.

I argue that actors on the market perform what Bourdieu calls “being reasonable” rather than being purely economically rational (Bourdieu 2005: 8-9). Performance of reasonable actor is based on the culturally constructed preferences of what is morally correct (Lauster 2010; Vassenden, Lie 2013) and on the lay economic qualculations (Cochon 2008). Moreover reasonability and preferences are based on moral hierarchies of worth (Boltanski, Thévenot 2006), which forms what is (not) desired and reasonable outcome (i. e. taking mortgage in the environment of what is by actors perceived as low interest rates) and thus influence people actions and strategies. Certain moral evaluations are often performed also through certain emotional attachment (Sayer 2005) and the reasonability of actors may be reached through the performance of certain emotions such as fear from rising prices of houses or love for certain place (Christie, Smith, Munro 2008; Bandejl 2009; Besbris 2016). The reasonability is achieved by the discursive performance of the actor, who may refer to abstract moral orders or practical actions. Performativity (Langley 2010; Livne, Yonay 2015; Callon 2007) is key conceptual element to explain the actions of people who enter the housing market and develop certain strategies in order to assure certain tenure.

Preferences regarding housing tenure are significantly reinforced through discursive practices which normalize and favour ownership (Gurney 1999). Such discursive practices may be realized in public discourse (Flint, Rowlands 2003: 224 - 228) or in family discourses (Gurney, Rowlands 2001). Even though the cultural preference of ownership has been already described in literature (Stephans 2003: 1012 - 1014; Fehérváry 2011), the means of justification and legitimation of different kind of debts, which help to obtain the homeownership, are still unexplored. I further elaborate the discursive approaches in the housing studies (Hastings 2000) assuming that family context and family discourses may play significant role in reification of norms and meanings.

[3] Among those international surveys who provide data regarding particular family transfers is Survey of Health, Ageing and Retirement in Europe (SHARE), however data itself has significant limitations, such as respondents aged 50+ and questions about money transfers not possibly distinguishing family from other kind of gifts

According Boltanski and Thévenot framework, people in social interactions inherently perform the valuations, qualifications and justifications of other actors, objects and we may assume also institutions and processes. These qualifications often assign actors or object into certain categories (e. g. owner/renter) which involve more or less explicit classification of qualified beings, e. g. “being owner is the right way” or “renters are a threat” (Rollwagen 2015). Classifications are collectively shared and may induce various (moral) orders and logics, which Boltanski and Thévenot call orders of worth (Boltanski, Thévenot 2006). Each order of worth involves different kind of arguments in order to justify certain actor, object or practice as right and valuable. Such justifications cannot be arbitrary - they have to be acceptable by the partner in the interaction (at least to the point of having the argument about the issue). Process of acquiring debt and becoming a homeowner can be thus understood as complex nexus of emotions, economic calculation and qualculations, cultural norms and moral orders in which the micro-worlds of individuals and families are confronted with macro-scale issues of housing market pressures and institutional debt relations, which has to be negotiated and then accepted or rejected.

Methods and data

This paper presents a result of three-step textual analysis of 49 interviews with first-time buyers and of 10 interviews with their parents. Interviews were performed with buyers from cities of Brno and Ostrava in the Czech Republic.[4] Most of the respondents belong to the middle-income group, have higher education status than is population average and are mostly in late twenties or early thirties. The main criteria for selection of participants was that they already are or planning to be first-time buyers. First analytical step was the quantitative content analysis. Atlas.ti software for CATA was used to realize automatic coding of interviews. Twenty-five keywords[5] were chosen to enter the coding, they were lemmatized and frequencies of occurrence were observed. Second and third analytical steps were more complex and involved the combination of content, narrative and critical discourse analysis in order to identify and deconstruct the justifications, while constructing classification of actors. In the second step of analysis 40 interviews with first-time buyers and 10 interviews with parents entered; 25 of buyers did take on the mortgage loan and 15 did not and 33 of them received intergenerational transfer (5 of them did take on the mortgage and 2 did not).

