

# Selling Houses to (Presumably) Low-Income Tenants Can Owner-occupation lead to Empowerment of Former Social Housing Tenants?

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## **Abstract**

*Encouraging owner-occupation is an important aim of housing policy in many countries. Owner-occupation is supposed to have positive effects on individual households and society as a whole. Within this broad aim, owner-occupation for low-income households is particularly salient in these times of credit crunch and economic crisis. This paper focuses on the effect of owner-occupation on former tenants of social rented housing in the Netherlands. Over the last five years, many Dutch housing associations have been devising sale policies to empower their tenants and provide more freedom of choice. The central issue is whether the transition of tenant to owner-occupier increases one's sense of freedom and security in the house, experienced control over one's life and self-esteem. In other words, to what extent is buying a house a way of empowering? Also, what is the role of tenants' income and expected housing costs in the decision not to buy?*

*We present the results of telephone surveys among 535 Dutch former tenants who bought their social rented dwelling and 602 others who decided not to buy. The main question is: to what extent do these two groups differ in their scores on empowerment scales based on earlier research. Scales of "perceived control over life", "self-esteem" and "housing-related empowerment" were adapted and measured among respondents of both groups. The results show that tenants who became owner-occupiers score higher on the control scale than tenants, but this difference can be completely explained by other background variables. Moreover, owner-occupiers score higher on the scale of housing-related empowerment, but lower on the scale of self-esteem, net of other factors.*

## **Keywords**

Owner-occupation, home ownership, empowerment, social housing, housing associations, the Netherlands

## 1. Introduction

Throughout Western European countries, a broad range of policies aimed at disadvantaged or excluded citizens is in action. These policies are enacted on different, but partly overlapping domains such as education, self-sufficiency, welfare, employment and housing. The focus is not only on helping people with their problems, but also enabling them to gain more control over their lives and become more self-sufficient. This process is often defined as 'empowerment' (Zimmerman & Rappaport, 1988; Zimmerman, 1995; Somerville, 1998).

The concept of empowerment is also advancing in housing policies. Here, empowerment entails the processes that give people more control over their housing situation. Within this context, it is either linked to issues of resident participation (e.g. Peterman, 1996) or to owner-occupation (Saunders 1990; Hiscock *et al.*, 2001). Especially moving from rent to owner-occupation is assumed to empower residents, partly because a shift in the balance of power between landlord and tenants, but also through benefits of owner-occupation itself. In short, owner-occupation may positively affect skills, wealth, health, self-esteem and social conditions in urban neighbourhoods (Rohe *et al.*, 2002; Dietz & Haurin, 2003; Elsinga & Hoekstra, 2005).

In The Netherlands, empowerment efforts in housing policy are mainly targeted at tenants in the social rented sector. Convinced by the benefits of owner-occupation, many Dutch housing associations have recently adopted programmes selling of part of their social housing stock to (sitting) tenants (Gruis *et al.*, 2005; Bobbe & Reimerink, 2006). They assume that owning a house *empowers* tenants, i.e. leading to more control, self-sufficiency, self-esteem and freedom of choice. However, there is hardly any comprehensive evidence for a relation between empowerment and house-buying tenants in a European context, especially regarding general feelings of control over your life and self-esteem. Simultaneously, this issue quickly regains importance. The Netherlands now witness renewed pleas for substantial sale of social rented dwellings to tenants. Compared to arguments made a couple of years ago (see Gruis *et al.*, 2005), the discourse now focuses predominantly on two arguments. First, an urgent issue is raising additional funds for urban renewal, now that housing associations face a financial withdrawal of the national government (e.g. Priemus, 2008). The revenues of the sold rental dwellings are considered an important source of income. Second, there is the aim to empower tenants and thus increase their capability of managing their own lives, as part of the policy to improve neighbourhoods in the broad sense (VROM-Raad, 2006).

The assumption that buying a dwelling empowers tenants is central to this article. I present the results of two highly identical surveys among tenants who were offered their current social rented dwelling for sale by their housing association. One survey targeted those who accepted this offer and became owner-occupiers. The second survey targeted tenants who declined the sale offer of the housing association and continued renting.

Especially the British literature uses the quite ideologically-laden term home ownership. However, owning your house is not by definition equivalent to owning a (feeling of) home. Both owner-occupiers and tenants may feel 'home owner' in the sense of feeling at home in their dwelling and perceive a sense of ownership and possession, although legal ownership is not in the hands of ten-

ants. In this paper, I consider sitting tenants who were offered their dwelling for sale. This could mean that they already felt a 'home owner' in the sense described above, and it remains an empirical question whether the act of buying adds to this meaning of 'home ownership' For these reasons, I stick to the term owner-occupation, which is a far more neutral term than home ownership.

