
Housing and Homelessness

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› **Abstract_** *Increasing attention has been given to aspects of housing exclusion in housing research over the past decade. The discussions have been strongly focused on marginalisation processes relating to urban policies, on housing affordability and on the changing role of states in welfare and housing provision. Recent findings show that it is the interplay of welfare, housing and labour markets that decisively impacts on housing exclusion, and it does so in varying ways in different European countries. Since the publication of *Access to Housing* (a transnational report of the European Observatory on Homelessness; Edgar et al., 2002), the European Union has enlarged to comprise twenty-seven member states and there has also been considerable volatility in the housing markets of Europe. Tardy state engagement in interventions targeted at the most vulnerable households has contributed to increased housing vulnerability. This chapter is dedicated to a review of recent housing research, specifically research relating to exclusion and homelessness. It summarises the findings of the Observatory's 2002 report and briefly recontextualises those findings in the current EU housing situation. It reviews research questions included in the report and in later English-language publications in the European area. It elaborates on processes relating to homelessness provision and concludes by pointing to recent research developments at EU level and drawing up questions for future research.*

› **Keywords_** *Housing, welfare states, homelessness, comparative housing policy*

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Introduction: The Observatory Publication

Access to Housing, Homelessness and Vulnerability in Europe by Bill Edgar, Joe Doherty and Henk Meert, a 2002 joint publication of the Policy Press, the Joint Centre for Scottish Housing Research and FEANTSA, was one of the first monographs on homelessness to cover most of the European area. It offers an extensive review of the issues that steered the public discourse around the beginning of the twenty-first century, and delivers a synthesised analysis of European trends in homelessness and housing policy developments.

Research outcomes in 2002 were almost exclusively dominated by UK-related topics and, moreover, there were just few attempts to develop theories on the serious shortcomings of theoretically founded linking of housing policy issues and homelessness. The report took account of both limitations: it drew attention to EU-wide policy developments at national and supranational levels, and discussed increasing housing vulnerability using Karl Polanyi's theoretical framework of pathways of economic integration, which is translated into pathways to housing: market, redistribution and reciprocity (p.33).

Edgar *et al.* claimed that housing vulnerability was increasing due to serious deregulation of the housing market and the withdrawal of states from direct housing provision. They saw housing provision as providing the most effective way of handling homelessness, and claimed that the lack of state responsibility in this area was generating increasing housing vulnerability. They also observed tenure changes towards more homeownership (as an outcome of homeownership promotion policies, urban rehabilitation policies and privatisation of social housing), which posed an increased burden on marginalised households who faced either accessing the ever less accessible social housing market or taking out housing loans despite insecure income conditions. More recent research, however, has shown that there are other underlying processes. For example, welfare, labour market and housing policies are in continuous interaction and simultaneously influence the choices and strategies of households and thus housing vulnerability (Stephens *et al.*, 2010).

The 2002 report reviewed the housing policy context of increasing housing vulnerability at community, national and EU levels and, applying Polanyi's theoretical framework, concluded that market mechanisms dominate the paths of access to housing. Hence, households with few marketable resources struggle to cope without profound public interventions and are increasingly vulnerable to marginalisation and housing exclusion. Edgar *et al.* also referred to changes to each of the integration mechanisms (e.g. the governance structures of state redistribution). This is a very important message as it reaffirms the need to extend Polanyi's theoretical framework: we should not exclusively focus on shifting inte-

gration mechanisms; modification of the inner logic and mechanisms of the integration patterns should also be explored – not only in time, but also among countries (see also Hegedüs *et al.*, 2010).

