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Changing Landscapes of Homeownership: Tracing the Social Profile of Portuguese Homeowners (2010-2020)

Rebeca Alexandra Pires Mota de Paiva

Master's in Political Economy

Supervisor:
Professor Mariana Rodrigues Mortágua, Assistant Professor, ISCTE - Instituto Universitário de Lisboa

Co-Supervisor:
Professor Tiago Miguel Lopes Carvalho, Assistant Professor, ISCTE - Instituto Universitário de Lisboa

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CIÊNCIAS SOCIAIS
E HUMANAS

Department of Political Economy

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Resumo

A presente dissertação aborda a financeirização da habitação e os seus impactos na propriedade da casa própria em Portugal, um país com uma elevada taxa de propriedade de habitação em geral, que está a mudar particularmente nos segmentos mais pobres da população. O objetivo é analisar e traçar o perfil social dos proprietários portugueses em geral e no quintil inferior em termos de património líquido, em 2010 e 2020. São utilizados microdados do Inquérito à Situação Financeira das Famílias, através de uma análise de regressões logísticas. Defendo que a financeirização da habitação, impulsionada por investimentos financeiros e pelo aumento do arrendamento de curta duração, afetou desproporcionadamente as famílias com rendimentos mais baixos, tornando a propriedade da casa menos acessível. Em oposição, os segmentos mais ricos da população mantiveram estáveis as taxas de propriedade de habitação, evidenciando as crescentes disparidades socioeconómicas. Os principais fatores de previsão, como o estado civil, o nível de escolaridade e o emprego, mudaram, com o emprego a tornar-se um fator mais importante até 2020. A idade e o sexo também revelaram impactos variáveis nos grupos de riqueza, enquanto os indivíduos mais jovens e solteiros enfrentaram maiores obstáculos ao acesso à propriedade. Os resultados sublinham a necessidade de intervenções políticas para travar os investimentos especulativos na habitação e aumentar a acessibilidade das famílias com rendimentos mais baixos, o segmento com a dívida mais elevada para consumo. Este estudo contribui para a compreensão da desigualdade de riqueza no mercado da habitação em Portugal.

Palavras-chave: Financeirização da habitação, habitação própria, desigualdade

Classificação JEL: G51, D31.

Abstract

This dissertation addresses the financialisation of housing and its impacts on homeownership in Portugal, a country with a high homeownership rate overall, that is changing mainly in the poorer segments of the population. It aims to examine and trace the social profile of Portuguese homeowners in general and in the bottom quintile in terms of net wealth, in 2010 and 2020. It uses microdata from the Household Finance and Consumption Survey, performing logistic regression analysis. I argue that the financialisation of housing, driven by financial investments, and increased short-term rentals have disproportionately affected lower-income households, making homeownership less accessible. In contrast, wealthier segments of the population have maintained stable homeownership rates, highlighting growing socio-economic disparities. Key predictors such as marital status, educational attainment, and employment have changed, with employment becoming a stronger factor by 2020. Age and sex also showed varying impacts across wealth groups, while younger and single individuals faced greater barriers to property access. The results underscore the need for policy interventions to curb speculative housing investments and increase affordability for lower-income households, the segment with the highest debt for consumption. This study contributes to the understanding of wealth inequality in Portugal's housing market.

Keywords: Housing financialisation, homeownership, inequality

JEL Classification: G51, D31

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1. Introduction

As stated in the United Nations' Universal Declaration of Human Rights (1948), housing constitutes a human right. As a fundamental human need and a pillar of societal development, the right to adequate housing is inextricably linked with various dimensions of human well-being, social justice, and urban sustainability. In the last decade, significant events impacted the economic, social, and regional aspects of homeownership in Portugal. The aftermath of the global financial crisis up to the recent pandemic of Covid-19 has affected household financial stability, availability of credit, and dynamics in the housing market.

In the context of homeownership, financialisation became evident through the increasing impact of global financial markets on local real estate industries, the transformation of housing into a commodity, and the growth of mortgage markets (Aalbers, 2016). The rise in real estate investment trusts, foreign investments in property, and the increase of short-term rental services have led to a rise in housing prices, making homeownership increasingly unattainable for lower and middle-income households, exacerbating wealth inequality (Santos, 2019).

Analysing wealth distribution is an important aspect of socioeconomic studies, providing interesting insights into the overall trends of inequality. Homeownership serves as a distinct sign of how wealth is divided (Will, 2023), showing financial stability, possible wealth transfers, and social mobility. In Portugal, there are significant variations in the connection between net wealth and owning a main residence, as I will show.

This dissertation aims to analyse how the homeownership rate among the distinct net wealth quintiles of the Portuguese population changed between 2010 and 2020, tracing the social profile of homeowners in Portugal. I will explore demographic and economic factors to identify any relevant changes in the analysed decade. The central research question guiding this study is "How has the social profile of individuals who own houses in Portugal between 2010 and 2020 changed, particularly among the bottom quintile of the population in terms of net wealth?". In examining this question, I hypothesise that financialisation (in particularly, associated with rising indebtedness) has widened socioeconomic disparities in homeownership, with privileged social groups increasingly dominating property ownership. This dissertation presupposes that financialisation, alongside rising housing costs and changing employment conditions, has disproportionately affected the ability of lower-income groups (especially those in the poorer quintile of net wealth) to access homeownership. Therefore, the social and demographic predictors are likely to have shifted in importance, with a stronger emphasis on financial stability and socioeconomic privilege by 2020.

To address the research question comprehensively, this dissertation will follow a quantitative analysis of microdata from the Household Finance and Consumption Survey (hereby HFCS) of 2010 and 2020. I will perform logistic regressions to examine which variables explain the significant distinctions in homeownership between 2010 and 2020. This study fills a significant gap in the existing literature concerning housing financialisation and inequality, particularly within the Portuguese context. Although there is a wealth of research examining the effects of financialisation on housing markets worldwide, there is a scarcity of detailed, quantitative analyses specifically targeting Portugal and inequality. Considering Portugal's elevated homeownership rate and the relevant transformations occurring in the analysed decade, this research provides valuable perspectives on the implications of financialisation in the social profile of both the Portuguese population and the poorer quintile.

The dissertation is structured as follows. First, I introduce the concept of financialisation, discussing its consequences and implications, and focusing on the impact on the homeownership rate. Chapter 3 provides a historical context of homeownership in Portugal, highlighting key economic and political factors that have shaped housing trends over the last decade. The methodology section outlines the data sources, variables, and analytical methods employed in the study. Chapter 5 focuses on findings, where I examine the changing social profiles of homebuyers, analysing influences in variables such as education, employment, civil status, sex and age. I present a descriptive and comparative analysis, offering insights into how these profiles have evolved. I conclude with a summary of key findings, a discussion of the implications and limitations of the study, and suggestions for future research.

2. Financialisation and homeownership

Financialisation has gained significant attention in a variety of disciplines such as political economy, economics, sociology, political science, anthropology and geography in recent decades, for its outgrowing importance and impacts. The most cited definition by Epstein (2005) refers to the increasing influence of financial markets, institutions, and practices in the overall functioning of economies during the last five decades. According to Fine (2010), these processes comprise multiple socioeconomic phenomena, such as privatisation, the expansion and proliferation of different financial assets, the primacy of financial interests in capital accumulation, the increasing inequality (driven by the substantial financial benefits accrued by the upper strata of the social pyramid), and economic growth that is largely reliant on consumption fuelled by credit.

This concept resonates with the notion of *fictitious capital*, which encompasses financial assets like stocks, securities, and debt, representing entitlements to future income streams. Unlike tangible assets directly tied to the production of goods and services, fictitious capital relies on expectations of future profits and depends on future valuation. Following Fine (2013, p. 55), financialisation can be summarised as the intensive and extensive accumulation of fictitious capital. The transition from direct ownership of properties to the ownership of property shares has effectively transformed real estate into a manifestation of fictitious capital, severing the connection between the investor and the geographical locations of their investments (Van Loon and Aalbers 2017, p. 224). This conversion involves investing in real estate through financial instruments and other vehicles, where investors benefit from the potential returns and income generated by the underlying real estate assets.

In Portugal, the Financial System Regulatory Law (*Regime Geral das Instituições de Crédito e Sociedades Financeiras*)[1] represents an important milestone in the process of deregulating the financial sector (Rodrigues, 2016; Rodrigues, Santos and Teles, 2016). This decree-law was pivotal in shaping the regulatory environment for banks, credit institutions, and financial companies, seeking to liberalise and harmonise the different sectors and practices of the European financial sector. Santos, Teles and Serra (2014) contend that the process of financialisation in the Portuguese economy and society took root in the 1980s, coinciding with Portugal's integration into the European Union (EU). The authors assert that the liberalisation measures, epitomised by the privatisation of the banking sector and the relaxation of capital controls, facilitated the ascent of a financialised economy and contributed to increased household indebtedness, influencing the overall socioeconomic landscape in the country.

[1] Decree-Law No. 298/92, 31-12-1992.

As I will show, housing financialisation plays a crucial role in analysing the financialisation of Portugal's economy. Aalbers (2008, 2012) places housing at the core of financialisation analysis, describing a capturing of real estate from the secondary into the quaternary circuit of capital.[2] Real estate is an inherently fixed asset characterised by its immobility and relatively low liquidity compared to financial assets. Although it cannot be converted into cash as effortlessly as stocks or bonds, it holds significant long-term value and can be leveraged through mechanisms such as mortgages or refinancing, making it challenging for buyers and sellers to determine the value and features of the assets involved in the transaction. The concept of spatial fixity[3] acquires particular significance in the context of housing and mortgage markets, given their long-term investment nature and the presence of illiquid assets.

Tulumello and Dagkouli-Kyriakoglou (2023) define six modes of housing financialisation: mortgage debt, mortgage securitisation,[4] social rented housing, market rental housing, housing companies, and "not-for-housing housing" (the phenomenon of houses being utilised for non-residential purposes). According to Doling and Ronald (2019, p. 23-24), there are four primary categories of "not-for-housing-housing" (NFHH): second homes (households owning at least one additional dwelling); foreign investment in residential properties (for leisure or as secure assets left vacant for future realisation); the use of houses as offices; and the use of houses as hotels (exemplified by the increasing professionalisation of platforms like Airbnb, leading to a shift from traditional private renting – "for housing housing" (FHH) – to short-term rentals (NFHH)).

This is particularly relevant to understanding the current state of housing financialisation in Portugal. Gago and Cocola-Gant (2019, p. 148-149) add that one of the consequences of the financialisation of housing is the transition from local landlords to global landlords: they mark that homeowners are selling their apartments due to investor pressure and the inconvenience caused by tourists. Finding an apartment for private rental becomes increasingly difficult, leading to

[2] Aalbers (2008, p. 149-150) posits that financialisation can be understood as a shift in capital allocation from the primary ("production, manufacturing, industrial sector"), secondary ("comprises the built environment for production, such as infrastructure, and for consumption, such as housing"), or tertiary circuits ("investment in technology, science, conditions of employees, health and education") to what he refers to as the quaternary circuit of capital. This transition distinguishes financialisation from previous shifts, as the latter primarily sought capital financing in the capital market, while the quaternary circuit represents the capital market itself as an investment channel, so financialisation can be perceived as the extreme manifestation of the capitalist economy, no longer functioning primarily as a producer or consumer market, but rather as a market solely dedicated to financial gains.