Small-scale narrative analysis was realized in order to identify plots in the accounts when people related themselves to those mortgages and transfers. Purely descriptive accounts (i. e. “yes, we have received money”) were omitted and modes of justification were scrutinized. Those justification sometimes took form of hierarchically comparing one practice to another (e. g. mortgages are better than renting, because in the end you have your own place) and contained certain conditionality (e. g. mortgage is good, when/if interest rates are low). Those justifications could have almost formed a formula of “A is better than B, because …” and “A is better/good if …”. After that, the all accounts referring to the transfer and mortgages were analyzed according the three main features of utterances:

[4] Brno and Ostrava have roughly 400 000 respectively 300 000 inhabitants. They differ in the dynamics of housing market - Brno has significantly higher prices of real estate than states average, Ostrava has high proportion of rental housing owned exclusively by one private company and generally lower market prices of estates.

[5] Keywords for automated coding: mortgage, debt, loan, credit, investment, contribution, parents, family, obligation, commitment, moral, bank, finances, honesty, interest-free, take care, anxiety, fear, profitable, renting, certainty, spend, risk, payments, calculation

1) type of utterance: a) description of practice/strategy, b) justification or c) description with encoded justification; 2) type of language a) technical or b) expressive; 3) type of moral order used for justification - open coding; 4) type of actor/agent - open coding. Concurrently the contextual information about each respondent was noted down, based both on the interviews and on questionnaires, which were submitted by them. Findings are thus based not only on the qualitative and quantitative analysis of interviews, but seen in broader context of respondents' biographies (Hájek, Havlík, Nekvapil 2014).

Mortgages: sword of Damocles and safe investment haven

As result of the analyses of first-time buyers accounts, mortgages could be used as perfect example of ambivalent socio-technical device, which echoes the ambivalent nature of debt described in literature (Peebles 2010: 226). Mortgages are generally coined by first-time buyers as object, which ought to be approached with caution and trigger feelings of uncertainty and worry in buyers, especially in connection to the inability to repay the monthly payments due to the illness or lose of job. However, the paradox rise, because mortgages serve as well to reach for what is by buyers regarded as perfectly securing - homeownership.

This "mortgage paradox" could be interpreted by applying of concept of agency in the world of buyers, when mortgages may be understood as both disabling and enabling cultural tool. Mortgage enables actors to reach the ownership, yet disable actors' agency by putting them in uncertain position of risking losing their social status, emotional security and economic benefits of ownership when unable to repay for various reasons. Taking on a mortgage, which would be justifiable thus requires particular coping strategies (or strategies of re-gaining of actor's agency) in order to be qualified as superior strategy over renting.

Negative (e)valuations of mortgages are mostly connected to buyers' inability to influence the reality and conditions of debt: either in case of interest rates or eligibility criteria set up by banks and transmitted by quasi-independent financial consultants. Discursively are mortgages depicted as "burden", "devil's pact" or "whip". Mortgages figure as devices which generates affects attaching buyers to debt (Deville 2015: 10 - 13), while they have to justify the seemingly problematic (risky and morally questionable) practice. Assuming that buyers have to be perceived as reasonable actors they use certain arguments in order to justify the debt converting the negative evaluation of the mortgage into the positive one. Buyers arguments were classified in four types of justification: 1) financial benefit of ownership over renting and the benefit of the mortgage; 2) practice of financial discipline when taking on a mortgage; 3) ethos of ownership - mortgage is justified, only because it enables homeownership; 4) life standard - when through mortgage certain expected standard of living may be achieved; 5) other arguments used singularly (e. g. experts' advice, conformity to share practice, property for children).

Financial and economic mode of justification (financial benefits and financial discipline) was the most discursively prevailing. In this mode the legitimacy of mortgage was constructed by performance of lay economic calculations: comparison of the mortgage and rental monthly payments; reference to the perceived unprecedentedly low interest rates. Also the argument of secure and most advantageous investment was often mentioned in the financial benefit mode of justification, which is again rather paradoxical, when accounting for the mortgages being perceived as risky adventure. It seems that the “insider knowledge” (e. g. respondents who work at bank or do have relative or friend in the financial services) have more confidence and exercised particular keen investment habitus and on contrary those feel detached from this kind of knowledge showed high level of aversion to the mortgages.

