

Homeownership in Flanders: a cohort approach

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Abstract

In Flanders (Belgian region) almost 75% of households own the house they are living in, a share that kept on rising during the last decades. Not surprisingly, from the start of the housing policy in Belgium the focus was set on stimulating homeownership. The Flemish government hopes to reach a level of 80% homeowners in the near future. In this study the evolution of homeownership in Flanders is analyzed from 1975 to 2005. In addition to age categories, the analysis also takes birth cohorts into account. A birth cohort is formed by shared experiences during the same time period. Cohorts differ from each other because they went through the same life phase in different time periods. Next to cohort effects we also distinguish age effects, which can be understood as the influence of the life stage.

The share of homeowners in Flanders rose from 72,2% in 1995 to 74,4% in 2005. This overall increase is a consequence of a strong increase in the oldest age categories, which we identified as a cohort effect. In the generation born in the period 1910-1919 the ownership rate was always lower than for the following (younger) cohorts. A large part of the cohort 1910-1919 entered the housing market in the years after World War II – in economic unfavourable circumstances - which affected their chances on becoming homeowner. In addition, the birth cohorts from the 60's and 70's reach a higher level of homeowners at earlier stage in life than the preceding cohorts.

Finally, a prediction was carried out for the homeownership-rate in 2015, starting from well-defined hypotheses. The results point out that the rise of homeownership in recent decades has reached its limit, unless additional policy efforts are made.

Key words: homeownership rate, Flanders (Belgium), cohort analysis

Introduction

During recent decades the share of Flemish households that live in their own dwelling rose constantly. In 2005 this share reached a level of 74,4%, which is relatively high from a European perspective. In neighbour countries The Netherlands and Germany this rate is lower than 60%; in Spain on the other hand it reaches 83%. Since the start of Belgian housing policy there is a strong emphasis on stimulating homeownership (Goossens, 1997). A further rise of the homeownership rate is also a priority for the current Flemish government, which hopes to reach a level of 80% homeownership in the near future (Keulen, 2007). Furthermore the Flemish families themselves have a strong wish for homeownership. A recent survey pointed out that half of the tenants wants to own a dwelling. For 37% of the current homeowners the ‘wish to become homeowner’ was the most important reason for their last house move.

In this study we analyze the evolution of the homeownership rate in Flanders from 1975 to 2005. We do not only take the general evolution into account, but also concentrate on the evolution of age categories and cohorts. A cohort interpretation allows for better insights in the homeownership changes between age groups over time. Moreover, the results of these analyses make it possible to predict the homeownership rate in the near future, based on demographic projections and a status quo of various context factors.

The basic goal of this study is a descriptive one. Regarding certain remarkable results, possible explanations are put forward. However, the applied method does not allow for testing these hypotheses.

1. Historical background and methodology

1.1 Homeownership in government policy

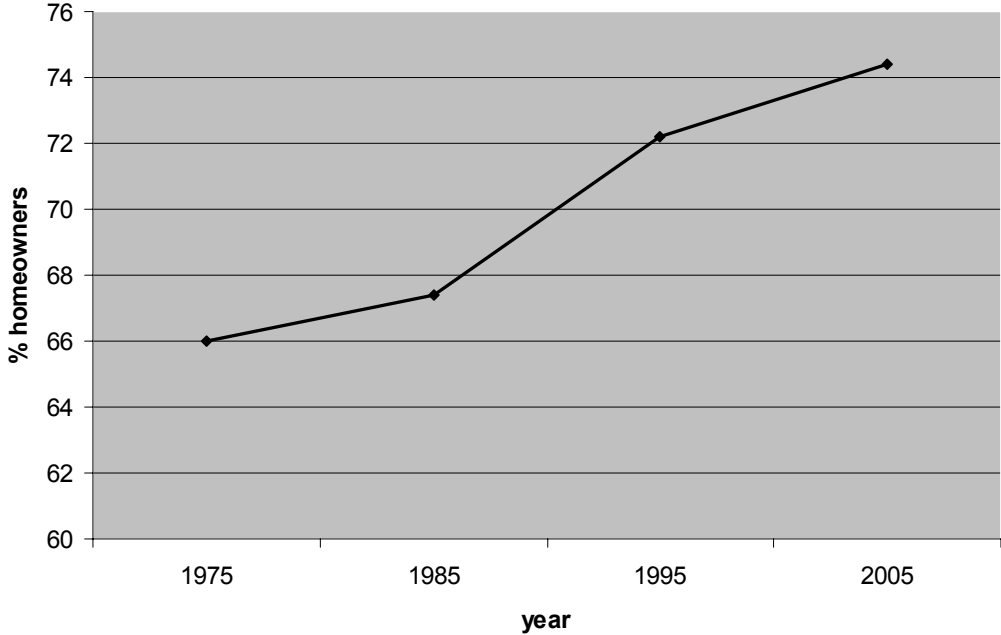
In contrast to many European countries where a high homeownership rate is a relatively recent phenomenon, Belgium is an old 'nation of homeowners'. Already in 1960 half of the Belgian households owned the dwelling they lived in. The ownership rate gradually grew over decades, whereas in many other 'homeownership countries' the level of homeownership steeply rose in a shorter period of time. For Belgians (Flemings) the purchase of an own house with a garden is already for decades their 'housing dream'. This strong emphasis on homeownership has its roots in the 19th century, when homeownership was stimulated by the government to counter the negative effects of industrialisation and urbanisation (De Decker, 2008). These latter societal changes were accompanied among the elite by a fear for epidemics and social rebellion, causing an 'anti-urban attitude' (Kesteloot, 2003). The promotion of homeownership was – in addition to the construction of a dense railway system - meant to keep the workers and their children out of the 'depraved' city. Also, it was believed by the Catholic party – following the Social Doctrine of the Church – that homeownership should be promoted for workmen. It would guarantee the well-being of the family and the implied costs were believed to discipline the workers. For the Liberal party on the other hand, homeownership has always been a core element of their ideology. The first law in order to stimulate homeownership passed in 1889, including the construction of cheap dwellings, tax exemptions and cheap loans (De Decker, 2008).