[3] Spatial fixity is defined as a condition of non-exchangeability, non-transferability, immobility, illiquidity, and long turnover times between buying and selling (Gotham, 2012).

[4] Mortgage securitisation, a particularly effective tool for removing liquidity from real estate, involves packaging mortgage debt in financial portfolios and using it as security in financial markets (Tulumello and Dagkouli-Kyriakoglou, 2023, p. 200).

displacement by exclusion (Marcuse, 1985; Slater, 2009; cited by *idem*, p. 151), caused by a lack of housing supply. This results in both current residents leaving and new residents being unable to occupy the space. The phenomenon of gentrification, characterised by Shaw (2008, p. 2) as "a generalised middle-class restructuring of place, encompassing the entire transformation from low-status neighbourhoods to upper-middle-class playgrounds", acquires particular importance in the debate. Following Rodrigues (2008, p. 167), the "super-gentrification"[5] of certain urban places is expressed through financialisation, which indicates that urban upgrading is propelled by financial investments in specific urban areas, transforming them into high-value real estate and commercial spaces.

Since 2010, Airbnb has had a significant impact on the housing market in all tourist cities where it operates (Garha and Azevedo, 2022). In Portugal, the regulation of short-term rentals (known as Local lodges – *Alojamento Local*), came in 2014[6] effectively liberalising the use of housing and directing significant portions of the housing stock towards tourist activities (Drago 2021, p. 34), thereby diminishing the housing supply.[7] In Portugal, the increase in the number of tourist establishments was notable, increasing to more than double in ten years (respectively from 2011 to 5183),[8] as Graph 2.1 demonstrates. The most remarkable growth was the local lodges, from 1032 in 2014 to 2240 just six years later.

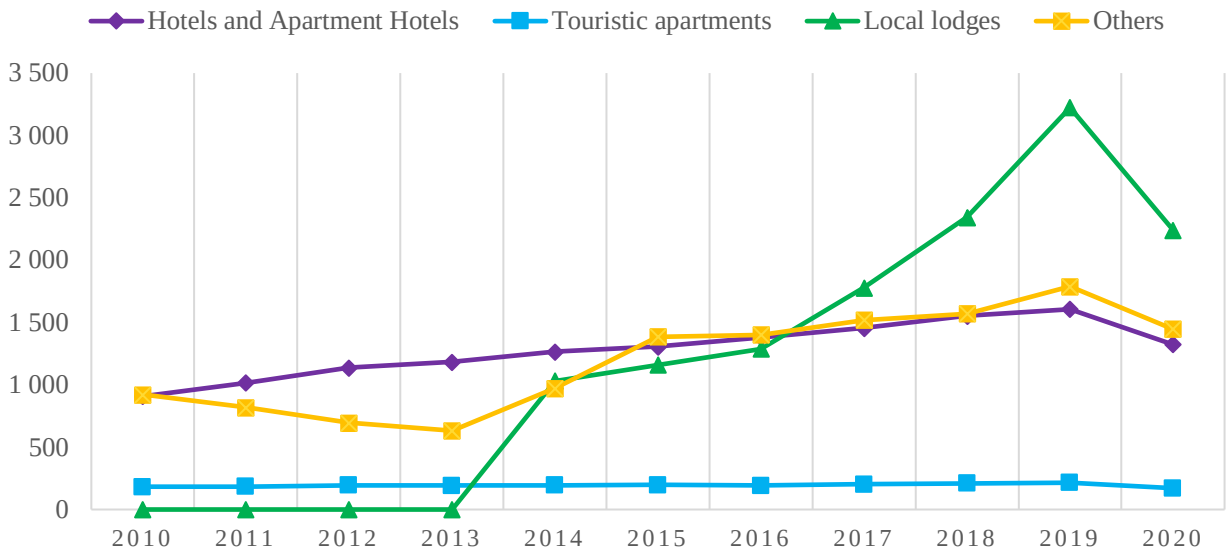
[5] Aalbers (2018) argues that after the Global Financial Crisis there was a new wage of gentrification, characterized by the rise of corporate landlords, the prevalence of highly leveraged housing, the influence of platform capitalism (such as Airbnb), the involvement of transnational wealth elites treating urban areas as a "safe deposit box", and an increased "naturalization" of state-supported gentrification. In this matter, Gago and Cocola-Gant (2019, p. 167) argue that this "safe deposit box" is also a reality in Lisbon.

[6] Decree-Law 128/2014 (29-08-2014), that included villas, apartments and accommodation establishments

[7] The current Decree-Law 62/2018 (22-08-2018) introduced the rental modality of "rooms", facilitating increased profitability for owners since this legal framework now allows owners to temporarily rent the property by individual rooms, thereby enhancing their overall rental income.

[8] In 2019, the total of touristic establishments reached the maximum in the analysed time frame (6 833, of which 3 223 were local lodges). The decrease in 2020 can be attributed to the Covid-19 pandemic, the limitations in tourism and changing preferences for holidays.

Graph 2.1 – Establishments by typology in Portugal between 2010 and 2020



Source: Own elaboration. Data retrieved from *Turismo de Portugal*. Notes: Information referred to July. The others category includes holiday villas, holiday apartments, and rural tourism.

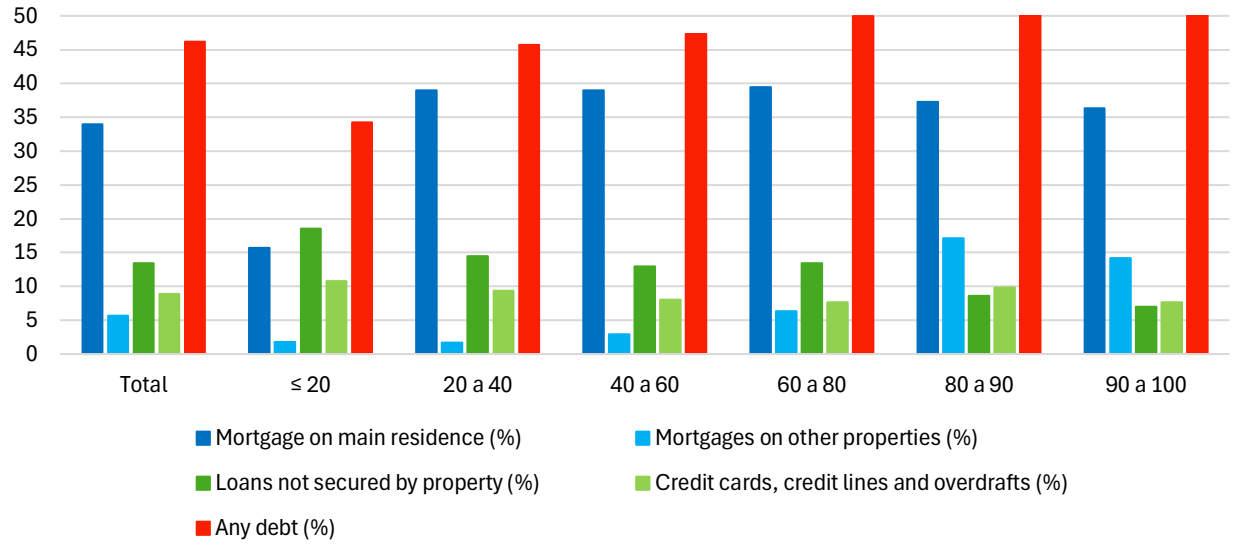
Gabor and Kohl (2022, p. 2) characterised the financialisation of housing by two interrelated aspects: the disproportionate expansion (and power) of housing finance compared to the underlying housing economy; and the emergence of Housing as an Asset Class (HAC),[9] denoting the growing financial and profit-oriented orientation of stakeholders operating within housing markets. The "Housing as an Asset" paradigm has, though inconsistently and partially, replaced previous frameworks that regarded housing as a social right, or an entitlement supported by the state. In earlier models, housing was perceived as a form of patrimony, a possession intended for inheritance within families, influencing familial norms and relationships (Bohle and Seabrooke, 2019).

Following Arnum and Naples (2013, p. 1158), the financialisation of economic activity, along with the layered financial activity, speculative activity, and weaker real sector growth, was driven by an acceleration of debt. In Portugal, there have been relevant variations in the indebtedness patterns, and they were profoundly unequal among the population, as shown by Graphs 2.2 and 2.3. Banks not only financed the construction of family homes, but also their purchase, and ended up controlling the entire process, financialising the housing sector (Rodrigues, Santos and Teles, 2016, p. 56). In 2010, the biggest type of debt that the Portuguese population had was on their main mortgage, except for

[9] According to Gabor and Kohl (2022, p. 9), the concept of Housing as an Asset Class pertains to the ownership of residential housing within institutional or corporate entities, as opposed to household ownership.

the poorer quintile in net wealth,[10] of whom 18,5% had debt in loans not secured by property, versus 15,7% in their mortgage on the main residence. In 2020, not only did this net wealth class significantly see their debt in loans not secured by property increase to 25,6%, but also the mortgage debt decreased notably to 5,3%, suggesting that poorer households were less able to access or maintain mortgages on their residence. In contrast, 17,1% of households in the 80–90 category and 14,2% in the 90–100 percentile held mortgages on additional properties in 2010, and by 2020, it increased dramatically for the wealthiest households (46,3% for the top 10%), while the middle-wealth and lower-wealth groups showed little to no increase, which demonstrates the unequal involvement of the households with the finance system. Although the total debt for the total population remained the same (46,2% in 2010 and 46,6% in 2020), the percentage of loans not secured by property increased significantly from 13,4% to 21,5% and the debt in credit cards, credit lines and overdrafts increased slightly from 8,9% to 10%, as well as a slight decrease in mortgage debt from 34% to 30,5%, indicating that debt was less used for homeownership and more for other purposes.

