

# The Transition to Motherhood among British Young Women: Does housing tenure play a role?

## *Diventare madri fra le giovani donne britanniche: la proprietà dell'abitazione gioca un ruolo?*

Valentina Tocchioni, Ann Berrington, Daniele Vignoli and Agnese Vitali<sup>1</sup>

**Abstract** A positive link between homeownership and fertility is usually presumed. Nevertheless, couples' preferences to become homeowners before having their first child has been undermined by the dramatic changes in the UK housing market over recent decades, causing a marked fall in homeownership rates among young adults. Using prospective longitudinal data from the British Household Panel Survey (1991-2008) and the United Kingdom Household Longitudinal Survey (2009-2016), and applying multilevel discrete-time event-history techniques, we investigate whether and how the link between housing tenure and motherhood has changed over recent decades in Britain, and whether the link is moderated by local area characteristics including housing markets.

**Abstract** Secondo la letteratura, la relazione sussistente fra la proprietà dell'abitazione e la fecondità è positiva. Tuttavia, la tendenziale preferenza delle coppie a divenire proprietarie di abitazione prima di diventare genitori è stata minata dai drammatici cambiamenti intercorsi nel mercato immobiliare britannico negli ultimi decenni, determinando una sostanziale caduta dei tassi di proprietà delle case tra i giovani adulti. Usando i dati longitudinali del British Household Panel Survey (1991-2008) e del United Kingdom Household Longitudinal Survey (2009-2016), e applicando modelli di sopravvivenza multilivello (tempo discreto), l'obiettivo è di valutare se e come la relazione sussistente tra il possesso dell'abitazione e la nascita del primo figlio sia cambiata negli ultimi decenni in Gran Bretagna, e se questa sia moderata dalle caratteristiche del mercato immobiliare a livello locale.

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Valentina Tocchioni, University of Florence; email: v.tocchioni@disia.unifi.it

Ann Berrington, University of Southampton; email: A.Berrington@soton.ac.uk

Daniele Vignoli, University of Florence; email: vignoli@disia.unifi.it

Agnese Vitali, University of Southampton; email: A.Vitali@soton.ac.uk

**Key words:** Britain, fertility, housing tenure, event-history analysis, panel data, multilevel models

## 1 Introduction

Housing markets affect fertility both directly and indirectly [7]. Direct links from housing to childbearing include the preference to be a homeowner before having children [5, 6, 9]. Even more, housing markets act on fertility through their impact on the ability of young adults to become residentially independent of the parental home. In western countries including the UK, family formation whilst co-residing in the parental home is unusual – family formation usually either coincides with, or follows residential independence from parents. Thus parent adult-child co-residence *delays* partnership formation and hence first births [3, 8].

Among young people, rates of homeownership in the UK have plummeted over the past 25 years (from 67% of 25-34 year olds in 1991 to 36% in 2014) [10]. This is a result of a number of factors not least the increase in house prices over the period, coupled with stagnation or decline in wages and security of employment [2]. The increased uncertainty in young people's lives thus makes private renting the only affordable solution for many young adults who decide to live independently [12]. Unlike in other European countries where private rented accommodation is highly regulated, tenants in the UK have very few rights, dealing with an expensive and very insecure dwelling. Private rented accommodation does not provide the same level of security of tenure as compared to either homeownership or social renting. Everything else being equal we might therefore expect childbearing to be postponed whilst in private rented accommodation, until security of tenure, either within owner occupation, or the social rented sector can be met. However, as the possibility of homeownership continues to recede for most young adults more are still renting at ages when entry into parenthood traditionally occurs.

Housing affordability and availability vary geographically due to local variations in housing costs, average wages and in the stock of social housing available in an area [11]. It is thus important to consider regional differences in entry into parenthood, and the potential role of local housing markets in influencing fertility behaviour.

To sum up, in the UK homeownership is increasingly unaffordable and many young adults are living in privately rented accommodation at later ages, and at stages in their life course when family formation typically takes place. We therefore ask the question as to whether the positive link between homeownership and fertility remains in recent years, which is an issue that needs still to be addressed in Britain. Indeed as noted previously for France, the cost of homeownership might compete with the costs of childbearing and childrearing, favouring childbearing among renters [4]. More specifically, we address the following questions: *Has the probability of becoming a mother whilst in private rented accommodation as opposed to owner occupier or social rented increased since 1991? Is this increase explained by the*

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*socio-economic and demographic characteristics of women in the different housing tenures? To what extent does the relationship between housing tenure and the progression to the first birth differ according to the local house prices?*  
The paper follows with the description of the data and methods used for the analyses. Then, main results are presented, according to the three research questions. A concluding section closes the paper.

## 2 Data and methods

The study is based on a sample of women generated from the eighteen waves of the British Household Panel Survey (BHPS), in combination with data from the first seven waves of Understanding Society, the UK Household Longitudinal Study (UKHLS). In total our time period spans 1991-2016. We consider all women aged 18-42, who are living independently of the parental home and who were interviewed at least for two consecutive waves.

Multilevel discrete-time event-history analysis [1] is applied to exploit the transition to the first child's conception resulting in a live birth, taking account of the hierarchical structure of the data with women clustered within local authority districts (LADs). Woman's age is the baseline hazard. Observation starts at the first interview living independently after 18, and is censored either when the woman has a first conception, at last wave, when the woman retreats from the survey, when she returns to the parental home, or when she reaches age 44, whichever occurs first. Observations are weighted in order to take into account the changing population target over time. The key explanatory variable is current housing tenure, distinguishing among homeowners, private renters, and social renters.