The main question in this article is: are those who bought more empowered than the tenants who decided not to buy? I focus on empowerment as perceived by buyers and tenants, and distinguish between three dimensions: self-esteem, perceived control over one's life and sense of freedom and security in the house (Rohe & Stegman, 1994; Kearns *et al.*, 2000; Kleit & Rohe, 2005). This article starts with a short overview of literature of empowerment and housing and, in particular, the sale of social rental dwellings. Then I elaborate on the data and methods used. Subsequently, I describe the results and reflect on the outcomes of the analyses. The final section presents the conclusions.

## **2. Empowerment and owner-occupation**

### **Empowerment in (housing) theory**

Psychologists define empowerment as a process in which individuals gain control of and influence over their lives and become democratically enabled to participate in society. Factors such as self-confidence, understanding one's social and political environment, gaining greater access to and control over resources and one's nerve to take decisions all play a role in this process (Zimmerman & Rappaport, 1988, p.726; Zimmerman, 1995, p.581). In policy-making practice, empowerment is used as a description for processes that give disadvantaged or excluded citizens more control over their lives, and thus becoming more engaged citizens. As such, the concept retains a necessary element of vagueness, as the exact meaning of increasing control can only be spelled out in specific contexts such as employment, housing or education (Somerville, 1998, p. 233; see also Zimmerman, 1995).

Empowerment as a process can lead to empowered outcomes. The more able you are to determine the course of your own life, the more your life will be on a level with your potential and talents, which you will be able to develop fully. This can raise your chances of climbing the social ladder and the way you utilise opportunities. "It is unlikely that individuals who do not believe that they have the capability to achieve goals would either learn about what it takes to achieve those goals, or do what it takes to accomplish them" (Zimmerman, 1995, p. 589). You do not necessarily have to become more satisfied or happier: reflexivity in life also entails that one can see which ways or options are closed off by making certain choices (cf. Blokland, 1995).

Within housing research, empowerment has been studied from various theoretical perspectives of how people acquire power, status and positions. According to Somerville (1998, p. 235), several researchers have concluded that resident-controlled housing is both more efficient and more effective. Notably, Rex and Moore (1967) asked whether people can move to a different social class and emancipate in society through buying a house. Since then, much research has been carried out in Anglo-Saxon countries, also known as 'home owning countries'. In such research, not only differences between buyers and

tenants are analysed, but also specific effects of buying rental houses. Some results support the proposition that an owned house leads to more (forms of) empowerment, while other result do not support it (Rohe & Stegman, 1994; Rossi & Weber, 1996; Rohe & Basolo, 1997; Kearns *et al.*, 2000; Hiscock *et al.* 2001; Gruis *et al.*, 2005; Kleit & Rohe, 2005).

How does the 'mechanism' of empowerment through ownership work? According to Saunders (1990), *home* is "where people feel in control of the environment, free from surveillance, free to be themselves and at ease [...], in a world that might at times be experienced as threatening and uncontrollable" (p. 361). In this definition, elements of privacy, freedom and security are crucial (cf. Kearns *et al.*, 2000). While this may apply to both owner-occupiers and tenants, there is a difference in freedom. Ownership provides ample opportunity for and control over renovation and adjusting the house to the owners' taste whereas tenants face restrictions (from the landlord) on what they can alter in and on the property. Owners are also likely to have more control over the grounds. This increased control is thought to contribute to a more general sense of control over important life events (Rohe & Stegman, 1994). Thus, owner-occupation can increase one's satisfaction with life, partly as a sign that one has 'made it' (*ibid.*; Saunders, 1990). This brings us to the issue of self-esteem.

According to Rosenberg (1979), individuals assess their level of self-esteem by reflected appraisals, social comparison and self-attribution. The principle of social comparison suggests that owning a house, particularly for low-income households, may lead them to consider themselves more successful than those who live in rental housing (Rohe & Basolo, 1997, p. 796). The principle of self-attribution suggests that the successful pursuit of a goal, such as owner-occupation, may be seen as evidence that a person is a competent and worthy individual. Thus, achieving owner-occupation is an important indicator of success that may raise self-esteem (Marcuse, 1975; Elsinga & Hoekstra, 2005).

We already discussed the issue of control in the sense of freedom and say with regard to your house, but there is also a process dimension. Not only the changes in the housing situation may be empowering, but these changes may also offer the inhabitants opportunities of learning new skills and of further self-development. They can then use this new knowledge and these skills to make well-considered choices on the basis of which they can make progress in life and gain more sense of control over it (cf. Somerville, 1998, p. 254). In sum, I focus on three empowerment dimension in the context of owner-occupation:

1. The degree to which inhabitants experience privacy and security in their house, as well as the freedom to do with their house whatever and whenever they want.
2. The degree to which they experience control over their own life.
3. The level of self-esteem.

Next, we describe actual empowerment strategies in The Netherlands, particularly through housing association policies aiming at sale of social housing.

