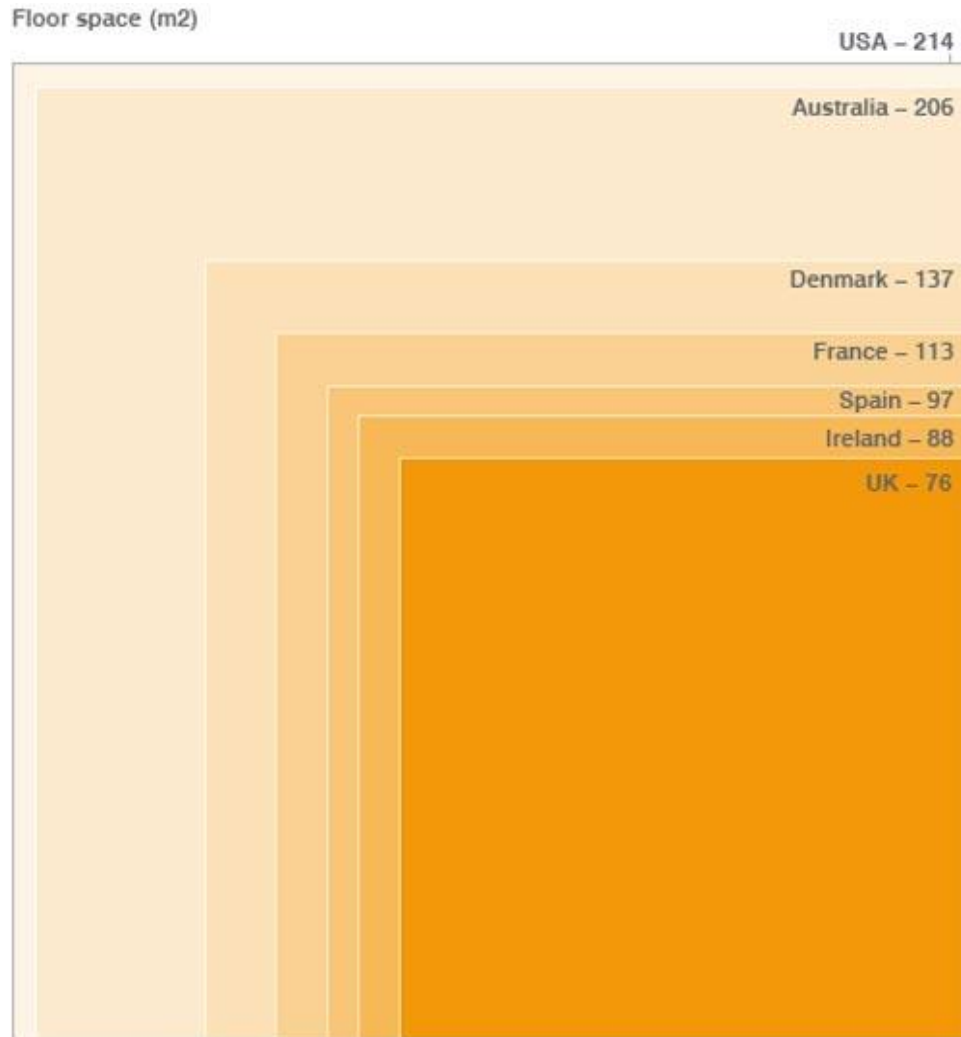


Developers say squeezing more houses into available space makes them cheaper

Britain's new-build homes are the smallest in Western Europe are too small for family life, says a [new report](#) by the Royal Institute of British Architects (Riba). But what is living in a "shoebox house" like? And can small mean beautiful when it comes to your home?



Size matters- what sort of design?



Tension between houses and people

INTRODUCTION

England has a severe housing shortage. There are fewer homes being built than the new households that are being formed each year.^[1] This shortage affects every level of the housing market; millions of people are on social housing waiting lists,^[2] the average age of a first-time buyer has increased to 37,^[3] and there are reported problems in mortgage availability.^[4]

It is clear that we need to build more homes and to tackle some of the systemic problems in the housing market. But in the rush to do so, we need to think about what we are building.

It is easy to think about housing in numbers, percentages, bricks and mortar. But we should not forget that housing is fundamentally about people.

Are our new homes meeting people's needs and if not why?
What does the average consumer think about new build homes?
How might the industry adapt to ensure they meet consumer demands?

Housing, People and Places: Two decades of Advances in Housing Research

William A.V. Clark

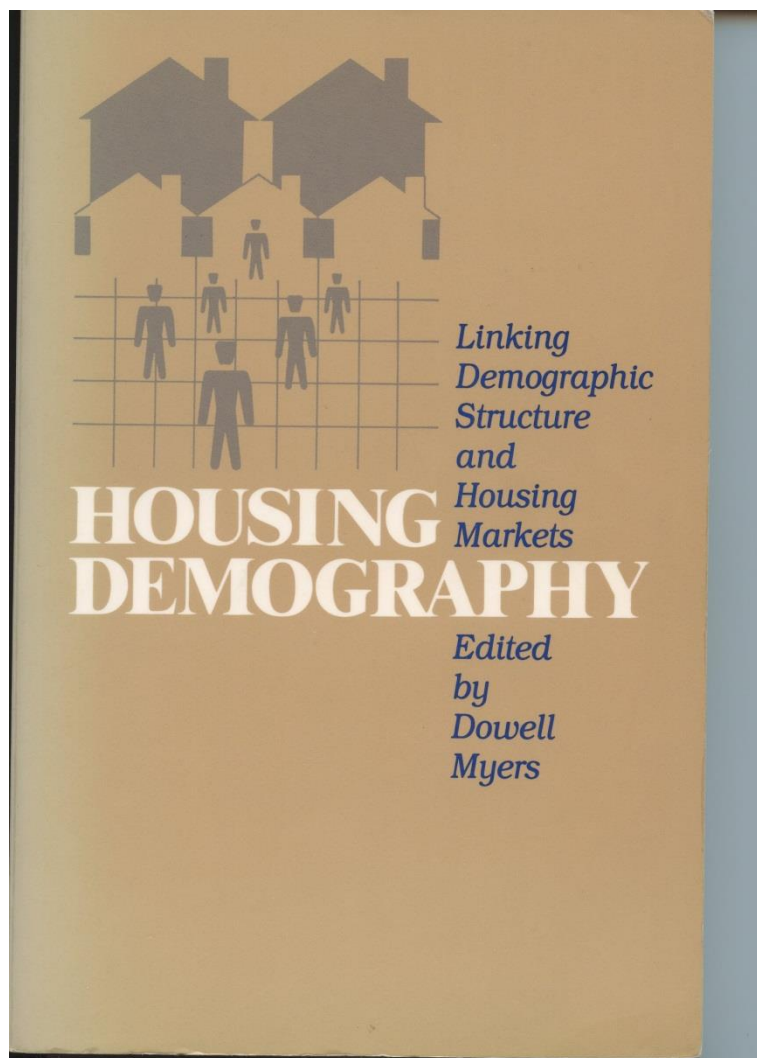
University of California Los Angeles

A presentation to The Housing Symposium, Royal Statistical
Society London

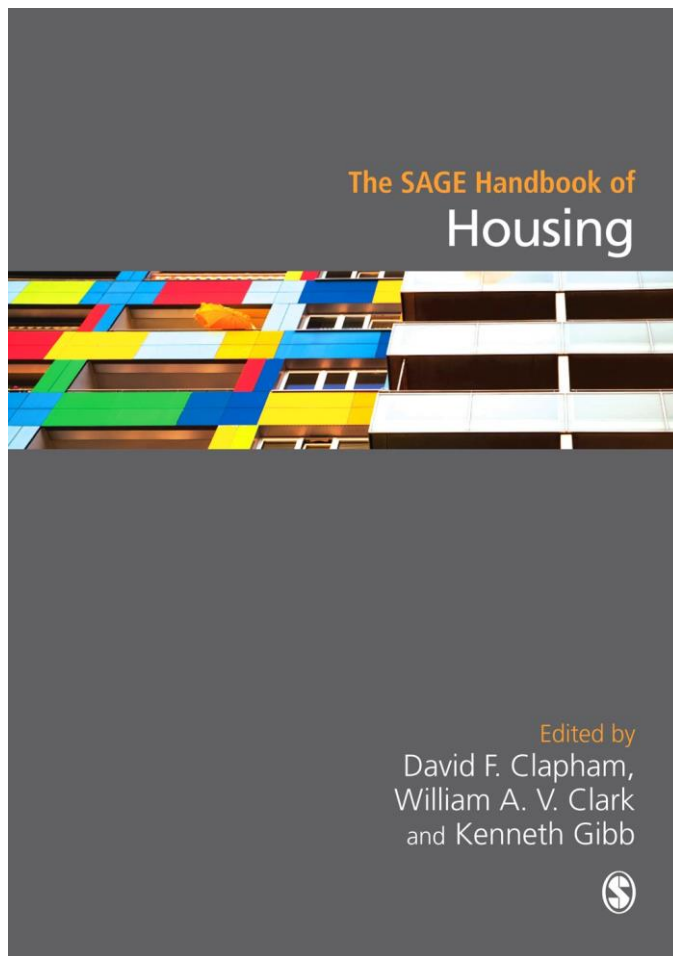
10 December, 2013

Outline

1. Two decades of change – ENHR and HS to GFC
2. Five Themes
3. The Economy and housing
4. People in houses – the life course
5. Neighborhoods and residential sorting
6. Institutions
7. Housing design
8. The “take- away”