Agency was discursively regained by description of financial discipline measures buyers performed in order to tame the debt. Buyers talked about setting a financial ceiling in a) absolute terms (maximum value of estate) and b) relative terms (maximal monthly payments). This practical austerity serves as a tool to regain control over the situation, lowered the perceived risks and turned the mortgage into the enabling tool, which helps to reach their dream - ownership. However, financial mode of justifications of the mortgages was in some cases purely discursive, without reflecting adequately the future potential situation in the housing market. In some cases the buyers were unable to recollect their conditions of debt e. g. level of interest rates. Financial arguments are for the first-time buyers very strong mode of justification and it seems they function to persuade the listener of the account and possibly also the narrator of doing “the right thing”.

I labelled the third type of argument as “ethos of ownership”, while some respondents depicted the mortgage as the only legitimate debt perfectly because it provides the homeownership, which is regarded as economically and socially superior over the rent. This argument contains two levels of justification: independence financial (“not paying to somebody else pocket”) and independence in terms of socio-cultural when ownership assures one’s identity as adult and respectable (i. e. successful) person. Life standard argument referred to the situation when the mortgage may figure as either tool to enchant or threaten certain (middle-class) life standard.

Essentially each buyer who took on the mortgage justified by the financial arguments, which were in all, but one case, supported by the other kind of justification: life standard, ethos of ownership and other marginally used arguments. In other words, the financial arguments stand strong but need context of socio-cultural arrangements and self-attachment to the market. This discursive assemblage of arguments contextualizes the legitimacy of mortgage debt into the temporal horizon. Gustav Peebles states, that defining feature of credit and debt is the ability to relate past/present/future being a vehicle to bring the future aspirations (i. e. being owner) to present. (Peebles 2010: 226 - 227, 230 - 231) Mortgages function on the horizon of long-term perspective, which is for first-time buyers either practically unimaginable or is understood in the context of a potential credit trap as a result of uncertainty over their jobs in the future. On the horizon of present time, the best example is the level of monthly payments, which are highly significant for the evaluation of financial (dis)advantages of the mortgages comparatively to renting. Moreover, very often the argument belonging to the financial benefit moral order referred to the perceived *actual* advantage of taking on a mortgage loan (“nowadays the situation for taking on a mortgage is the best”).

Parental modes of mortgages justification are strikingly similar to their children ones. This evidence supports the idea of parental influence on their children decision making process regarding housing tenure choice (Lux et. al. 2016). However, the accent on risk and uncertainty of loan is more repetitive and emblematic in the parental accounts - trope of sword over (their children) neck is narrated when referring to the mortgage. The parents more often used the theme of one’s independence, which is represented through the ownership and they contextualize the mortgage relating it to the specific life trajectory situation and certain age. In other words, they refuse to take a mortgage for themselves (implicitly refusing to leave a debt to their children, if mortgage outlives them), but they approve it for the “younger generation”. They rationally understand the (mortgage) loan is necessary when functioning on the housing market, yet they cannot withdraw from (is some cases) reflected irrational aversion to indebtedness.

Parents also rely on the financial argument less often and do not discursively perform the various calculation and justifications based on the comparison of monthly payments or supposedly low interest rates. Rather the ethos of independence and social status reached by ownership are promoted in their accounts. Apart from the justification based on the “historical” context argument (“nowadays the mortgage has become norm”) the similarity of argumentation with their adult children lies in emphasis on “owning” i.e. having a place, which is your own and you can transform and shape it even it physical ways transforming a house into home. Parental circumspection regarding the mortgages in connection to strong sense of ownership leads them to invoke the other kind of indebtedness - intergenerational financial transfer.