### **Empowerment through sale of social rented housing**

According to the Dutch Housing Memorandum (MVRM, 2000), Dutch housing associations are expected to actively improve the control of tenants over their dwellings and their living environment and offer them more possibilities to choose their own type of tenure.

Since 1995 housing associations in the Netherlands are financially independent (Priemus, 2008). Sale of social rental dwellings has been encouraged and became more and more a normal element in the portfolio strategy of housing associations. A number of housing associations consider buying “social” owner occupied dwelling to tenants with lower and middle incomes as important contribution to their social task. This “social owner-occupation” is a way to cope with practical barriers which lower-income households encounter if they want to become owner-occupiers. They have developed new tenures in which property rights are partially transferred to households at a price that often lies below the actual market value that could be realised if the dwelling were to be sold under traditional conditions (for an overview, see Gruis *et al.*, 2005). Because of these ‘discounts’, ownership becomes accessible to a larger group of households.

The variety of sale policies and tenures has grown rapidly over the last few years. Currently, more than 150 housing associations<sup>1</sup> offer one or more types of discounted owner-occupation. Our study involved 16 housing associations, not only located in major cities but also in the less densely populated east and north of The Netherlands. These housing associations have various aims with their sale policies (see Elsinga *et al.*, 2008), but they share a focus on empowerment as discussed above. In practice, various options were offered to sitting tenants, apart from the option of continued regular renting. Some housing associations only offered ‘normal’ owner-occupation, based on market prices, while others offered the choice between renting, owning or ‘social owner-occupation’. There were two dominant types of social owner-occupation offered, for which conditions are arranged in a land lease contract. The first type is called ‘Koopgarant’ (*Guaranteed Buy*). This option enables a household to buy the dwelling with a discount of 25 per cent on the market value, on the condition that they sell the dwelling back to the housing association when they decide to move out. The housing association is then obliged to buy the dwelling within three months and will then pay back the original purchase price, plus (or minus) half of the increase (or decrease) in value. The inside of the dwelling is valued separately, and the increase in value is 100 per cent for the owner-occupier. This means that if an owner-occupier invests in a new kitchen he receives 100 per cent of the value added of this investment.

The other type of social owner-occupation is called ‘Sociale Koop’ (*Social Buy*). This implies that someone who wants to buy the dwelling can choose the share he wants to buy with a minimum of 50 per cent of the dwelling excluding the land price. If someone buys a 60 per cent share, the housing association provides in fact an interest free loan for the other 40 per cent of the dwelling. When the owner-occupier decides to sell the house, he has to pay back this 40 per cent share indexed by the average house price increase in the region. There is no obligation for the housing associations to buy back the dwelling, but there is always a right to buy back. This right is arranged by perpetual clause.

### **3 Data and methods**

#### **Research Participants**

The target group of the research are (former) tenants of social rented houses who, since 2005, have been offered the opportunity of buying their rented house from the housing association. We compare two groups:

1. Tenants who actually bought their dwelling. These can be subdivided into two categories: tenants who have bought their rented house at market value (n=286) and tenants who bought their dwelling in social owner-occupation (n=249). For most of my analytical purposes, these two categories are taken together and jointly referred to as **Buyers**.
2. **Tenants** who turned down the offer to buy and keep on renting (n=602).

A total of 16 housing associations participated in the study, which was carried out in two phases. We conducted a telephone survey among buyers, in October 2007, followed by a highly identical survey among tenants, in June 2008. Just before the survey of the tenants, the first consequences of the credit crunch started to play a role on the Dutch housing market. The housing associations delivered lists of registered buyers and tenants, with their addresses and telephone numbers. These people were informed about the study beforehand, so that those who did not wish to be approached could indicate this prior to the study. With the **buyers**, we were able to utilize fully the available and approachable research population (see table 1). The response was divided between those who bought their house at market value (n=286) and those who bought it in social owner-occupation (n=249). With the **tenants**, the financial resources required us to draw random stratified samples of the available population. The stratification was necessary to account for the different relative share of each housing association's clients in the total research population.

The surveys were carried out and processed with the aid of a Computer Assisted Telephonic Interviewing System (CATI). This made it possible to adapt the order of questions and the questions posed depending on the answers given. Overall, this method resulted in a response of 535 buyers (40.6%) and 602 tenants (41.5%).

Within the group of buyers, we distinguish between two types of buyers, as mentioned above. This distinction will return in the multivariate analysis. Below, we limit ourselves to the analysis of tenants versus house buyers.

**Table 1 From gross research population to response**

Group	Available addresses and phone numbers	Unapproachable*	Successful approaches	Successful interviews	Response %
<b>Buyers</b>	1,643	325	1,318	535	40.6
<b>Tenants</b>	5,887	1,057	1,452	602	41.5

\* Due to incorrect phone numbers, other administrative errors, residents not answering the phone even after three calls, or residents who indicated beforehand that they did not wish to be called.

