
Changing Housing Systems and their Potential Impacts on Homelessness

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› **Abstract_** *The causes of homelessness are many and varied. Usually they are split into two main categories: social causes and housing market causes. This paper focuses on the latter, and more specifically on the changes that have taken place in European housing systems in the aftermath of the Global Financial Crisis (GFC) as well as on the potential impact that housing markets can have on the number of people who enter homelessness and on the likelihood of homeless people regaining access to the housing market. This paper deals first with the academic debate on housing tenures. Next, it addresses the distribution of housing tenures in different parts of Europe and concludes that the picture is mixed. It discusses policies on different housing tenures and concludes that, despite the mixed picture, home ownership seems to have become the European dream. It then elaborates on the extent to which housing markets were hit by the GFC and the lessons that can be learned from this experience. The paper concludes by reflecting on how all of this may impact on future housing systems, and, in particular, on the likelihood of people becoming homeless and the chances of homeless people getting back into the housing market.*

› **Keywords_** *Housing systems, housing policy, welfare, social housing, homelessness*

Introduction

Homelessness is intertwined with social problems and housing market problems (Fitzpatrick, 2005; Stephens *et al.*, 2010). Social problems, such as mental health issues and drug abuse, appear to play a key role in homelessness in most European countries. Housing market problems such as affordability and evictions play an important role in some countries and a minor role in others, depending on the welfare and housing systems. Housing systems seem to have changed in the wake of the Global Financial Crisis (GFC) and according to the responses of various governments. Some countries were hit hard, others much less so. In the case of those hit hard, housing systems are currently undergoing change that is affecting housing opportunities and the chances of eviction. This paper presents an overview of the main trends in housing systems in Europe and their potential impact on homelessness.

The paper begins with a summary of the academic debate on housing tenures, concentrating particularly on the role of home ownership and social housing. It then describes how the figures on housing tenure and housing policies differ across Europe and how the encouragement of home ownership became a key element in the policies of EU Member States. These policies are a combination of a social policy that confers more responsibility on individuals and an economic policy that aims for more market dynamics, less government influence and less emphasis on redistribution. Next, the paper paints a picture of how the GFC impacted on different housing markets in Europe. After presenting an overview of recent literature and the effects of the crisis, it reflects on lessons learned and the potential impact on housing systems. Finally, it speculates as to how changing housing systems may affect the likelihood of people entering homelessness and the chances of homeless people returning to the housing market.

Housing Tenure Systems: The Academic Debate

Governments in most European countries embrace home ownership and develop policies to assist households to become home-owners (Ronald, 2008; Doling and Elsinga, 2013). In some countries this can best be described as policy that has been developed through a logical process, in keeping with what Kemeny (1995) terms 'home-owning societies'. A good example of such a society can be found in the United States, where home ownership is regarded as part of the American dream and the social rental sector is a safety net for people in dire need. This policy has been the subject of extensive research, designed to demonstrate the benefits of home ownership. The research suggests that home-owners take better care of their houses, tend to vote more often, are more closely involved in the local community and society as a whole, have higher self-esteem, and their children achieve better

results at school (Rohe and Stegman, 1994; Rohe and Basalo, 1997; Haurin *et al.*, 2001). The potential disadvantages, i.e., the downside of home ownership, are relatively underexposed in the American literature (Rohe *et al.*, 2001). The disadvantages of home ownership have been more apparent in the European debate, particularly in the United Kingdom.

Parallel to the 'home-owning society', Kemeny identifies the 'cost-renting society'. This is prevalent in several European countries, where rents are calculated on the basis of cost price rather than according to the market forces of supply and demand. In these countries, which include the Netherlands and Sweden, the rental sector is certainly not restricted to the lower levels of the housing market. Accordingly, Kemeny (1995; 2005) refers to a 'unitary rental market', in which the commercial rental sector is forced to adjust its prices to compete, at least partially, with the often extensive cost-rent system adopted by the social rental sector. In these cost-rental societies, a rental dwelling is considered a serious alternative to home ownership.

The developments in the United Kingdom are particularly interesting in this respect. The UK can be considered a cost-rental society until 1980, when under Margaret Thatcher's conservative government a deliberate shift to a home-owning society was engineered via the introduction of the Right to Buy scheme, which offered tenants of social rental dwellings an opportunity to buy their homes at well below market price. This policy, pursued by the conservative Thatcher government, drew housing into the neoliberal discourse and prompted an academic debate about the advantages and disadvantages of home ownership among low-income groups. Saunders emerged as the main champion of those who sought to identify and communicate the advantages of ownership. In his book, *A Nation of Home Owners* (written about the UK), he demonstrates that owning one's own home has many benefits, both financial and social (Saunders, 1990). However, further research has been carried out in the United Kingdom on the drawbacks of low-income home ownership and the large-scale sell-off of council housing. These studies address the main risks vis-à-vis mortgage arrears, repossession and run-down housing as the result of poor maintenance (see Karn *et al.*, 1985; Forrest *et al.*, 1990; Ford *et al.*, 2001).

