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**Susan J. Smiths and Moira Munro (eds.), The Microstructures of Housing Markets. Abindon and New York: Routledge, 2009, 210 pp.**

(doi: 10.2383/31390)

Sociologica (ISSN 1971-8853)

Fascicolo 2-3, maggio-dicembre 2009

**Ente di afferenza:**

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## Book reviews

**Susan J. Smiths and Moira Munro (eds.), *The Microstructures of Housing Markets*. Abindon and New York: Routledge, 2009, 210 pp.**

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The main aim of this book, which was originally published as a special issue of *Housing Studies* in 2008, is to shed some light on the social and economic micro-level dimensions of the housing market, with a special focus on home ownership. The starting point for the discussion is given by limitations of mainstream housing economics modelling. Two are the main issues raised: on the one hand it fails to fully account for spatially structured variability of housing markets and for relational factors (such as neighbourhood effects); on the other hand it is often based on a set of unrealistic behavioural assumptions, while investigating the complex social interactions that take place in the “construction” of housing markets may provide more reliable grounds for research in the field. Scholars coming from different academic backgrounds – economists, geographers, social and political scientists – discuss the limitations just mentioned and present applications of new quantitative and qualitative approaches to the micro-level of housing markets.

Coming to the structure of the book, the editors trace the main lines of discussion in their introduction. Two contributions illustrate innovative quantitative methods in housing economics. Craig Watkins provides a review of housing economics theory and methods for the study of local housing markets. A special focus is on those methods able to take full advantage of recent improvements in the availability of highly detailed, spatially coded, micro-data on housing transactions. Glen Bramley, Chris Leishman, and David Watkins provide an example of a new micro-level quantitative approach aiming to take into account the impact of neighbourhood and local contexts. They combine urban economic models, hedonic housing price models and regional housing market models in the study of housing price dynamics in England during the last twenty years.

Other papers explore the social dimension of the housing market. Helen Jarvis investigates micro-practices adopted by owner-occupiers in the UK and the US along their housing careers, when they have to deal with home ownership as an asset assuring a shelter but that is also a resource that can satisfy other financial and personal needs. Micro-practices of entry into home ownership and tenure stability are investigated in a qualitative approach. Practices affecting financial implications (and opportunities) of home ownership and non-housing uses of this asset (such as letting out a room in order to generate income or its use for a live-in childcare provider) are also examined. Richard Ronald compares the cultural background and the social meaning of home ownership in the UK and in Japan in both the consumption and investment dimensions.

Two chapters focus on the agents' perspectives and on social interactions in the housing market. Alison Wallace presents the results of a qualitative analysis carried out on the (often informal) sources of information in York's housing market. Deborah Levy, Laurence Murphy, and Christina K. C. Lee account for the social construction of home purchases in New Zealand, considering intra-family interactions and family-estate agents

relations. The role of emotions and non-rational behaviour in decision-making processes is also investigated.

The final papers also deal with the role of emotions in housing transactions. Jan Rouwendal and Simonetta Longhi analyze, in a quantitative perspective, the impact of people's optimism in boosting housing prices in the Netherlands, in 1999-2000. Gwilym Pryce and Sarah Oates present the result of a qualitative and quantitative study on the rhetoric of Scottish estate agents in appealing to potential buyers' emotions as a selling strategy. Finally, Moira Munro and Susan J. Smith present the results of a quantitative and qualitative research completed in Edinburgh, in 1999-2000, on the social processes underpinning price-setting in local housing transactions.

Overall, the book provides an interesting discussion on the limitations of quantitative methods in economic and social research, moving from the specific field of housing studies. Although quantitative methods probably offer the best possible grounds for generalization and for inter-subjectivity, to call for awareness on the enormous amount of information that is typically discarded within this approach is not superfluous. Such a waste of information, in fact, can lead both to parsimonious explanations and to misleading analyses. In this sense, the book is a passionate call for using as much information as possible – and first of all spatial information – in housing research. The adoption of multiple methods in a fruitful dialogue between advanced quantitative and qualitative approaches is also encouraged. Papers in the book provide good examples of research carried out in this perspective. This methodological proposal is closely linked to the theoretical focus on the micro-level of housing markets and on their variability in space and time. *The Microstructures of Housing Markets* also represents a valuable effort toward a non-naïf analysis of home ownership. Public discourses place great emphasis on this housing tenure, typically relying on (poor) common sense notions that consider home ownership and its expansion as unproblematic elements of individual wellbeing and social development, respectively. Unfortunately, social research often follows such a simplistic approach.

What is often lacking is an attention to the ways in which home ownership is socially constructed even in its foundational dimensions: security, wealth, housing quality. In relative terms, security of this tenure clearly depends on the level of given security of the main alternative tenure: renting. Tenancy regulations vary across countries. Hence security of home ownership should also be considered variable, at least when the choice between this tenure and renting is to be explained. Entry into home ownership represents a form of wealth accumulation but it is not possible to take for granted that this is the best way households can invest their money, in any context. In any case, investing in home ownership may result in serious financial constraints. Finally, from a consumption perspective, the evidence of home ownership providing – at an aggregated level – better housing conditions than renting contrasts with the experience of poor homeowners in several countries. These are not just speculations. Simplistic approaches fail in explaining why many well-off households in Switzerland, the Netherlands and Germany – for instance – prefer to rent and why many low-income households in Southern Europe are homeowners.

Further, different forms of social production of home ownership may have distinct implications on family budgets and on life courses. A trade-off is also likely to

occur between housing tenure, mobility and choice of location. Finally, often people buy the idea of a home rather than a dwelling, or a place close to relatives and friends rather than housing in its materiality. Contributions in the book address some of the mentioned problematic issues in the “social production” of home ownership by focusing on market-driven paths to this tenure and to the social microstructures underpinning them.

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