Intergenerational financial transfers: coping with underlying insecurity of formal debt

If mortgages provide a rich material for analysis of justifications, intergenerational financial transfers represent more complex case. Half of references to the practice of transfer are descriptive (“transfer occurred, full stop”) and half construct the justification. Such descriptive mode suggests that transfers are perceived as far less problematic and far more natural and taken-for-granted then the mortgages. However, it may also suggest the potential delicacy, which is connected to the paradox, when homeownership is immanent realm of expressing the independence, adulthood and responsibility, yet the transfer exhibits the actual dependency on parents.

Fragmentary justifications are thus characteristic for references regarding transfers. However, the difference between buyers who take on the mortgage and those without appear in the justifications. Those who were able to reach for ownership without the need for the mortgage praised this fact and used merely financial arguments. Mortgage takers also used the financial justifications referring to the significance of lowering of the LTV (loan-to-value) ratio and thus actually warranting them lower monthly payments and interest rates. However, they supported and justified the gifts and support by the argument of providing a good standard of life for them thanks to the existence of transfers. The justification following the “life standard” logic was often constructed through reference on the certain life-time situation “they helped me/us in start”. In this logic, the transfers is legitimate in the very particular point of lime-time career: 1) in certain age range; 2) when forming a new family; 3) having a long-term and stable job, which comply with parental perception of mortgages fitting for a certain life-time career.

Characteristic feature of transfers are their perceived naturalness and expectedness. Some first-time buyers even avoided any reference to transfer at all (other dataset - short questioner for first time buyers - indicates the transfer). Others express their belief, that parents would help them in case they (potentially) need it or in case they get in some crisis situation (e. g. long-term illness). Hierarchy of perceived worth of financial transfers might be constructed based on the naturalness attributed to them. On the most basic and natural level dwells the long-term saving into the housing saving scheme, which is common and frequent to the point, that by some narrators is not even perceived as “real” transfer. On higher level resides interest-free loan, provided by parents and roughly on the same level dwells the potential pledge of financial help in the future. Even more valuable is direct financial gift and on the top of the ladder stands the gift of whole estate.

Parental justification of intergenerational financial transfers matches their children accounts in their perception of naturalness. Prevailing qualifications of “naturalness” were related to the same hierarchy as in case of younger generation (i. e. from savings to financial/property gift). Two main kinds of justifications of transfers were formulated in parental accounts. First one, the more or less explicit argument, that their children deserve some kind of life standard and due to their age and position in the life stage (e. g. beginning of job career, expecting to form a new family and having children) is thus natural to help them. Second one, which was used mostly in connection to practice of interest-free loan provided by parents, was argument of inadequate risk of loan taken on at bank or unprofitability of mortgage due to high interest rates. Thus transfer is for them comparatively more legitimate way of acquiring the ownership than mortgage. The structure of moral orders thus follows the same pattern, however the life standard forms the central argument, while financial functions as supportive argument.

Parents often exhibit keen readiness to help their adult children in case of crisis (e. g. illness) and also proud display of their willingness to help potentially in the future. As already mentioned their children are often aware of that and may adjust their market strategies according this fact. Paradoxically it is in contrast with the ethos of independence and adulthood expressed by first-time buyers. Even more paradoxically, parents express the same ethos and emphasize the capability and independence of their children in connection of homeownership. This division and blurring of (financial) responsibility between children and their parents may seem from the outer perspective as process of diminishing agency of buyers, making them dependent on their parents. However, in the parental accounts it makes perfect sense to perform the transfer and talk about the importance of independence of their children virtually at the same time. It may be the result of actual issue with arguable housing affordability, while the homeownership (or mortgage loan) would be for some first-time buyers out-of-reach and thus transfers function to avoid this potentially stigmatizing and economically disadvantageous situation.