Over the years, academics have seemed to be in general agreement that, given the advantages and disadvantages of housing tenure, a tenure-neutral housing policy would be the most logical option. Despite the progress in academia, European governments largely chose to support home ownership, and the owner-occupied sector in Europe increased (Atterhog, 2005; Ronald, 2008; Doling and Elsinga, 2013). However, the universalist rental model, in which rental is seen a good alternative to home ownership, remains under discussion and will be addressed in the remainder of this paper (Elsinga and Lind, 2013).

Why Encourage Home Ownership?

Why do so many governments support home ownership in their policies? Many studies have tried to answer this question (Saunders, 1990; Elsinga, 1995; Ronald, 2008). First, there appeared to be a link with religion; home ownership is supported by Catholics in particular (Behring and Helbrecht, 2002) and considered conducive to a stable family life (Goossens, 1982; Elsinga, 1995). In other words, home-owners are thought to be more responsible and stable than tenants. This line of reasoning has been particularly prevalent in conservative circles. In addition, encouragement of home ownership is also encouragement of equity-building by individual households. This has been the explicit aim of policies in Germany, Belgium and the Netherlands (Elsinga *et al.*, 2007). Home equity can be considered a private safety net and an alternative to collective welfare arrangements, as described by Castles (1998) and Kemeny (1992), who both argue that there is a correlation between the share of home ownership in a country and expenditure on welfare: the higher the rate of home ownership, the lower the welfare expenditure. Housing policies may therefore also be regarded as policies aimed at less collective welfare arrangements. Housing policy thus appears to be intertwined with social policy and ideas about the welfare state.

In the past decades, many European governments have started to take a less active role in housing, regarding it more and more as a market good. As housing became part of the neoliberal agenda, in which home ownership is seen as a typical market good, it seemed logical to encourage it. In addition, the deregulation of the financial markets in the last decades of the 20th century resulted in new products, more competition and low interest rates, not only giving households easier access to mortgages but also facilitating a considerable increase in house prices and making home ownership an attractive investment in many European countries, with Germany as an exception. These more market-oriented policies also prompted criticism in the early 2000s of broad social rental sectors, which were upsetting the level playing field in the competition with commercial housing providers (Gruis and Priemus, 2008; Elsinga and Lind, 2013). This kind of discussion undermines the support for social housing and – like the policy on financial markets – may be interpreted as a way of encouraging home ownership through stealth (Doling, 2006). Housing policy thus appears to be intertwined with economic policy.

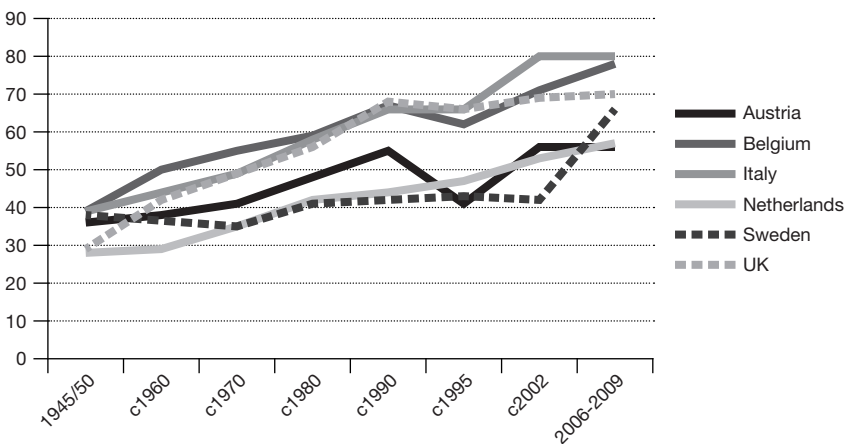
In other words, there were different opinions in the past on housing tenures – some in favour of home ownership (conservative), others inclined towards tenure neutrality (liberal) and a final group in favour of social or public renting (social democratic). The latter resulted in a number of countries with a larger rental sector, making a rental dwelling a viable alternative to an owner-occupied dwelling. This, however,

changed in the 1990s and subsequent decades. Despite huge diversity, home ownership became the norm and all governments in Europe – regardless of their political ideology – aimed to increase the percentage of home-owners.