Recent Changes in the Housing Sector in the European Area

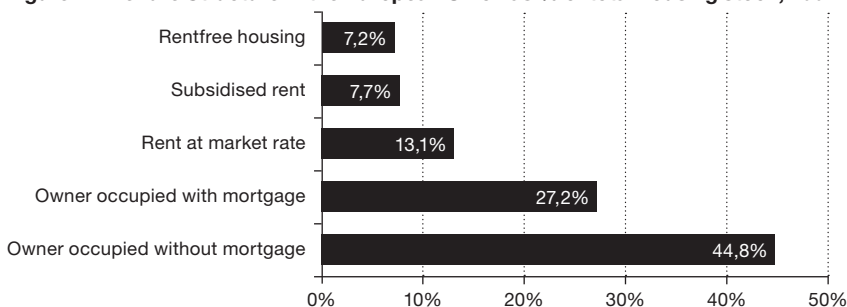
Since 2002 there have been major changes in the housing sector in the European area. First, the EU now covers a large and heterogeneous geographic area. Before the 2004 enlargement it comprised 385 million people living in fifteen member states, this increased to 464 million people in 2004 and reached approximately 494 million people across the twenty-seven member states following the accession of Bulgaria and Romania in 2007. This expansion has brought increased social diversity within the EU population and, accordingly, a variety of housing in terms of quality, price, etc. The form and content of housing policies and social policies relating to housing affordability, and the nature and composition of excluded groups, are also diverse, with no clear development trends. Demographic transformation and migration from non-EU countries also seem to be influential processes (Eurostat, 2010).

Migration is important: the higher fertility of migrants ensures natural population growth and labour migration is essential to stabilise a shrinking workforce. Migration policies have broadly been applied, for example in Germany in the 1970s and 1980s, to ensure labour market activity levels and have contributed to stabilising demographic trends. Fertility tends to be higher in countries experiencing immigration. Nevertheless, in approximately five decades the net migration level will no longer outweigh natural decline (Eurostat, 2010). First-generation migrants comprise about 6.2 per cent of the total population (Eurostat, 2010) and, according to estimates, their life chances and even the chances of second-generation migrants are considerably worse than those of natives (Safi, 2010). Many migrants rely on informal housing arrangements (Bosch-Meda, 2010) and participate in the informal labour market.

With the accession of the former socialist super-homeownership countries, more than 70 per cent of all households in the EU today live in a home that they own, and one-quarter of all households are mortgage-holders. Across Europe, urban housing comprises more rentals than rural housing. Households with a mortgage are less exposed to poverty risk (i.e. households living under the poverty line; 12.2 per cent as opposed to their share of 27 per cent). However, the risk of poverty has been on the rise among those in the bottom income range. Also, the full consequences of the 2008 economic crisis in terms of mortgage defaults and affordability issues remain to be seen.

According to the most recent EU data, most households at risk of poverty are living in dwellings with subsidised rents. In countries with considerable public housing stock this might suggest that public housing sectors contain most of the vulnerable households. However, especially in the southern, central and eastern European countries, with constrained stock, it is essentially the private rental and also the lower end of the ownership sector that houses the poorest households.

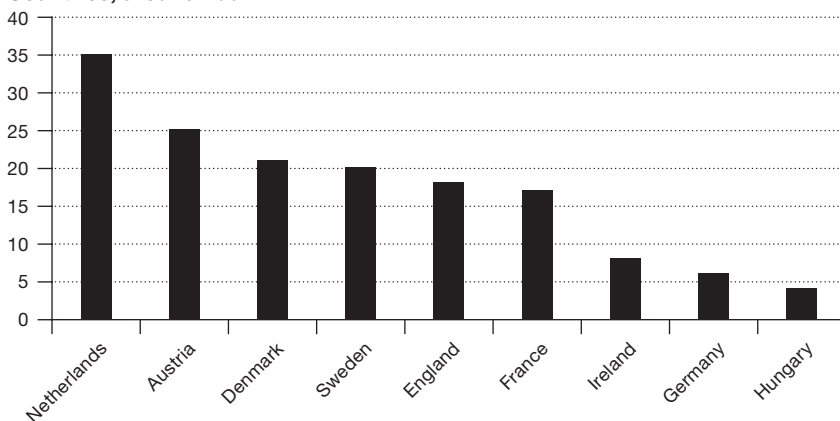
Figure 4.1: Tenure Structure in the European Union as % of total housing stock, 2007



Source: Eurostat, 2010, based on 2007 EU-SILC data.

The share of the social housing sectors has been shrinking throughout Europe, with diverse speed-ups in selected countries, increasingly exposing the whole housing system to market mechanisms. In the Nordic countries and the Netherlands, changes in governance of the social housing sector increased the marketisation of the operation of housing associations (and cooperatives). In effect, this has also brought about changes to the role of states.