After World War II housing policy in Europe had a significant role in the rebuilding of society. In times of low economic activity government investment in housing was regarded as a way of stimulating the economy. Opposite to other European countries, where the focus was set on the expansion of social housing, Belgium primarily opted for the building of new housing by private initiative (Winters & De Decker, 2009). An important allowance system for building and purchasing houses was introduced (Act De Taye in 1948). In 1993 this system was replaced by a scheme which subsidized a part of the mortgage payment. This latter system ceased to exist in 1998. By 1997 housing to a large extent became a regional competence. The private rental legislation and fiscal policy measures are the most important policy tools that are still at a federal level. For instance, the federal fiscal policy in Belgium nowadays still has a strong impact on housing by its stimulation of homeownership.

Homeowners receive a substantial deduction in income tax with regard to their mortgage payments. In 2005 this deduction was on average 81 euro a month. As a contrast, the allowance system for tenants is marginal, including strict income boundaries and a ‘moving condition’, which stipulates that the family has to move from a dwelling that is declared unfit for living to a suitable dwelling in order to receive a housing allowance. Recently, also new tenants of social rental agencies – if they meet the income criterion - are entitled to a housing allowance (Heylen & Haffner, 2009).

1.2 Evolutions in homeownership by age and birth cohort

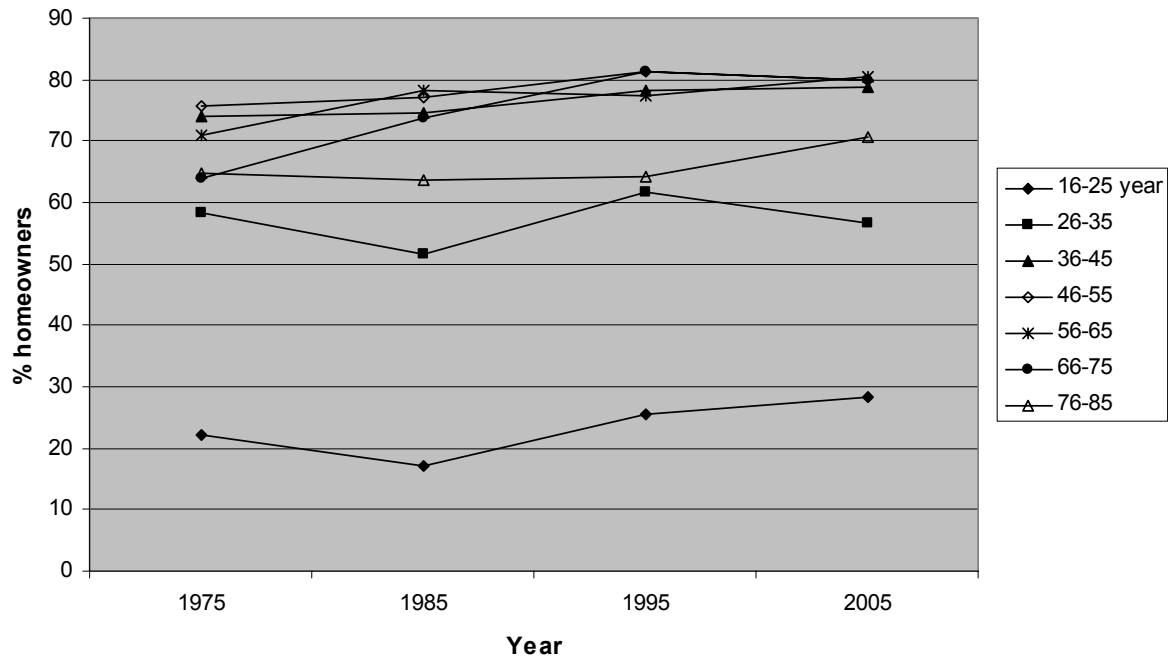
Figure 1 illustrates the continuous rise of homeownership in Flanders between 1975 and 2005. In 1975 two third of Flemish households were homeowner; in 2005 this rate already rose to 74,4%. Between 1975 and 1985 the increase is smaller than in the following decades, whereas the strongest increase took place in the period 1985-1995 (4,8 percentage point).