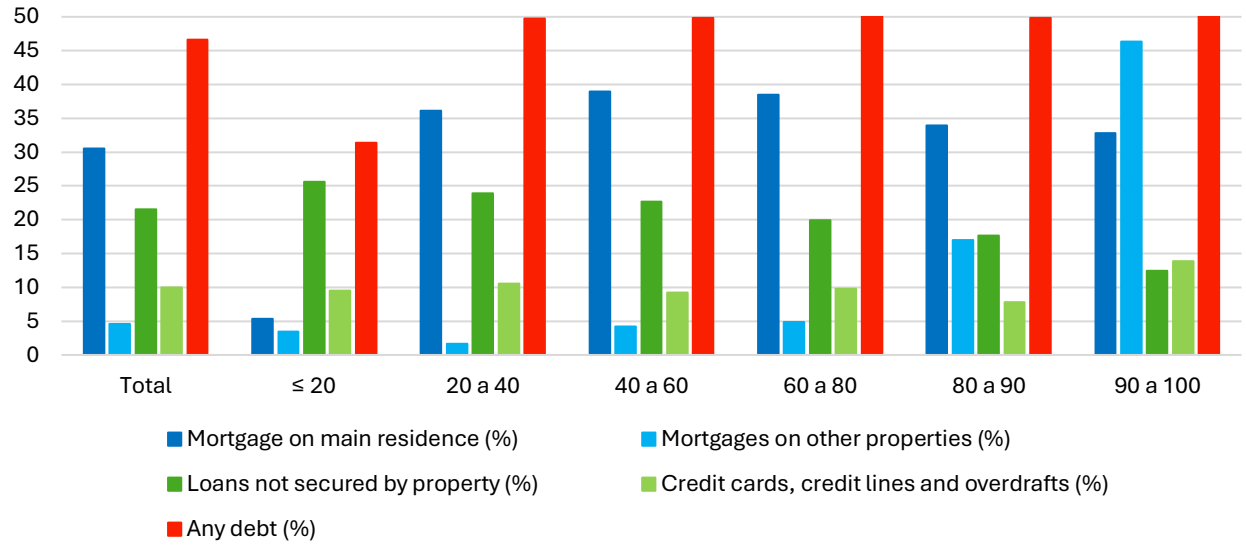
Graph 2.2 – Debt type according to net wealth in Portugal, 2010



Source: Own elaboration. Data retrieved from Household Finance and Consumption Survey, 2010.

[10] Net wealth is here defined as "all household wealth, including financial assets, real estate, stakes or ownership in businesses, and valuables minus total debt" (Kaas, Kocharkov and Preugschat, 2019).

Graph 2.3 – Debt type according to net wealth in Portugal, 2020



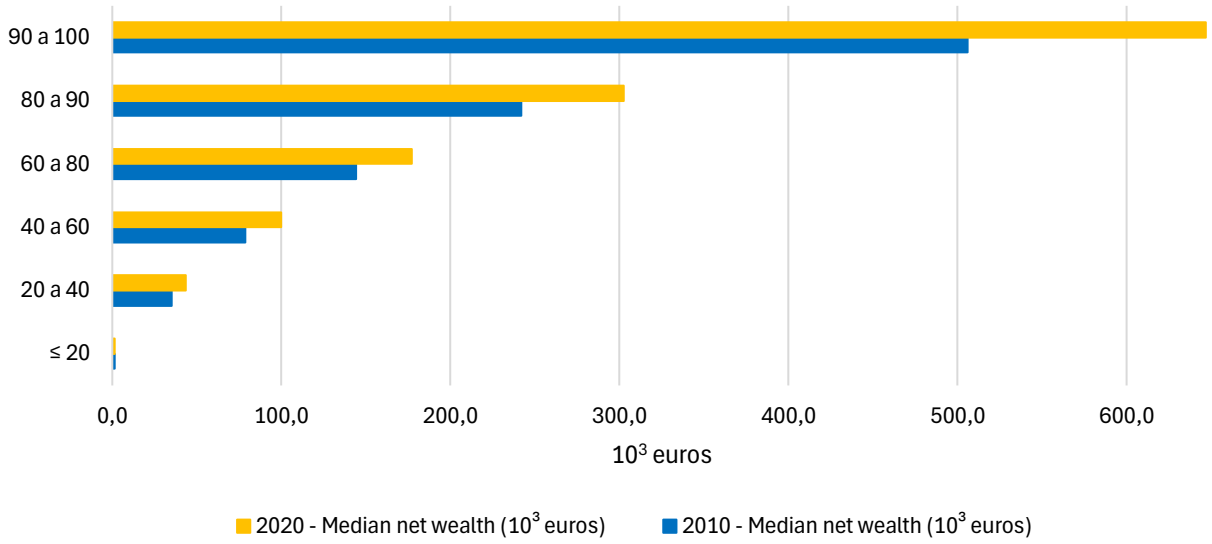
Source: Own elaboration. Data retrieved from Household Finance and Consumption Survey, 2020.

Rodrigues (2022, p. 69) points out that access to homeownership has been dependent on the growth of debt owed to banks by families, with a particular focus on the middle classes in many developed countries, which made financial institutions benefit from greater freedom in pricing and expanding the volume of credit allowed by financial liberalisation. Therefore, financialisation (particularly the financialisation of housing) is fuelled by unequal levels of debt in Portuguese households. As noted by Rodrigues, Santos, and Teles (2016, p. 65), the significant rise in the debt levels of Portuguese families reflects their financial reliance on a wide range of goods, since it is a signal of an increasing dependence on credit to afford a variety of commodities. This phenomenon further implies that wages have become a means of generating income for financial activities, particularly for households with mortgages (largely concentrated within the wealthier segments of society), for whom finance has been essential for the accumulation and enjoyment of property wealth; hence exacerbating existing socioeconomic inequalities (p. 61). The growth of the mortgage market, which favours homeownership over the rental market, has further accentuated the commodification of housing and differentiated access to it according to its price (Silva, 2019). Obtaining a loan for the purchase of a home, even in a context of low interest rates, may lead to a situation of vulnerability for families in the future (Banco de Portugal, 2017).

The political economy of housing has offered some of the most refined explanations of the trajectory that led to the financial crisis. It illustrates how this crisis signifies the conclusion and failure of a highly financialised accumulation model, which depended on the advancement of housing through debt-driven strategies (especially the securitization of mortgages); a model, in turn, with a powerful political component in the centrality of debt to compensate for the progressive devaluation of labour (Tulumello, 2023). Aalbers (2019, p. 15) asserts that the debt-driven accumulation model, which serves as the foundation for the financialization of real estate, generates tradable financial assets that invigorate financial markets while simultaneously bolstering private consumption, and this model does not provide stability.

As specified by Ana Drago (2021, pp. 7-10), the housing crisis of the new century is deemed "novel" due to its distinct configuration: while it continues to affect urban poor and low-income individuals, there are indications that it is now also impacting urban middle-class households. The author asserts that this phenomenon arises due to a profound transformation in the dynamics between financialisation, housing, and urban space after the 2008 global financial crisis – that led, in turn, to a housing crisis, revealing the intensified financial influence in European real estate markets. Consequently, housing has now become a delineating factor among distinct segments of urban middle-class populations, presenting a clear dichotomy of insiders/outsiders model, predominantly shaped by the access to property ownership, distinguished either through a temporal context - dividing those who acquired homeownership before and after the austerity policies in Europe in 2010 - or by income disparities among these various segments. Graph 2.4 demonstrates the growing inequality in net wealth in the decade of 2010-2020: when analysing the poorer 20%, in 2010 the median net wealth was 1600€ and in 2020 it dropped to 1400€. In contrast, all other brackets saw their net wealth increase in these ten years – the 20-40 category increased 24,3% (from 35000€ to 43500€), while the wealthiest category's net wealth increased 27,9% (from 506000€ to 646800€).

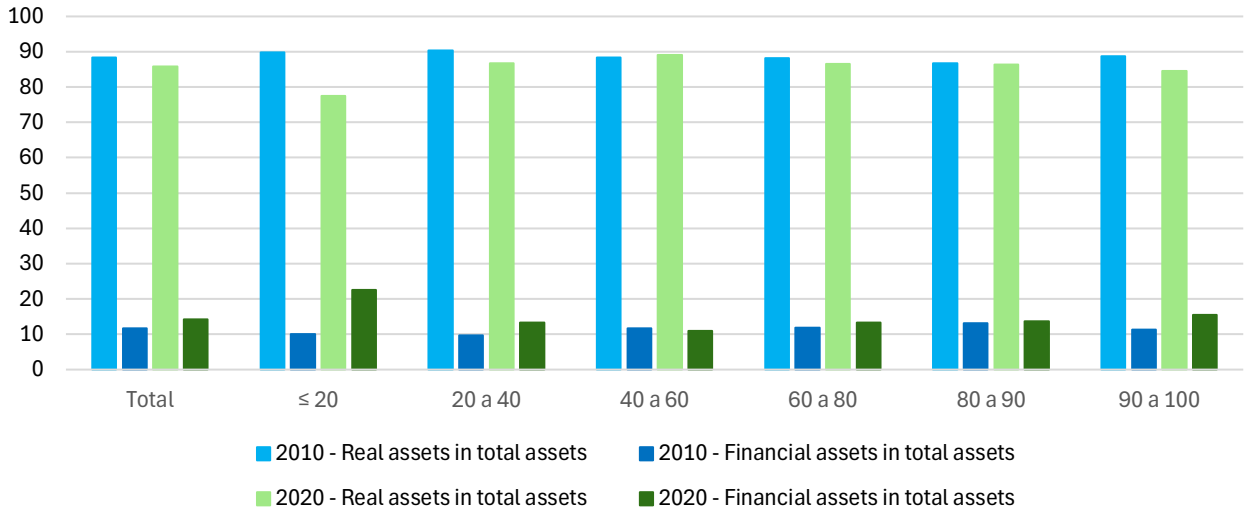
Graph 2.4 – Total net wealth distributed by net wealth group in Portugal, 2010 and 2020



Source: Own elaboration. Data retrieved from Household Finance and Consumption Survey, 2010 and 2020.

Santos and Teles (2016) demonstrate that households became more involved in the financial system as holders of financial assets (largely in the form of deposits, pensions, and life insurance funds) as well as debtors. Graph 2.5 compares the proportion of real assets (property, vehicles, tangible goods) and financial assets (bank accounts, investments, and others) as a percentage of total assets detained by the households, across wealth percentiles in 2010 and 2020. It shows that in ten years the proportion of financial assets increased from 11,6% to 14,2% of total assets, indicating a trend of greater involvement in the financial system. When analysing the lower strata, in 2010 they had 10,1% of their assets in financial assets, and in 2020 it remarkedly increased to 22,5%, which suggests that lower-wealth households are increasingly accumulating financial assets, probably from real assets, potentially due to difficulties in accessing or maintaining property ownership.

Graph 2.5 – Assets of the households in total assets, 2010 and 2020



Source: Own elaboration. Data retrieved from Household Finance and Consumption Survey, 2010 and 2020.

Santos, Teles and Serra (2015, pp. 47-48) note that recent developments in housing provision in Portugal have impacted households differently. The increasing household indebtedness has heightened fragility, particularly after the international financial crisis, leading to high unemployment rates and reduced disposable income. On the other hand, affluent households with debts have benefited from the changes in housing provision, gaining access to housing at historically low interest rates and affordable monthly payments. Consequently, the financialisation of the housing system has created a divide between those included and excluded from the mortgage markets (with the former accumulating wealth through homeownership).