Figure 4.2: Share of Social Rentals of the Total Housing Stock in Selected EU Countries, around 2007



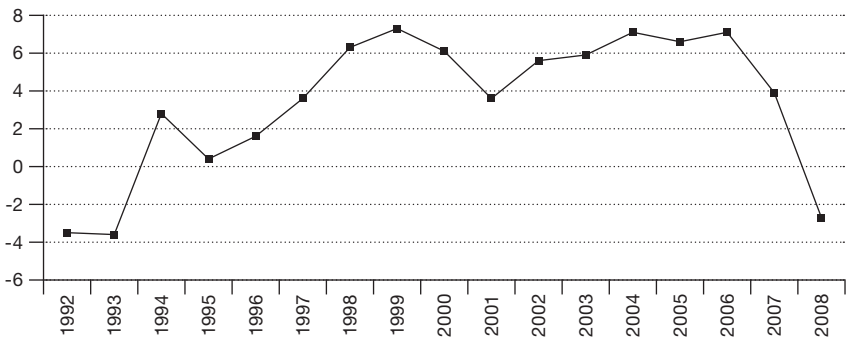
Source: Whitehead and Scanlon, 2007.

A recent EU-level study has shown that:

The general condition of the housing market is a major driver of structural homelessness, and access to mainstream affordable housing for vulnerable groups is a major concern even in countries with the strongest welfare protection. This is especially the case in pressurised regions and where social housing providers are not obliged to prioritise those in greatest need. (Stephens *et al.*, 2010, p.xxxvii)

The European area has seen ups and downs in house prices, for example prices generally rose between 2001 and 2006 and then fell with the onset of the economic and financial crisis in 2008 (see Figure 4.3).

Figure 4.3: Average house price development (%) in 13 European countries*, 1992–2008. Previous year=0.



* Selected European OECD countries: Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland and the UK

Source: OECD database.

It is claimed that house prices in Europe and the United States rose ‘sharply from the mid-1990s to 2006 and 2007’ and that the:

... current house price cycle differed from past experiences in three respects: In most OECD countries, the increases in recent years have pushed house prices above previous peaks. Second, the duration of the run-up has been longer than in past episodes of large price increases. And third, this house price cycle has been disconnected from the business cycle. (Christophe André cited in Wagner, 2008, p. 127)

The scale of house price change differed across European countries: Spain, the UK and eastern Europe witnessed a greater increase than, for example, Austria or Germany, which even reported a slight decrease in the period from 1997 to 2007 (ECB, 2009). Overall, there has been a sharp decline since the credit crunch and the macro-economic decline reached the European area in the second half of 2008.

It is a commonplace that house price developments impact housing affordability, and that diminishing affordability increases the risks of people losing their home. At the same time, decreasing house prices curtail household wealth and raise the share of mortgage or household debt in a household's portfolio, which might also contribute to increasing risks of vulnerability. Besides the fact that highly pressurised housing markets tend to generate more homelessness (Fitzpatrick *et al.*, 2000), there is no clear-cut evidence of development directions in homelessness in times of fluctuation as the demand, supply, quality, changes to social stratification are equally 'independent variables' of house price development and homelessness, etc. (O'Flaherty, 1995). Also, there is no reliable data to trace such developments, as put forward many times in research outcomes (e.g. this was one of the messages of the recent MPHASIS project).

Drivers of Housing Exclusion in the European Context

Despite the different context, Edgar *et al.*'s 2002 report was able to point at quite similar trends or drivers of housing exclusion: the outcomes of EU-level mainstreamed policies of urban restructuring, the changing role of states (and the increasing role of the market) in housing provision, and housing finance market developments. These findings are discussed here in the light of later research findings.

Urban regeneration policies

Edgar *et al.* (2002) claimed that EU-level promotion of mixed neighbourhoods in the framework of urban regeneration programmes was constraining the presence of income-poor inhabitants in gentrifying urban areas, and augmenting the exclusion of the most vulnerable, among them the homeless. Only the UK and France are committed to including the right to housing as a basic social and economic right in their national or regional legislation. The EU, which has only a limited role in housing policy due to its primarily regulatory role in housing finance issues, has been very weak in promoting housing rights issues (Bolt *et al.*, 2010). Housing policy is largely left to national authorities, and the EU has been applying the Open Method of Coordination only to enhance the development of housing policy tools, targeted mainly at the most vulnerable. Recent criticisms of the effects of mixed neighbourhood programmes, inclusive planning and integrated area-based programmes reflect similar concerns to those projected in the 2002 report.