Distribution of Housing Tenure in European Countries: A Mixed Picture

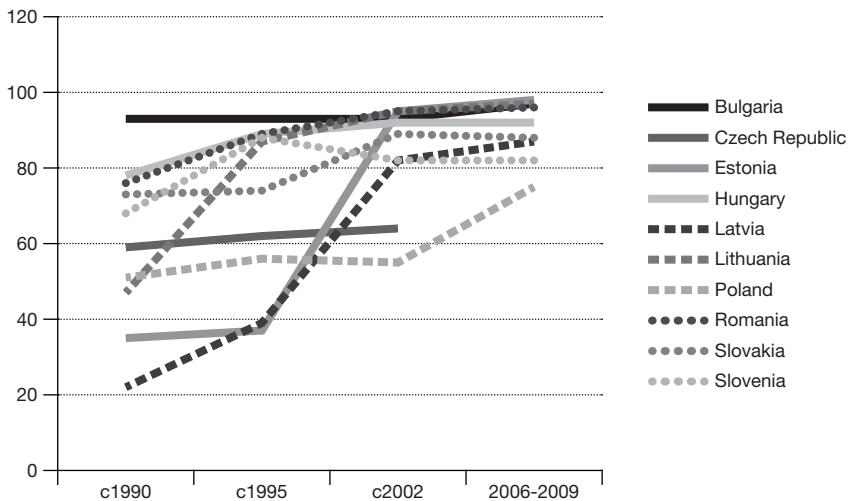
Figures 1 and 2 show that a substantial increase in home ownership has occurred in Western European countries; in the UK it went from 30 percent in the 1940s to 70 percent in 2010; in Italy and Belgium from around 40 percent in the 1940s to around 80 percent in 2010; and in Austria, Sweden and the Netherlands, the owner-occupied sector has increased to around 55 percent. Eastern Europe shows a different picture; the percentage of home-owners varied widely before 1990, from 22 percent in Latvia to over 90 percent in Bulgaria. The transition from a communist economy to a more market-based economy had repercussions on the housing market. In many countries, particularly Estonia, Latvia and Lithuania, it resulted in a substantial increase in the number of home-owners, while the number of home-owners in the Czech Republic decreased slightly.

Figure 1. The development of the home ownership rate in six West European countries



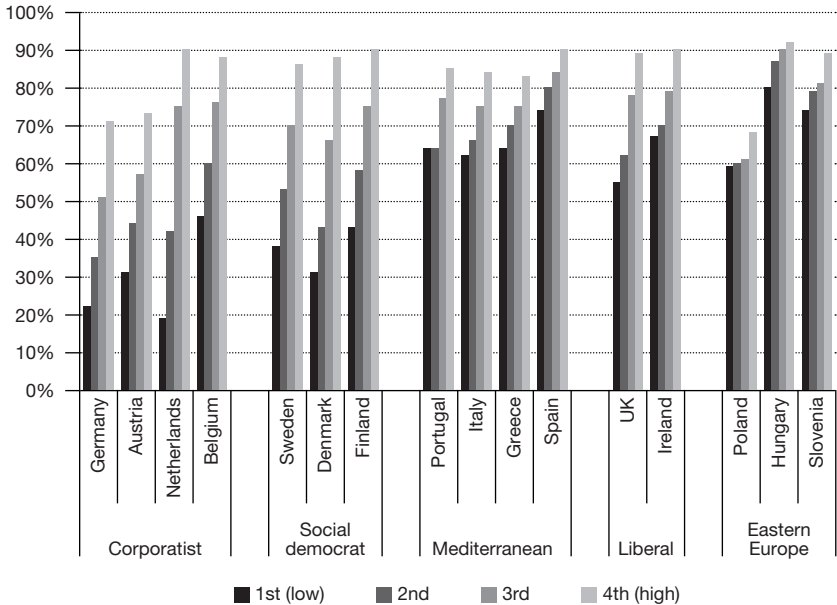
Source: Doling & Elsinga, 2013

Figure 2. The development of the home ownership rate in ten East European countries