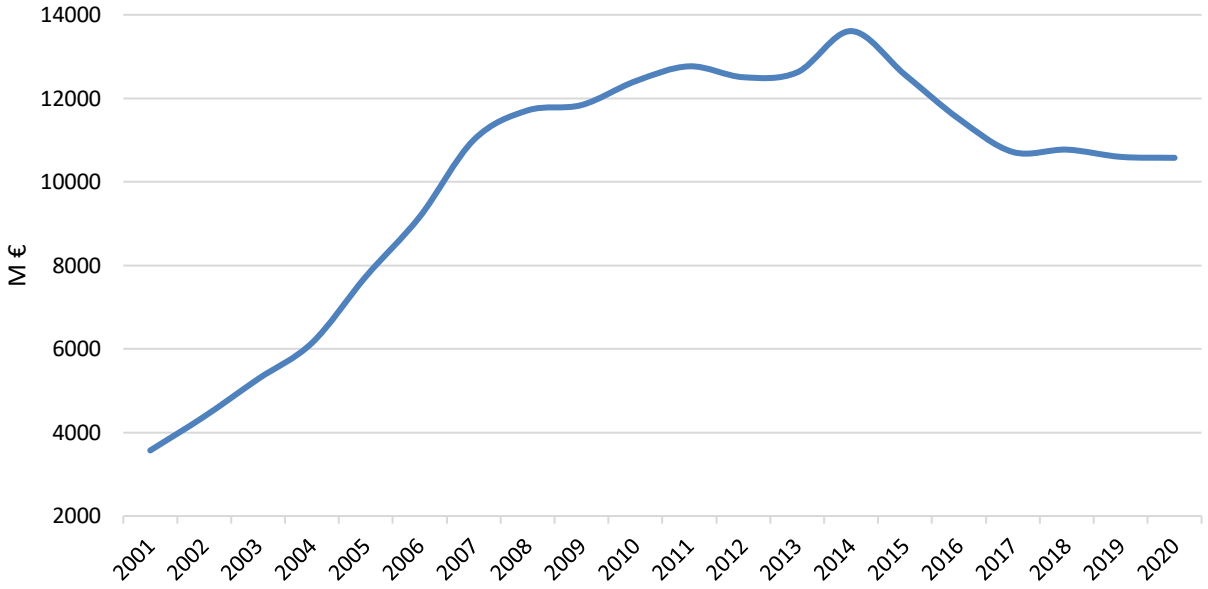
Rodrigues, Santos and Teles (2016, p. 498-499) also note that the disparities become apparent when contrasting the expenses associated with mortgage payments and those incurred in the rental market, while Ribeiro (2019, p. 225) indicates that the housing tenure regime serves as a marker of social inequalities concerning living conditions. Therefore, the author argues that the systematic homeownership-supportive measures taken by successive governments in the Portuguese state not only did not alleviate inequalities but exacerbated them. Ronald and Elsinga (2012) argue that, in recent decades, the intensified promotion of homeownership helped stimulate an increasing orientation towards the private consumption of housing, not only as a home but also as an asset – or possibly speculative vehicle.

Santos, Teles and Serra (2014, p. 45) state that the growing interdependence of the financial sector and housing in Portugal extended beyond individual household and corporate debt. Additionally, it is encouraging the growth of new financial actors that are central to the exploitation of real estate as a financial asset, whether by way of the introduction of ownership investment funds or new financial products like mortgage securitisation. In Portugal, the Real Estate Investment Funds have grown remarkably over the last few decades, from a total value of 3570M€ in 2001 to 10576,2M€ in 2020 (see Graph 2.6). Such funds allow for the conversion of fixed assets (naturally indivisible and with low liquidity), into divisible financial products represented as investment units within the fund. This conversion results in increased liquidity and provides an intermediate level of both return and risk (Santos, 2019, p. 37).

Real Estate Investment Funds were created in 1984, but their legal regime was established in 2002,[11] which defines a typology of three categories of funds: open-ended funds, closed-ended funds and mixed funds. In open-ended funds, the number of securities, subscribers and capital can fluctuate throughout the duration of the fund; in closed-ended funds, the investment units are fixed, and in mixed funds, there are two categories of investment units, one in fixed number and the other in variable number. Each of these funds can carry out four activities: acquiring properties for rent or for other forms of onerous exploitation; acquiring properties for resale; acquiring other rights over properties (e.g. garage spaces) and developing construction and urban rehabilitation projects. (Santos, Teles and Serra, 2014, p. 99).

[11] Decree-Law 60/2002 (20-03-2002).

Graph 2.6 – Investment units issued by real estate funds in Portugal (2001-2020)



Source: Own elaboration. Data retrieved from *Banco de Portugal*. Note: The values are for December of each year. The data relates to units issued by real estate funds resident in Portugal and held by sectors resident in all countries - month-end stocks in millions of euros.

There have been relevant developments in the study of housing as a financial asset and rising house prices. Rodrigues, Santos and Teles (2016, p. 106) assert that the financialisation of the Portuguese economy had a very direct impact on housing, contributing to a clear prevalence in the policies for an incidence in the demand side by stimulating home ownership using credit (thus raising housing prices). Moreover, the scarce resource of properties (attracted by global investors who are eager to create upscale property portfolios) has led to escalating property and rental costs, which in turn has diminished the supply of affordable housing (housing gap). The housing gap is related to the financialisation of the housing market, whereby financial actors play an increasingly dominant role in buying up urban space, often characterized by its failure as a shelter (Marques *et al*, 2019). Rodrigues, Santos and Teles (2016, p. 101) argue that, given the close links between Real Estate Investment Funds and the domestic banking sector, they served to dispose of property assets that the banks began to accumulate on their balance sheets due to the crisis, causing the price of housing to rise. Gago and Cocola-Gant (2019) contend that short-term rentals (one of the six modes of housing financialisation) contribute to the rise of house prices, by reducing demand.

Several authors have studied the relationship between the expansion of the financial sector and inequality. According to Van Arnum and Naples (2013), financialisation has exacerbated income

inequality while also harming the creation of jobs and the minimum wage. Epstein (2005) proposed that neoliberalism and financialisation reduced the earnings of nonfinancial companies, which consequently determined that employees' wages at these companies have increased more slowly because of these pressures on profits. According to Lagoa and Barradas (2020), there are various reasons why Portugal's poverty and inequality could rise as a result of the growing influence of finance, specifically the vulnerability to fluctuations in interest rates and business cycles companies and households with debt; the poorest households might not benefit from the expansion of credit (or, if they do, their financial circumstances might worsen); and the consequences of Portugal's finance-dominated capitalism extend beyond the time of financial expansion, as they also include the setting up of circumstances for later crises. The authors note that the process of financialisation exacerbates wealth inequality, as access to mortgage credit for residential properties is disproportionately favourable to affluent households, who also derive greater benefits from the appreciation of financial asset prices (p. 22).

As for many households, the own home is the single biggest asset, homeownership plays a key role in shaping wealth inequalities (Will, 2023). In the next chapter, I will analyse the history of homeownership in Portugal, providing its context in a financialised economy.

3. Homeownership and historical context

In Portugal, housing was not always a central question, whether in the public debate, political agenda or public financing. As I will show in this subchapter, Portugal's (recent) housing history has been changing regarding public policies, leading progressively to financialised and credit-based homeownership.

According to Pinto and Guerra (2019, p. 3), there was a surge in industrialisation between the 1960s and 1974, which prompted urbanization and, as a result, increased housing pressure. In this period, the construction industry and real estate companies received considerable support from the financial system and influential economic groups, many of which operated in both the legal and informal markets, because land and real estate interests were combined. From an economic point of view, home ownership increases the value of the construction industry - which in turn boosts different related economic areas, from commerce to services and the manufacturing industry (Serra, 2002).

In the context of the analysis covering the period between April 1974 and Portugal's entry into the European Economic Community, Ferreira (1987) identified a succession of three policy orientations in the realm of housing: a first phase (1974-1976), characterised by interventionism; a second phase (1977-1979), involving a reversal of this interventionism and the initial steps toward a liberalising logic in housing policies; and, finally, the period from 1980 to 1985, marked by a clear continuation of liberalisation.

In the first stage, one month after the Revolution, housing rents were frozen to "fulfil the just and urgent needs of the working classes".[12] The Provisional Government created the SAAL (*Serviço de Apoio Ambulatório Local*) to address the urban housing crisis. This program was meant to curb the process of a speculative surge in housing supply, stated as particularly evident in cities and metropolitan areas, where the increasing housing needs of the population led the real estate sector, in the final years of the deposed regime, to adopt pricing practices that were known not to align with actual production costs.[13] Besides regulating the market, the dispatch announced support for residents' initiatives in housing production and promised future measures for housing cooperatives, calling upon the beneficiaries to actively participate in shaping that response (Drago 2020). However, the SAAL ended in the following year, at the end of the Revolutionary process.

[12] Decree-Law 217/1974 (27-05-1974).
[13] Decree-Law 445/1974 (12-09-1974).

The Constitution of 1976 was the first to enshrine the right to housing,[14] that represented, in Antunes' (2019) words, a "clear progressist approach". Nonetheless, and due to political decisions, this period started the phase for a more liberalised housing sector, proving a closeness to Western liberal democracies. In the same year it was created the "Subsidised Loan Regime" (*Regime do Crédito Bonificado*),[15] which only ended in September 2002.[16] This regime was distinguished by providing lower interest rates on home loans, encouraging household investment in housing and making homeownership more appealing and accessible to a larger range of people. Moreover, there were significant tax incentives such as housing savings accounts,[17] that allowed the accumulation of money to purchase, develop, or upgrade permanent housing.

During the same period, liberalisation measures, exemplified by the privatisation of the banking sector and the relaxation of capital controls, promoted the rise of an economy driven by financial markets and contributed to increased household indebtedness, influencing the overall socio-economic landscape in the country (Santos, Teles, and Serra, 2014). In 1986, Portugal joined the European Economic Community (EEC), which served as an argument for bringing it closer to the economic systems of the other countries in the community (Marques, 1990). In the same year, it was approved the "new regime for credit for homeownership", which facilitated access to subsidised loans, a public support to enhance the accessibility of purchasing a house. The rapprochement with Western economies can also be seen in the 1989 constitutional revision, which eliminated the guarantee of nationalisations and the objective of "social ownership" while replacing the words "classless society" with "the construction of a free, just and inclusive society".[18] In 1995, Aníbal Cavaco Silva[19] argued that "For the general public, it is good to have free transactions on the market.", asserting also a need for a "social policy for the most vulnerable", while admitting a liberalisation in the rental market that was, in his words, "almost inexistent". The most notable policy for the liberalisation of the rental market is the Decree-Law 321-B/90 (15-11-1990), which allowed contracts of limited duration in residential leases (for a mandatory minimum duration of 5 years). Before, all rent contracts were *contratos vinculísticos* (binding contracts), characterised mainly by their automatic legal extension

[14] Article 65: "1. Everyone has the right, for themselves and their family, to housing of an adequate size, in conditions of hygiene and comfort and which preserves personal intimacy and family privacy." The Constitution of 1933 did not refer to housing (in its article 35, it stated: "Property, capital and labour have a social function, in a system of economic cooperation and solidarity, and the law may determine the conditions of their use or exploitation in accordance with the collective purpose.")