The spatial outcomes of social housing policy related to urban rehabilitation programmes have exacerbated housing exclusion. With the shrinking of the stock (e.g. via privatisation), the remaining social housing is both marginalised and spatially concentrated. Urban rehabilitation policies employ a variety of interventions to reduce the concentration of poor and/or ethnic groups and achieve a social mix.

Research on the effects of aiming for mixed neighbourhoods is regularly published, including a 2010 special issue of *Housing Studies*. Here, Bolt *et al.* (2010) note that segregated urban areas have been long depicted in negative terms, thus, numerous initiatives have sought to stimulate a better mix of residents. They find that all such programmes in Europe have failed to end segregation, and also identify some negative social consequences such as the break-up of communities and constraints on housing choice. Forced moving is one aspect of this process that prevents the most vulnerable people from maintaining their home in a rehabilitated area. The authors explore the outcomes of urban area-based rehabilitation programmes in several countries, placing them in an historical context. They show that although policy design has improved since the 1970s, there are still processes that remain out of the reach of programmes, and challenge the policy goals of renewal programmes. Most country reports claim that programmes – depending also on the poverty level of their target groups – assist in moving up, but achieve no substantial improvement of mix and integration of marginalised groups.

The gentrification of urban inner-city areas has been intensifying as rehabilitation projects are completed in cities across Europe. It is also true, however, that non-mixed poverty neighbourhoods face intensified segregation and very little can be undertaken to halt their decline and the reproduction of poverty. Thus, even without clear empirical evidence of the social benefits of urban mixing, from the standpoint of all vulnerable households concerned in the given neighbourhood, urban mix is a desired long-term goal in order to enhance social cohesion throughout Europe (see also Ponce, 2010). Furthermore, it must be combined with increased housing options for marginalised groups in areas without concentrated poverty.

The changing role of states

Edgar *et al.* (2002) also argued that the increasing role of the market and the decreasing role of the state in direct housing provision was leading to the commodification of housing and the increased importance of (labour) income in access to and sustaining housing: as it goes hand in hand with the ‘growing exclusion of the most vulnerable and marginalized group[s] from the labour market and consequently from access to housing’, there is ‘eviction of the weakest players in the urban housing markets’ (p.48).²

² Some further forms of housing exclusion have gained attention since the 2002 report, for example phenomena in specific housing sectors such as high-rise housing estates (partly fuelled by the discussions around the Paris and Grenoble riots). In parallel, housing and mobility problems have been the subject of European discussions as the EU has been spending more and more to bridge the gap between the better-off regions and the new members states via its cohesion policies.

Edgar *et al.* observed that not only the increasing dominance of the market, but also the changes in (state) governance structures relating to housing policy, were limiting access to decent and affordable housing.³ They noted that the 'role of the state has shifted from a concern with redistribution of resources to a focus on regulation and risk management' (p.51). Besides decentralisation, the emerging enabling role of the state and a move to non-governmental institutional solutions (with a reduction in the social housing stock in general), the decreasing political priority given to social housing manifests in deregulation.

Indirect subsidies have been increasingly replaced by demand-side subsidies (e.g. housing allowance schemes) that seek to relieve the poorest households of the burden of high housing costs and falling into arrears. Despite these efforts, Edgar *et al.* highlighted the substantial increase in legal cases for evictions and the threat of homelessness for those who are on the margins or are in special demographic situations (e.g. single-parent households) or leave the labour market (p.69). Also, the state's diminishing influence on housing allocation, and landlords' attitudes to risk management and disinclination to lodge 'problematic' households, were preventing the most vulnerable from accessing rental housing.