Sources: SEP 1975 (N= 5.344), SEP 1985 (N=3.676) , PSBH 1995 (n=2.602) and Woonsurvey 2005 (n=5.213)
 N total=16.836

Figure 1: Homeownership rate, 1975-2005, Flanders

Figure 2 shows the evolution of homeownership for different age groups. At each measure point the homeownership rate is the lowest for the youngest group (16-25 years) and second lowest for the group aged between 26 and 35. Since 1995 there is a remarkable increase of the ownership rate in the oldest age category (76-85 years).



Sources: SEP 1975 (N= 5.344), SEP 1985 (N=3.676) , PSBH 1995 (n=2.602) and Woonsurvey 2005 (n=5.213)
N total=16.836

Figure 2: Homeownership rate according to age groups, 1976-2005, Flanders

The ownership rate steeply rose for the youngest age group (16-25 years) between 1985 and 2005, from 17% to 28%. This increase is less outspoken in the last decade than in the decade before. In the last decade the increase was strongest for the oldest group (76-85 years). Regarding the group aged from 26 to 35 we observe a slight decrease during the last decade, while the other groups stay more or less equal. Thus, the general increase of homeownership during the last ten years is mainly caused by the oldest age category. In this study we seek to understand to what extent this finding is a consequence of an ‘age effect’ or a ‘cohort effect’. An ‘age effect’ refers to the consequences of the process of ‘growing older’ in a broad sense. The increase of the ownership rate between the age groups is obviously to a large extent an age effect. By a grow in financial means and/or the beginning of a certain life stage (partner, work, ...) people decide to leave the parental home and possible purchase their first dwelling (Vandorpe et al, 2007). Also the decline of homeownership among the elderly is partially

explained by an age effect, for in this group the tendency exists to move to a rental dwelling that better suits their physical ability.

A ‘cohort affect’ on the contrary refers to the effect of belonging to a group according to a certain event. In cohort studies this event is mainly birth. A birth cohort consists out of people born in the same period (most commonly ten year) and is ‘formed’ by shared experiences, which distinguish them from other birth cohorts. Sequential cohorts differ from each other since they experience a different life stage in a same historical context or – put differently - live in a different historical setting at a certain stage in life (Ryder, 1965). Ryder (1965) argues that cohorts differ as a consequence of differences in education and peer group socialization.

Obviously, in our study the housing market context is highly relevant. It makes a significant difference whether or not the housing market is entered during a period in which homeownership is heavily subsidized. Moreover, the possibilities of starters on the housing market are influenced by changes in the mortgage interest rate and housing prices (Myers, 1999). Further, the possibilities of elderly are determined by the supply of suitable dwellings. The aim of this study is to analyze the evolution of homeownership in age groups by means of a cohort approach. For the changes in age groups over time are besides age effects also the result of cohort effects. The age groups in figure 2 are composed by different cohorts, which have their own specific history (Glenn, 2005). In the first part we rely upon bivariate analysis methods (cross tables), whereas in the second part a multivariate approach is followed. A logistic regression model allows for a clear separation of the age and cohort effects, which is not possible in a bivariate approach.

The data for this study is drawn from the Socio-economic Panel (SEP 1976 and 1985) and the Panel Study of Belgian Households (PSBH, 1995), both carried out by the University of Antwerp. For 2005 the Housing study of the Flemish ‘Kenniscentrum Duurzaam Woonbeleid’ is used.

2. Cohort approach for homeownership: evolution 1975-2005

2.1 Bivariate analyses

In order to illuminate the logic of cohort effects it is useful to discuss the ‘standard cohort table’. This is a cross table composed by cross-sectional data which identifies the relationship between age and the dependant variable - in this case the homeownership rate - and in which the age intervals are as large as the (fixed) intervals between the measure points. The advantage of this method is that each diagonal of the cross table presents the evolution of the dependant variable for a specific birth cohort (Glenn, 2005).

In the table below this method is followed for the homeownership rate in Flanders between 1975 and 2005. Each cohort is presented by a different colour. Figure 3 shows the evolution of the ownership rate per age group for each birth cohort. This display makes visual interpretation of cohorts effects easier, compared to figure 2.

A first remarkable finding is that the ownership rate for the cohort ‘1920-1929’ is more than 6 percent point higher in the age categories ‘56-65 year’, ‘66-75 years’ and ‘76-85 years’ than for the preceding cohort (1910-1919). Thus, there is a clear cohort effect which is visualized in figure 3. The rise of the ownership rate in the oldest age group (76-85 years) between 1995 and 2005 – which we detected in figure 2 - is to a large extent explained by the fact that the cohort aged between 76 and 85 in 2005 already for decades counts relatively more homeowners than the preceding cohort. The age effect after 75 years is at a same level. For both cohorts the transition to the category ‘76-85 years’ meant a decrease of the ownership level by 10 percent point. The disappearance of the cohort born in the 1910s out of the statistics in 2005 appears to be the main reason for the general rise of homeownership between 1995 and 2005 (from 72,2% to 74,4%).