## 3 Results

Table 1 shows the predicted probability from the hazard models of conceiving a first child according to housing tenure and calendar period. The predicted probability of conceiving a first child is significantly higher for women who are homeowners compared to those who are private renters until 2012; then, for the years 2013-2016 no significant difference emerges between homeowners and private renters. At first sight, the positive link between homeownership and fertility - which emerges clearly during the 1990 and 2000 - has changed over the last decade, with an increased proportion of private renters who have a first child in the last years.

**Table 1:** Predicted probabilities and confidence intervals of conceiving a first child according to housing tenure and calendar period. 1991-2016.

Housing tenure #Calendar period	Pred. Prob.	Confidence interval
owner#1991-1999	0.083	[0.072; 0.093]
owner#2000-2007	0.066	[0.056; 0.075]
owner#2008-2012	0.084	[0.073; 0.095]
owner#2013-2016	0.057	[0.046; 0.068]
social rent#1991-1999	0.049	[0.023; 0.075]
social rent#2000-2007	0.070	[0.037; 0.104]
social rent#2008-2012	0.066	[0.041; 0.090]
social rent#2013-2016	0.031	[0.010; 0.052]
private rent#1991-1999	0.037	[0.024; 0.050]
private rent#2000-2007	0.035	[0.023; 0.047]
private rent#2008-2012	0.048	[0.037; 0.058]
private rent#2013-2016	0.036	[0.025; 0.047]

*Controlling for age group.*

After controlling for all confounders (see Table 2), previous results are not confirmed for the last period, and the predicted probability of conceiving a first child is significantly higher for homeowners compared to private tenants (but only slightly). Nevertheless, over the last 25 years the predicted probabilities have decreased for homeowners, whereas the proportion of young adults who are conceiving a first child as private tenants has increased, net of all confounders.

**Table 2:** Predicted probabilities and confidence intervals of conceiving a first child according to housing tenure and calendar period. 1991-2016.

Housing tenure#Calendar period	Pred. Prob.	Confidence interval
owner#1991-1999	0.067	[0.058; 0.076]
owner#2000-2007	0.049	[0.042; 0.057]
owner#2008-2012	0.066	[0.057; 0.076]
owner#2013-2016	0.043	[0.034; 0.052]
social rent#1991-1999	0.032	[0.014; 0.049]
social rent#2000-2007	0.045	[0.022; 0.068]
social rent#2008-2012	0.047	[0.028; 0.065]
social rent#2013-2016	0.023	[0.007; 0.038]
private rent#1991-1999	0.023	[0.014; 0.032]
private rent#2000-2007	0.021	[0.013; 0.028]
private rent#2008-2012	0.032	[0.024; 0.039]
private rent#2013-2016	0.025	[0.017; 0.033]

*Controlling for age group, partnership, education, parental social class, economic activity, equivalised income (in quintiles), overcrowding, and country of birth outside UK.*

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In a final step, we add a second-level covariate that takes into account the variability in house prices among the LADs, through the selling price of the 25<sup>th</sup> percentile house in a given LAD among the 20% lowest (1<sup>st</sup> quintile), up to 20% most expensive (5<sup>th</sup> quintile) across the country.

We find that, among homeowners, the probability to conceive is highest in LADs where the house prices of the least expensive houses lies in the 4<sup>th</sup> quintile of the LAD's distribution. In other words, homeowners will be more likely to have a first child if they own a house in an area where the house prices are higher than the country's average. Among private renters, the probability to have a first child is highest in LADs where the house prices of the least expensive houses lies in the 3<sup>rd</sup> quintile of the LAD's distribution. Moreover, in this area that represents the country's average for house prices, the higher probability of becoming a mother whilst as homeowner as opposed to private renter is only slightly significant. To sum up, once taken into account women's socio-economic and demographic characteristics, as well as household features and contextual information, the predicted probability of conceiving a first child remains higher for homeowners compared to private tenants, but the context plays a role in shaping the propensity to childbearing in private rented accommodation as opposed to owner occupier.

**Table 3:** Predicted probabilities and confidence intervals of conceiving a first child according to housing tenure and lower quartile house prices. 1991-2016.

Housing tenure#House prices	Pred. Prob.	Confidence interval
owner#1° quintile	0.055	[0.045; 0.065]
owner#2° quintile	0.049	[0.039; 0.058]
owner#3° quintile	0.056	[0.046; 0.066]
owner#4° quintile	0.075	[0.063; 0.087]
owner#5° quintile	0.053	[0.044; 0.063]
social rent#1° quintile	0.036	[0.019; 0.054]
social rent#2° quintile	0.035	[0.014; 0.057]
social rent#3° quintile	0.050	[0.021; 0.079]
social rent#4° quintile	0.054	[0.022; 0.086]
social rent#5° quintile	0.026	[0.009; 0.042]
private rent#1° quintile	0.026	[0.016; 0.036]
private rent#2° quintile	0.022	[0.013; 0.031]
private rent#3° quintile	0.034	[0.022; 0.045]
private rent#4° quintile	0.026	[0.017; 0.034]
private rent#5° quintile	0.024	[0.017; 0.031]

*Controlling for age group, calendar period, partnership, education, parental social class, economic activity, equivalised income (in quintiles), overcrowding, and country of birth outside UK.*

## 4 Conclusion

In the UK there has been a rapid increase in the last couple of decades in the number of young people living in private rented accommodation into their late twenties and thirties. This paper suggests that as a result of this increase the likelihood of becoming a parent whilst in private rented accommodation has increased slightly. By linking the individual survey data to administrative data on house prices by local authority district, we have shown that local housing contexts do play a role. Further research is required to better understand the possible expansion of having a first child whilst in private rented accommodation among other social strata of the population, as well as the potential consequences on young families' social security as private renters in place of homeownership in the years to come.

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