Unfortunately, the housing associations' databases lacked accurate data on the socio-economic characteristics of all buyers and tenants in the research population. Hence, the response representativity cannot be established. Nevertheless, results are illustrative for the experiences and opinions of these residents.

## Survey questionnaire

The questionnaire for the telephone surveys included a number of questions about the socio-economic situation of the respondents, the housing association's offer of sale, respondents' decision-making process and the level of empowerment of the respondents. The questionnaires for the buyers and tenants were identical for these aspects. Separate questions were also posed to the separate groups. For example, the buyers were asked a number of questions about their choice of mortgage. In the tenant's questions, extra attention was paid to the reasons for not buying and the degree to which this decision was the result of conscious weighing of the pros and cons and opportunities and limitations. This article, however, is confined to the questions that were posed to both categories of respondents.

## Measures

To measure empowerment, as conceptualised in section 2, we employed three psychometric scales (see table 2) used in earlier research of Rohe and Stegman (1994) Kleit and Rohe (2005) and Kearns and colleagues (2000). The scales consist of a series of propositions. Respondents could choose from five answer categories for each proposition, from 'completely agree' to 'completely disagree'. Such Likert scales are used in social psychological research to determine whether a change in somebody's life has an influence on empowerment (cf. Zimmerman 1995; Zimmerman & Rappaport 1988).

**Table 2 Three empowerment scales\* and the underlying propositions**

<b>I. Housing-related Empowerment (<math>\alpha = 0.6</math>)</b>
1. I feel safe in my house
2. I feel I have privacy in my house
3. I can get away from it all in my house
4. I can do what I want when I want <b>in</b> my house
5. I can do what I want when I want <b>with</b> my house
6. Most people would like a house like mine
7. My house makes me feel I am doing well in life
<b>II. Control (<math>\alpha = 0.6</math>)</b>
8. My life is chiefly controlled by powerful others
9. When I get what I want, it is usually because I am lucky
10. To a great extent my life is controlled by accidental happenings
11. I feel like what happens in my life is mostly determined by powerful people
<b>III. Self-Esteem (<math>\alpha = 0.7</math>)</b>
12. I feel that I am a good person, at least on an equal level with others
13. Overall, I tend to feel that I am not very successful at most things
14. I feel that I have a number of good qualities
15. I feel I do <i>not</i> have much to be proud of
16. I take a positive attitude toward myself
17. I wish I could have more respect for myself
18. On the whole, I am satisfied with myself
19. I certainly felt useless at times
20. I am able to do things as well as most other people

\* Items 8 till 11, 13, 15, 17 and 19 have reversed meanings and were recoded accordingly in the scale construction.

The first scale, housing-related empowerment, measures to what extent the house *itself* gives the occupant a feeling of freedom, sense of security and status. The other two scales measure respectively the level to which people claim to have control over their own lives, and how they assess their self-esteem. These are difficult factors to measure, for two reasons. First, the direct single-item measures may be subject to social expectancy response bias (Rohe & Stegman, 1994, p. 181). Second, the degree to which people are prepared to imagine that they are *not* in charge of their own lives is limited in the western culture, with its 'dominant-individual' ideal. There is evidence that people who are offered the opportunity of developing their talents fully generally try harder to improve an unfavourable situation. At the same time, people who have the required competencies to improve their destiny often do not consider their own efforts successful (Akey *et al.* 2000). Thus, the way people view themselves is not necessarily a measure of their social success.

Univariate scores for the individual propositions can be found in Elsinga *et al.* (2008). For the purposes of multivariate analysis, we created additive indices from the responses to these propositions. Apart from self-esteem, Cronbach's alpha values narrowly reach the common cut-off value of 0.7. In comparable research, alpha-values are sometimes higher (Kleit & Rohe, 2005), but also lower (Rohe & Stegman, 1994) than in our study. A partial explanation is that the empowerment scales are based on foreign research. A variety of cultural factors may cause the correlation between the various propositions to be lower than in the United States and England.

For our multivariate analyses of the empowerment scales, we also include a number of socioeconomic characteristics in the analysis, such as gender, age, household composition, educational attainment, net monthly household income, country of birth, and the extent to which the respondent has lived in owner-occupied house during his youth. We suspect that childhood experiences of living in owner-occupied or rented housing may affect perceptions and attitudes at a later age, partly through socialisation processes (Henretta, 1984; Helderma & Mulder, 2007). Finally, we include a dummy indicating whether the respondent resides in a four-digit post code area dominated by owner-occupation (more than 54 per cent<sup>2</sup> of the housing stock) or by social rented dwellings. In an owner-dominated area, buying your house may be considered more common, as 'something which everyone does' and renting is seen as a deviation from this norm (see also Gurney, 1999). Empowerment effects may be different in an area where social rented housing is the dominant tenure, and therefore considered normal.