The (nearly) current state of play



The SAGE Handbook of Housing Studies

Edited by **David F. Clapham** *Cardiff University*,
William A. V. Clark *University of California, Los Angeles* and
Kenneth Gibb *University of Glasgow*



*The SAGE Handbook of Housing Studies is the comprehensive volume we have long been waiting for. Chosen by leading scholars from many disciplines, housing professionals and policy analysts, an insightful examination of the complex aspects of the housing sector.
- *Andreja Stahovnik, Professor and North American Editor of Housing Studies, Queen's University, Canada*

Cross-disciplinary and critical in its approach, *The SAGE Handbook of Housing Studies* is an indispensable look at the key issues at the heart of the field.

The Handbook covers the study of housing retrospectively, but also analyses the future directions of research and theory, demonstrating how it can contribute to wider debates in the social sciences. A comprehensive introductory chapter is followed by four parts offering complete coverage of the area:

- **Markets** examines the perception of housing markets, how they function in different contexts, and the importance of housing behaviour and neighbourhoods
- **Approaches** looks at how other disciplines – economics, geography, and sociology – have informed the direction of housing studies
- **Context** maps the links between housing studies and other aspects of society, providing context to debates housing through issues of space, social, welfare and the environment
- **Policy** is a multi-disciplinary and comprehensive take on the major policy issues and the causes and possible solutions of housing problems such as regeneration and homelessness

Edited by leading names in the field and including international contributions, the book is a stimulating, wide-ranging read that will be an invaluable resource for academics and researchers in geography, urban studies, sociology, social policy, economics and politics.

Contents

Preface / Kenneth Gibb / HOUSING MARKETS / Duncan MacLennan / Understanding Housing Markets: From Progress or Stallion Agencies? / Michael Ball / Housebuilding and Housing Supply / Maarten van Ham / Housing Rehabilitation / William A.V. Clark / Renters' Mobility and the Housing Market / George Galster / Neighbourhoods and their Role in Gentrification and Changing Housing / David Clapham / APPROACHES / Christine M. E. Whitehead / The Neo-liberal Legacy to Housing Research / Kenneth Gibb / Institutional Economics / Tina Butler and Chris Hamnett / Social Geographic Interpretations of Housing Studies / David Clapham / Social Policy Approaches and Housing Research / David Clapham / Social Contextualism and Beyond in Housing Research / Julie Lawson / Review of Strategic Planning Approaches in Housing Studies - Concepts, Contributions and Future Perspectives / Bo Bergstrom / Housing Politics and Political Science / Hoderick Lawson / People - Environment Studies / William A. V. Clark / CONTEXT / Geoffrey Meen / Housing and the Economy / Walter Meitzner and Alesia Meen / Housing and Welfare / Walter Fingersh / Christopher Sibley and David A. Pike / Housing Markets, the Life Course, and Migration / David Down / Down the Urban Hierarchy / Ray Forrest / Housing and Social Life / Phillip Jones / Housing, Urban Form, Energy, and Zero Carbon / Kenneth Gibb / POLICY ISSUES / Suzanne Fitzpatrick / Homelessness / Chris Loshman and Steven Rowley / Affordable Housing / Judith Yates / Housing Subsidies / Saku Mustari / The Built-environment / Reflections on Concepts, Fields and Frontiers / Ronald van Kempen and Gidenn Bell / Social Consequences of Residential Segregation and Mixed Neighbourhoods / Heigo Priemus / Managing Social Housing / David Clapham / Conclusion

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Housing as an integrated approach

- Beyond Home Ownership



The context

Housing and Society Series

- Series Editor: **Ray Forrest**, City University of Hong Kong and University of Bristol
- This series aims to situate housing within its wider social, political and economic context at both national and international level. In doing so it will draw on the full range of social science disciplines and on mainstream debate on the nature of contemporary social change. The books are intended to appeal to an international academic audience as well as to practitioners and policymakers – to be theoretically informed and policy relevant.

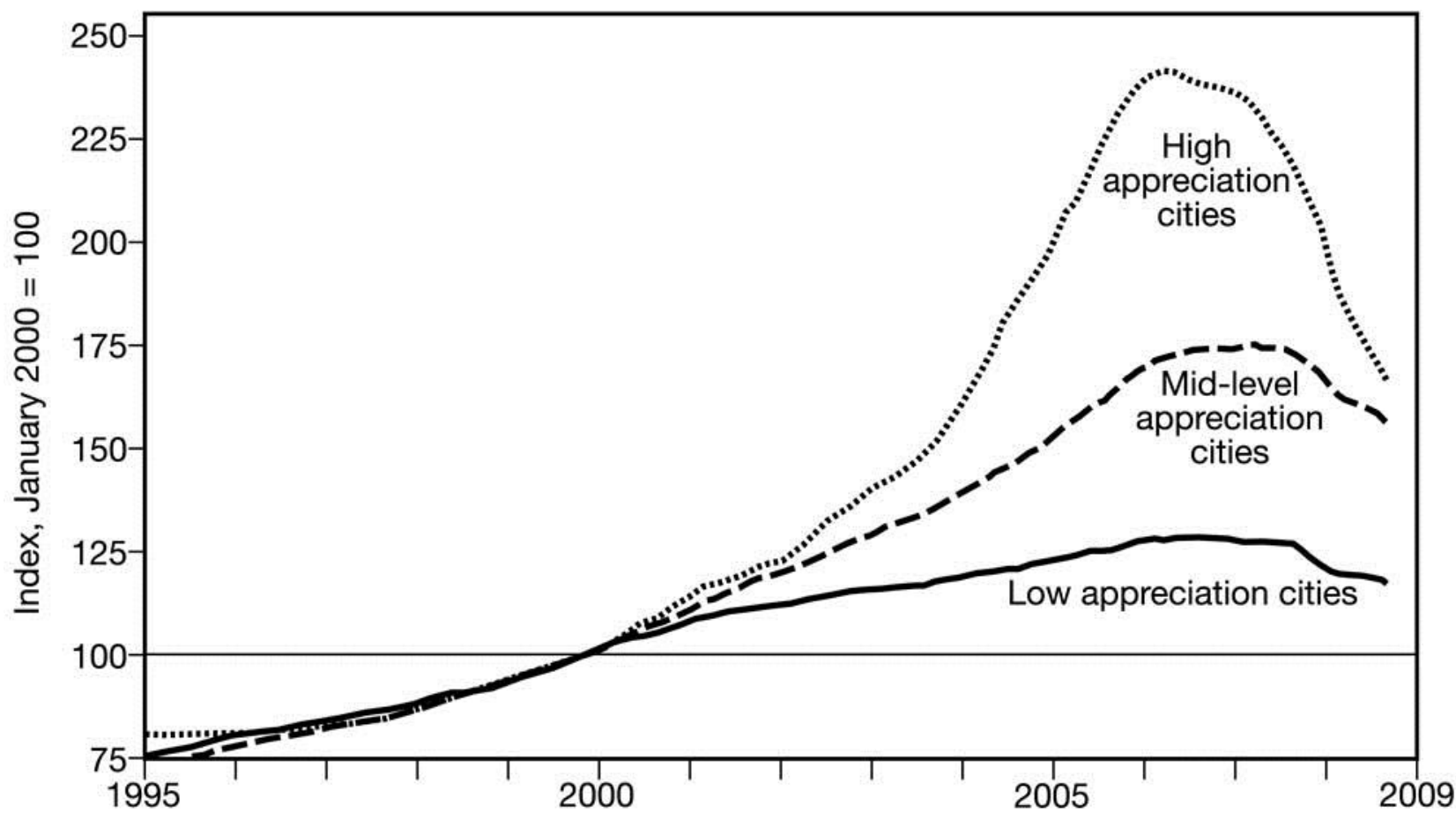
Two decades of change

- Neo-classical to behavioral economics
- Life cycles to the life course-people in houses
- Do neighborhoods matter- houses in places?
- Governments, institutions and cities
- Design and sustainability

