

	<p>FREIE UNIVERSITÄT BOZEN LIBERA UNIVERSITÀ DI BOLZANO FREE UNIVERSITY OF BOZEN - BOLZANO</p>	
<p>Fakultät für Wirtschaftswissenschaften</p>	<p>Facoltà di Economia</p>	<p>School of Economics and Management</p>
<h1>Housing inclusion for families: Italy</h1>		
<p>Dr. Teresio Poggio</p>		
<p>AGF Experts Meeting: No Space for Families? Inclusion and Housing Berlin, 30 August 2013</p>		

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<h2>Housing inclusion for families in Italy</h2>		
<h3>CONTENTS</h3>		
<ul style="list-style-type: none">- General context- Main characteristics of the Italian housing system- Main problems and outcomes at the family level- Some recommendations		

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<p>FAMILIES IN ITALY:</p> <ul style="list-style-type: none"> 40% Couples + children* 8% Single parents + children* 20% Couples without children 25% Single persons 7% Co-residences, other non-nuclear ones <p>* Including adult children only. Source: National Institute of Statistics, Istat</p> <p>Main issues:</p> <ul style="list-style-type: none"> • Ageing of the population • Delayed transition to adulthood • Immigration • Low geographical mobility (with exceptions) 		

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<p>POVERTY & LIVING CONDITIONS (in short):</p> <ul style="list-style-type: none"> - Relative poverty: 10% rate - I.e. about 10 millions persons - Particularly at risk: <ul style="list-style-type: none"> - Larger and younger families, especially with non-adult children - Blue collar households - Families with unemployed adults - Living in the South - Worsening conditions because of the crisis: families with children especially <p style="text-align: right;">Source: National Institute of Statistics, Istat</p>		



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WELFARE STATE & FAMILY POLICIES:

- Relatively low and not inclusive level of social security, by European standards
- Family policies: in principle but ...
- Families significantly carry the burden of important welfare services: care and housing especially



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HOUSING PROVISION:

Italian households by tenure distribution and social institution that allocated the dwellings (2010)

HOUSING TENURE	ALLOCATION
69% Homeowners	<div style="display: flex; justify-content: space-between; margin: 0;"> <-- Market 37% </div> <div style="display: flex; justify-content: space-between; margin: 0;"> <-- Family 30% (at least) </div> <div style="display: flex; justify-content: space-between; margin: 0;"> <-- State 2% </div>
21% Tenants	<div style="display: flex; justify-content: space-between; margin: 0;"> <-- Market 16% </div> <div style="display: flex; justify-content: space-between; margin: 0;"> <-- State 5% </div>
10% Other (rent free)	<div style="display: flex; justify-content: space-between; margin: 0;"> <-- Family 8% </div>

Source: Baldini and Poggio, forthcoming


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TRENDS IN HOUSE PRICES & RENTS:

a) AMOUNT (YEARS OF SALARY) NEEDED IN ORDER TO BUY HOME



Now: 14 years
In the 1980s: less than 8 years

b) SHARE OF THE SALARY DEDICATED TO RENTS (TENANTS)



Now: 30%
In the 1980s: 15%

Source: Poggio, 2009


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HOUSING CONDITIONS:

- General and steady improvements since the end of World War II, but:
 - Not negligible problems remain as regards overcrowding, available facilities and quality of dwellings
 - People living in 'improper dwellings' recently increased
- Social strata that are more at risk of living in sub-standard dwellings:
 - Immigrants
 - Elderly people in rural areas
 - Low income households

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<p>HOUSING POLICY:</p> <ul style="list-style-type: none"> - Traditional bias toward home ownership (laissez-faire) - Free-market rents and serious affordability problems - Relative insecurity of tenure in the rental market - Limited social housing sector: <ul style="list-style-type: none"> - 600,000 entitled households in waiting lists - Management problems - High degree of uncertainty as regards possible strategies and funding - Poor housing allowance scheme (coverage and effectiveness); - Housing rights are not in the political agenda 		