[15] Decree-Law 515/1977 (14-12-1977).

[16] Decree-Law 16-A/2002 (31-05-2002). 12 years later, Decree-Law 64/2014 (26-08-2014) established that people with disabilities (above 60% of incapacity) were granted the right to the "Subsidised Loan Regime".

[17] Decree-Law 382/1989 (06-11-1989).

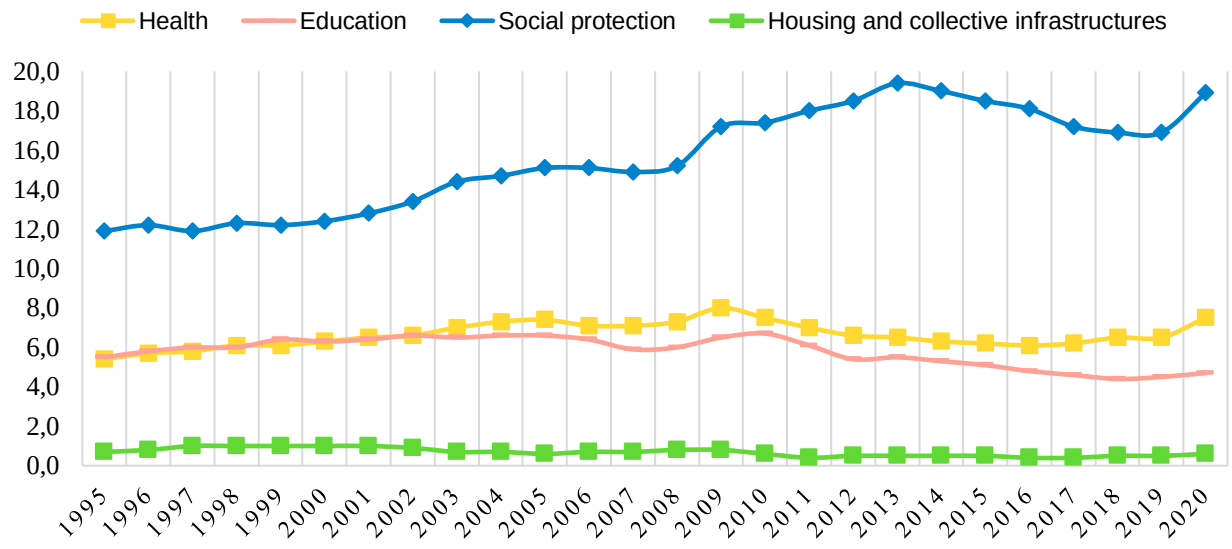
[18] Sources: Constituição da República Portuguesa (1976, 1989).

[19] Prime Minister of Portugal (1985-1995), from the Social Democratic Party.

and blocking of the rent and control of its increase within conditions defined by the State (Silva, 2014).

These liberalisation processes were in line with a developing welfare state, and the public policy choices were largely directed towards sectors apart from housing, particularly emphasizing health, social security, and education (Santos, Teles and Serra, 2014). As demonstrated in Graph 3.1, the allocation of public funds to the housing sector constituted on average only 0,7% of the GDP between 1995 and 2020, in stark contrast with other domains (5,8% in education, 6,7% in health and 15,7% in social protection).

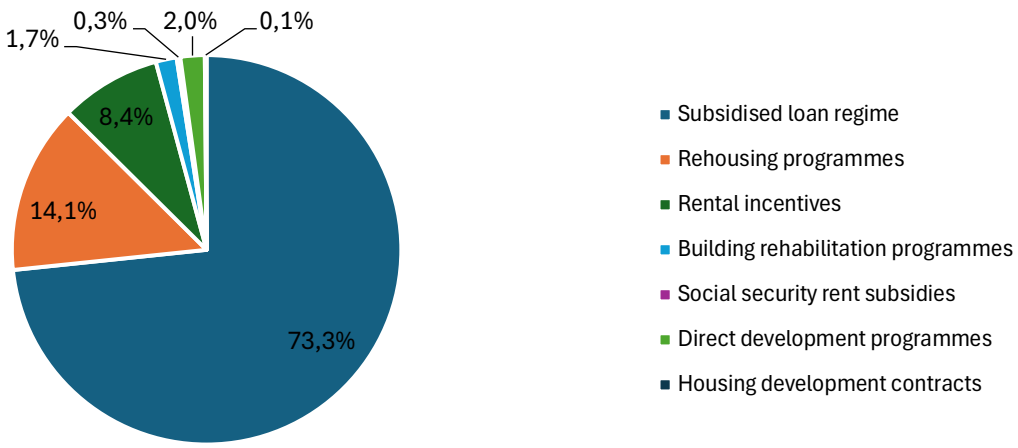
Graph 3.1 – Expenditures by function in Portugal as a percentage of GDP (1995-2020)



Source: Own elaboration. Data retrieved from PORDATA (2024).

This individualised approach to housing provision favoured the expansion of the private housing market (particularly among higher-income families with stronger financial solvency). From 1987 to 2011, the Portuguese state spent 73,3% of its housing expenditures on subsidising loans, thereby contributing significantly to the private market (Graph 3.2). In the same 25-year period, only 0,3% of this public investment was allocated to social security rent subsidies.

Graph 3.2 – Public investment in housing and urban regeneration policies between 1987 and 2011 (%)



Source: Own elaboration. Data retrieved from IHRU (2015).

As proved, the final phase of the liberalisation was defined by a market-oriented approach, furthering the liberalisation of the housing market and including the privatisation of previously public housing (Allegra, Tulumello, Colombo, and Ferrão, 2020). According to OECD (2023b), household debt[20] represented about 59,9% of the net disposable income in 1995, rose to 106,6% in 2000, and more than 149% in only ten years. Currently, the public housing stock amounts to 2% of the national housing stock, owned by municipalities, autonomous regions and the central administration, which provide housing for around 2,5% of the Portuguese population (Antunes, 2019).

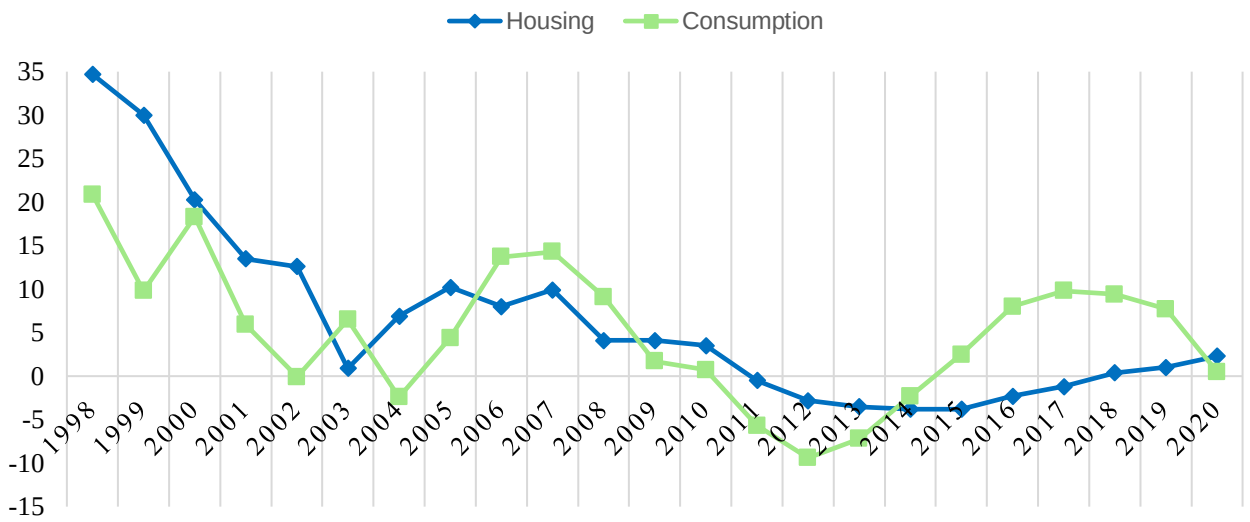
In this regard, it is noticeable that homeownership has passed from 55,9% (7,7% of which with a mortgage) in 1970 to 75,4% (23,6% of which with a mortgage) in 2001.[21] This exemplifies the "state-sponsored homeownership expansion" described by Vale (2007). In this instance, the state delineates the responsibility for the provision of welfare, thereby decreasing expenditures and, as a result, its overall size (Xerez, Pereira and Cardoso, 2019, p. 39). Following Pinto and Guerra (2019, p. 2), this type of access to housing is correlated with two inevitable outcomes: the lack of a stable rental market and a practical approach towards saving and investing options for households. Like

[20] Defined as "all liabilities of households that require payments of interest or principal by households to the creditors at fixed dates in the future", calculated as the sum of loans (primarily mortgage loans and consumer credit) and other accounts payable. The indicator is measured as a percentage of net household disposable income (OECD, 2023b).

[21] Source: Census (1970, 2011).

other southern European countries, Portugal has a "familist" housing model, characterised by high rates of homeownership, residual housing policies, a central role for informal and family networks in supporting access to housing (Tulumello, 2023) and a significant number of vacant houses[22] (Marques *et al*, 2019). However, the severe economic and financial restrictions that have hit families' incomes, the continuous decrease in public support, including spending on services, and the sudden unwillingness of financial institutions to continue granting mortgage credit explain the substantial contraction in housing demand (Pinto, 2020, p. 68). Graph 3.3 shows a significant decrease in mortgages after 2002, the end of the Subsidised Loan Regime, as well as an increase in consumption loans after 2014, as demonstrated in the previous chapter (Graphs 2.2 and 2.3). Following the Global Financial Crisis in 2008, which intensified in Portugal in 2011, the cost of borrowing significantly increased. Despite the official interest rates in the eurozone dropping to nearly insignificant levels, banks increased the spread based on the perceived risk and the likelihood of rising non-performing loans, which affected the demand for homeownership mainly among the middle and lower classes (Fraga, 2011), justifying lower housing loans after 2008.