Housing and the Economy

- Housing market crises
- Uncertainty
- Complexity
- Information and search
- Preferences and beliefs

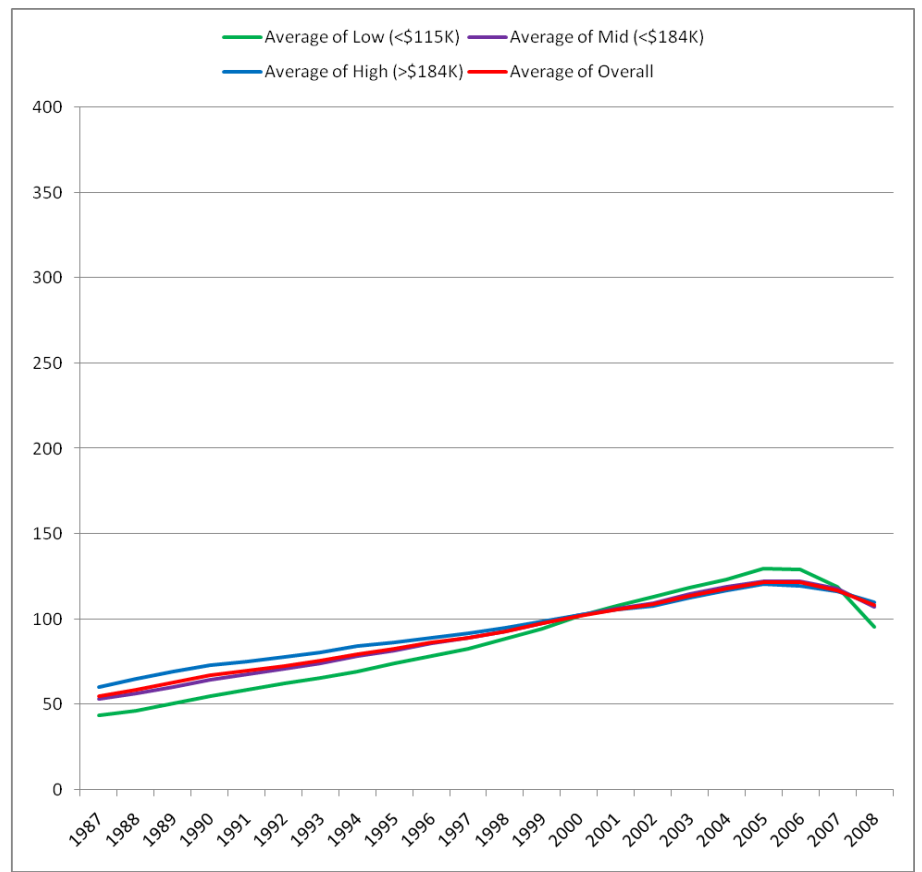
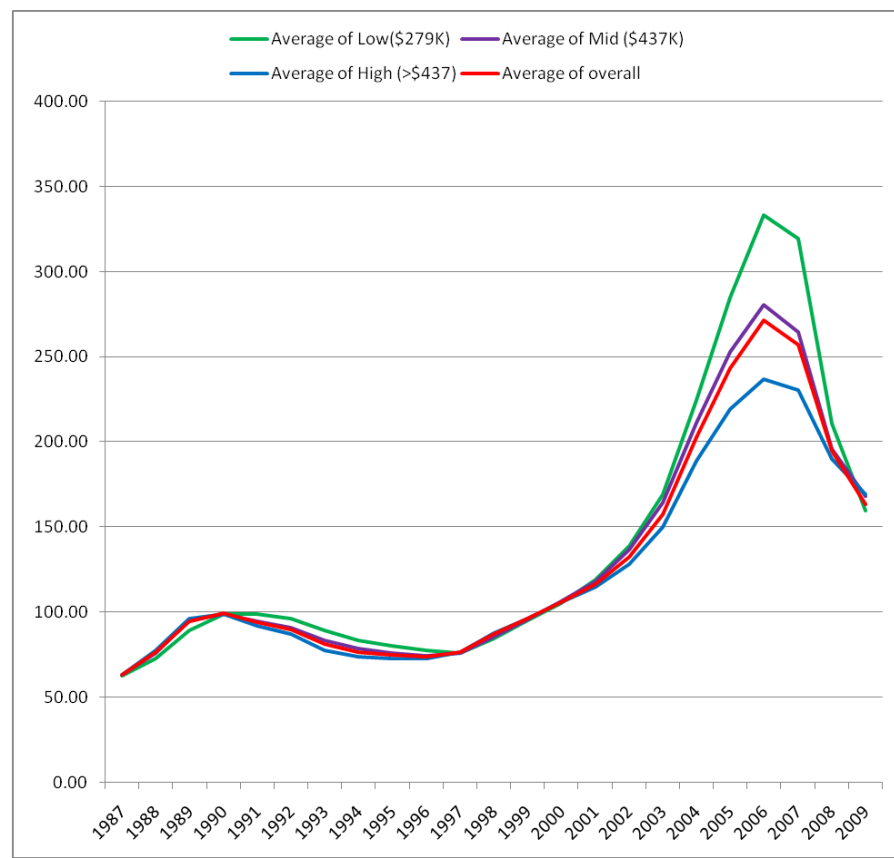
Housing Bubbles



Regional variations in Price/income ratios

Los Angeles

Cleveland



The Operation of the Housing Market

Standard

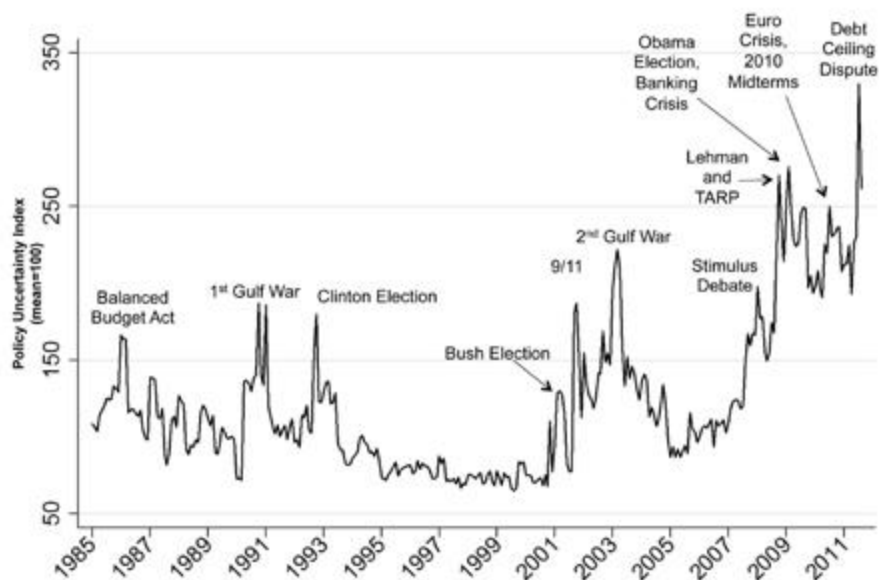
- prices of goods (housing) and services are determined in a free price system

Re-imagined

- Uncertainty,
- Complexity,
- Information and beliefs,
- Search and decision making

Indexing Uncertainty

Index of Economic Policy Uncertainty



Notes: Index of Policy-Related Economic Uncertainty composed of 4 series: monthly news articles containing uncertain or uncertainty, economic or economy, and policy relevant terms (scaled by the smoothed number of articles containing 'today'); the number of tax laws expiring in coming years, and a composite of interquartile ranges for quarterly forecasts of federal government expenditures and 1-year CPI from the Philadelphia Fed Survey of Forecasters. Weights: 1/2 Google News, 1/6 tax expirations, 1/6 CPI disagreement, 1/6 Federal expenditures disagreement after each index normalized to have a standard-deviation of 1. Google query run August 11, 2011, updated Sept 25. Index normalized to 100 mean before.

