

## EDITORIAL

---

### Families, Housing and Real Estate in a Neoliberal World

For the last few years, I have been working with Rowan Arundel and a number international colleagues on a book on families and housing that seeks to reflect on the remarkable changes in political and economic conditions since the last financial crisis. As the publication date approaches at the end of 2022, it strikes me as remarkable how difficult it has been, and remains, to keep up with the shifting position of housing in social economic relations.

#### Post-crisis realignment

When we pitched the book, a primary concern was the post-crisis realignment of global capital toward residential real estate as a new asset class and intensification of micro-level investment practices, with swathes of households buying up second or third properties in order to monetise them as a short-term lettings or regular rental properties. The shift in the balance of tenure from home ownership to private renting that began in the years preceding the Global Financial Crisis thus accelerated after 2010 supported by all kinds of state reregulation and stimulus measures but also the deeper penetration of financial and digital technologies into housing markets.

'Generation rent' became a catchy moniker for the intergenerational inequalities of the emerging housing crisis. Nonetheless, while younger people were disproportionately affected by diminishing access and declining affordability, what made housing resonate as the issue of the era was the fact that not only low- but also many middle-income people were falling behind in terms of housing and tenure status. The start point for our book then, were the shifting relations between households and housing under a rebooted neoliberal regime. This seemed to be regalanising kinship in terms of the mobilisation of family wealth around buying housing property, including both homes for first time buyers and investment properties, as well as the sharing of housing resources across generations involving long term co-residency of adult children with parents and other forms of doubling-up. The book's chapters captured these changes in various ways.

*We will need to keep updating the literature on families and housing, but arguably at a much faster pace*

#### Shifting conditions

The outbreak of Covid-19 during the composition of this book, nonetheless, caused us to reflect at length on its timing and salience. In journals, numerous publications ensued over the following 18 months speculating on the impact of the pandemic on households and housing conditions. In the end, people don't seem to have moved on mass to the country and for now it appears that we are going back to the office and gradually letting go of remote working. What more clearly happened over lockdown was that existing patterns, featuring the mobilisation of family housing resources and the advance of social polarisation driven by access to housing and property assets, were reinforced. Indeed property values grew remarkably with an average increase 5.8 percent in 2020<sup>1</sup> and 9.9 percent in 2021<sup>2</sup> across the EU. The pandemic also enhanced the application of digital technologies and remote real estate investment practices, with increasing numbers of buyers carrying out virtual viewings and bidding on properties they had not even visited.

At the beginning of 2022, just as the beginning of the end of Covid seemed to be in site – and just as final manuscripts were being prepared for publishers – conditions shifted once more, and in directions we never could have imagined when starting this book. Boosted by the Russian invasion of the Ukraine and the subsequent surge in energy prices, the cost of living soared putting a particular squeeze on low and even middle income households. With the surprise return of high inflation, central banks put up interest rates and by October the floating interest

rate for households borrowing for home purchase was up to 2.67%, representing a one year increase of 40 basis points<sup>3</sup>. As a result of reduced borrowing and repayment capacity for new buyers on higher interest rates, house prices in most contexts have started to move backwards. Nonetheless, there remains a structural undersupply of housing in most contexts.

With the publication of our book it seems difficult, in light of the shifting terrain, to judge its enduring salience. Housing will certainly persist as a core issue for households, and families will likely further rally round members to support home purchases or absorb boomerang returns of adult children where necessary. Lower prices, but with continued lack of affordability among would-be homebuyers may well create another window of opportunity for cash-rich, buy-to-let landlords. At the same time, the dynamics for existing owners may become more favourable. For those locked-in to old interest rates, high inflation will diminish the relative cost of housing compared with other goods and, as wages increases, will undermine the relative mortgage burden. Nonetheless, in time, it is likely that interest rates will readjust downwards and in light of demand pressures (with supply further diminished by all kinds of shortages and disruptions since 2020), house prices rises may well come roaring back.

### Carry on updating

In the preface to our book, we refer back to Forrest and Murie's *Housing and Family Wealth* from 1995, commenting on how familiar their story is but also how much things have changed in a quarter century. I had previously discussed the parallels with Ray Forrest before his passing in early 2020. It seems remarkable how unrecognisable housing conditions, and the world, now are even since those discussions with Ray a few short years ago. Our starting point, nonetheless remains critically salient. Housing continues to play a central role in economic affairs and in mediating how households deal with, and can remain resilient to, wider economic and political vicissitudes. It continues to shape and reshape life courses and family ties, and structure socioeconomic inequalities, but in ways that seem harder to predict. We will need to keep updating the literature on families and housing, but arguably at a much faster pace.

*Richard Ronald, Professor of Housing and Chair of Political and Economic Geographies,  
University of Amsterdam, The Netherlands, [r.ronald@uva.nl](mailto:r.ronald@uva.nl)*

*Families, Housing and Property Wealth in a Neoliberal World, 2023, edited by Richard Ronald  
and Rowan Arundel, Routledge Books*

<sup>1</sup> [Eurostat \(2022\)](#)

<sup>2</sup> [European Central Bank \(2022\)](#)

<sup>3</sup> [European Central Bank \(2022\)](#)