These findings also feature in later research, but in a more complex and systematic context: labour market, welfare arrangements and housing systems are of equal importance in understanding exclusion. The attempts to trace the paths of their inter-relatedness can be analysed – despite its controversies relating to housing – in the frame of the welfare regime paradigm. It was also around the beginning of the 2000s that the commodification paradigm was more broadly discussed due to the increasing interest in placing housing systems into Esping-Andersen's typology of the three worlds of capitalism⁴ (Esping-Andersen, 1990, 1999). Edgar *et al.* made reference to this discourse, but did not elaborate on the possible impacts of structural factors such as labour market changes on housing exclusion. Later research demonstrates some of the possible reasons: housing was not part of the original welfare regime theory because housing commodity is both a consumption good and a capital good.

³ At this point the authors diverted from Polanyi's theoretical framework as they observed restructuring of the internal logics of the redistributive integration mechanism.

⁴ The original typology is based on three dimensions: decommodification, stratification and institutional mix of service provision. The three basic types of welfare regime (liberal, social democratic and conservative/corporatist) were supplemented by the Mediterranean (Ferrera, 1996), and later by adding (a version of) the post-socialist regime (Deacon, 2000) types, as the combination of the three dimensions turned out to be different in the given countries. A further development of the paradigm is discussed in detail in Chapter 3 of this book.

Although various methodologies were developed to dissolve this paradox (e.g. Hoekstra, 2005), most of the typologies based on housing policy were not easily compatible with the modified welfare regime classifications. Hulse (2003) found major differences in housing allowance policies among countries (US, New Zealand, Australia and Canada) that belonged to the same type of welfare regime. Kemp (2007) arrived at a similar conclusion based on a different set of countries. Some claim that the 'original' classification is vague. For example, O'Sullivan (2004) finds that the Irish system should not be classified as a 'liberal' welfare regime because of the exceptional role of the family and the Catholic Church in different welfare areas.

Findings of inconsistencies among different welfare systems have been reshaping the discourse (e.g. Kasza, 2002), feeding into the confutation of the widespread finding about the 'withdrawal' of states from either of the provision branches. The influence of the state on housing through a variety of public policies (not only housing policy) has been manifest. One of the most influential paradigms – put forward by Peck and Tickell (2002) – attached to the neoliberal concept of the state is the 'rolling back' and then 'rolling out' of states, which has been broadly discussed and criticised, but also applied to national and local public service delivery (e.g. homelessness services analyses by, among others, Doherty, 2004; Busch-Geertsema, 2004; Blanc, 2004; May *et al.*, 2005; Graefe, 2005; Dodson, 2006). Similarly, other authors feed into the convergence and divergence debate in housing policy development (e.g. Lowe and Tsenkova, 2003; Hegedüs *et al.*, 2010), discussing both the common and the distinctive elements of housing systems. The argument common to the above elaborations is that the withdrawal of the state might have seemed apparent at the end of the 1980s, but policy developments since then highlight both rolling back and rolling out not only among but also within countries, sometimes resulting in a strong state presence (e.g. in housing assistance or housing provision schemes and the delivery of other welfare services).

Overall, there seem to be indirect and complex links between welfare arrangements and housing exclusion:

... welfare regimes impact profoundly on the causes and nature of homelessness... However, the relationship between homelessness and labour market change is complex, and seems direct only in those countries (Hungary and Portugal) and amongst those groups (immigrants) which have the least welfare protection. Even in these cases, it is long-term labour market marginality and precariousness, very often associated with reliance on the informal economy, which is generally more important rather than sudden labour market shocks. In those countries, and for those groups, with better welfare protection, it seems that

sustained poverty and/or unemployment contribute to homelessness not so much in direct, material ways, but rather in longer-term, more indirect ways via exerting negative social pressures on family units. (Stephens *et al.*, 2010, p.267)

This highlights the need for further research to determine the conditions required for an effective welfare system (in terms of income benefits or housing allowances) to fill in or replace most of the direct housing provision arrangements.

Housing finance market developments

Edgar *et al.* (2002) observed that as increasing competition in the housing finance market made housing loan products accessible for poorer households, a considerable group of people would be increasingly exposed to risks due to their vulnerability on the labour market (i.e. the loss of stable income would prevent them from repaying housing loans). These findings have been confirmed many times (e.g. Doling and Elsinga, 2006). On the other hand, the promotion of subprime mortgage products made homeownership (and thus increased household wealth) a possibility for the lower middle class, which contributed to the growth of overall wealth levels in many countries.