Complexity

- Neo-classical models insufficient due to hidden complexity and non-linearity
- Market efficiency may be a special case, rather than the prevailing rule.
- Alternative framework is required to model discontinuities and imbalances in the housing markets.
- *David Wyman, Elaine Worzala, Maury Seldin, (2013) "Hidden complexity in housing markets: a case for alternative models and techniques", International Journal of Housing Markets and Analysis, Vol. 6: 383 - 404*

Search and information

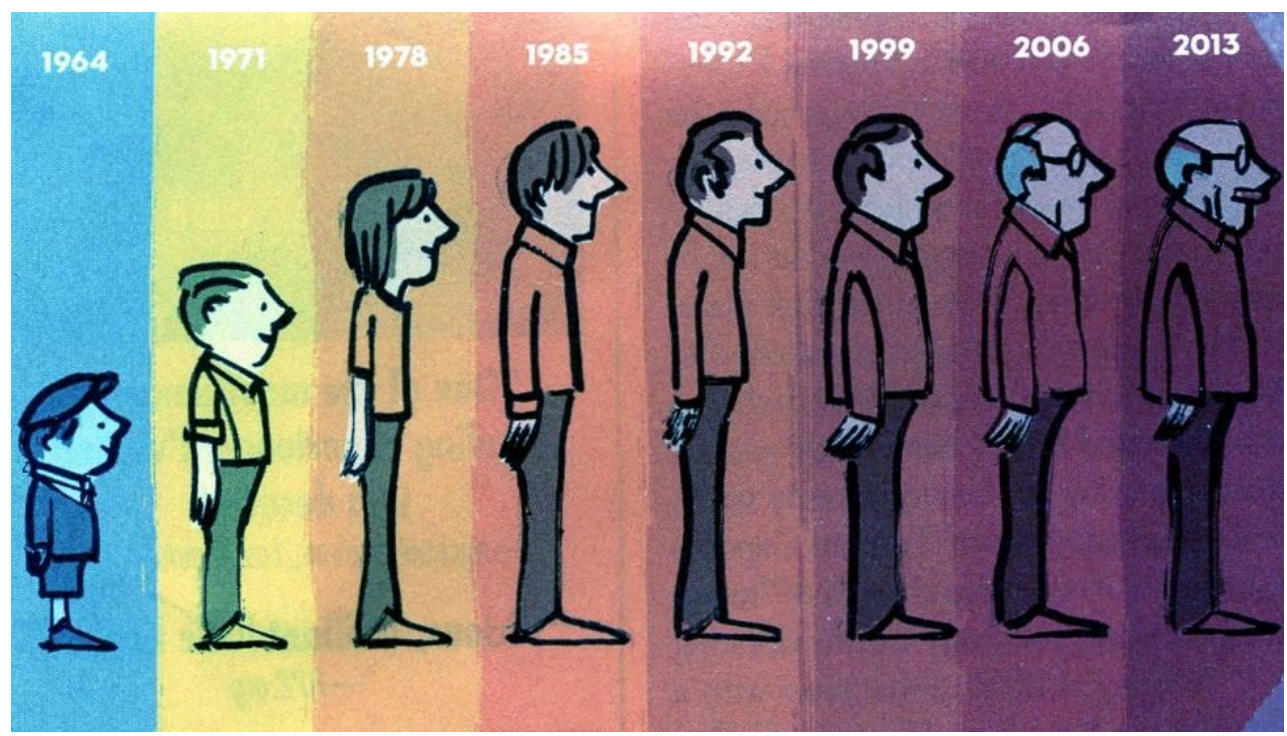
- Different groups of homebuyers have varying levels of information about the home buying process and housing market conditions and search costs
- Does it make a difference? Do different groups pay different prices for houses?
- Test for differences in house prices between first-time versus repeat buyers and between out-of- town versus in-town buyers.
- No significant differences using hedonic prices!! WHY
- Availability of information at an individual level by institutions, such as the multiple listing service. Institutions ameliorate asymmetrical information and costly search

*Turnbull and Sirmans, (1993) Information, Search and House Prices
Regional Science and Urban Economics 23 545-557*

People in houses- the life course

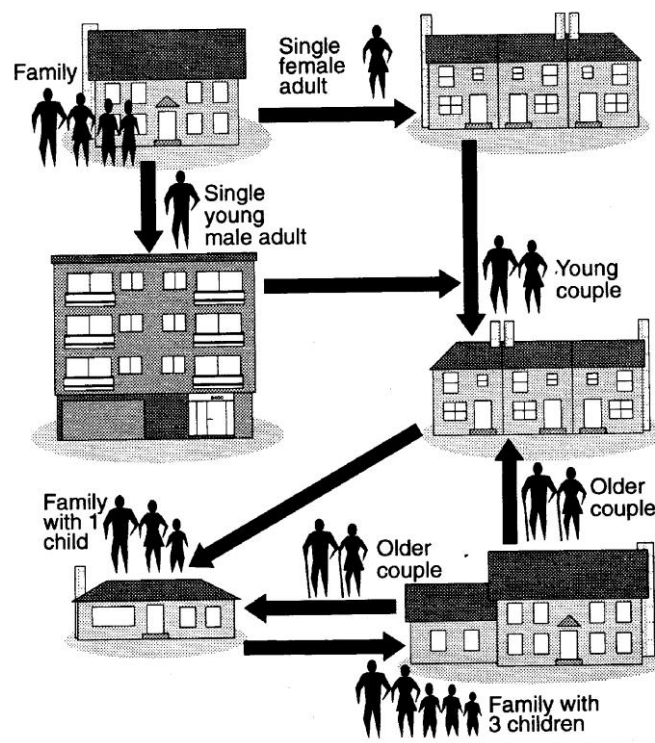
1. Static vs. dynamic
2. Events and transitions
3. Demographic change and housing
4. A note on fertility

The life course

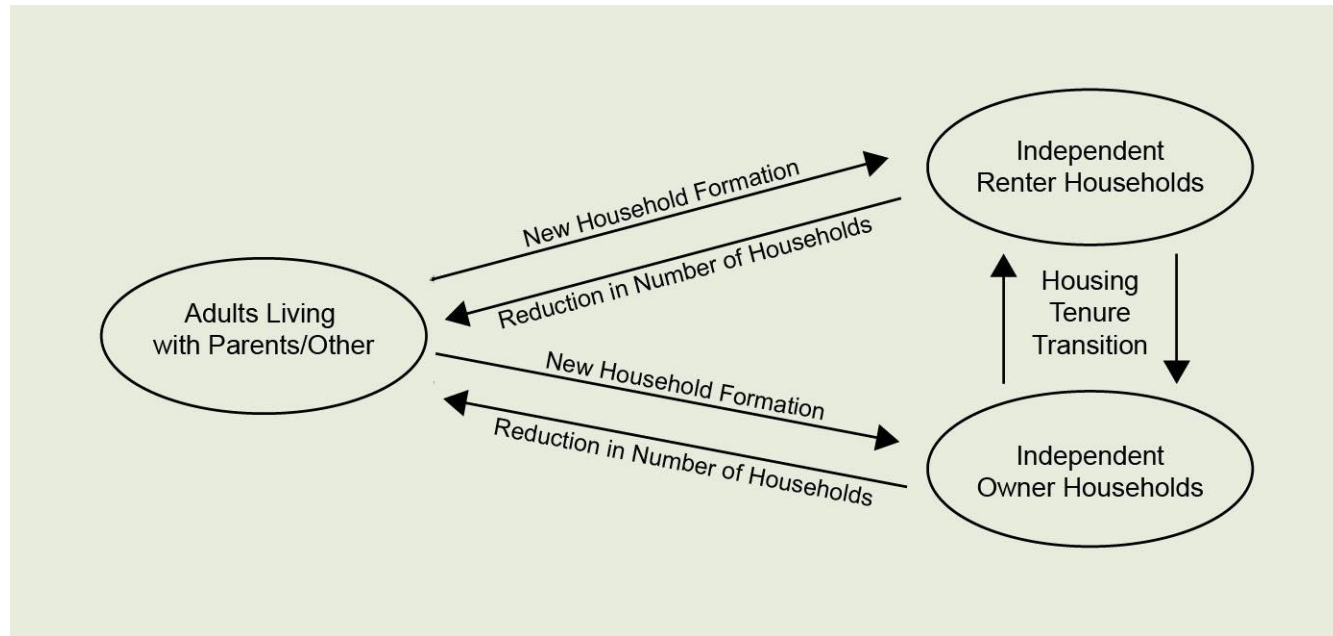


The housing career

Housing and the Life Course



People and tenure



Family composition

- Family composition is significantly different now from that at the end of the baby boom
- Family households now make up only half of all households in the United States
- There are numerically fewer households with children today than in 1960