## **4. Results and discussion**

### **Correlation between the empowerment scales**

Using three different scales of empowerment does not necessarily imply that these are strongly interrelated (*cf.* Zimmerman & Rappaport, 1988). Therefore, we examined the bivariate correlations between the empowerment scales for buyers and tenants (see table 3). First of all, there appears no correlation between housing-related empowerment and control. Secondly, the scores for



housing-related empowerment correlate significantly, but slightly with the scores for self-esteem. This applies to both buyers and tenants. In other words, there is a limited association between feelings of freedom and security in the own house and high self-esteem. Thirdly, however, if you have a positive self-image, there is a fairly high chance that you will also feel more in charge of your own life. This finding seems to apply more to buyers than to tenants.

**Table 3 Pearson correlation coefficients between scales, for tenants and buyers**

Scales	Tenants			Buyers		
	HE	C	SE	HE	C	SE
Housing-related empowerment (HE)	-			-		
Control (C)	-0.032	-		-0.075	-	
Self-esteem (SE)	0.135***	0.346***	-	0.171***	0.481***	-

Significance values (two-tailed): \* p<0.05; \*\* p<0.01; \*\*\* p<0.001.

The simple fact of differences between scale correlations between tenants and buyers differ in the propositions and in the scales does not in itself form an explanation for the differences themselves. To gain a better insight into this we will also have to weigh the effects of various other socio-economic factors.

**Multivariate analysis: predictors of empowerment**

If buying a house *empowers* the former tenants, one would expect higher scores of owners on all three empowerment scales than tenants, all else being equal. In linear regression analyses we studied to what degree the scores for the three empowerment scales are determined by ownership category (tenant, buyers and social buyers) if gender, age, household composition, educational attainment, net household income, ethnic background, differences between owner and tenant dominated areas and the housing history before the age of 18 are also taken into account. We also include the other empowerment scales than the dependent variable, considering the bivariate correlations (see table 3).

Table 4 must be interpreted with some caution. The cross-sectional design of this study does not enable us make a plausible case for cause and effect. Nevertheless, the results provide more insight in the role of other socio-economic factors alongside the tenure distinction. Although our models show relatively low R-squares, our purpose is not to predict levels of the empowerment scales. We concur with the account given by Rohe and Stegman (1994): “The purpose is simply to control for the potentially confounding influence of demographic and housing variables. The literature on self-esteem and perceived control identifies early child-parent interaction as a major factor in the development of these aspects. Measures of these interactions are not included in the study, and this may help account for the low R-squares” (ibid., p. 183). Below, we discuss the most important factors for each empowerment scale.

**Table 4 Regression analyses of the empowerment scales**

Factors	Housing-related Empowerment		Control		Self-esteem	
	B	SE	B	SE	B	SE
Gender (0=male; 1=female)	0.17	0.20	-0.25	0.14	-0.30	0.20
Age	0.01	0.01	-0.01	0.01	-0.01	0.01
Household with children at home (ref = other household types)	-0.51*	0.22	-0.14	0.16	-0.21	0.23
Medium education <sup>A</sup> (ref = low education)	-0.55*	0.24	0.34*	0.17	0.30	0.25
High education <sup>B</sup> (ref = low education)	-0.81**	0.28	0.15	0.20	0.38	0.29
Net household income per month	-0.10	0.07	0.14**	0.05	0.23**	0.07
Born in another country (ref = Native Dutch)	-0.03	0.29	-0.62**	0.20	-0.32	0.30
<b>Market-rate buyers</b> (ref = tenants)	0.59*	0.27	0.14	0.19	-1.07***	0.28
<b>Social owner-occupation</b> (ref = tenants)	0.69*	0.28	0.09	0.20	-0.95***	0.29
Area dominated by owner-occupation (ref = rent dominated area)	0.06	0.20	-0.19	0.14	0.17	0.21
Sometimes/always lived in owner-occupied houses (ref = always lived in social housing)	-0.14	0.22	0.30*	0.15	-0.13	0.22
'Housing-related empowerment' scale	-	-	-0.08***	0.02	0.23***	0.03
'Control' scale	-0.17***	0.05	-	-	0.59***	0.05
'Self-esteem' scale	0.21***	0.03	0.17***	0.02	-	-
Constant	13,78***	0.83	6.11***	0.63	8.72***	0.95
F	5.89		20.86		21.24	
Df	13		13		13	
Significance	0.00		0.00		0.00	
R <sup>2</sup>	0.08		0.23		0.23	

Ref = reference category. Significance levels: \* p<0.05; \*\* p<0.01; \*\*\* p<0.001.