Source: Doling & Elsinga, 2013

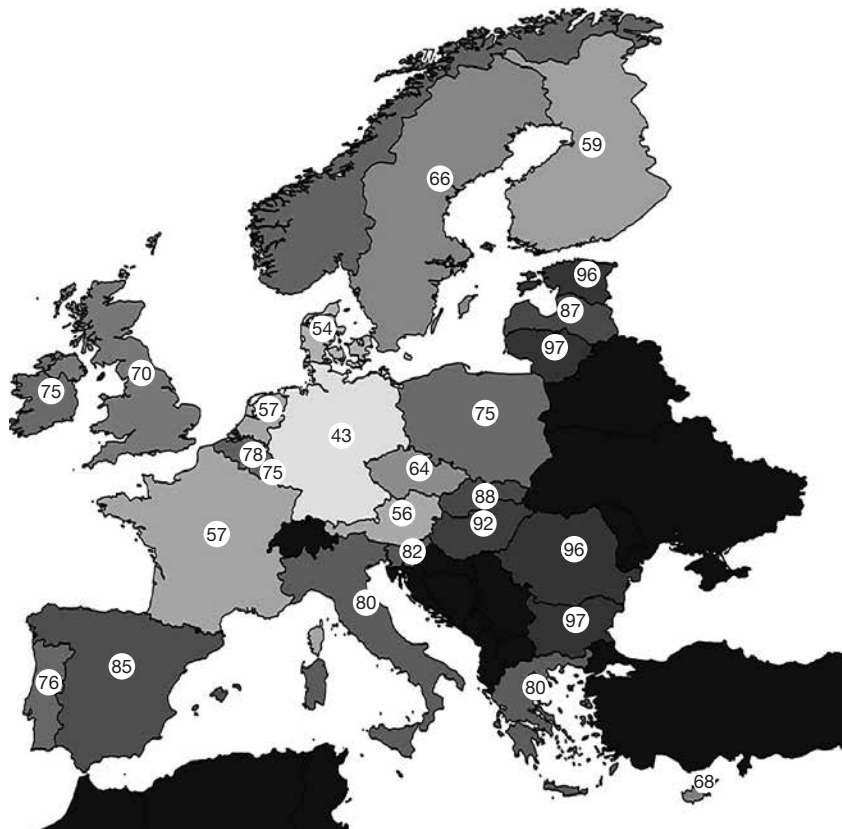
The percentage of home ownership depends on income: the higher the income, the higher the level of home ownership. Figure 3 presents an overview of European countries and shows that in all countries the higher the income, the higher the level of home ownership. However, in some countries such as the Eastern European and Mediterranean countries in the table, the difference between the lowest and the highest income quartile is very narrow. In these countries, the majority of lower-income households are home-owners. In countries with a corporatist or a social democratic welfare regime, the majority of low-income households are tenants. In these countries, a social rental sector and/or a housing allowance scheme for tenants is part of the welfare system and makes renting the preferred or enabled option for these households.

Figure 3. Home ownership by income quartile: 16 European countries

Source: EU-SILC, 2009.

In countries with a high rate of home ownership, the norm is home-owning and it is generally assumed that those who rent are unable to buy a house. In countries with more substantial rental sectors, households might also deliberately opt for a rental dwelling (Mandic and Clapham, 1996; Elsinga and Hoekstra, 2005). Though it appears at household level that the higher the income, the greater the number of home-owners, at country level we see the opposite: the richer the country (measured by income per household), the lower the home-ownership rate. The richest country in Europe, Switzerland, has the largest rental sector, whereas the poorest countries (with the lowest incomes) appear to have the smallest rental sectors (see home ownership rates in Figure 4).

Figure 4. Home ownership rates in European countries



Source: EU-SILC 2009

We can observe some trends here, but the pattern is scattered; Poland seems to be an outlier as well as Belgium. There seems to be a link with policies on rental housing; for example, in Belgium the social rental sector and government support via a housing allowance are limited (Winters and Elsinga, 2008).

Despite such apparent connections between policy inputs and market outcomes, the overall relationship is not as straightforward as demonstrated by Atterhog (2005), who analysed a large number of OECD countries and their policies on home ownership. He concluded that there is no clear link between government efforts – in the form of policy instruments to increase home ownership in their countries – and an increase in home ownership during a certain period. However, he observed a difference between Anglophone countries (US, UK, Ireland, Canada and Australia) and the other OECD countries. In the non-Anglophone countries, there was a