	1960		2009	
Total Households	52.9 million		105.4 million	
Family Households	39.4 million	74.6%	55.8 million	52.9%
With Children	24.2 million	45.8%	23.4 million	22.2%

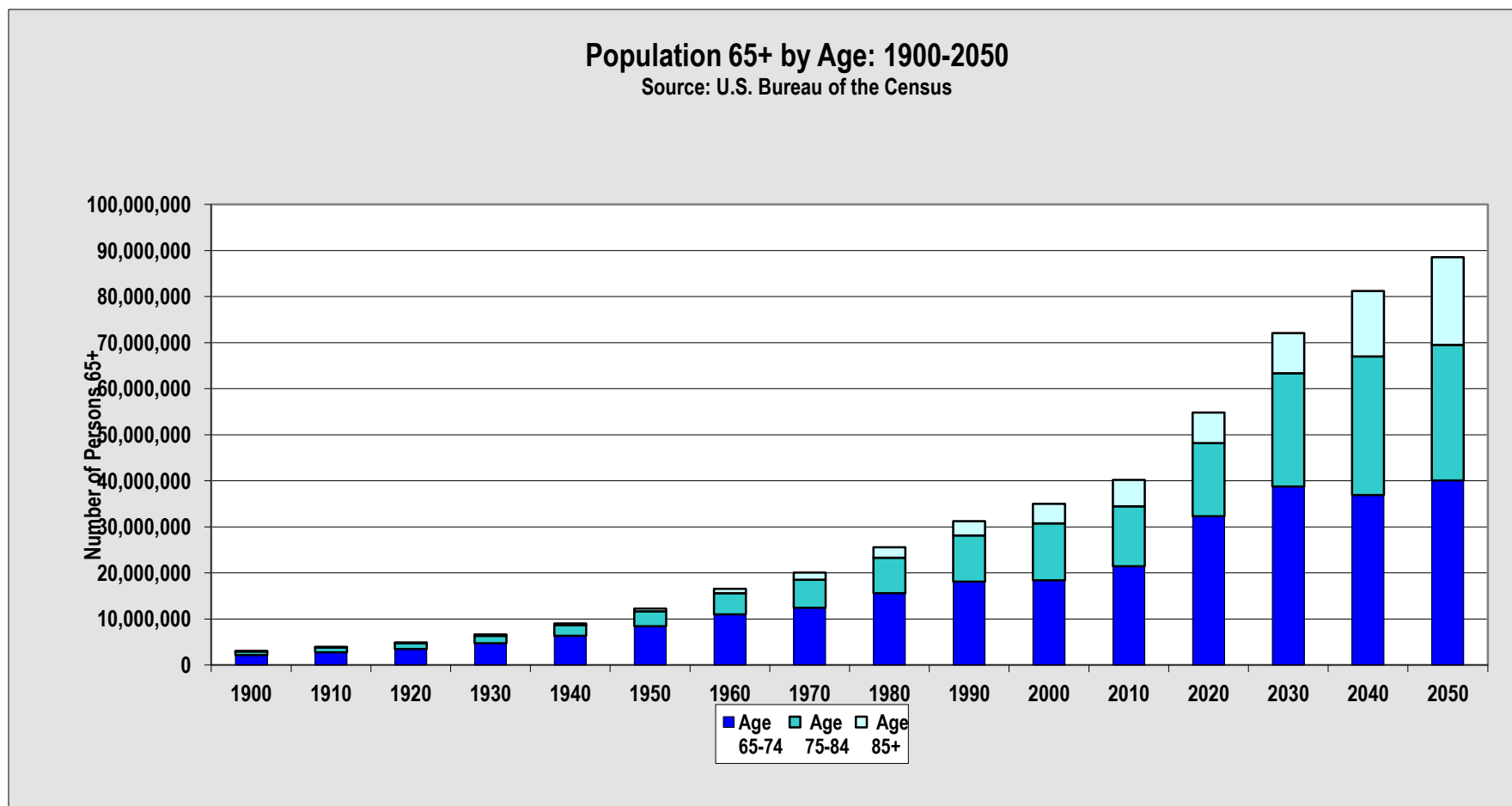
Aging

- It is the “silver century” , the population over 65 in the US will more than double in a generation
- The population over 85 will nearly quadruple

Year	65+ years	85+ years	Total
1960	16.6	.9	179.3
1980	25.6	2.2	226.6
2000	35.0	4.2	281.4
2020	54.8	6.6	341.4
2040	81.3	14.2	405.7

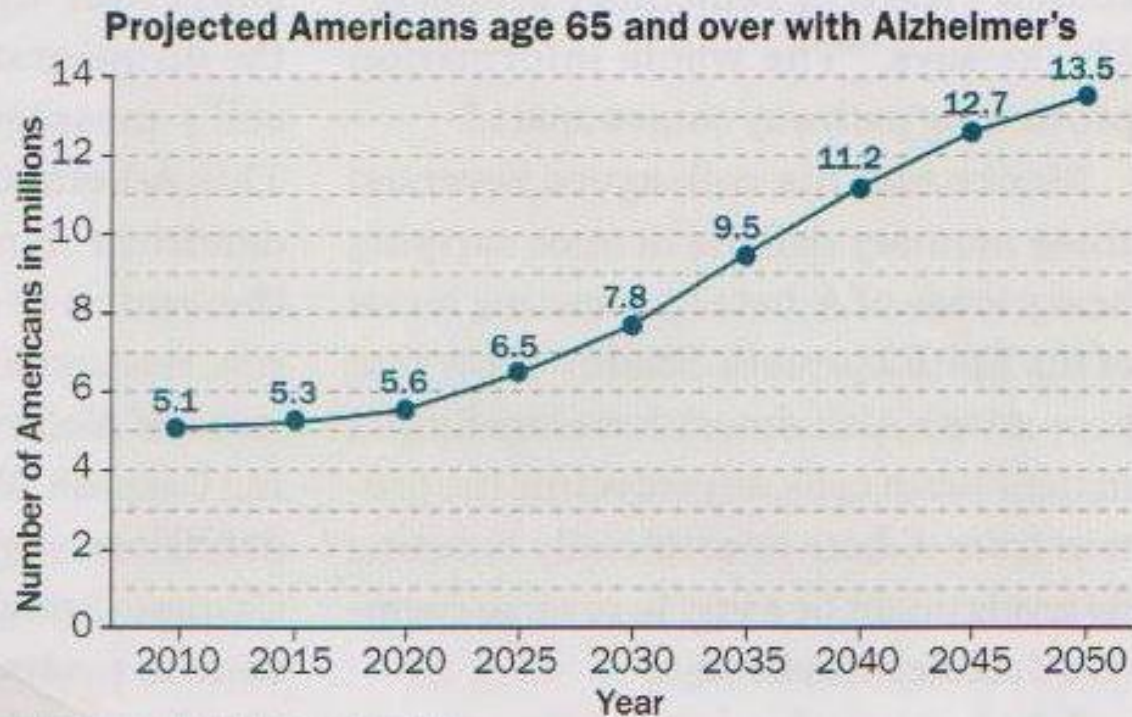
- There is a 50% chance that if a 65 yr old married couple retires today that one of them (the woman probably) will live to 92 (US Census 2010)