Interplay of the mortgage and intergenerational financial transfer

The mortgages represent a device, which is in buyers’ and their parents’ eyes deeply ambivalent: inherently risky due to the debt bond it creates with bank, yet providing the perceived security of ownership in the end. They use four classes of arguments to cope with the negative valuation in order to deal with the negative affect it generates (Deville 2015: 10 - 13). The overturn of evaluation and the attachment to debt is performed by combination of financial arguments (benefit of the mortgage) and sociocultural arguments (ethos of ownership, life standard) and reference to practical means (financial discipline). Essentially the arguments are temporally contextualized and determined: financial benefit is due to the actually low interest rates - focus on the present time (without past and future taken into account), financial discipline means to plan the earlier possible repayments of debt (but with reasonable level of monthly payments), ownership is secured for buyers and for their (potential children) - long-term horizon. Mortgages thus interfere with people every-day temporalities, which are taken into account when constructing understanding and justification of debt (Halawa 2015: 721 - 725).

However, buyers were hardly able to tell exactly the conditions on the market, perform the economic rational calculation regarding the loan or recall their interest rates. It seems, that when certainty is once reached, people try to avoid to put it in question and they rather half-forget the fact of having mortgage (Pellandini-Simányi, Hammer, Vargha 2015: 747). Such half-blindness suggests, that those coping strategies are not rational and purposive, but rather habitual (Shevchenko 2002: 844). The rationality or habitually of buyers action has to be taken into question especially when reflecting the accounted naturalness of intergenerational financial transfers. One of the reasons for different need and mode of justification may be the fact of distinction between two domains: market and domestic (Zelizer 1989: 369 - 370; Yudin and Pavlyutkin 2015). In this sense the domestic and intimate domain help through certain practice (i. e. transfers) to attach the buyers to the formal debt (i. e. mortgages) by providing both assets, but also affective support, which lowers the anxiety of buyers. The market domain thus sponge on the intimate sphere of buyers' life, which empirically support the Zelizer's concept of "connected lives" concept (Bandejl, Morgan, Sowers 2015: 118). The relevance of transfers when attaching buyers to debt brings on the question about the difference between those who have or have not received the significant amount of financial assets from their parents. The number of interviews prevents us from generalization, but those without transfers shared similar evaluation of the mortgage with those who have received. The difference in the assessment of debt could be observed rather in the accounts of "receivers" - when they refer to transfer functioning as device to enable them to attach themselves to the mortgage (economically - lower LTV and emotionally - feeling of security). Also the evident feel of relief might be traced in the accounts of those without the mortgage, who praised the fact of receiving the transfers.

Discussion and conclusion

Presented findings and their interpretation has limitations regarding the character of data due to the over-representation of people from middle-class background (i. e. middle-income group, higher education) and not involving those who may advocate for long-term use of rent (all were decided first-time buyers). Also the context of Central Europe and its specific history (as described in the beginning of the article) may play a role in the way buyers justify their actions and in the role of family in the formation of debt attachments. Although the generalization of findings is limited, I believe the overall trajectory on the housing markets across Europe is shared for various reasons (e. g. cultural - shared norm of ownership; economic - global and international circuits of debt via international banks) and thus the role of intergenerational transfers as devices and practices to attach first-time buyers to debt (the mortgage) and to the housing market is significant.

First time buyers are pragmatically (though not reflexively) aware of various inequalities (economic, political, sociocultural and psychological), which are generated on housing market and develop strategy to reach for status of homeowners. They justify their strategies usually by combination of arguments belonging to the financial (benefit, discipline) and sociocultural (ethos of ownership, life standard) moral orders. They overcome the ambivalence and potential hazard of the mortgage by deploying two strategies: 1) in practical terms by reliance on the intergenerational financial transfers and performance of financial discipline when taking on the mortgage and 2) discursively by combination of various moral orders (financial and sociocultural), which reinforce each other to present their decision as reasonable and morally correct. The synergy between financial and sociocultural arguments makes their decision harder to question. The agency of mortgages is thus colonized by actors in terms of application of a) market "rules" - calculations and qualculation

(Cochoy 2008) and b) domestic “rules” - family help. Their attachment to the market is thus possible financially and morally. The path to the homeownership is thus paved and so are the conditions for inequality reproduction. The inequality is not reproduced merely thank to the structurally unevenly distributed assets, but by the willingness of parents who dispose with such assets to free them and in practical terms perform the inheritance during their lives.