A possible explanation for the remarkable difference between the cohorts ‘1910-1919’ and ‘1920-1929’ is the fact that a large part of the former cohort entered the housing market during World War II. Contrary, the oldest people in the cohort ‘1920-1929’ were already 25 years old in 1945. This cohort could start on the housing market in more favourable circumstances. As already mentioned, in the years succeeding the war specific subsidy systems were introduced in order to encourage homeownership in Belgium. The government

recognized that after World War II families did not easily get access to suitable rental homes. A higher level of homeownership would lead – in addition to more stability – to higher personal development. The rebuilding after World War II mainly took place by means of the private housing market, whereas many other European countries – e.g. The Netherlands - opted for a substantial expansion of the social housing sector (Deschamps, 1997).

Figure 3 and table 1 show that the homeownership rate for cohort '1900-1909' is clearly lower in the age group '66-75 years' than for succeeding (younger) cohorts. Most likely this cohort also scored worse on homeownership at a younger age. However, we lack data for 1965, which is needed to further analyse this hypothesis.

Next, there is hardly any difference between the cohort of the 1920s and the cohorts of the '30s, '40s and '50s. In the age interval 56-75 years the homeownership rate fluctuates between 77% and 80%. Yet, between the age of 36 and 55 the generations of the '50s and '60s score a few percent point higher on homeownership than the preceding (older) cohorts. The level of 80% ownership is thus reached earlier in life among the younger cohorts, but this level seems to remain the 'upper-limit'.

Another finding is that the fall of the homeownership rate after the age of 75, which we identified for the cohorts of the 1910s and 1920s, does not exist for the birth cohort '1900-1909'. The rate stays more or less equal at 64%. Thus, the above discussed age effect only exists since the period 1985-1995. Figure 3 clearly shows this evolution. If only the evolution in figure 2 is taken into account and abstraction is made of possible cohort effects, one could draw the wrong conclusion that there is a growing tendency among elderly to become homeowner.

Finally, table 1 and figure 3 point out that the percentage homeowners among young families (16-25 years) clearly increased for the two most recent cohorts ('70s and '80s). However, the gap between the cohorts of the 1970s and 1960s is closed in the age interval '26-35 years', which suggests that the former group caught up at a later life stage.

Table 1: Homeownership rate, according to age group, 1975-2005, Flanders

Age of head of household:	1975 <i>SEP</i>	1985 <i>SEP</i>	1995 <i>PSBH</i>	2005 <i>Woonsurvey</i>
16-25	22,2	17,1	25,5	28,3
26-35	58,2	51,7	61,7	56,7
36-45	73,9	74,6	78,2	78,9
46-55	75,8	77,0	81,3	79,8
56-65	71,0	78,1	77,5	80,4
66-75	63,9	73,6	81,3	79,8
76-85	64,8	63,7	64,1	70,6
Total	66,0	67,4	72,2	74,4
N	5.344	3.676	2.602	5.213

Birth cohorts: 1890-1899; 1900-1909; 1910-1919; 1920-1929; 1930-1939; 1940-1949; 1950-1959; 1960-1969; 1970-1979; 1980-1989

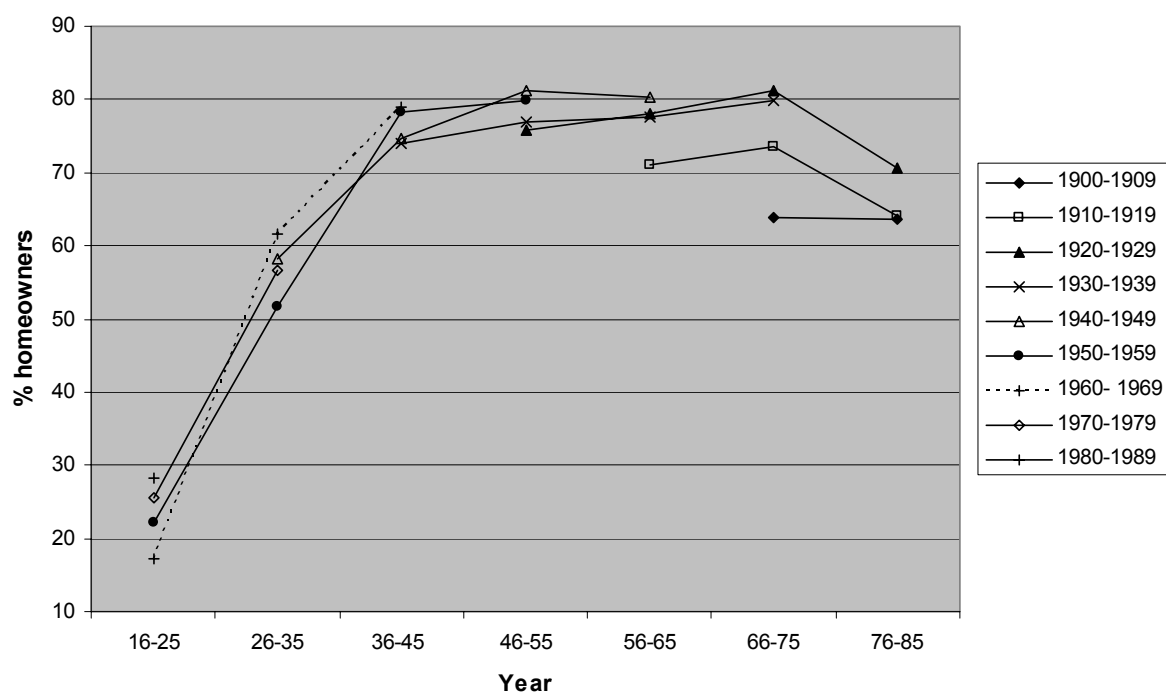


Figure 3: Homeownership rate, according to age group, for birth cohorts, Flanders