By mid century the over 65s will be 50% of Total population



The Health Care Crisis for the elderly

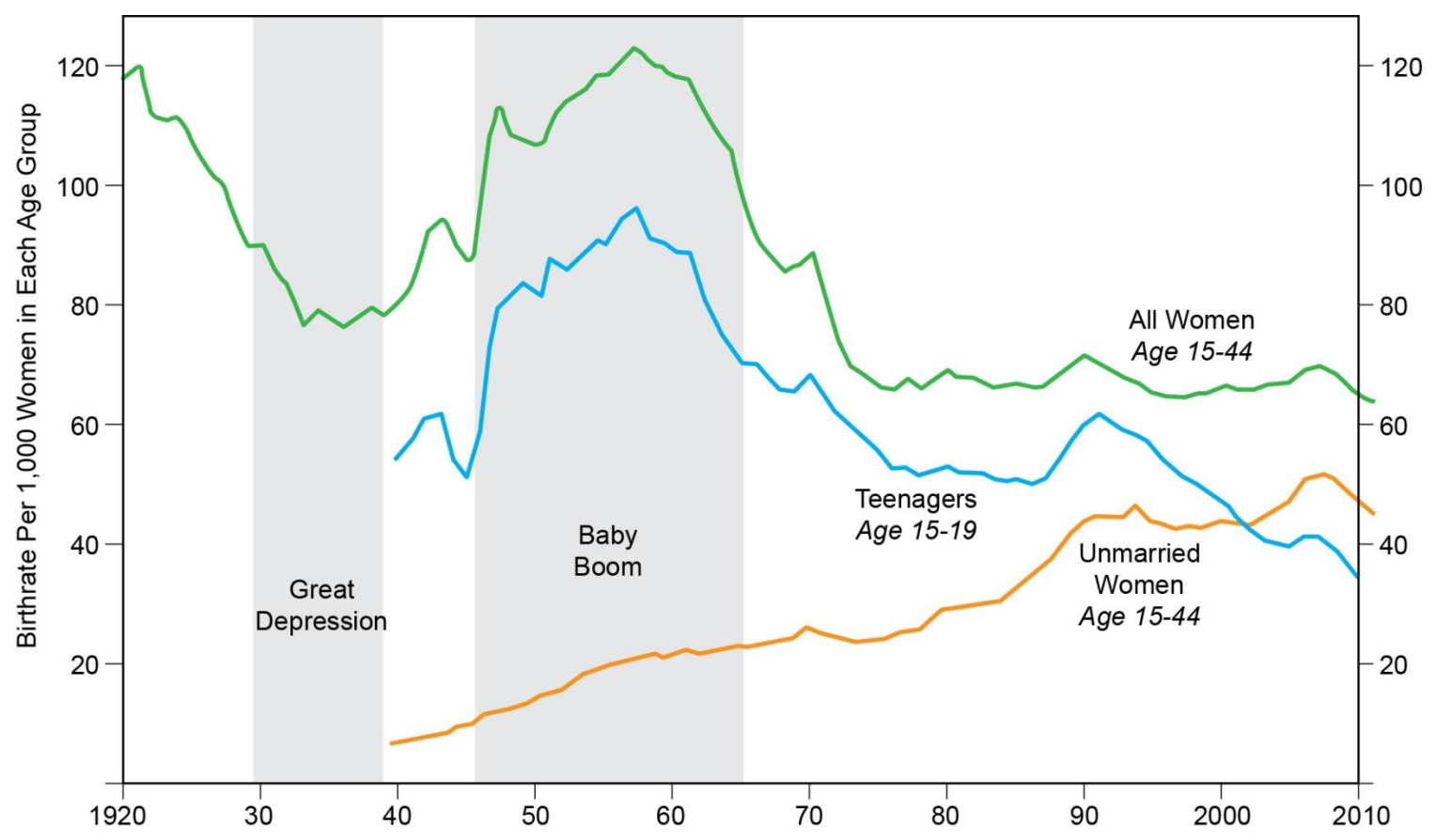
Alzheimer's boom As the baby boomers age, the number of elderly Americans with Alzheimer's is projected to reach 13.5 million by 2050. Assuming no breakthroughs in treatment, health care costs will continue to increase as well.



Notes on Fertility

- A fertility crisis for Europe and the US?
- Historically high unemployment rates —50 percent plus among youths — in countries like Greece, Italy and Spain are discouraging young people from having children.
- EU data on live births in 31 European countries fell by 3.5 percent, between 2008 and 2011.
- Vacant houses in small towns
- In US declining numbers of families with children – the childless city- the changing urban structure

Changing Fertility in the US



Source: National Center for Health Statistics

Age at first birth to women age 20-45

	1999	2009
Race White	25.2	25.5
Hispanic	23.4	23.9
Black	23.1	22.8
Education BA	28.0	27.7
Some College	24.7	24.2
High School or less	23.0	22.6
Tenure Own	25.1	25.7
Rent	23.2	22.6
City 100,000 plus	25.5	25.4
50,000-100,000	24.4	25.0
Non-metro	24.1	24.4

Sorting and Selection- Houses in Places

- Neighborhoods as clusters of houses
- Reflections in advertising
- The sorting process
- Do neighborhoods matter?
- Does moving improve your opportunities?

Neighborhoods as places

- Places are different- but on a continuum
- Neighborhood conceptions are both positive – (Beverly Hills, Faubourg St. Honore) and negative– (wrong side of the tracks, lower east side, dog town, pole town) – stigmatization
- Choices are attempts to match preferences to places






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File Edit View Favorites Tools Help

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Address <http://www.claritas.com/MyBestSegments/Default.jsp?ID=20> Go Links

Y! Search Web NEW Toolbar Update Mail My Yahoo! Games



Households: 2001 Estimate: 47,008
 Occupied Housing Units: Owner Occupied: 82.13%
 Marital Status: Single

MarketPlace

Home Subscriber Login ZIP Code Look-Up Segment Look-Up Using MyBestSegments Learn More Sign Up Online FREE Report

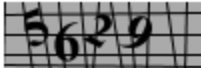
ZIP Code Look-up

PRIZM NE

► PRIZM NE Segmentation System

Enter 5-digit ZIP CODE

Enter the security code shown below* :



* This is to improve performance and prevent unauthorized automated scripts.

Welcome to You Are Where you Live, the ZIP Code look-up feature of MyBestSegments.com.


People living in the same neighborhoods tend to have similar lifestyles, proving the old adage that "birds of a feather flock together" still holds true. To a large extent, you are where you live!



PRIZM NE, Claritas' newest segmentation system, defines every neighborhood in the U.S. in terms of 66 distinct lifestyle types using ground-breaking segmentation techniques. You can get a first look at your neighborhood using PRIZM NE using MyBestSegments.com—and you can still access the lifestyle detail of Claritas' legacy systems, **PRIZM** and **MicroVision**.


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07 Money & Brains

The residents of Money & Brains seem to have it all: high incomes, advanced degrees and sophisticated tastes to match their credentials. Many of these citydwellers, predominantly white with a high concentration of Asian Americans, are married couples with few children who live in fashionable homes on small, manicured lots.



Social Group: Urban Uptown

2005 Statistics:
 US Households: 2,265,564 (2.04%)
 Median HH Income: \$82,570

Lifestyle Traits


1. Shop at Nordstrom
2. Support the arts
3. Read Business Week
4. Listen to all-news radio
5. Drive a Jaguar

Demographics Traits:

Ethnic Diversity:	High Asian
Family Types:	Mix
Age Ranges:	45+
Education Levels:	College Grad+
Employment Levels:	Professional
Housing Types:	Homeowners
Urbanicity:	Urban
Income:	Upscale
Income Producing Assets:	not available

Internet

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51 Shotguns & Pickups

The segment known as Shotguns & Pickups came by its moniker honestly: it scores near the top of all lifestyles for owning hunting rifles and pickup trucks. These Americans tend to be young, working-class couples with large families -more than half have two or more kids- living in small homes and manufactured housing. Nearly a third of residents live in mobile homes, more than anywhere else in the nation.