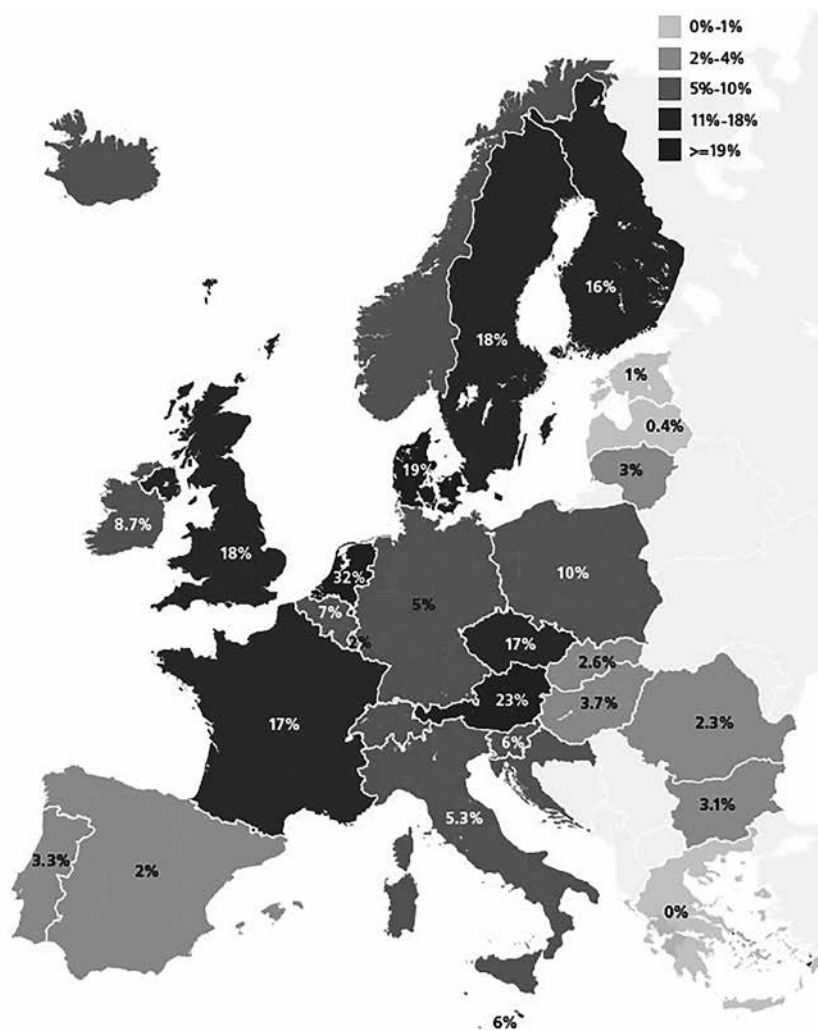
significant relationship between government support and an increase in the home ownership rate, whereas in Anglophone countries there was no relationship at all (Atterhog, 2005). He further concluded that home-ownership policies had most effect in non-Anglophone countries with relatively low home-ownership rates, and that whereas Anglophone countries with a home-ownership tradition might have reached the effective limit of growth in home ownership, there may still be room for growth in the non-Anglophone countries.

The main conclusion here is that home ownership has played an important role in housing policy. It has always done so in high home-ownership countries, and it has become more important in countries with large rental sectors. At the beginning of the 2000s, two thirds of households in Europe were home-owners, and governments in most countries had policies in place to increase this proportion further. At that moment, the global financial crisis hit and affected the European housing markets to a greater or lesser extent, in particular the owner-occupied market.

Rental Housing Policies

Alongside increases in support for home ownership, there has been a general tendency towards shifts in the type and scale of rent support. During the huge housing shortages (in the 1950s and 1960s), investment in new social housing was accorded priority in the countries of North-Western Europe (Boelhouwer and Van der Heijden, 1992). National governments implemented policies through special institutional structures developed from the beginning of the century: in the UK, local governments; in the Netherlands, housing associations; in Sweden, municipal companies; and in France, special public-private organisations such as HLM companies. The 1970s and 1980s saw deregulation, privatisation and an increase in the private sector, as policies shifted away from social sectors towards support for the home-owner. Policy changes were introduced with the intention of reducing government support for social housing. This was most evident in Eastern European countries, where mass-scale privatisation changed the picture and served partially as a shock absorber during the transition (Struyk, 1996). The same applied to the Right to Buy scheme in the UK in the 1980s. The mixed pattern is depicted in Figure 5.

Figure 5. The rate of social rental dwellings in European countries



Source: Cecodhas, 2012

Although home ownership has increased in most countries, there are two main exceptions. In Finland, the home ownership rate fell from 67 percent to 58 percent between 1990 and 2000. This was largely a consequence of a severe economic recession and a housing market crash. In Germany, the home ownership rate has remained stable at a low level of about 40 percent, whereas public rental housing has been largely privatised. Here, Bausparkassen schemes are subsidised and households are encouraged to save before they buy. This strong emphasis on saving is resulting in a tendency to buy at a later age. Moreover, the large private

rental sector is fiscally supported and has a 'regulated market rent', which makes private renting an acceptable alternative to home ownership at a younger age (Kofner, 2014). Home ownership is, however, supported by the German government (*Bundesländer*) and looked upon as a source of income in one's old age.