**A** Medium education = intermediate vocational, general secondary, pre-university education.

**B** High education = higher professional education or university.

### ***Housing-related empowerment***

As expected, both categories of buyers score significantly higher on housing-related empowerment than tenants, all else being equal. This corrected for all other socio-economic factors. The new owners actually have, and experience, much more freedom in what they can do in and with their home (cf. Saunders, 1990; Kearns *et al.*, 2000; Gruis *et al.*, 2005). This sense of freedom increases

their sense of privacy and security. Moreover, a significant and positive association with self-esteem appears. In other words, feelings of freedom and security in your house and self-esteem go together to some extent.

Households with children living at home score lower than households without children. The first group may find it more difficult to escape caring responsibilities and cannot easily do whatever they wish and whenever they like (Somerville, 1997; Kearns *et al.*, 2000, p. 407). Average and highly educated respondents have lower scores than the low educated. Apparently, their experience of freedom, security and privacy is less related to the house itself than those with low education. This does not imply that the better educated experience less freedom, security and privacy *in general*. They appear to experience these aspects more through other factors than their own house. Research has shown that the symbolic meaning of the neighbourhood is highly different for people with strong social positions than for people at the bottom of the social ladder in society (Blokland, 2008). This seems to apply to the house as well. In work, low educated people are more often supervised than highly educated people, and their labour market position is less strong (Sennett, 2007). Then, the house becomes more important as domain in which they experience freedom and security, whereas higher educated have more opportunities to derive these benefits from work, leisure activities and consumption (cf. Blokland, 1995).

### **Control**

Contrary to expectations of housing associations, owner-occupation does not significantly relate to respondents' sense of control over their life (cf. Rohe & Stegman, 1994; Rohe & Basolo, 1997). However, we find clear indications of a class effect. Education and income make a positive contribution to the level of experienced control. While bivariate analyses (not shown here) indicate that buyers have significantly higher levels of education, net income and perceived control than tenants, the effect of tenure is ruled out in the regression analysis. In other words, differences in perceived control are largely explained by socio-economic differences between house buyers and tenants. Additional survey material shows that hardly any house buyer had to change his employment position<sup>3</sup> as a *direct result* of the house purchase, which is line with other Dutch research (Van Leuvensteijn & Koning, 2005).

Respondents who have been born in another country experience less control than native Dutch respondents. This can be connected to a range of well-known phenomena such as language deficiencies, discrimination on the labour market, cultural adaptation problems, et cetera.

Childhood experiences of living in owner-occupied housing also have a significant positive effect. This is in line with research suggesting several forms of intergenerational transmission of owner-occupation. More specifically, processes of socialisation (Henretta, 1984), financial contributions by the parents and similarities in housing market conditions (Helderman & Mulder, 2007) contribute to the offspring's chances of becoming owner-occupiers as well.

Although we cannot make causal inferences, the class effect described above strongly indicates a reversed empowerment effect. The act of house buying appears not to raise levels of perceived control. Rather, those who perceive more control over their life, partly due to higher education, income, social background and childhood socialisation, are more likely to buy their rented house.

Contrary to the bivariate correlations (see table 3), a weak but significant correlation appears between the scales of housing-related empowerment and control. In other words, more freedom, security and privacy in your own house are, in some cases, related to lower perceived control over your life. If you believe you have fewer grips on the outside world, your house can become more important as a safe haven where you do have more control (cf. Saunders, 1990; Somerville, 1997; Dupuis & Thorns, 1998). This concurs with our interpretation on housing-related empowerment. People who are more restricted in the running of their lives experience less autonomy. The importance of the house for autonomy, which is important for everybody to be 'somebody and not just anybody' (Blokland 1995, p. 19-20, *my translation*) therefore increases (cf. Kearns *et al.*, 2000, p. 389).

### **Self-esteem**

As mentioned, people who are more restricted in the running of their lives experience less autonomy. This is likely to hamper your self-image, which probably explains the strong correlation between control and self-esteem ( $\beta=0.39$ ). A well-filled wallet can also help to increase your self-esteem, so the positive association with income appears as expected. Owning a house, particularly for low-income households, may lead them to consider themselves more successful than those who live in rental housing (Rohe & Basolo, 1997, p. 796; cf. Marcuse, 1975; Rossi & Weber, 1996).