2.2 Multivariate analysis

In the previous section bivariate methods were used in order to ‘reasonably’ detect age and cohort effects. However, since we don’t rely upon population data these effects are not proved statistically. In order to identify statistically significant effects, a multivariate regression model is needed in which the effect of age and cohort is estimated at the same time. In addition to these two effects, also period effect can be distinguished. Period effects refer to the influence of a changing society, in social, economic and cultural way in a certain time period. The effect of a changing economic conjuncture or societal values are examples of period effects since these changes account for all age groups (Glenn, 2005). Yet, in this study we do not include period effects in our analysis in a strict sense. On the one hand because they are theoretically difficult to distinguish from cohort effects, on the other hand because it is statistically hard to make a distinction between age, cohort and period effects in a multivariate regression model. For each of these variables can be seen as a linear combination of the two other variables, which causes a distortion in the estimation of the regression parameters (Glenn, 2005; Mason & Fienberg, 1985). Omitting one of the three variables from the model is suggested as a satisfying solution for this identification problem, as it is called in literature (Mason & Wolfinger, 2001). We chose to remove the period variable. As a consequence, the period effect will be captured by the age and cohort effects. The effect of the economic conjuncture is still included in the analysis since different cohorts are on the housing market in time periods with a different conjuncture, affecting their chances on homeownership.

In our logistic regression model ‘being homeowner’ is the dichotomous dependant variable, whereas age (in categories) and birth cohort are included by means of dummy variables. The model includes all households from the cross-sectional datasets of 1975 (SEP), 1985 (SEP), 1995 (PSBH) and 2005 (Woonsurvey), adding the total number of observations up to 16.346. The estimated parameters in a logistic regression can be interpreted as odds ratios. An odds relates to a probability in the following way: $\text{odds} = p/(1-p)$. When the probability is 80%, the odds is 4. For a probability of 20%, the odds is 1/4. It is interesting to keep in mind that odds ratios are ‘extremes’ than ratios of probabilities. The odds ratio in our model represents the odds on homeownership for a specific category of a variable compared to the reference category of that variable (indicated by ‘ref’). Concerning birth cohort, ‘1910-1919’ is set as reference category, while the youngest age group (16-25 years) is the reference category for the age variable.

Table 2 shows the results. The ‘model fit’ indicates that the saturated model - including both variables – explains significantly more variance in the dependant variable (homeownership) than the model with only the intercept. The estimated model consequently ‘fits’ the data in a satisfying manner (Sharma, 1996). Figure 4 and 5 visually present the odds ratios for respectively the birth cohorts and age groups.

The cohort effect between the generations of the 1900s, 1910s and 1920s that we could detect visually in figure 3 appear to be statistically significant. The odds on homeownership for the cohort ‘1900-1909’ is 27% lower than the odds for the following cohort (1910-1919). For the generation born in the ‘20s the odds is again 17% higher than for the cohort of the ‘10s. Figure 4 clearly presents this strong increasing trend.

The cohort from the ‘30s, ‘40s and ‘50s do not significantly differ from the cohort ‘1920-1929’. Remarkably, the two youngest generations (from the ‘60s and ‘70s) have a significantly higher odds on ownership than all preceding birth cohorts. The bivariate analysis indicated that the ownership level for these cohorts is relatively high in the lower age groups. How the level will evolve in the future is yet unsure.

Table 2 and Figure 5 show the evolution of the odds ratio for the age of the head of household. We notice that the differences between the categories are far more outspoken than for the cohort variable. The odds on homeownership is for instance 16 times higher for the category ‘56-65 years’ than for the youngest group (16-25 years). Generally, the results of the regression model statistically confirm the effects that we visually detected in the bivariate analysis. The odds on homeownership sharply (and significantly) rises between the age of 16 and 35, after which a modest increase follows until the age of 45. At that point an upper-limit is reached until the age of 75. After that point the odds on ownership decreases.

Table 2: Results of the logistic regression model: the odds on homeownership, for birth cohort and age of head of household, odds ratio's, p-values for Wald statistic and model fit, Flanders, 1975-2005

	<i>Odds ratio</i>	<i>P-value Wald statistic</i>	<i>Sign. different from category:</i>	<i>Model fit statistics:</i>
Cohort:				
1900-1909 (1)	0,73	<0,001	all	-2logL for model with only intercept: 24156
1910-1919 (2, ref)	1		all	
1920-1929 (3)	1,17	0,024	1-2,5,7-8	-2logL for model with intercept and variables: 22610
1930-1939 (4)	1,24	0,003	1-2,7-8	
1940-1949 (5)	1,35	<0,001	1-3,7-8	
1950-1959 (6)	1,30	0,017	1-2,7-8	
1960-1969 (7)	1,67	<0,001	1-6	Likelihood ratio: 1546 p<0,001
1970-1979 (8)	1,67	<0,001	1-6	
Age group:				
16-25 (1, ref)	1		all	
26-35 (2)	4,52	<0,001	all	
36-45 (3)	11,85	<0,001	1-2,4-6	
46-55 (4)	14,98	<0,001	1-3,7-8	
56-65 (5)	15,95	<0,001	1-3,7-8	
66-75 (6)	15,62	<0,001	1-3,7-8	
76-85 (7)	12,58	<0,001	1-2,4-6	
86 and older (8)	9,9	<0,001	1-2,4-6	
N	16.346			