Lifestage Group: Mainstream Families

<p>2005 Statistics:</p> <p>US Households: 1,761,715 (1.59%)</p> <p>Median HH Income: \$40,722</p> <p>Lifestyle Traits</p> <ol style="list-style-type: none"> 1. Go hunting with a gun 2. Buy hard rock music 3. Read Field & Stream 4. Watch Daytona 500 5. Drive a Ford F-super duty 	<p>Demographics Traits:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Ethnic Diversity:</td> <td>White, AmInd</td> </tr> <tr> <td>Family Types:</td> <td>Families</td> </tr> <tr> <td>Age Ranges:</td> <td>25-44</td> </tr> <tr> <td>Education Levels:</td> <td>High School</td> </tr> <tr> <td>Employment Levels:</td> <td>Blue-Collar, Farm</td> </tr> <tr> <td>Housing Types:</td> <td>Homeowners</td> </tr> <tr> <td>Urbanicity:</td> <td>Rural</td> </tr> <tr> <td>Income:</td> <td>Lower Middle</td> </tr> <tr> <td>Income Producing Assets:</td> <td>not available</td> </tr> </table>	Ethnic Diversity:	White, AmInd	Family Types:	Families	Age Ranges:	25-44	Education Levels:	High School	Employment Levels:	Blue-Collar, Farm	Housing Types:	Homeowners	Urbanicity:	Rural	Income:	Lower Middle	Income Producing Assets:	not available
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Urbanicity:	Rural																		
Income:	Lower Middle																		
Income Producing Assets:	not available																		

← BACK

Done
Internet

The sorting matrix

Table 6.1: Origin–destination flows by deprivation at origin (%)

England

Origin decile	Destination decile										Total
	Least	2	3	4	5	6	7	8	9	Most	
Least	31.1	15.8	12.2	10.1	8.2	7.3	5.9	4.5	3.0	1.9	100
2	16.0	22.4	12.9	11.2	9.6	8.4	7.1	5.7	4.1	2.6	100
3	11.9	12.7	20.7	11.7	10.7	9.6	8.1	6.6	4.9	3.2	100
4	9.5	10.9	11.6	19.9	11.5	10.4	9.3	7.5	5.6	3.7	100
5	7.4	9.3	10.3	11.2	19.4	11.6	10.6	9.0	6.8	4.4	100
6	6.2	7.8	8.6	9.8	11.0	19.7	12.1	10.8	8.3	5.6	100
7	4.7	6.1	7.4	8.2	9.9	11.6	20.9	12.8	10.8	7.6	100
8	3.3	4.7	5.8	6.8	8.4	10.3	12.8	22.6	14.2	11.1	100
9	2.2	3.4	4.3	5.2	6.6	8.4	11.4	15.0	26.7	16.7	100
Most	1.2	1.9	2.7	3.2	4.3	5.7	8.0	11.8	17.2	44.0	100
Total	8.8	9.0	9.3	9.4	9.8	10.3	10.8	11.0	10.7	11.0	100

Neighborhoods and residential sorting

- The question is how areas neighborhoods end up with such different compositions
- The answer – residential sorting (see Clark and Morrison , Bailey and Livingston (*Residential sorting, neighbourhood effects and social mobility: evidence from a large scale survey*)
- But what are the processes which “sorts” people into neighborhoods?

What Influences Sorting

1. Budget Constraints

Massey/Denton – income does not explain social patterns

Clark /Quillian non- poor ethnics choose white (better) neighborhoods

2. Preferences and patterns

Fossett – strong evidence of weak preferences

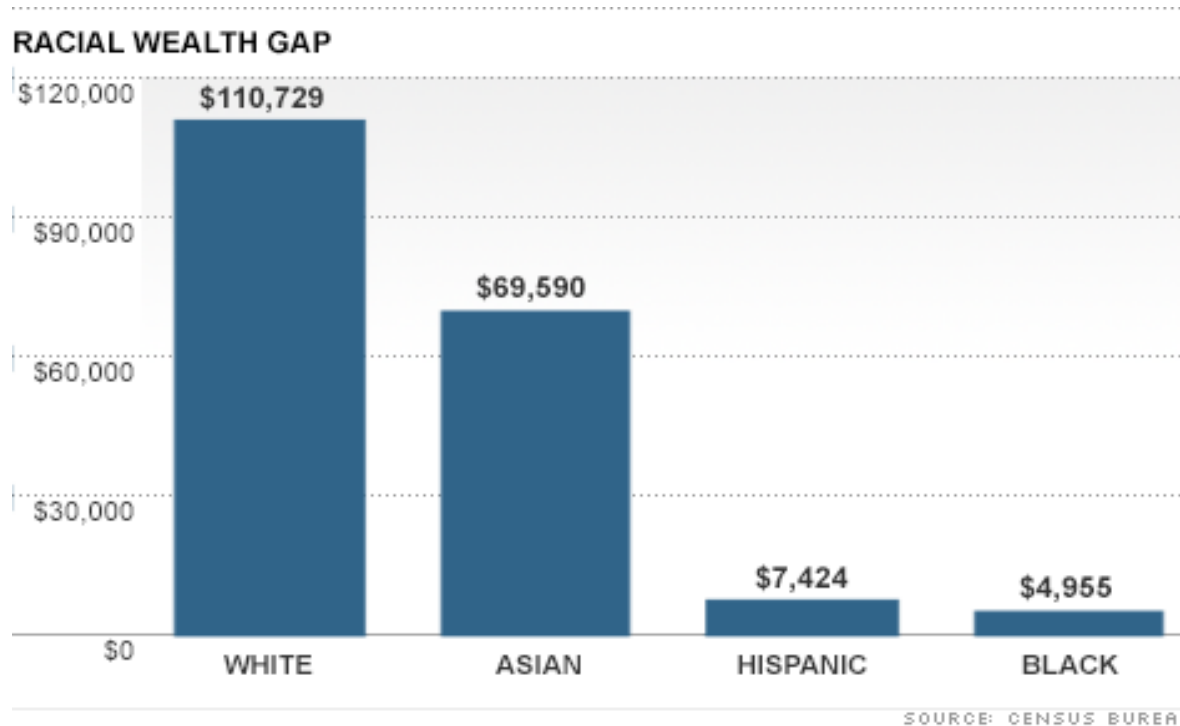
Charles/ Farley own race choices are result of white hostility

3. Structure and mobility

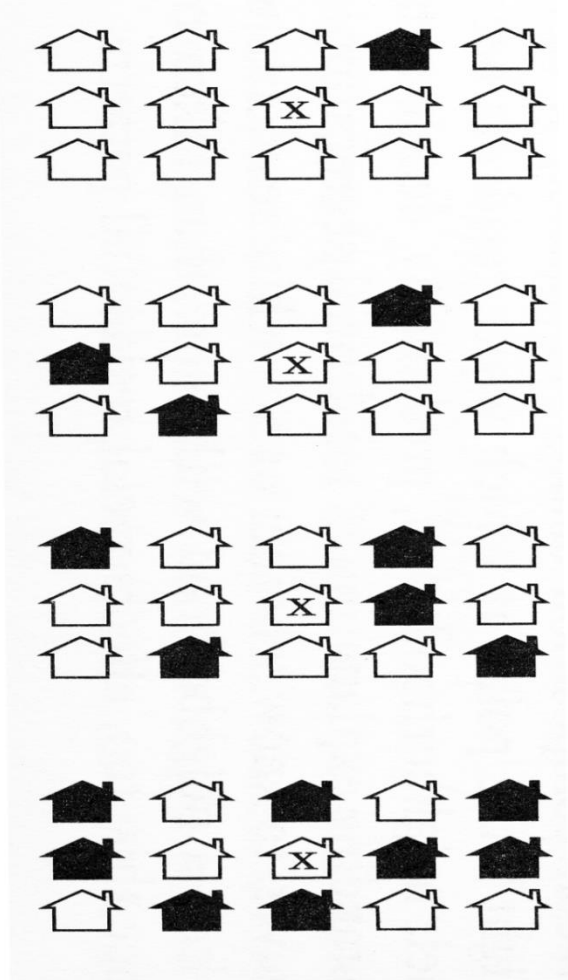
Emerson et al Whites avoid ethnic neighborhoods