In terms of its effects for affordable housing provision, Scanlon *et al.* (2008, p.110) point out:

... mortgage markets have been liberalized in many western European countries over the last 20 years as part of the more general globalization of finance markets: restrictions on the use and terms of loans have been lessened, and a wider range of financial institutions is now permitted to offer mortgages. An important goal of deregulation was to improve the efficiency of the system by opening up the market to new providers and increasing competition amongst lenders, thereby lowering costs to consumers.

However, providing risky loans to poorer and vulnerable households increases their chances of losing their home, as already stated in the 2002 report. Moreover, boosting mortgage markets may give a false impression of the increasing participation of the most vulnerable groups in the housing market. These groups might be for the most part affected by the increased private rental market that may emerge through over-investment in housing, which hence may become a more affordable (but still not secure) rental option. Edgar *et al.* (2002) claimed that the 'risky tenants' are not welcome in the private rental sector either, leaving excluded households open to more discrimination and neglect; this results in bifurcation of the private rental sector (see also Toussaint and Elsinga, 2007). Edgar *et al.* appealed for greater state involvement in housing provision, claiming that the private market had proved inefficient and could not 'replace' the functions of the state in providing

access to housing for marginalised households. Nevertheless, the channelling of vacant private rentals into homeless provision has gained greater importance in many European countries.

Increasing mortgage markets contribute to rising house prices. The resulting changes in affordability are especially relevant for understanding shifting housing vulnerability. Recent research reaffirms that ‘an important consequence of the increase in house prices was the growing inequality “between those who have and those who have not”. The wealth position of first-time buyers (intergenerational inequality) and tenants worsened, and gave more incentives to take loans and buy houses, even if home purchase was risky’ (Hegedüs *et al.*, 2010, p.36). European data show that ‘the affordability of housing also causes dissatisfaction among most Europeans’ and that there is a strong feeling that the situation has worsened in almost all countries (Eurostat, 2010, p.9).

At the same time, on the macro level, in accordance with the EU’s Lisbon Agenda, it is claimed that the economic effects of the housing sector mark employment, output, investment, financial systems and household consumption. Doling (2005), among others, concludes that in countries with strong housing investment, the main drivers are low interest rates and improved economic growth (Ball, 2005), and this is especially relevant in the early period of an economic upswing (see also OECD, 1995). Consequently, there is an EU-wide justification of housing policies that promote the marketisation of housing as this contributes to economic growth and boosts European competitiveness. The diversity of housing policies across the EU shows that countries have not followed a common path, and the effects are achieved under quite diversified institutional, political and economic conditions. Nevertheless, facilitation through government homeownership policies (and funds) may contribute to reduced options for anti-exclusion policies; thus, unavoidably distorting the chances of achieving housing inclusion.

Fitzpatrick and Stephens (2007), in their review of the effects of the shrinkage of social housing sectors in the EU and the options for housing provision (and solutions) for the homeless, support the 2002 report’s concerns: weakening welfare states have lower levels of affordable (social) housing provision and higher levels of homelessness. As well as the capacity of the stock, the governance of access and prioritisation are decisive elements in this causal relationship. Exclusion of the poorest means that homeless people are normally not let into the mainstream social housing sector.

Processes Relating to Homeless Provision and Alternative Housing Solutions

The withdrawal of states from direct housing provision was one of the key concerns formulated in the 2002 report – this much debated phenomenon has since been shown to be best viewed as a transformation of tools. Edgar *et al.* made a brief reference to the options for and effects of preventive strategies, as well as the logic of housing first or alternative and integrated solutions in service provision – many of these initiatives had been launched around the year of publication and have since been analysed in greater detail.

A special type of homeless provision – supported housing – demonstrates the extent to which governance structures change differently across Europe. The level of de-institutionalisation in homelessness provision is higher in, for example, the Nordic countries and Germany, but the framework of provision is centrally defined. In other countries such as France and Belgium, there is more local coordination between agencies in social and housing service delivery, but also there is great variety among local solutions and hence in access to housing by the population in need. The third group, which is represented mainly by southern European countries, is characterised by limited de-institutionalisation and a strong reliance on family (and informal) provision of support.