Sources: SEP '76 and '85; PSBH 1995 and Woonsurvey 2005

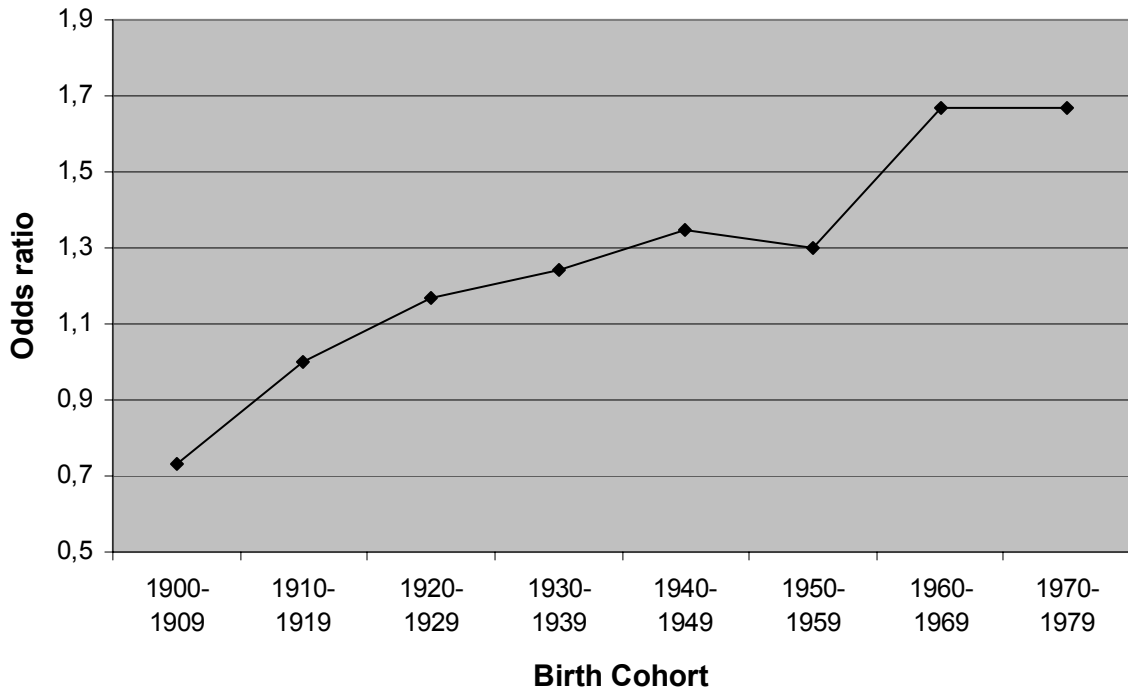


Figure 4: Odds ratio for ‘homeownership’ according to birth cohort, with cohort ‘1910-1919’ as reference category, controlled for age of head of household, Flanders

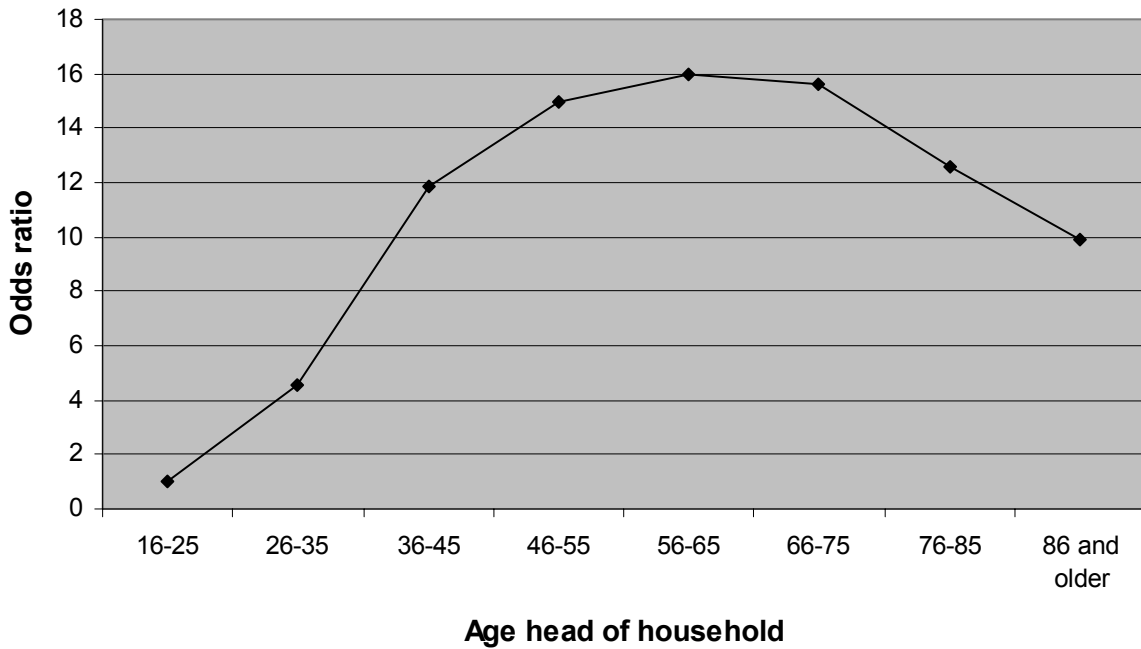


Figure 5: Odds ratio for homeownership according to age of head of household, with age group ‘16-25 years’ as reference category, controlled birth cohort, Flanders