In recent years, the social housing stock has shrunk in most European countries (Scanlon and Whitehead, 2007). Recently, countries with broad social housing models have been scrutinised by the European Commission in the context of fair competition. As a consequence, countries such as Sweden and the Netherlands have been forced to operate without subsidies and cannot target lower-income groups to justify state aid. This means that non-profit rental at below market prices is no longer available for middle-income groups, a tenure that was considered by many as an acceptable alternative to home ownership. While this was not directly intended as a policy to encourage home ownership, it may have that consequence (Elsinga et al., 2007; Gruis and Priemus, 2008).

The combination of state aid and the allocation of social rental dwellings to middle-income groups is regarded as unfair competition for the commercial rental sector. There are, in theory, three ways of preventing this. First, create and target a dual rental sector that will not be in competition with institutional investors. Second, stop state aid and move to market levels, thereby creating fair competition in a unitary rental market. And third, provide commercial investors with the same state aid as social investors.

The latter option was not even considered in the Netherlands or Sweden. Surprisingly, Sweden and the Netherlands responded very differently to the criticism of the European Commission. The Swedish government tried to prevent the EC from taking action and found their own solution to the problem, choosing option two, whereby public housing associations are to work in a 'business-like' manner from here on. In this way they will compete fairly with commercial housing providers (Elsinga and Lind, 2013). The Netherlands automatically chose option one and presented it as an unavoidable option, reflecting the criticism on the broad social rental sector in the Netherlands (Gruis and Elsinga, 2014).

The Effects of the Global Financial Crisis

Housing systems have been changing in recent decades and the rate of home ownership has increased due to government support, enabled by deregulated mortgage markets, and resulting in speculation in the housing market in some countries. One of these countries was the US, where the speculative bubble in the housing market burst in 2007 and was followed by ruptures in virtually every asset market in almost every country in the world. Each country proposed a range of

policy initiatives to deal with its own crisis. Policies that focused on stabilising the housing market formed the cornerstone of many of these proposals. Countries in many parts of the world had been players in either the financial bubble or the housing bubble, or both, but the impact, outcome and responses varied widely (Bardhan *et al.*, 2012).

Bardhan *et al.* (2012) reveal that the housing crisis in the United States was at the core of the meltdown and compare experiences across countries. In their edited volume they come up with a number of interesting conclusions and lessons. It was not only home-owners and commercial investors in the rental sector who speculated in the real estate markets – governments also took part with their land and property tax policies. It appears that the most deregulated systems were in the worst position. Countries that did relatively well were those who had learned their lessons from previous crises, such as Hong Kong and South Korea. Finally, the combination of full recourse, prepayment penalties and the absence of mortgage interest relief can help to reduce the chances of a house price bubble. In this way the risk burden is imposed on households at the cost of reducing home ownership and mobility (Bardhan *et al.*, 2012).

In a special issue of the *Journal of Housing and the Built Environment* dedicated to the effects of the crisis, Priemus and Whitehead (2014) look at how the crisis impacted on housing markets and how governments responded. Some countries survived without any real problems in the housing market. Germany is a prime example; macroeconomic stability and regulatory frameworks in the economy go some way to explaining why the German system was not as badly affected by the crisis. There was, in addition, no pre-crisis excess in the German housing market, which consists mainly of private rented dwellings and thus has a low home-ownership rate, which seems to help stabilise the system (Kofner, 2014). Another example is Australia, which although initially hit was able to respond positively to limit instability and maintain an efficient finance system using established regulatory mechanisms. The French case also demonstrates that a quick recovery after the problems of the crisis was possible (Tutin and Vorms, 2014). Ireland, a country that was very severely hit, is discussed by Norris and Coates (2014) in their article 'How Housing Killed the Celtic Tiger'; the financial market was deregulated and the housing market became a speculative market, thus building up to a bubble, which burst in 2008. Ireland learned the hard way that market regulation is necessary for stability (Norris and Coates, 2014). The UK and the Netherlands were both seriously hit by the crisis; initially, both governments tried to support market recovery through incentives such as subsidies, deregulation and guarantees. However, it appeared later that reregulation of the mortgage market was necessary, and this reregulation had a serious negative impact on the housing markets in both countries. There are, however, also differences; in addition to the

reregulation of the mortgage market, the Netherlands rearranged the fiscal policy, which is why the market in the Netherlands is recovering much more slowly than in the UK (Scanlon and Elsinga, 2014).

The most important lesson to be learned from the GFC is that the housing market is closely connected with the mortgage market and the economy as a whole. The US case demonstrated that this can be beneficial as well as damaging. The sub-prime mortgage market was encouraged in the US as a way of extending home ownership to vulnerable households, and lenders were cooperating in the expectation that rising house prices would make housing secure collateral; however, the Global Financial Crisis made it clear that house prices can fall, and that full reliance on home ownership is not a feasible option.