In purely economic terms the intergenerational financial transfers enable first-time buyers to reach for better terms when taking on a mortgage (lower LTV and thus lower interest rates), which may be key decisive point for those who do not dispose with own savings. In significant number of cases, it also enabled first-time buyers to purchase the property even without the need to take on a mortgage. In terms of justification, the financial moral order was important for the first time buyers. Performance of the “wise buyers”, who can handle his/her finances (benefit and discipline) also leads to the social and cultural recognition - as something to be proud on. This norm resembles the bourgeois middle-class ideal of frugal and thrifty actor (Ossowska 2012), however is also connected to the neoliberal idea of financially educated actor. Secondly, in the emotional and ontological terms, they provide the imagined certainty, which is generated by their domestic character and enable to outweigh the perceived risk of the mortgages as the formal debt. The fact of having parent in their back often triggers the decision to buy a property and justifies it (“we are not taking on an irresponsibly high mortgage”). Those without direct financial support at least mentioned willingness of parents to figure as lenders of the last resort. Those without any kind of parental help excessed higher concerns regarding the mortgages and 100% LTV mortgage narratively figured as spectre which haunts the burrowers. Finally, thanks to the symbiotic existence of transfers and mortgage loans the norm of ownership, as socially respectable tenure for people with middle-class aspirations, is cemented. Those who are unable to either use the financial transfers from parents or take on the mortgage are automatically perceived as unsuccessful. Also for parents the transfers figures as a way to show they are “the good parents” i. e. those who help their children to achieve the desired status (Lauster 2010), which gives them sociocultural incentive to realize the transfer.

The fact, that usage of the mortgages and intergenerational financial transfers in the process of acquiring homeownership is influenced by the morality and sociocultural norms, which are often taken for granted, makes harder to tackle the problem of inequality generated on the housing market. In other words, the simple and culturally de-contextualized policies may cause more harm, than help. Any policy or practical measure tackling the inequality should bear in mind that, that family of origin has significant influence on adult children decision making process functioning as vehicle of securitization against the risk of formal debt. The transfers are not perceived as pure debt or pure gift (supposed loans becoming gifts and gifts trigger the likelihood to adapt the parental preferences regarding tenure) and they represent the hybrid form, where sphere of economy and domestic life collides together, which complements findings regarding blurring distinction between loan and gift (Heath, Calver 2013).

In this regard, various forms of inequality are reproduced thanks to the strong synergic effect of two kinds of justification of certain strategy (e. g. taking on the mortgages, which is supported by the family transfers). The implication for the existence of social inequality generated on the housing market can be made, that while taking into account the modes of justification of certain kind of debt as device to reach for homeownership, the financial and social moral orders reinforce each other. In other words, both financial practices, which are perceived as morally correct (being a disciplined actor, who wants the economically favourable tenure) are connected to the socially and culturally acceptable expectations (of becoming and independent actor providing for his/her family good life standard). Finally the need for certainty and security plays key role, while those with access to transfers seem to enjoy higher levels of securement.

The cleavages between those with or without the transfers are thus supported by the existence of the certain culturally determined norms of justification of practice of certain debt relation. The outcome produces not only economic inequality (having an asset), but is deeply connected to the identity of the (non)owner. Those who are able to obtain homeownership may enjoy higher social status, self-esteem and certainty. For the future research, the question to what extent are family discourses driven by the public discourse(s) and the perspective of those outside the eligibility of both mortgages and family transfer would be fruitful to research in order to draw the whole picture of culturally, economically and morally determined inequality generated in the housing market.

Acknowledgements

This work was supported by the Grant Agency of the Czech Republic / Grantová agentura České republiky [grant number GA16-06335S].

References

Bandelj, N., Morgan, P. J., Sowers, E. (2015). Hostile Worlds or Connected Lives? Research on the Interplay Between Intimacy and Economy. *Sociology Compass*, *9* (2): 115-127.

Boehm, T. P. (1982). A Hierarchical Model of Housing Choice. *Urban Studies* 19: 17-31.