3. Prediction for homeownership in 2015

We will use the above findings to make a prediction for the homeownership level in 2015.

The following hypotheses are taken into account:

- The evolution of the proportion of homeowners between 2005 and 2015 is relatively the same as the evolution of the previous cohort (which is ten years older) between 1995 and 2005. For example: regarding the cohort '1920-1929' the ownership level drops from 81,3% to 70,6% between 1995 and 2005, with the transition from the age category '66-75 years' to '76-85 years'. We assume that this decrease (by 13,2%) will also hold for the generation that is on average born ten years later (1930-1939). The prediction for the ownership rate in 2015 for the category '76-85 years' is 69,3%, according to this reasoning.
- With regard the youngest age group (16-25 years) there is no figure for 2005, since they were too young at that time. Thus following the above reasoning no prognosis is possible. Alternatively, for the youngest group three scenarios are put forward:
 - o The level of homeowners in the age category 16-25 years is the same in 2015 as in 2005 (scenario 1)
 - o The level of homeowners in the age category 16-25 years is 5 percent point higher in 2015 than in 2005 (scenario 2)
 - o The level of homeowners in the age category 16-25 years is 5 percent point lower in 2015 than in 2005 (scenario 3)
- The age distribution in Flanders develops as predicted by the Federal Government Department of Economy (*Federal Department Economics*) (2008). These predictions hold for the individual level. In our analysis we assume that the evolution of the age distribution on individual level is the same as the evolution of the age distribution of the heads of household.
- The other factors affecting the homeownership rate – economic, social and cultural – are at the same level between 2005 and 2015 as in the period 1995-2005. This includes the level of house prices, the mortgage interest rate, the income, the preferences of the households etc.

The results of our simulation are presented in table 3. The projection of the homeownership rate in 2015 between the age of 46 and 76 does not differ much from the situation in 2005. Contrary, for the age category '36-45 years' the percentage in 2015 is a few percent point

lower, whereas the level is higher for the category '26-35 years'. The projection for the youngest age group varies from 23,3% to 33,3%, depending on the scenario.

Table 3: Homeownership rate according to age, 1975-2005; prediction for 2015 with different scenarios, Flanders

<i>Age:</i>	<i>1975 SEP</i>	<i>1985 SEP</i>	<i>1995 PSBH</i>	<i>2005 Woonsurvey</i>	<i>2015 Prediction scenario 1</i>	<i>2015 Prediction scenario 2</i>	<i>2015 Prediction scenario 3</i>
16-25	22,2	17,1	25,5	28,3	28,3	33,3	23,3
26-35	58,2	51,7	61,7	56,7	62,9	62,9	62,9
36-45	73,9	74,6	78,2	78,9	72,5	72,5	72,5
46-55	75,8	77,0	81,3	79,8	80,5	80,5	80,5
56-65	71,0	78,1	77,5	80,4	78,9	78,9	78,9
66-75	63,9	73,6	81,3	79,8	82,8	82,8	82,8
76-85	64,8	63,7	64,1	70,6	69,3	69,3	69,3
Total	66,0	67,4	72,2	74,4			

Birth cohort: 1890-1899; 1900-1909; 1910-1919; 1920-1929; 1930-1939; 1940-1949; 1950-1959; 1960-1969; 1970-1979; 1980-1989; 1990-1999

Table 4 presents – next to the distribution of the age classes in 2005, also the projection of the distribution for 2015 based on the population projections of the Federal Government. The age categories below 66 years are less represented in 2015 than in 2005 (-2,5%), whereas the older age groups are better represented (+9,5%).

In scenario 1, when the predicted age distribution is applied for the prediction of homeownership, we get an overall homeownership level of 74,4%. This is the same level as in 2005. If the ownership rate of the youngest group rises by 5 percent point (scenario 2), the overall level will reach 74,5%. In the third scenario – a decrease of homeownership among the youngest – the overall result is 74,3%. Hence, the different scenarios only got a marginal effect on the outcome. The reason is the low percentage of the youngest age group among homeowners, which partly is a consequence of the low bottom-limit in this category (16 years). Because we wanted to analyze cohorts born in different decades, such an approach was necessary. Moreover, the evolution of the share of homeowners is crucial and not the size of the share itself.

The conclusion of this projection is that the level of homeowners in Flanders will hardly evolve during the next decade. The last increase (between 1995 and 2005) was mainly caused by the disappearance – out of the statistics – of a cohort with a lifetime low ownership level, namely the cohort born between 1910 and 1919.