Reconsidering Housing Systems

While housing systems were already changing, the Global Financial Crisis brought a new incentive for change. After the GFC, the emphasis was on getting the economy and financial markets back on track, and the traditional aims of housing policy disappeared from the agenda in many countries. We now provide an overview of housing tenure.

Home ownership harder to access

Overall, the evidence is that mortgage markets are tighter and accessing a mortgage is more difficult. This is true for countries with a conservative mortgage system, such as Germany and Austria, as well as for countries that expanded lending before the crisis, such as the UK and the Netherlands. In some countries, however, there were little or no changes in the regulation of the mortgage market. For example, in the Czech Republic, Sweden and Finland it seems to be 'business as usual' (Whitehead *et al.*, 2014). In countries where the economy was hit by the financial crisis, governments tended to focus on recovery in the mortgage market and the economy as a whole rather than on the problems of mortgage arrears or negative equity. The US housing market lies at the heart of the Global Financial Crisis (Bardhan *et al.*, 2012). This demonstrates the importance of the housing market for the economy.

This tight link between the housing market, the mortgage market and the economy is the reason that the initial response of the UK and Dutch governments to the crisis was to try to make the housing market work again. It is with that in mind that they introduced subsidies, guarantees and deregulation (Scanlon and Elsinga, 2014). However, the mortgage market got in serious trouble, and the recovery of the financial market was given priority at the expense of the operations of the housing

market. In many countries the mortgage market was reregulated and borrowers were confronted with more stringent lending criteria. In other words, it was harder to get access to home ownership.

Emphasis on the private rental sector

Due to pressures on the home ownership sector and on government budgets, the private rental sector is frequently mooted as a solution. But what can be expected from the private rental sector? We need to remember that the poor housing conditions in the private rental sector that came to light during the Industrial Revolution marked the start of social housing policies in many countries. At that time, the quality of the housing provided by private landlords was so poor that it constituted a serious health hazard and was undermining productivity. Private rental housing is not a magic cure for all housing needs (Elsinga, 2014). It provides solutions for households at both ends of the income spectrum. "Providing slum housing for the poorest is a highly profitable activity, but housing them in decent conditions a real challenge" (Peppercorn and Taffin, 2013). The UK and many other countries feared the reintroduction of weighty and rigid regulation. However, evidence from other countries demonstrates a link between scale and stability, and well-defined regulatory frameworks, which provide both landlords and tenants with long-term security in respect of rental returns (Whitehead *et al.*, 2012). A decent private rental sector requires a good balance between the interests of tenants and landlords.

Social housing under discussion

The size of the social rental sector varies widely across Europe. The same is true of discussions on the issue. Governments confronted with financial problems tend to launch austerity measures, with social housing often as one of the targets. As such, housing subsidies have been cut in the UK, Portugal, Poland, Austria and Greece. France appears to be an exception; investment in social rental dwellings actually increased substantially there. Another trend in the social rental sector is the targeting of dwellings occupied by the most vulnerable groups. In some countries this is a result of the economic crisis; in others, it is the result of discussions about the unitary rental model (Braga and Palvini, 2013). Cuts have also been made to housing allowance budgets – take, for example, 'bedroom tax' in the UK and the increase in the 'quality discount' in the Netherlands.

There is an increasing trend towards the privatisation of social rental housing in different ways across several European countries, through selling off dwellings to individuals and by transforming public rental housing into market-like organisations (Scanlon and Whitehead, 2014). In addition, social organisations are upping their efforts to attract private financing. This has blurred the boundary between social

and commercial housing (Haffner *et al.*, 2009). It is an on-going trend that had started before the crisis and, while empirical evidence is lacking, suggests a threat to housing affordability and that arrears and evictions are likely to increase.

Social housing: broad or targeted?

The debate about a broad social rental sector with broad societal support versus a small social rental sector that focuses on the needs of the most vulnerable groups has been on-going for decades (Harloe, 1995; Kemeny, 1995). The latter is associated with the dual rental sector (Kemeny, 1995) or residual social rental sector (Harloe, 1995). Bradley (2014) suggests that the plea by the International Union of Tenants (IUT) for a broad social rental sector and tenure-neutrality comes at a cost: higher rents in the social rental sector in Sweden, France, Austria and the Netherlands and the possible exclusion of the most vulnerable households. Bergenstrahle (2015) responds, asserting that the plea by IUT should not be misunderstood: by tenure-neutrality, in particular, they point to neutrality between renting and home owning, and a broad social rental sector that goes hand-in-hand with special supports, such as housing benefits, for the most vulnerable households, as is the case in universalist models such as Sweden.