Graph 3.3 – Annual rate of change in loans to individuals in Portugal, from 1998 to 2020

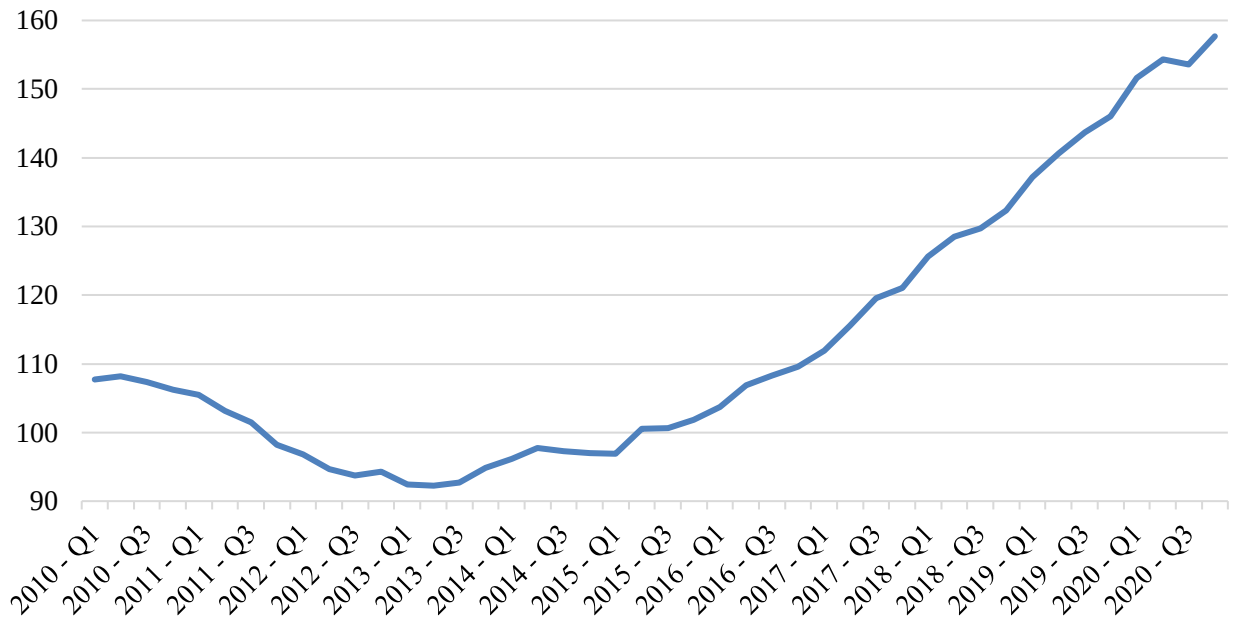


Source: Own elaboration. Data retrieved from *Banco de Portugal*. Note: The values are for December of each year.

[22] A vacant house is an available dwelling on the housing market, including for sale, for renting, for demolition, in a state of dereliction or other motives (INE, 2022, p. 94). The Census of 2021 indicate that 12,1% of the houses were vacant, 18,5% were of secondary residence, and 69,4% were of primary residence (INE, 2022).

As proved, homeownership was promoted by the state. Forrest and Hirayama (2015) argue that, over the second half of the twentieth century, homeownership became established as a primary goal for individual households but also anchored in a broader vision of socio-economic inclusion. Accordingly, the promise of a "property-owning democracy" has largely endured, and the growth of housing markets and the adoption of asset-based welfare programs appear to have strengthened support for homeownership (Aalbers, 2008, 2016; Forrest and Hirayama, 2015), and to function as a dimension of growing inequality and insecurity (Arundel and Ronald, 2021, p. 1137). The empirical results by Arundel and Ronald (2021) show a decline in the availability of homeownership, a rise in wealth concentration, and a rise in house price volatility that compromises asset security.[23] The homeownership accessibility might have been as well significantly compromised by the rising house prices (particularly after 2015), as demonstrated in Graph 3.4.

Graph 3.4 – House index prices in Portugal, from 2010 to 2020, quarterly (considering 2015=100)



Source: Own elaboration from Banco de Portugal (2024).

[23] Asset security involves the stability and reliability of an asset as a long-term store of value or investment. While rising volatility in house prices can introduce short-term uncertainty and risk, it does not necessarily undermine long-term asset security if the property market generally trends upward or remains stable over extended periods.

The distribution of homeowners in Portugal exhibits significant inequality, particularly when analysing in terms of net wealth. According to data from Household Finance and Consumption Surveys, the overall homeownership rate declined from 76% in 2010 to 70% in 2020. However, this decrease was disproportionately severe in the poorer segments of the population. In the bottom quintile, the homeownership rate fell from 20,6% in 2010 to just 8,1% in 2020, while the rate for those in the 20-40% wealth bracket dropped from 78,1% to 66,4%. In contrast, the wealthiest 60% of the population remained relatively stable in terms of homeownership (see Table 3.1). In this context, it is noticeable that the wealthiest strata of the population saw their net wealth increase much more than the poorest (as illustrated earlier, in Graph 2.4). Therefore, the increase in real estate value (Graph 3.4) is connected to disparities, as those who own property are largely represented in the wealthier economic strata.

Table 3.1 - Proportion of homeowners by net wealth

	Proportion of households owning real asset "Main residence" by net wealth						
	Total	20% poorer	20-40	40-60	60-80	80-90	10% richer
2010	76,0	20,6	78,1	90,8	95,0	96,4	94,5
2020	70,0	8,1	66,4	90,9	91,2	94,1	93,1

Source: Own elaboration. Data retrieved from Household Finance and Consumption Survey, 2010 and 2020.

4. Demographic factors and inequality

In Western cultures, the paradigm of property ownership is promoted both economically and socially, thereby rendering homeownership a primary objective for individuals to attain (Christophers, 2021). However, the debate on homeownership nowadays requires the acknowledgement of inequality. As noticed earlier, by 2010 the 10% richer of the Portuguese population accounted for about 4,5 times more homeownership than the poorer quintile, and in 2020 the disparity has significantly grown: the wealthiest decile had a homeownership rate of 11,5 times the poorer 20% (Table 3.1).

A distinctive predictor for homeownership is, according to Aarland and Nordvik (2009, p. 90), the civil status. Living together (independently of cohabiting or being married) might be relevant to tenure choices – couples are more willing to make long-term decisions and expect stability. A financial perspective suggests that couples usually have a greater financial capacity than singles, not only for having combined incomes but also a probable greater saving capability, for sharing expenses. On this subject, Grinstein-Weiss *et al* (2011) reveal that married couples tend to purchase homes at a higher frequency and faster than the unmarried when comparing low-income people.

Moreover, multiple scholars provide evidence that intergenerational transfers (including even inheriting a home) are associated with a higher probability of a subsequent transition into homeownership, which fundamentally underpins the disparities of these heritages or donations (Kaas, Kocharkov and Preugschat, 2019; Ronald and Lennartz, 2018; Cigdem and Whelan, 2017; Coulter, 2018; Gentili and Hoekstra (2021); Adkins, Cooper and Konings, 2021; Bohle and Seabrooke, 2021). According to Adkins and Konings (2020), "inheritance is becoming an increasingly important determinant of life chances". This supports the idea that individuals from higher socioeconomic backgrounds are more likely to achieve homeownership.

An increase in educational attainment correlates with a higher probability of property ownership, suggesting that income, as indicated by one's level of education, plays a significant role in influencing homeownership (Aarland and Nordvik, 2009, p. 90, 94). Moreover, households in the lowest income category are particularly at risk from increasing interest rates, given that their median debt service ratio stands at around 50% of their income, which is considerably greater than that of higher income groups (ISFF, 2022), indicating that low-income and minority individuals and families face a greater risk of being unable to sustain homeownership (Herbert and Belsky, 2008, p. 49), particularly because owning a home is usually tied to mortgage payments, so permanent income[24] is considered (Grinstein-Weiss *et al*, 2011, p. 477). Aalbers (2008, p. 151) emphasises that the contemporary state of

[24] Permanent income is here considered as the long-term expected income.

homeownership is increasingly affected by heightened insecurity. Such uncertainty primarily arises from extraneous factors beyond the scope of the housing market, particularly fluctuations in the labour market and social security provisions. A paradigm shift towards part-time and flexible employment arrangements has become commonplace, altering life trajectories to encompass greater flexibility and unpredictability, which, as a result, let individuals face an augmented risk of failing to fulfil their financial obligations.

In his analysis, Joseph Stiglitz (2015, p. 17) explores the connection between the expansion of credit and the valuation of housing, specifically the land it occupies. He further establishes a link to wealth inequality, asserting that "An increase in credit increases wealth through an increase in land prices", arguing that only the wealthy own land and have access to credit, which means that all the resulting wealth increase (capital gain) is retained by the elite.

Kaas, Kocharkov and Preugschat (2019) prove a strong negative relationship between homeownership rates and wealth inequality across the nine largest Euro area countries, including Portugal. A critical observation in Mediterranean welfare systems where state pensions may contribute significantly, such as Portugal, is that there is an increased dependence on homeownership for welfare assistance, so numerous studies suggest that homeownership and housing wealth tend to reinforce existing inequalities rather than mitigate them (Doling and Ronald, 2010). In contrast, Grinstein-Weiss et al, (2011) contend that promoting homeownership is a strategy to improve the well-being of disadvantaged families, as this tenure option provides considerable social benefits to low- and moderate-income householders, such as increased community involvement, psychological well-being, increasing financial resources and positively influencing the behaviour of youth (Rohe, Van Zandt and McCarthy, 2002).

The division of insiders/outsiders discussed in the previous chapter can also be found, in Rolnik's words (2019, p. 39), at a generational level. She notes that the current younger generation encounters significantly heightened impediments concerning housing accessibility, primarily attributed to factors such as limited income, elevated unemployment or underemployment rates within this demographic, and heightened challenges in securing mortgages. While, in contrast, their parents' generation experienced greater homeownership opportunities, mainly facilitated through subsidised privatisation of the public housing inventory and tax benefits. Thorns (2012, p. 208) notes that younger households have been particularly affected as the cost of entering the housing market has risen, and they are taking longer to become homeowners, which has an impact on when they will probably be mortgage-free; assuming that the profile of wealth acquisition produced by such trends differs significantly from that of individuals who started owning a home in their early twenties. Wetzstein (2017) refers

to a generational gap, highlighting the role of the home in previous generations as a catalyst for social mobility and wealth accumulation, in contrast to the housing instability faced by newer generations, which is further exacerbated by job insecurity (see also Aalbers, 2019).

Lastly, the sex of individuals was found as a strong predictor for homeownership by Lemire (2022), who shows that, based on findings using data from the US, men are more likely than women to own a home. Men tend to participate more in the job market than women (the labour force participation rate in Portugal[25] was 55,9% in 2010 and 53,5% in 2020 for women and went from 67,2% to 63% for men), hereby gaining more experience. Furthermore, the gender pay gap[26] can also contribute to explaining this difference, as in Portugal men earned more than 17,9% than women by 2010, and ten years later the percentage dropped to 13,3% (GEP/MTSS, 2023). Therefore, it is expected that with other variables accounted for, men are more likely to qualify for a mortgage, and hence own their main residence.

[25] The labour force participation rate is the proportion of the population ages 15 and older that participates in the job market (World Bank Group, 2024).

[26] The gender wage gap is defined as the difference between the median earnings of men and women relative to the median earnings of men (OECD, 2023a).

5. Methodology

The present section delineates the research design, data selection, variables and methodology employed to examine the evolving social profiles of Portuguese homebuyers from 2010 to 2020.