Besides individual factors, such as life course events and transitions, Edgar *et al.* included changes in the socio-demographic make-up of European society among the causes of housing vulnerability. They referred to a ‘second demographic transition’ that negatively impacted households who could not keep up with the pace of change, who lack social and economic stability or who experience housing vulnerability as a consequence of social stigma (p.84).

Edgar *et al.* observed that migrant populations often rely on informal channels to housing such as ‘rent-free’ accommodation, illegal settlements, poor housing quality rentals to family, etc. These informal channels gain special importance under constrained state and ineffective private market operations. It is this kind of (formal or informal) social tie that fabricates cohesive societies and strong communities. Reciprocity is a key element of cohesiveness, the importance of which is also acknowledged by the EU in its pursuit of social inclusion as a goal to counteract the further fragmentation of society. Emerging informal settlements, the primary targets of informal migration, are typical examples of taking up newcomers for the sake of reciprocal support (p.90). Nevertheless, such pathways should not be romanticised: the informal segments of housing markets may be clearly characterised by financial transactions based on pure market principles (p.93). Also, upward mobility is often not an option from such housing arrangements.

Recent research shows that reciprocity as a form of integration has been interiorised for urban rehabilitation projects (Goetz, 2010), as these should be based on both constructing and deconstructing elements of personal and social connections. The idea is that the disruption of social ties might also have beneficial effects: bridging ties are fostered rather than binding ties (Granovetter, 1973), and that social capital increases among those displaced households who leave segregated neighbourhoods for new environments that are 'richer' in terms of relationships and resources. But also, severing ties with the community increases insecurity and living in an alien neighbourhood with no family or friends weakens households' potential to cope with difficulties in their lives.

It can also be a challenge to maintain one's position in a rehabilitated neighbourhood: rising rents and unaffordable housing prices push out poor residents. Often the desired social mix is achieved via investment in private housing in a primarily social housing neighbourhood, which again hinders access for the poorest people to affordable housing. It is seldom the case that homeless people are pulled out from rundown neighbourhoods via low-cost housing programmes or with the help of rental subsidies, thus, homeless people rarely benefit from such housing programmes (Busch-Geertsema, 2007), and housing exclusion is only partially addressed as only selected households' housing mobility is made possible.

There are several alternative ways of ensuring access to affordable housing through planning and urban development policies (i.e. inclusionary zoning, see Bosch, 2009). Guarantee schemes, microlending, specific allocation schemes to social housing are just some of the methods applied throughout the world, confirming the room for such interventions (Council of Europe, 2008).

To conclude, in 2002 it was already clear that the European Social Agenda had put housing vulnerability into the broader context of labour market exclusion, poverty and overheated housing markets, a statement that has been confirmed by much recent research (see, among others, Stephens *et al.*, 2010). The policy impact is there – at least at the planning level: the EU has promoted preventing risks of social exclusion by mobilising a variety of relevant actors and by intervening in the above-mentioned sectors; to date, with little success.

Further Research Developments

The past eight years have witnessed a substantial development in homelessness research and a rise in political and public awareness of homelessness-related issues. FEANTSA has published reviews of current questions, policies and tools in *Pathways into and out of Homelessness* (2008a), and an assessment of models and practices from across Europe in the quarterly FEANSTA magazine *Homeless in Europe* with the title *Housing and Homelessness* (winter 2008b). Housing rights issues have gained extraordinary importance, and the EU has given special attention to homelessness and housing exclusion issues since 2005 in its 5th and 6th Framework and other coordinated research programmes.⁵

Much recent housing research has dealt extensively with the same issues that Edgar *et al.* found relevant for understanding increasing housing vulnerability and homelessness in Europe in 2002. These include the role of housing (construction) in the economy and the marketisation of housing provision, housing price developments and changes in mortgage markets. Also, the possible effects of urban regeneration policies have been comprehensively analysed in scientific literature since then.