De Decker (2011) also points to the tension between legitimacy and selectivity in the discussion on social rental housing. He describes the Belgian situation: a country with a social rental sector of 6 percent of the housing stock and a protracted debate on whether this stock should be allocated to a small or a broad target group. He says it is bizarre that the social rental sector continues to focus on segments of the population that do not want to live in social rental housing and excludes those in urgent need. The Belgian case is not the only one: the fear that social housing will become marginalised and lose societal support is causing the most vulnerable groups to be excluded from social housing. I would like to add the bizarre case of the Netherlands (Priemus and Whitehead, 2014), where social housing actually became a source of income for the Dutch government with the introduction of the landlord levy (the price of political distrust). Housing associations now have to pay around €1.7bn a year to the government. This tax is prompting social landlords to maximise rents and is resulting in affordability problems and greater risks of eviction. Both examples illustrate that this political discussion is leading to changes that are totally at odds with the core aims of social housing, which raises the question of what exactly the aim is of social housing in the first place.

The discussion is not only on target groups, but also on security of tenure. In the UK and Australia a discussion is underway on whether the safety net is too generous and is being used inefficiently. The question of whether security of tenure should

be relaxed and social housing should function as an ambulance in the housing market and be used only as a temporary facility is a topic of debate (Pawson and Fitzpatrick, 2014).

Asset-based welfare?

Another discussion in the UK and other Anglo-Saxon countries revolves around asset-based welfare. As stated by Malpass (2008), housing and home ownership, in particular, can be considered a cornerstone of welfare, and this seems to play a role in policy discourse in the UK. However, it has not yet been translated into policies that make asset-based welfare work for those who used to rely on the social rental sector (Doling and Elsinga, 2013). The social policy discussion on housing and its link to social policy will, however, continue in Europe. The debate recognises that the housing equity of home-owners equates to additional pension, which tenants seem to miss out on. Housing-including both renting *and* home ownership- has not yet been fully integrated in the discussion on the welfare state. It still seems to be a wobbly pillar (Torgerson, 1987).

Reflections on the Link between Housing Systems and Homelessness

The housing market, homeless people: a challenge

Home ownership was hit hard by the crisis. Many home-owners were left with negative equity and mortgages became harder to access, making it very difficult for first-time buyers to get a foot on the property ladder. Governments do not really provide a safety net in this market; home-owners are expected to solve their problems themselves. However, the market is currently recovering in most countries. Lower prices and low interest rates are now making access to home ownership easier, for first-time buyers in particular. This is something that might become an option for some better-off homeless people but for many, the step from homelessness to a mortgage is impossible. The private rental market is presented as an alternative. However, it is far from evident that private investors will provide an adequate housing solution for vulnerable households. The market is not an easy solution for the most vulnerable. It is the origin of all housing policies.

Social housing, social policy and homelessness: confusion

The age-old debate on the convergence and divergence of policies is also on-going in the field of housing (Donnison and Ungerson, 1982; Boelhouwer and Van der Heijden, 1992). The global watcher might see housing in Europe converging towards more market orientation, with more emphasis on home ownership and asset-based welfare, and moving away from the broad social rental sector. However, the GFC

proved that home ownership is part of the market, part of risk, and not the best way to make housing a cornerstone of a welfare state. This trend towards convergence is prompting different initiatives and alternatives in the professional as well as the academic world: new links between housing and the economy, social policy and the quality of neighbourhoods. Where do social housing systems go? It is better to focus on new solutions than on old discussions.

Focus on problems and solutions instead of ideologies and institutions

The discussion on housing tenure in policy and in academic arenas in the last three decades has often been more political and ideological than analytical, centring on ideologies and institutions. Home ownership and a small or a broad social rental sector are closely connected to liberal, conservative and social-democratic ideologies, whereas policy aims tend to play a minor role and even disappear from the political agenda of some Member States. The neighbourhood dimension is very much neglected in the current debate on housing policy. What is adequate housing and how can it be achieved? The quality of housing for people, or the lack of housing and the quality of neighbourhoods and their externalities seem to be on the agenda of the European Commission, which recognises the importance of housing for the urban, social inclusion and sustainability agendas. However, housing is the responsibility of individual Member States. It is therefore time for Member States to rethink their constitutions. What do they mean by adequate housing? A focus on problems and the use of empirical research on homelessness and the deteriorating quality of neighbourhoods, for example, may offer a means to untie the hands of politicians in the field of housing.

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