Surprisingly, both market-rate buyers and social house buyers score *lower* on self-esteem than tenants, even if we take other socio-economic factors into account. We suspect that the housing market position of the formerly rented houses provides an important explanation. Through the tenure transition, these dwellings are no longer positioned in the higher segments of the social housing market, but at the bottom of the market for privately owned dwellings (Elsinga *et al.*, 2008; see also Harkness & Newman, 2002). "A person who owns a home in a neighbourhood viewed as lower-class, and perhaps plagued by crime and other social problems, may not feel more self-esteem even though other owner-occupiers do" (Rohe & Stegman, 1994, p. 174). Moreover, a changing reference group can make the difference. When the buyers were still renters, their reference groups were likely to contain many renters. However, their entrance into owner-occupation may have turned their view to other owners in higher status segments of the housing market. This comparison may negatively affect new owner-occupier's self-esteem. After all, most buyers, especially in social owner-occupation (see section 2), could not afford to buy a private dwelling. Additionally, they might experience 'tenure prejudice' (Gurney, 1999) from outsiders, who may conceive social rented houses as something to avoid, especially in relation to owner-occupation. In that sense, buying a house which still looks like a social rented dwelling may be unlikely to raise the self-esteem of buyers.

Another explanation is disconnected from the act of buying itself. Buyers may have certain personality traits which result *mutatis mutandis* in a lower self-esteem than tenants. This explanation is supported by empowerment literature. "Self-esteem is typically considered a personality trait, although it may result from an evaluation of one's environment". [...] Self-esteem is expected to be related positively to psychological empowerment, but individuals with low self-esteem may demonstrate some characteristics of a psychologically empowered person" (Zimmerman, 1995, p. 591). For example, those who decided to buy

their house could be more aware of the consequences of their own choices and acts in general (cf. Dietz & Haurin, 2003). Such reflectiveness may not necessarily make you happier or raise your self-esteem.

### Tenants' motives for not buying

A crucial issue in the analysis of tenants concerns their motives to turn down the housing association's offer to buy their house. In the survey, we used an open question, asking respondents the single most important reason for their decision. As such, they could present their motives in their own words. This resulted in a broad range of answers, which were recoded into 17 categories (see table 5). Two categories clearly dominate tenants' motives: 'financially unfeasible' and age (almost exclusively 'feeling too old'). Third in the row is 'too expensive/housing association offer inadequate'. This category includes tenants who perceive the proposed price of the dwelling too high in connection to its overall (physical) quality and size. A related but separate motive is a perceived overdue maintenance by the housing association. Fifth in the row is dissatisfaction with the neighbourhood. All other categories were mentioned by less than three per cent of our respondents.

**Table 5 Motives of tenants who did not buy their rented dwelling**

Motives	Absolute number	Per cent
Financially unfeasible	173	28.7
Age (almost exclusively 'feeling too old')	162	26.9
Too expensive / housing association's offer inadequate	61	10.1
Technical state / overdue maintenance	39	6.5
Dissatisfied with the neighbourhood	23	3.8
Definitely move within two years	17	2.8
General health (physical and/or mental health)	11	1.8
"I could not get a mortgage"	11	1.8
"Buying a house is too much fuss"	10	1.7
Combination of age and feasibility	9	1.5
"Renting is easier, not responsible for maintenance	9	1.5
Dwelling does not match household size	8	1.3
"Not interested in buying, renting suits me fine"	8	1.3
Instable job / no fixed contract	8	1.3
Dwelling too small	6	1.0
"Renting yields lower monthly living costs"	5	0.8
Other reasons	39	6.5
Gave no reason	3	0.5
<b>Total</b>	<b>602</b>	<b>100.0</b>

\* Note: reasons mentioned fewer than five times are combined in the category 'other reasons'.

Apparently, despite discounts on the sale price or other financial advantages included in the sale offers of housing associations, buying your dwelling remains a bridge too far for many tenants. A separate logistic regression analysis (not shown here) of factors associated with the actual purchase confirms a negative effect of higher age and a positive effect of higher income, *mutatis mutandis*.

The question is: do those respondents claiming that buying their house it is financially unfeasible, a point? If so, their actual household income should be quite low. Table 6 presents the significant differences in net monthly household income for tenants and owner-occupiers. The data show that owner-occupiers in general have higher net household incomes than tenants. The differences are especially marked in the income categories of € 2.000 and more. Further analysis (not shown) indicates that the overwhelming majority of tenants who mentioned ‘financially unfeasible’ as the main motive to turn down the sale offer, are indeed in the lowest income categories (<€ 2.000). Logically, these are largely households dependent on social security or disability benefits, or small pension.

**Table 6 Net monthly household income of tenants and buyers, per cent**

Income category	Owner-occupiers (n=471)	Tenants (n=499)
Less than € 1.000	1.7	17.8
€ 1.000 - € 1.500	10.4	29.9
€ 1.500 - € 2.000	24.4	26.9
€ 2.000 - € 2.500	22.7	13.6
€ 2.500 - € 3.000	21.0	6.0
€ 3.000 - € 3.500	12.3	3.8
€ 3.500 or more	7.4	2.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

\* Pearson Chi-Square = 198.52; df = 7; p = 0.000.

Income data are missing of 64 owner-occupiers (12%) and 103 tenants (17%).