The Household Finance and Consumption Survey (*Inquérito à Situação Financeira das Famílias*, in the Portuguese version) datasets for the years 2010 and 2020 serve as the study's main data source. It provides detailed household-level data on various aspects of household balance sheets and related economic and demographic variables, including income, private pensions, employment, and measures of consumption (European Central Bank, 2023). In Portugal's case, it is implemented by *Banco de Portugal* (Portugal's Bank) and *Instituto Nacional de Estatística* (National Statistics Institute), following the international version of HFCS adapted to the Portuguese reality. The HFCS specifically targets households, and its focus on financial and consumption patterns allows for a detailed examination of the economic behaviour and challenges faced by households in different wealth quintiles. It is the only statistic source that, in Portugal, allows to establish relationship at the household level about assets, debt, consumption, demographic and socioeconomic aspects (Costa and Farinha, 2012, p. 3). Additionally, repeated HFCS surveys provide temporal data regarding household finances and homeownership over time, which is crucial when comparing patterns of homeownership from 2010 to 2020. The estimated findings were generated through the application of household weights, which permit the extrapolation of responses to all households in Portugal. In the 2020 sample, the HFCS incorporated a new approach to enhance housing units to address, at least in part, the challenges posed by the uneven distribution of wealth and the increased likelihood of non-response among wealthier households.

The selection of the temporal parameters for this study, encompassing the years 2010 through 2020, was chosen in light of i) the remarkable escalation in housing prices; ii) the significant decrease of the homeownership rate in the bottom quintile of the Portuguese population in net wealth; and iii) the availability of the HFCS. A diachronic approach allows the identification of the factors and events that have led to changes in the housing market and its effects on social inequalities, enabling the exploration of causal relationships and sequences. These can significantly contribute to the comprehension and explication of causal connections. For this dissertation's nature and objectives, it is the most suitable methodology as it describes and draws out helpful details. To accurately represent the social profiles of homebuyers, a range of factors classified into demographic (level of education), and economic (employment status, income levels) will be considered in this study.

As previously stated, this research is designed to analyse the homeownership trends of the Portuguese population between 2010 and 2020, allowing the comparison of the social profile in this period. Previous chapters demonstrated the phenomenon of lower homeownership rate among the

20% poorer of the Portuguese population, considering that the average remained the same. To accomplish this research objective, I will perform four logistic regression analyses.

It is a special form of regression used to model (explain/predict) a given dependent variable that is categorical or non-metric (with 2 or more categories), based on independent variables (or predictors) that are quantitative or categorical. In other words, a logistic regression will model the chance of an outcome based on individual characteristics (Sperandei, 2014, p. 14). In this research, I will develop a binary logistic regression, since the dependent variable ("owner") is a *dummy* (operationalised into 2 categories: "0-non-owner" and "1-owner"). Sperandei (2014) claims that the primary benefit of using logistic regression analysis is that it eliminates confounding effects by examining the relationship between all variables at once. This characteristic is essential since I am interested in the impact of various explanatory variables on the response variable (homeownership). The selected independent variables were the civil status, level of education, employment situation, donations or heritages received, sex, and age. I coded the civil status as contrasting single and married people, to provide a focus in contrast, as well as simplifying the analysis without losing much explanatory power (since the frequencies of the widowed and divorced were small). Education is coded as "up to basic education" (including no education, as in the original forms), "secondary education" and "higher education". The employment situation variable contrasts the self-employed with employees and the employees (compromising also the self-employed without employees, who tend to be freelancers without managing responsibilities and are here considered in the same category). The donations/heritages received compromise a dummy variable (yes/no), as well as the sex (man/woman). The age is categorical. I have opted to exclude income as a variable owing to the constraints of the data available for the year 2010, where income is categorized into two separate types (self-employed income and employee income). This division creates difficulties for a unified analysis, as the two income types may indicate varying economic behaviours and circumstances, thereby complicating the interpretation of the overall effects of income. Additionally, the quality and detail of the data within these categories are inadequate, which hampers the ability to guarantee accuracy and consistency in the analysis.

I hypothesise that the profile of individuals who purchased houses in Portugal has changed, to represent privileged social groups in a higher percentage than before, evidencing the growth of social inequalities. In this dissertation, I assume that the ability to afford and maintain homeownership, specifically for the poorer quintile of the Portuguese population, is influenced by one's employment situation, which is directly impacted by the educational level. Nevertheless, civil status will also be analysed, since those who are married/in committed relationships may earn two salaries and have greater credit opportunities. Due to the gender pay gap and stronger participation in the job market, I

presuppose that men are more likely to achieve homeownership than women. I assume that older individuals have greater access to homeownership in both analysed years. Taken together, these characteristics provide a comprehensive understanding of the social and economic aspects that influence homeownership. Examining decade-long changes in these variables can provide insights into the larger economic and social issues facing the bottom quintile and help explain the large decline in homeownership rates within these population groups. Later, I will select only the bottom quintile of the Portuguese population (considering the net wealth) and perform logistic regression analysis, to allow the comparison between the poorer socioeconomic group with the population, while also allowing a temporal comparison.

This method was chosen considering: i) a logistic regression will model the chance of an outcome based on individual characteristics (Sperandei, 2014); ii) the dependent variable in this study, "owner", is binary (hence the errors do not have a normal distribution, invalidating the statistical tests that require this distribution such as the linear regression); iii) this method produces estimates in the form of easy-to-interpret odds ratios, which show how changes in independent variables are associated with the likelihood of becoming a homeowner; and also elucidates into the strength and direction of the relationship between each predictor and the likelihood of becoming a homeowner.

In delineating the merits of the methodological approach, it is also important to mention its limitations, since no method can be deemed entirely ideal with all research objectives. First, it has an inherent focus on a country characterised by considerable heterogeneity among urban and rural areas. Secondly, there are challenges related to causal inference, since it is outside the scope of the investigation the individual choices related to housing location, might be influenced by personal preferences, for example, preferring renting over acquiring. Lastly, the pandemic forced changes to the survey methodology, because the inability to conduct face-to-face interviews and the fact that many households had outdated telephone numbers led to a significant decline in response rates and biased the net sample, increasing the number of missing cases, and there explaining less than in 2010. This issue was only partially solved by changing the variables used to calibrate the weights (European Central Bank, 2023).

The research attempts to offer a thorough understanding of how the social profiles of Portuguese homebuyers have changed over the past ten years by incorporating these analytical techniques and concentrating on these aspects.

6. Changing social profiles of homebuyers in Portugal

This section provides an overview of the Portuguese population from 2010 to 2020, highlighting shifts in the analysed variables (civil status, education, employment, receipt of donations or inheritances, sex, and age), and a discussion the social profile of homeowners.

As demonstrated in Table 6.1, the distribution between single and married individuals remained relatively stable, with a slight decrease of 1,6 percentual points (p.p.) in the proportion of single individuals (from 37,8% in 2010 to 36,2% in 2020) and a corresponding increase in married individuals (from 62,2% to 63,8%). There were more pronounced changes in educational attainment. The percentage of individuals with only up to basic education dropped considerably by 22,5p.p. (from 71,4% in 2010 to 48,9% in 2020). In contrast, the proportion of people with secondary education increased by 6,3p.p (from 7,1% to 23,4%), and those with higher education rose sharply by 16,2p.p (from 11.5% to 27,7%), reflecting a broader trend of increasing the level of education in the population. The share of employees declined slightly by 2,9p.p. (from 93,5% in 2010 to 90,6% in 2020), the same proportion of the growth in self-employed individuals. A significant change is observed in the receipt of donations or inheritances: in 2010, 21.8% of the population reported receiving financial support through donations or inheritances, which increased sharply by 15,9p.p. to 37,7% in 2020, reflecting increasing reliance on intergenerational wealth. The gender distribution remained stable, with men slightly decreasing by 0,5p.p. (from 47,9% in 2010 to 47,4% in 2020) and women increasing marginally by the same amount (from 52,1% to 52,6%). Lastly, the average age of the population increased by 5,1 years over the decade, from 44,2 years in 2010 to 49,3 years in 2020.

Table 6.1 – Descriptive analysis of the variables in the whole population (2010 and 2020)

Variable	Categories	2010 (%)	2020 (%)	Change (2010-2020)
Civil status	Single	37,8	36,2	-1,6 p.p.
	Married	62,2	63,8	-1,6 p.p.
Level of education	Up to basic education	71,4	48,9	-22,5 p.p.
	Secondary education	17,1	23,4	+6,3 p.p.
	Higher education	11,5	27,7	+16,2 p.p.
Employment	Employee	93,5	90,6	-2,9 p.p.
	Self-employed	6,5	9,4	+2,9 p.p.
Donations or heritages received	Yes	21,8	37,7	+15,9 p.p.
	No	78,2	62,3	-15,9 p.p.
Sex	Man	47,9	47,4	-0,5 p.p.
	Woman	52,1	52,6	+0,5 p.p.
Age	Mean	44,2	49,3	+5,1 years

i. Determinants of homeownership in 2010

A logistic regression applied to the chosen variables demonstrates relevant results (Table 6.2). Considering that the constant variable (Tenure status) is coded with "0 – non-owner" and "1 – owner", we can extract some conclusions with the differences in the odds of being an owner. The Categorical Variables Codings are available in Appendix 6.1.

First, the civil status has a highly significant negative effect (B = - 1,018, p < 0,001, Exp(B) = 0,361). indicating that being single decreases the likelihood of homeownership. Singles are about 63,9% ([1 - Exp(B)]*100 = 63,9%) less likely to own a home compared to married individuals. The educational level is also highly significant (B = 0,274, p < 0,001, Exp(B) = 1,315). For every unit increase in education level, the odds of homeownership increase by 31,5% ([Exp(B) - 1]*100 = 31,5). This indicates that individuals with higher education levels are significantly more likely to own their residence. The employment situation variable is also statistically significant (p = 0,033). Being an employee decreases (B = -0,517) the probability of owning a house by 40,4% (Exp(B) = 0,596) compared to being a self-employed. There is a strong positive impact in receiving donations in heritages in this model (B = 0,857, Exp(B) = 2,356, p < 0,001). Those who receive it are over twice as likely to be homeowners ([Exp(B) - 1]*100 = 135,6%). Sex is also highly significant in influencing homeownership. As the reference category is female, being male increases the probability of homeownership by 45,3% (B = 0,374, Exp(B) = 1,453, p = 0,010), so men are significantly more likely to become homeowners than women. Lastly, age is statistically significant (p < 0,001) in determining homeownership when analysing data from 2010. For each additional year, the odds of tenure increase by 3,6% (Exp(B) = 1,036). As this represents a significant and positive association (B = 0,035), it indicates that older individuals are more likely to own the property they live in.

The Omnibus Test checks whether the overall logistic regression model with the included predictors improves significantly over a model with no predictors. Since the p-value < 0,001, the model as a whole is statistically significant, so at least one of the predictors significantly contributes to predicting the tenure status (Appendix 6.2). The Cox and Snell R Square and Nagelkerke R Square are pseudo-R-squared values and suggest the studied predictors explain between 11% and 15,9% of the variance in the tenure status (Appendix 6.3). The Hosmer and Lemeshow Test assesses how well the predicted values from the model match the actual outcomes in the data, and a significant result (p < 0,05) suggests a lack of good fit (Appendix 6.4).