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<p>MAIN PROBLEMS (home ownership):</p> <p>Home ownership is highly dependent on ascendants' wealth and support</p> <ul style="list-style-type: none"> → Reproduction of inequality → Discrimination vs. new entrants in the housing market → Delayed nest-leaving and family formation → Investment subtracting opportunities to children <p>Opportunities from the mortgage market have also increased financial vulnerability and insecurity</p> <ul style="list-style-type: none"> → 10% of current mortgagors estimated as vulnerable <p>'Poor home ownership' exists</p> <ul style="list-style-type: none"> → Substandard housing conditions, suboptimal localizations 		

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<p>MAIN PROBLEMS (rental sector):</p> <p>Affordability: housing costs as a main factor in determining poverty</p> <ul style="list-style-type: none"> → Income-based relative poverty rises from 25% to 36% when calculating it post-housing costs and social transfers (2006) → 50,000 evictions per year, for rent arrears <p>Insecurity</p> <ul style="list-style-type: none"> → End-of-lease evictions (no just cause): 7,000 per year <p>Discrimination</p> <ul style="list-style-type: none"> → Against immigrant households → Generational bias of social housing (legacies) <p>Sources: Baldini and Federici (2011); Baldini and Poggio (2012); National Institute of Statistics, Istat</p>		

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<p>MAIN PROBLEMS (general issues):</p> <p>Housing affordability (buying or renting home)</p> <ul style="list-style-type: none"> → Particularly challenging for single-income households: <ul style="list-style-type: none"> Traditional 'male breadwinner', single parents, single persons, young people wishing to leave the parental home → More social risks from divorce and separation → Easier path to homelessness and social exclusion <p>Rigidity in the housing system</p> <ul style="list-style-type: none"> → People do not move where they can improve their income, in order not to lose their possible 'housing advantages' <p>Urban vs. rural areas</p> <ul style="list-style-type: none"> → Urban areas the most affected, but not the only ones 		

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<h2>RECOMMENDATIONS:</h2>		
<ol style="list-style-type: none"> 1) Including housing rights (not just housing) in their political agenda and formulate informed policies 2) Becoming aware that home ownership is not a good solution for all the families 3) Sustaining the development of a well functioning rental market; balancing reasonable returns for landlords with a reasonable level of social protection for tenants 		

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<h2>RECOMMENDATIONS:</h2>		
<ol style="list-style-type: none"> 4) Increase the level of security of tenure in the rental market (abolish end-of-lease evictions without just cause) 5) Invest in social housing; redesign its funding and sustaining both public and non-profit organizations in the field 6) Review housing-related tax policies, in order to sustain new housing policy measures and to redistribute from the insiders to the outsiders of the the Italian housing system 		

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<h2>Thanks for your attention</h2> <p>teresio.poggio@unibz.it</p>		

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<p>References:</p> <p>Baldini M. and M. Federici (2011). "Ethnic discrimination in the Italian rental housing market" . <i>Journal of Housing Economics</i> 20.</p> <p>Baldini, M. and T. Poggio (2012). "Housing Policy Towards the Rental Sector in Italy: A Distributive Assessment." <i>Housing Studies</i> 27, no. 5.</p> <p>Baldini, M. and T. Poggio (forthcoming). "The Italian housing system and the global financial crisis" <i>Journal of Housing and the Built Environment</i>.</p> <p>Poggio, T. (2009) "Le principali dimensioni della disuguaglianza abitativa" (Main dimensions of housing inequality), in Andrea Brandolini, Chiara Saraceno and Antonio Schizzerotto (eds.), <i>Dimensioni della disuguaglianza in Italia: povertà, abitazione, salute</i> (Dimensions of inequality in Italy: poverty, housing, health), pp. 273-292. Bologna: il Mulino.</p> <p>Poggio, T. (2012). "The Housing Pillar of Mediterranean Welfare Regime: Relations Between Home Ownership and Other Dimensions of Welfare in Italy." In <i>Beyond Home Ownership: Housing Welfare and Society</i>. Edited by Richard Ronald and Marja Elsinga. Housing and Society series. London and New York: Routledge.</p>		