One of the more recent areas of research attention is the quality dimension of services of general social interest – among them social housing – and the policy implications of such quality frameworks. The question is whether there is an applicable quality framework in social housing service provision that sufficiently enforces basic principles of service provision (e.g. access to adequate housing for those in need, dignity and safety) and ensures sustainability of the sector. The contribution of this applied research to understanding the mechanisms of housing exclusion and the inclusionary role of social housing can be quite substantial: it examines legally enforceable policy documents and reviews the resulting developments in the (mostly significantly shrinking) social housing sector of EU countries, with the purpose of mapping the options for improving the loosely regulated EU-level framework.⁶ This development suggests that there is an increased policy interest in institutionalised answers to housing exclusion and inclusion.

⁵ Such research programmes concern demographic change – changing housing consumption patterns (also construction models) in life cycle models and immigration issues (DEMHOW); changes in welfare policies (i.e. EU is on the road to asset-based welfare – increasing vulnerability for those without housing assets: OSIS); new forms of housing exclusion (URBAN, RESTATE); and the mutual effects of welfare policies and housing policies on housing exclusion (IMPACT, COOP, EXCLUSION).

⁶ The mentioned research has been sponsored by the European Commission and covers twenty-two EU member states. The research is entitled “Study on Social Services of General Interest”.

Another related area of research that has been gaining more importance in recent years concerns models of the eastern European housing systems and the changes that resulted in – with a few exceptions – highly residualised social housing sectors and increased housing vulnerability for those whose rentals were denationalised or restituted, i.e. given back to the former owners. With drastic economic and political change, and the restructuring of the former social welfare system, all central and eastern European countries report increased housing exclusion. Each of the countries is seeking to provide services to prevent and tackle the previously unknown phenomena of (street) homelessness (Stephens *et al.*, 2010).

Future Research Topics

As new topics and methodological approaches enrich housing exclusion research, the potential list of further research subjects has grown steadily. There are plenty of unexplored areas where research could bring us closer to understanding the relations of homelessness, housing exclusion and housing policies.

Despite the fact that there is no clear trend regarding changes to the role of the state in housing policy, there is great potential to explore the ways of restricting state engagement in direct housing provision versus alternatives, and to determine the quantifiable effects of such policy changes on homelessness and housing exclusion. Such studies would require a new methodological approach into housing and homeless provision research.⁷

Applied research has so far delivered little comparable evidence on how housing affordability projects and programmes work out for homeless people leaving institutionalised care or the street. Furthermore, there is little information on how these initiatives can be embedded into broader urban rehabilitation agendas. Critics seldom uncover mechanisms that work. The broad area of urban mix and its mechanisms also deserves further attention.

The current economic and financial crisis has increased awareness about the ‘losers’ in the widening homeownership market and their vulnerability due to affordability issues. What are their strategies? Are these strategies tied to possible ‘housing regimes’? Exploring these links would deepen our understanding of the reproduction of housing vulnerability and exclusion in the EU.

Housing exclusion in the newer EU member states has to be placed higher on the research agenda. Systematic exploration of ongoing processes and governance changes is also very much needed.

⁷ Research proposal submitted by the Verwey Jonker Institute on measuring the efficiency of local welfare service delivery and its contribution to combating homelessness.

Knowledge of the interplay of welfare arrangements and housing and labour market policies is vital to an understanding of the mechanisms of housing exclusion. There is no clear evidence of what policies 'work' and of what conditions are necessary for policies to succeed. What roles can be taken by welfare providers to replace direct housing provision for the most vulnerable in society? What economic conditions are required to balance these three policy areas? Are there new models arising to provide preferential access to housing for homeless people in addition to or instead of traditional social housing? To what extent can providers (such as social rental agencies in Germany, Belgium or the US) counter the access barriers for homeless people with complex needs for whom housing first approaches have been praised as effective? What is the scope for housing finance instruments for marginalised households, etc.? These are all outstanding questions for future research.

Conclusion

Housing vulnerability has been on the rise for many households in Europe during recent decades. The marketisation of housing provision, the withdrawal of states from direct housing provision, the decreasing stock of social housing and changes to the labour market have all contributed to this process. A rethinking of the role of the state and of the potential for an EU housing policy seem to be urgently needed. The central question concerns the desired combination of tools relating to specific target groups that will be most effective in lessening housing exclusion. Housing exclusion research thus has to broaden its interest to include the interrelatedness of welfare, housing and labour market policies.

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