Table 4: Homeownership rate according to age and distribution in age groups, 2005 and prediction for 2015, Flanders

<i>Age:</i>	<i>2005 Woonsurvey % homeowner</i>	<i>2005 Distribution age groups (column %)</i>	<i>2015 Prediction distribution age groups (column %)</i>	<i>2015 Prediction % homeowner Scenario 1</i>	<i>2015 Prediction % homeowner Scenario 2</i>	<i>2015 Prediction % homeowner Scenario 3</i>
16-25	28,3	2,1	2,0	28,3	33,3	23,3
26-35	56,7	13,9	13,5	62,9	62,9	62,9
36-45	78,9	20,2	19,6	72,5	72,5	72,5
46-55	79,8	21,1	20,5	80,5	80,5	80,5
56-65	80,4	17,1	16,6	78,9	78,9	78,9
66-75	79,8	15,4	16,8	82,8	82,8	82,8
76-85	70,6	10,2	11,0	69,3	69,3	69,3
Total	74,4	100	100	74,4	74,5	74,3

Sources: SEP '76 and '85; PSBH 1995 and Woonsurvey 2005

4. Conclusion

In this paper an attempt is made to extend the understanding of the evolution of the homeownership rate in Flanders. A cohort method was used, which appeared to be a fruitful approach. The homeownership rate increased from 72,2% in 1995 to 74,4% in 2005. This increase was mainly a consequence of the rise in homeownership in the oldest age category (76-85 years), which we identified as a cohort effect. The generation born in the 1910s is a group for which the ownership level has always been lower than for younger cohorts. The most likely explanation is that a large part of this group entered the housing market during World War II, in economic unfavourable circumstances. The following cohort could start on the housing market after 1945, in a stable period in which homeownership was strongly emphasized and subsidized by the Belgian government.

Between the cohorts of the '20s, '30s, '40s and '50s no significant differences were found regarding the ownership level. However, significant differences were detected for the youngest generations. The birth cohorts from the '60s and '70s reach a high level of ownership at a younger age than the preceding cohorts. Whether 80% ownership will also be an upper-limit for these generations is not known yet.

Besides these cohort effects, our analysis revealed a strong age effect. The ownership rate decreases sharply after the age of 75 (by more or less 10%), both for the cohorts from the 1910s and 1920s. The bivariate analysis did not show this trend for the generation '1900-1919', indicating that this age effect is a relatively recent trend.

Finally a prediction was made for the homeownership rate in 2015, starting from well-defined hypotheses. One hypothesis is that the ownership level of each cohort will evolve in the same way between two age categories as the preceding cohort. This hypothesis includes that all context factors are the same in the period 2005-2015 as in period 1995-2005. The conclusion of this projection is that – given the hypotheses – the homeownership level in Flanders will not change in a significant way between 1995 and 2005. The relatively strong rise of overall homeownership between 1995 and 2005 was principally a consequence of the rise of homeownership in the oldest age category. We identified this evolution as a cohort effect, which most likely will not repeat itself in the following decade.

A status quo of current policy regarding homeownership attainment will – ceteris paribus – not be sufficient for accomplishing a further rise of the ownership rate in Flanders in the near future. Other recent Flemish studies point out that the step towards homeownership is difficult for lower incomes, but also the educational level appears to be a determinant, regardless of income (Heylen et al, 2007; Heylen & Winters, 2008). Thus, additional policy efforts are needed for a further rise of homeownership.

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Appendix:

Table A: Homeownership rate according to birth cohort, 1975-2005, Flanders

<i>Cohort:</i>	<i>1975 SEP</i>	<i>1985 SEP</i>	<i>1995 PSBH</i>	<i>2005 Woonsurvey</i>
1890-1899	64,8	-	-	-
1900-1909	63,9	63,7	-	-
1910-1919	71,0	73,6	64,1	68,6
1920-1929	75,8	78,1	81,3	70,6
1930-1939	73,9	77,0	77,5	79,8
1940-1949	58,2	74,6	81,3	80,4
1950-1959	22,2	51,7	78,2	79,8
1960-1969	-	17,1	61,7	78,9
1970-1979	-	-	25,5	56,7
1980-1989	-	-	-	28,3
Total	66,0	67,4	72,2	74,4

Sources: SEP '76 and '85; PSBH 1995 and Woonsurvey 2005

Table B: Homeownership rate according to age group, for birth cohorts, Flanders

<i>Age:</i>	<i>1900- 1909</i>	<i>1910- 1919</i>	<i>1920- 1929</i>	<i>1930- 1939</i>	<i>1940- 1949</i>	<i>1950- 1959</i>	<i>1960- 1969</i>	<i>1970- 1979</i>	<i>1980- 1989</i>
16-25						22,2	17,1	25,5	28,3
26-35					58,2	51,7	61,7	56,7	
36-45				73,9	74,6	78,2	78,9		
46-55			75,8	77,0	81,3	79,8			
56-65		71,0	78,1	77,5	80,4				
66-75	63,9	73,6	81,3	79,8					
76-85	63,7	64,1	70,6						
Total									

Sources: SEP '76 and '85; PSBH 1995 and Woonsurvey 2005