Clark/ St John /others Whites avoid crime and problem neighborhoods

Resource Differences



Preferences



Preference Outcomes

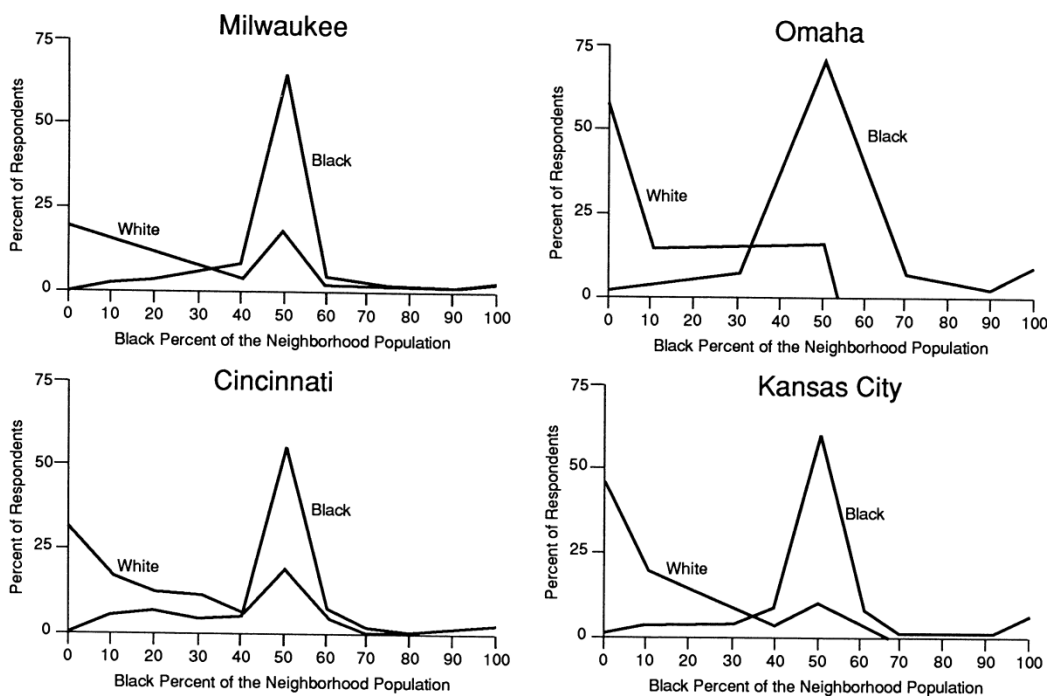


Figure 4. Empirical preference distributions for blacks and whites in Milwaukee, Omaha, Cincinnati, and Kansas City

Neighborhood effects- the debate?

1. They (neighborhood effects) may be mostly an area outcome (of sorting) not an area affect;
2. If neighborhood effects exist, they are probably small, may be dependent upon your definition of neighborhood, and difficult to detect;
3. Analysis of outlier neighborhoods may be more useful (e.g, poor neighborhoods with good health OR wealthy neighborhoods with poor health).

Institutions and Housing (1)

- Problems of theorizing
 - Individual market good
 - Public (non-market) good
 - State intervention from large (Netherlands) to small, if at all (US)

Institutions and Housing (2)

- What institutions
 - private
 - public (national vs local)
- What role in housing
 - Large corporations vs single build
 - Regulation (building and safety) vs control (enforcement)
- With what ideologies?

Institutions and Housing (3)

- Political ideologies
 - Class and structural theories
 - Bourdieu and social class
 - Marx and the tension between capital and labor
- Cultural belief systems
 - Property owning democracies
 - Asset based welfare
 - Social housing and cooperatives

Institutional-Structural issues in housing (1)

- The housing divide - younger households who can become owners with parental input and those who do not have family resources who will be renters (does this matter?)
- Inertia in the housing stock will delay adaptation- big (not so old) houses will require retro-fitting to apartments or demolition
- Local government budgets for housing (in the US) are under stress and housing support is being reduced which in turn further stresses households in the early housing careers

Structural Issues (2)

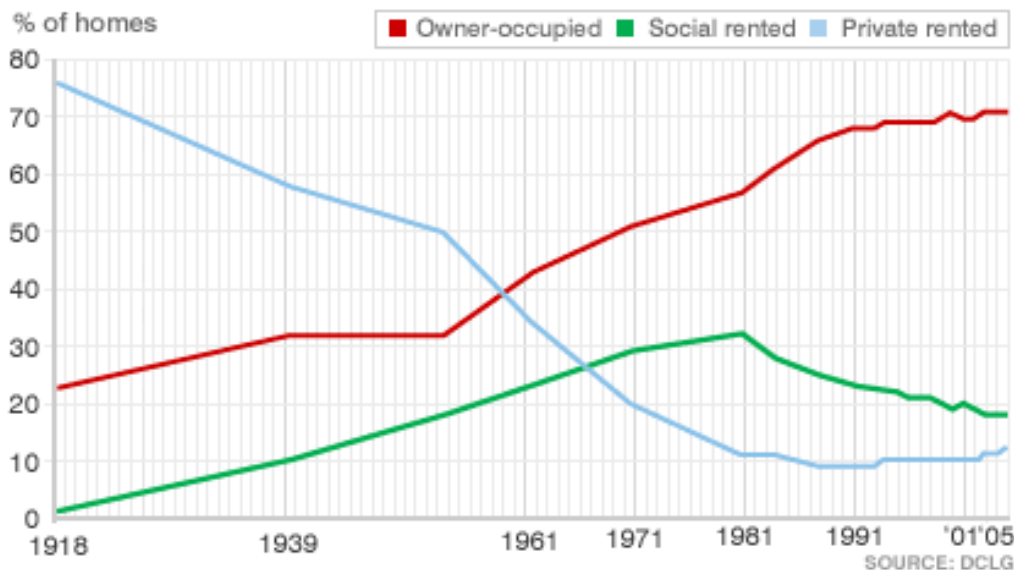
- Communities and governments poorly equipped to deal with the changes needed to bring older households into equilibrium with housing structures and to deal with the needs for affordable housing – especially in North America
- How will communities and governments deal with the potential for a generation clash over housing and health care priorities

Housing Design – what sort of housing

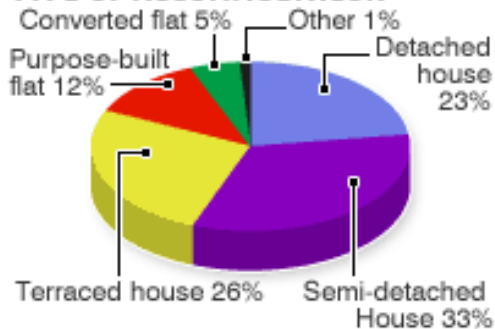
- Size, shape and location
- Sustainability
- Energy efficiency (overlapping sustainability)

Design and Changing Tenures

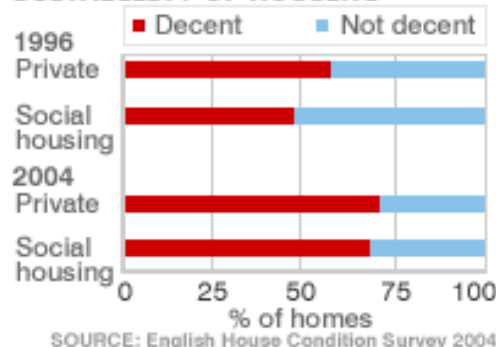
OWNER-OCCUPIERS AND RENTERS IN ENGLAND



TYPE OF ACCOMMODATION



SUITABILITY OF HOUSING



Price vs. quality

Developers say squeezing more houses into available space makes them cheaper

Britain's new-build homes are the smallest in Western Europe and many are too small for family life, says a [new report](#) by the Royal Institute of British Architects (Riba). But what is living in a "shoebox house" like? And can small mean beautiful when it comes to your home?



Back to the City- what kind of city?

- The central city has been cited as the next destination for both the young and childless and the aging population – the childless city.
- But, while it makes good headlines, will older households give up space and they fear crime in the inner city.
- Is smart growth viable and sustainable?
- Central cities offer environments closer to the livable city concept (smart growth) than low density suburbs.
- More questions than answers.

Universal design as a solution

- There is recognition of the need to re-invent housing for the (aging) population
- The concept of Universal Design has been introduced to create housing which will serve households across the life course
- Providing housing which will provide good quality residential experiences across the life course
- Will require substantial rethinking of building codes and land use planning rules – over coming NIMBY
- See *Housing our Ageing Population: Panel for Innovation (HAPPI)*

The “take away” – where are we?

- The housing economy – still price.
- The life course – family events “really” matter.
- Neighborhoods – should matter but maybe don’t.
- Governments – changing course despite the hand wringing.
- Design – slow change, overcoming inertia.