THE HOUSING MARKET IN ITALY AND ITS IMPACT ON LEAVING PARENTAL HOME

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Background

Italy is among countries in Europe with the latest leaving parental home, union formation and parenthood and the lowest fertility levels (Dalla Zuanna 2001). Housing dynamics and the imperfections of the housing market are often recalled among the factors which lead to delay for young people to start their independent household careers and form unions and families (Castiglioni, Dalla Zuanna 1994; Pinnelli 1995). This hypothesis, although overall accepted and cited while studying young people behaviours, has not been substantiated by a great wealth of empirical research yet. Only recently the attention of the population researchers has been drawn on the strictly interrelationship between partnership and family behaviours and housing dynamics in the European countries (Mulder & Wagner 2001; Mulder & Billari 2006).

Leaving the parental home takes place for different reasons, and the role of housing is likely to differ for each of them (Mulder 2006): “Those who want to leave home for reasons of education or work have little room for postponement. They are likely to move even if they have to accept substandard housing. Those who want to leave for reasons of independence, cohabitation or marriage have more opportunities to wait until they have found suitable or affordable housing”.

Finding a suitable and affordable housing proved to be particularly hard in those countries where the levels of homeownership is high, and where there is a low access to mortgages and an under-development of the rental sector. Around the year 2000, the Southern European countries are those with the greatest share of homeowners (Spain, Greece and Italy, with 85.3, 83.6 and 75.5 percent homeowners respectively), the lowest Total Fertility Rates (1.24 children per woman for Italy and Spain, 1.29 for Greece) and the highest share of young people still living in the parental home. In the Southern-European welfare regimes (Esping-Andersen, 1999), with low levels of state support for young people and a strong focus on support from the family, the access to home-ownership depends no only on personal savings but mainly on family help or inheritance.

Research questions

Although the previous relationship is easily recognised, still the characteristics and functioning of the housing market is far to be entirely explored and a number of questions remained to be answered. Such as: Why is there such a small amount of affordable rental housing in an high home-ownership regime? What are the ways to operate of the real estate markets in terms of factors affecting the demand of housing other than demographic, such as income, prices of housing, access to credit, consumer’s preferences? What are the mechanism of the financial markets and the way of banks operating?

In this paper we deal with some of the previous issues with reference to the Italian housing and financial market specific data sources (Nomisma 2007, Tecnoborsa, Censis 2006). We focus, in particular, on recent attention the policies and the economic developers have drawn on the young people difficulties in entering the labour and the housing market, and evaluate the expected effects of some special mortgage’s loan conditions proposed by important banking groups (Unicredit Banca, Capitalia, e Barclays Bank) in terms of young people attitudes and behaviours.
At individual level, we performed a logistic regression analysis of factor affecting young people leaving parental home using the Italian data set of the European Survey EU-SILC (Statistics on Income and living conditions, 2004). Results confirm that housing condition plays an important role in affecting the Italian young people independency and leaving arrangements, and the way and the timing of forming a union.

Selected references

Censis (2006), Il futuro dell’immobiliare all’insegna della stabilità, Roma.
Nomisma (2007), Primo Rapporto sul mercato immobiliare italiano, Bologna.
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Selected recent publications

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Publications
De Pascale A., La lunga permanenza dei giovani in famiglia : un focus sugli studenti universitari, dicembre 2005