Boltanski, L., and Thévenot, L. (2006). *On justification: Economies of worth*. Princeton: Princeton University Press.

Bourdieu, P. (2005). *The social structures of the economy*. Polity. Cambridge.

Callon , M. 2007. "'What does it mean to say that economics is performative?'", in D. MacKenzie, F. Muniesa, L. Siu. *Do Economics Make Markets? On the Performativity of Economics*, Princeton, NJ: Princeton University Press. pp. 311-357.

Christie H, Smith SJ and Munro M (2008) The emotional economy of housing. *Environment and Planning A* 40: 2296-2312.

Cochoy, F. (2008) 'Calculation, qualculation, calqulation: shopping cart arithmetic, equipped cognition and the clustered consumer', Marketing Theory, vol. 8, no. 1, pp. 15–44.

Deville, J. (2015). Lived Economies of Default: Consumer Credit, Debt Collection and the Capture of Affect. Routledge.

Dupuis, A. and Thorns, D. (1998) "Home, home ownership and the search for ontological security", *Sociological Review* 46 (1): 24–47.

Fahey, T., and Norris, M. (2011). Housing in the welfare state: rethinking the conceptual foundations of comparative housing policy analysis. *International Journal of Housing Policy*, *11*(4), 439-452.

Fehérváry, K. (2011). „The Materiality of the New Family House in Hungary: Postsocialist Fad or Middle-class Ideal?" *City & Society* 23 (1): 18–41.

Flint, J., R. Rowlands (2003). Commodification, normalisation and intervention: cultural, social and symbolic capital in housing consumption and governance. *Journal of Housing and the Built Environment* 18 (3): 213-232.

Gille, Z., and Riain, S. Ó. (2002). Global ethnography. *Annual Review of Sociology*, 271-295.

Gurney, C.M. (1999). Pride and prejudice: Discourses of normalisation in public and private accounts of home ownership, *Housing Studies* 14(2): 163-183.
Hájek, M., Havlík, M., and Nekvapil, J. (2014). Problém relevance v tematicky orientovaném biografickém interview: případ orálně historických životopisných rozhovorů/The Problem of Relevance in Thematically Oriented Biographical Interview: The Case of Oral History Interviews. *Sociologicky Casopis, 50*(1), 29.
Halawa, M. (2015). In new Warsaw: mortgage credit and the unfolding of space and time. *Cultural Studies*, *29*(5-6), 707-732.
Helderman A and Mulder C (2007) Intergenerational transmission of homeownership: The roles of gifts and continuities in housing market characteristics. *Urban Studies* 44(2): 231-247.
Heath, S., Calvert, E. (2013). Gifts, loans and intergenerational support for young adults. *Sociology*, *47*(6), 1120-1135.
Hiscock, R., Kearns, A., MacIntyre, S., and Ellaway, A. (2001). Ontological security and psycho-social benefits from the home: Qualitative evidence on issues of tenure. *Housing, theory and society*, *18*(1-2), 50-66.
Kennett P., Forrest R. and Marsh A. (2013) The Global Economic Crisis and the Reshaping of Housing Opportunities, Housing, Theory and Society, 30:1, 10-28, DOI: 10.1080/14036096.2012.683292
Kohli, M. (1999). „Private and Public Transfers between Generations: Linking the Family and the State." *European societies* 1: 81–104.
Langley, P. (2010) 'The performance of liquidity in the subprime mortgage crisis.', New political economy., 15 (1). pp. 71-89.
Lauster, N. T. (2010). Housing and the proper performance of American motherhood, 1940–2005. *Housing Studies* 25 (4): 543-557.
Lersch P M., and Luijkx R (2015). Intergenerational transmission of homeownership in Europe: Revisiting the socialisation hypothesis. *Social science research*, *49*, 327-342.
Lewicki, M. (2014). Capitalism on Its Own. Development of Mortgage Market in Poland as a Process of Financialization of Households. *Polityka Społeczna*, *41*(1 (10) ENG Poland in Times of Uncertainty), 31-36.
Livne, R., and Yonay, Y. P. (2015). Performing neoliberal governmentality: an ethnography of financialized sovereign debt management practices. *Socio-Economic Review*, mwv019.
Lux, M., Samec, T., Bartos,V., Sunega, P., Palguta, J., Boumová, I. and Kážmér, L., (2016) Who actually decides? Parental influence on the housing tenure choice of their children. Urban Studies. DOI 10.1177/0042098016646665.
Lux, M., and Mikeszova, M. (2012). Property restitution and private rental housing in transition: The case of the Czech Republic. *Housing Studies*, *27*(1), 77-96.
Lux, M., and Sunega, P. (2010). Private Rental Housing in the Czech Republic: Growth and...?. *Sociologický časopis/Czech Sociological Review*, 349-373.
McKee, K. (2009) Post-Foucauldian governmentality: What does it offer critical social policy analysis? Critical Social Policy, 29(3), pp. 465–486.
McKee, K. (2011) Challenging the norm? The 'ethopolitics' of low cost homeownership in Scotland, Urban Studies, 48(16), pp. 3399–3413.
McKee (2012) Young People, Homeownership and Future Welfare, Housing Studies, 27:6, 853-862, DOI: 10.1080/02673037.2012.714463
Minas C, Mavrikiou PM and Jacobson D (2013) Homeownership, family and the gift effect: the case of Cyprus. *Journal of Housing and the Built Environment* 28(1): 1-15.
Mulder CH (2007) The Family Context and Residential Choice: A Challenge for New Research. *Population, Space and Place* 13(4): 265–278.
Mulder, C. H., N. T. Lauster. 2010. „Housing and Family: An Introduction." *Housing Studies* 25 (4): 433–440.
Mulder CH and Smits A (2013) Inter-generational ties, financial transfers and home-ownership support. *Journal of Housing and the Built Environment* 28(1): 95-112.
Ossowska
Peebles, G. (2010). The anthropology of credit and debt. *Annual Review of Anthropology, 39*(1), 225.

