

24/03/2015

Towards a New Residential System in Spain?



Two of the most prominent traits of the Spanish residential system in recent decades have been the high proportion of owners and the absence of effective policies to promote rental housing. This article argues that the system is undergoing a transformation due to structural demographic change and influenced by the housing bubble and current crisis: not only fewer young households are created, but more often they opt for rental housing. For now however it cannot be said to be the beginning of a new residential system.

Figure by: iStockphoto/Ridofranz.

Spain is undergoing a profound economic crisis resulting from various bubbles bursting: the general one, from the global economic system, the financial bubble, and the property or housing bubble, the latter being more intense in Spain than in the surrounding countries. In addition, there is another one specific to Spain, a “demographic” bubble. These bubbles are related among each other. Whilst there is a well-known interaction between the financial and the property bubbles, the relationship between housing cycles and demographic cycles is less known. Hence, this paper sets the relationship between population and housing within the demographic interpretative framework. Moreover, the main aim is to confirm the rapid recent change of the Spanish *housing system*, and to assess its development in the near future.

A *housing system* is understood to be a set of mutual relationships between the demographic, social, political and territorial contexts, and housing markets and structures. Thus, the housing system includes housing units, actors and institutions that explain the

production, consumption and regulation of housing as a phenomenon. The Spanish case needs to be placed within the Mediterranean, Southern European and family-based housing system. The reasoning being that it shares certain housing traits that make up a common system with countries such as Portugal, Italy, Greece or Cyprus. Without any doubt, two of the more prominent are the high proportion of homeowners and the absence of effective policies to promote rental housing, which compromise the access to housing for the most vulnerable social strata and, in general, household formation and childbearing. In the case of Spain, in particular, for decades the State has taken the political option of promoting ownership through fiscal, economic and financial policies (tax relief for the purchase of the main residence, promotion of the construction of owned public promoted housing, or credit facilities, amongst others).

Nevertheless, the relationships between population and housing are not static, neither on the individual or the aggregate scale. The demographic structure, and not only the population size, influence in qualitative and in quantitative terms in the housing demand. In this sense, the development of the flow of new households and the changes in access to housing are a good example. It is no coincidence that the last period of residential boom, from 1997 to 2007, coincides not only with a large increase in foreign immigration but begins first with the arrival of the baby-boom at the age of emancipation to own a home. Additionally, during the middle of the last decade, shortly before the crisis, the formation of young households began to decline with the arrival at the age of emancipation of empty generations born after 1975, despite including the immigrant population. In the coming years the inertia of demographic structures will entail the net creation of households to be smaller and reaching in 2020 it is expected to be virtually negligible. Therefore, the young demand could be covered by households released by the household mortality from the increasingly numerous generations over 65 years old.

With regards to the changes in the housing access, during the boom years, ownership was still increased amongst households below 45 years old and more so in younger ones. Homeowners were increased by 3 percentage points annually, while in a speculative way the number of tenants was significantly reducing. However, from 2007 these relationships have been reversed. Rental has gained relative weight amongst all households under 65 years old, and more intensely the younger the household.

The main argument of the article is that structural demographic change, added to the behavioral changes triggered by the excesses of the housing bubble and the current crisis, are leading to a change in the Spanish housing system that has been in place in the last 50 years. It cannot be said, on the basis of the information available, that the Spanish housing system has already transformed. However, even a gradual, incremental process can give rise to a decisive change in the housing system, with no need to radically break away from the past. The vast majority of households, mainly the less young ones, live according to the old parameters of the system. But there are a number of signs of change, particularly among the young population. Thus, we can only conclude that we are heading towards a new housing system, if the trends described become significant over time: that is, if innovations are not abandoned in the short term by the current young generations; they are supported by active housing policies; and they are, in turn, adopted by the following generations.

Julián López-Colás

Centre for Demographical Studies (CED)

jlopez@ced.uab.es

References

Módenes, Juan A.; López-Colás, Julián. Cambio demográfico reciente y vivienda en España: ¿hacia un nuevo sistema residencial? *Revista Española de Investigaciones Sociológicas*. 2014, vol. 148, p. 103-134. doi: 10.5477/cis/reis.148.103.

[View low-bandwidth version](#)