Another potential cause for these income differences could be that owner-occupiers had to change their employment situation (different job, more working hours, idem for partner) to enable the purchase of the dwelling. However, additional survey evidence indicated that hardly any respondent changed his employment situation as a direct result of becoming an owner-occupier.

The conclusion of this analysis is that, in financial terms, the most empowered tenants have actually bought their dwelling. Therefore, the general assumed connection between owner-occupation and empowerment is reversed here: to become an owner-occupier, you must have the financial means, i.e. already being financially empowered.

## 5. Conclusions

This article present explores the assumption that buying a house empowers tenants of social housing. We surveyed former Dutch tenants who bought their social rented house, and tenants who declined a sale offer of the housing association and continued renting. We focussed on three dimensions of empowerment: security and privacy in the house (housing-related empowerment), perceived control over one’s life and self-esteem. The central question: are buyers more empowered than tenants, accounting for a range of potentially confounding factors? Despite the limitations of our cross-sectional design, we can conclude that the answer is yes. And this can to a large extent be explained by differences between owner-occupiers and tenants and not by difference in hous-

ing tenure as such. Only for housing-related empowerment, when controlling for a range of household variables, we found a positive association with owner-occupation. Perceived control is not significantly related to buying a rented house. And contrary to expectations, becoming an owner-occupier is negatively correlated to self-esteem, net of other factors. Which factors, then, affect the distinguished dimensions of empowerment?

First of all, both tenants and buyers derive feelings of safety, security and privacy from their houses (*housing-related empowerment*). For tenants, the freedom to do in and with the house whatever they like without being disturbed by others is limited by the rent agreement. Owners have, and experience much more freedom in this domain. Naturally, this freedom is somewhat limited for households with children. For low-educated residents, home appears much more important as a domain in which they experience freedom and security, whereas higher educated residents have more opportunities to derive these benefits from domains such as work, leisure activities and consumption.

Second, owner-occupation is not significantly associated with resident's *perceived control* over their life. Perceived control is mainly affected by education, net household income and ethnic background. Childhood experiences of living in owner-occupation positively affect perceived control, probably due to socialisation processes (Henretta, 1984; Helderma & Mulder, 2007). In short, social class is much more influential than tenure per se. This and additional evidence strongly indicates a reversed empowerment effect. Buying appears not to raise perceived control. Rather, those who perceive more control over their lives are more likely to buy their rented house. Control is also related to housing-related empowerment. Feeling that you have fewer grips on the outside world makes your house more important as a safe haven where you have control.

Finally, house buyers score *lower* on self-esteem than tenants, even if we take other socioeconomic factors into account. This finding runs counter to previous research which found no difference between house buyers and renters, or alternatively, a higher self-esteem of house buyers. There are two possible explanations. First, the transition from social rented to owner-occupied houses change their position from higher segments of the social housing market to the bottom of the market for privately owned dwellings. Especially if located in unpopular or stigmatised neighbourhoods, the buyers may not feel more self-esteem. A change of reference group from renters to owners, mostly in higher status segments of the housing market may also negatively affect buyers' self-esteem, as well as negative 'tenure prejudice' from outsiders (cf. Gurney, 1999). Second, buyers may have certain personality traits which result in a lower self-esteem than tenants. As with perceived control, lower self-esteem may precede the decision to buy your rental house. Being reflexive towards consequences of your choices can indicate empowerment, but it does not necessarily raise your self-esteem.

This study has also shown that buying your rented dwelling remains a viable option only for those residents not in the lowest income categories. In other words, to become an owner-occupier, you must have the financial means, i.e. already being financially empowered. In that sense, we encounter the selection effect which already appeared at the differences in perceived control of owner-occupiers versus tenants.

The results of our study are no reason to discard sale policies of housing policies. Empowerment in a broad sense may not be a fruitful strategy for hous-

ing associations. However, the potential for residents to build up equity, freedom of choice in tenures (Gruis *et al.*, 2005) and reinvestment of sale revenues in urban renewal projects (Priemus, 2008) are just a few examples of far more realistic goals. And, ironically, in these times of global recession and the credit crunch, sale of social rented housing may provide excellent opportunities for young, first-time buyers to enter the housing market. Several Dutch housing associations from Amsterdam and Rotterdam have published sale results<sup>4</sup> which are much less negatively affected by the financial crisis than the private segments of the private market.

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## Notes

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<sup>1</sup> See [www.tewoon.nl](http://www.tewoon.nl).

<sup>2</sup> For all four-digit post code areas in which our respondents live, we calculated the median of the share of owner-occupied housing. The median lies at 54 per cent.

<sup>3</sup> For example working more hours or changing to a better-paid job.

<sup>4</sup> Press releases of the Amsterdam Federation of Housing Associations (AFWC), 27 January 2009, and of the Rotterdam housing association *Woonstad Rotterdam*, 13 February 2009.