Pellandini-Simányi, L., Hammer, F., and Vargha, Z. (2015). The Financialization of Everyday life or the Domestication of Finance? How mortgages engage with borrowers' temporal horizons, relationships and rationality in Hungary. *Cultural Studies*, *29*(5-6), 733-759.

Rollwagen, H. (2015). Constructing Renters as a Threat to Neighbourhood Safety. *Housing Studies*, *30*(1), 1-21.

Rowlands R and Gurney CM (2000). Young peoples? Perceptions of housing tenure: a case study in the socialization of tenure prejudice. *Housing, theory and society*, *17*(3), 121-130.

Samec T. (2016). Housing and Moralities: Construction of Home and Middle-Class Identity in Post-Socialist Context. Cargo 14 (1-2).

Sayer, A. (2005). Class, moral worth and recognition. *Sociology*, *39*(5), 947-963.

Shevchenko, O. (2002). 'Between the holes': Emerging identities and hybrid patterns of consumption in post-socialist Russia. *Europe-Asia Studies*, *54*(6), 841-866.

Stephens M (2003) Globalisation and housing finance systems in advanced and transition economies. *Urban Studies* 40(5-6): 1011-1026.

Van Leeuwen, T. (2008). Discourse and practice: New tools for critical discourse analysis. Oxford University Press.

Vassenden, A., T. Lie. (2013). „Telling Others How You Live – Refining Goffman's Stigma Theory Through an Analysis of Housing Strugglers in a Homeowner Nation." *Symbolic Interaction* 36 (1): 78–98.

Yudin, G., and Pavlyutkin, I. (2015). Recording the ambiguity: the moral economy of debt books in a Russian small town. *Cultural Studies*, *29*(5-6), 807-826.

Zelizer, V. A. (1989). The social meaning of money:" special monies". *American journal of sociology*, 342-377.

Zelizer, Viviana. (2005). The Purchase of Intimacy. Princeton, NJ: Princeton University Press.