Table 6.2 – Logistic regression for the whole population in 2010

	B	Exp(B)
Civil Status	-1,018	0,361***
Level of Education	0,274	1,315***
Employment Situation	-0,517	0,596*
Donations or heritages received	0,857	2,356***
Sex	0,374	1,453**
Age	0,035	1,036***

Note: *p < 0,05; **p ≤ 0,01; ***p < 0,001

The logistic regression analysis reveals that the profile of individuals who were most likely to be homeowners in 2010 has several key predictors. This analysis indicates that individuals who are married, are self-employed, possess higher education, are male, are older, and have received financial gifts are considerably more likely to own homes in Portugal.

ii. Determinants of homeownership in 2020

When applying the model to the available data ten years later, the findings exhibit relevant changes (Table 6.3). The Categorical Variables Codings are available in Appendix 6.5. Considering the same code in the constant variable, I will provide a detailed analysis of the variables to examine the predictors of homeownership.

As such, civil status is highly significant ($p < 0,001$). The effect is negative ($B = -0,449$). As $Exp(B) = 0,639$, single people are about 36,1% [(1 – Exp(B))*100] less likely to be owners than married individuals. The level of education is also highly significant in predicting homeownership ($p < 0,001$). For each unit increase in education level, the odds of owning a home increase ($B = 0,510$) by 66,5% ($Exp(B) = 1,665$). This indicates that higher education is strongly and positively associated with increased homeownership odds. The employment situation is highly significant in predicting homeownership ($p < 0,001$). In 2020, being an employee decreases ($B = -0,589$) the odds of homeownership by 44,5% ($Exp(B) = 0,555$) compared to being self-employed. Donations or heritages are highly significant in predicting homeownership ($B = 0,697$, $Exp(B) = 2,008$, $p < 0,001$). Individuals who received donations or heritages were twice as likely to own homes compared to those who did not ([Exp(B) - 1]*100 = 100,8%). There is a significant positive effect ($B = 0,107$, $Exp(B) = 1,113$, $p = 0,013$) in the variable sex. Men are approximately 11,3% ([Exp(B) - 1]*100) more likely to be homeowners than women. Lastly, age is also statistically significative in determining

homeownership in 2020. For each additional year, the odds of homeownership increase by 0,9% (B = 0,009, p < 0,001, Exp(B) = 1,009). Hence, age is also associated with an increased likelihood of owning a home.

The model with predictors is a significant improvement over the null model, as per p < 0,001 in the Omnibus Tests of Model Coefficients (Appendix 6.6). The Model Summary suggest that the predictors explain between 2,6% (Cox and Snell) and 5,8% (Nagelkerke) of the variance in the dependent variable (Appendix 6.7). However, a statistically significant Hosmer and Lemeshow Test (p < 0,001) indicates that there is a significant difference between the observed and expected outcomes, thus suggesting a poor model fit (Appendix 6.8).

Table 6.3 – Logistic regression for the whole population in 2020

	B	Exp(B)
Civil Status	-0,449	0,639***
Level of Education	0,51	1,665***
Employment Situation	-0,589	0,555***
Donations or heritages received	0,697	2,008***
Sex	0,107	1,113*
Age	0,009	1,009***

Note: *p < 0,05; **p < 0,01; ***p < 0,001

Based on the 2020 logistic regression analysis, individuals most likely to be homeowners possess certain key characteristics. Overall, the profile of homeowners in 2020 includes those who are married, well-educated, self-employed, male, older, and have received financial support through inheritance or donations. The homeowner profiles from 2010 and 2020 reveal stability in the predictors, although change in their predictive power. In both years, factors such as being married, possessing a higher education, and being self-employed were associated with increased homeownership rates. However, by 2020, the significance of marital status diminished, suggesting that even married people encounter greater obstacles in acquiring homes compared to 2010. The role of education emerged as a more prominent determinant of homeownership in 2020, suggesting that advanced educational qualifications became increasingly vital for entering the housing market, probably because of their association with higher income and access to the job market. While employment status remained relevant, the disparity between self-employed and employees grew, with

the latter group showing a decreased likelihood of homeownership in 2020 compared to 2010. Contributions from donations or inheritances continued to be significant in both years, although their influence slightly waned by 2020. Gender remained a consideration, yet its impact lessened by 2020, resulting in more comparable homeownership opportunities for men and women. Age continued to positively affect homeownership in both years, although its influence was slightly more pronounced in 2010, indicating that other factors were more relevant in explaining homeownership.

a. Bottom 20% in net wealth

This subchapter analyses the bottom quintile of the Portuguese population, comparing 2010 and 2020 in the same analysed variables (civil status, level of education, employment situation, donations/heritages received, sex, and age) and employing logistic regression analysis to establish trends and determine the social profile of homeowners in the poorer segments.

As illustrated in Table 6.4, there was a relevant change in civil status, since the share of single people increased significantly by 16,1p.p. (from 23,4% in 2010 to 39,5% in 2020), and the proportion of married people declined by the same margin (from 76,6% to 60,5%). The level of education had also notable changes: the proportion of individuals with only up to basic education dropped by 18,6p.p. (from 53,3% in 2010 to 34,7% in 2020), the share of people with secondary education rose modestly by 3,2% (from 22,2% to 25,4%), and the percentage of individuals with higher education grew significantly by 15,3p.p. (from 24,6% to 39,9%) – these trends suggest that, even within the lower-income population, there has been an increase in the educational level over the decade. The employment situation remained relatively stable for this group, with the percentage of employees increasing slightly by 1,2p.p. (from 88% in 2010 to 89,2% in 2020), and the share of self-employed individuals decreased by the same proportion (from 12% to 10,8%). The share of people receiving donations or inheritances increased significantly by 14,6p.p. (from 27,2% in 2010 to 41,8% in 2020). In the bottom quintile sample, there is a striking gender shift. In 2010, men represented the overwhelming majority at 77,3%, but this dropped dramatically by 28p.p. to 49,3% in 2020. Conversely, the proportion of women increased significantly from 22,7% in 2010 to 50,7% in 2020. Lastly, the average age of individuals in the bottom 20% of the population increased slightly by 0,8 years, from 48,5 in 2010 to 49,3 in 2020.

Table 6.4 – Descriptive analysis of the variables in the bottom 20% of the population (2010 and 2020)

Variable	Categories	2010 (%)	2020 (%)	Change (2010-2020)
Civil status	Single	23,4	39,5	+16,1 p.p.
	Married	76,6	60,5	-16,1 p.p.
Level of education	Up to basic education	53,3	34,7	-18,6 p.p.
	Secondary education	22,2	25,4	+3,2 p.p.
	Higher education	24,6	39,9	+15,3 p.p.
Employment	Employee	88	89,2	+1,2 p.p.
	Self-employed	12	10,8	-1,2 p.p.
Donations or heritages received	Yes	27,2	41,8	+14,6 p.p.
	No	72,8	58,2	-14,6 p.p.
Sex	Man	77,3	49,3	-28 p.p.
	Woman	22,7	50,7	+28 p.p.
Age	Mean	48,5	49,3	+0,8 years

i. Determinants of homeownership for the bottom quintile in 2010

When performing a logistic regression analysis only to selected cases of the bottom 20% of the population in net wealth, there are important differences (Table 6.5). The Categorical Variables Codings are available in Appendix 6.9.

The civil status is significant in predicting homeownership for the bottom quintile of the Portuguese population in net wealth ($p = 0,032$). Being single decreases ($B = -0,850$) the odds of owning a home by approximately 57,3% ($Exp(B) = 0,427$). In contrast to the whole population for the same year, in this model the variables of level of education, employment situation, donations/heritages and sex and all non-significant ($p > 0,05$). The age is highly significant ($B = 0,088$, $p < 0,001$). For each additional year, the odds of homeownership increase by 9,7% ($Exp(B) = 1,097$).

The model including all predictors is statistically significant (Chi-square = 50,239, $p < 0,001$), indicating that the predictors improve the model significantly compared to the constant-only model (Appendix 6.10). The Model Summary specifies that the model explains between 16,2% and 25,3% of the variance in the dependent variable, which is a higher level than before (Appendix 6.11). The non-significant p-value of 0,223 in the Hosmer and Lemeshow Test indicates a good fit (Appendix 6.12).

Table 6.5 – Logistic regression for the bottom 20% in net wealth in 2010

	B	Exp(B)
Civil Status	-0,85	0,427*
Level of Education	0,018	1,018
Employment Situation	-0,555	0,574
Donations or heritages received	0,469	1,598
Sex	-0,167	0,849
Age	0,088	1,093***

Note: *p < 0,05; **p < 0,01; ***p < 0,001

In 2010, the characteristics of individuals in the lowest quintile of the population who are most likely to own homes are influenced by two significant factors: civil status, where being single reduces the likelihood of homeownership by 57.3%, and age, which increases the probability by 9.7% for each additional year. This indicates that as individuals age or combine their incomes (by marriage), they tend to achieve greater financial stability and have more opportunities to save for a home.

ii. Determinants of homeownership for the bottom quintile in 2020

In 2020, as Table 6.6 demonstrates, there are significant new predictors for homeownership in the poorer quintile of the Portuguese population compared to ten years earlier. To establish trends, the Categorical Variables Codings are available in Appendix 6.13.

First, the civil status appears as significant overall (p = 0,008, Exp(B) = 0,742). Being single decreases (B = -0,298), the odds of homeownership by 25,8% ([1-Exp(B)]*100) compared to being married. The level of education completed is highly significant, and for every additional level of education, the odds of being an owner increase by 40% (Exp(B) = 1,400, p < 0,001, B = 0,337), hence indicating that individuals with higher educational attainment are significantly more likely to own property. Employees are 62,6% (Exp(B) = 0,374) less likely (B = -0,983) to be homeowners, in comparison to self-employed individuals. This is a strong and statistically significant result (p < 0,001). Donations or heritages are also highly significant in predicting homeownership (p < 0,001). Individuals who receive financial gifts or inheritages are twice (105,8%) more likely to be homeowners compared to those who did not receive any (B = 0,722, Exp(B) = 2,058). As opposed to the results for the whole population, this model does not reference significant differences in the likelihood of owning property between men and women (p = 0,204), and neither by age (p = 0,651).

The model with predictors is statistically significant ($p < 0,001$), indicating that the independent variables contribute significantly to predicting homeownership (Appendix 6.14). However, the Model Summary suggests that the model explains only between 1,7% and 4,4% of the variance in the tenure status (Cox and Snell $R^2 = 0,017$ and Nagelkerke $R^2 = 0,044$), which is lower than in 2010 (Appendix 6.15), and the significant result in the Hosmer and Lemeshow Test ($p = 0,006$) suggests that the model does not fit the data ideally (Appendix 6.16).

Table 6.6 – Logistic Regression Analysis for the bottom quintile in 2020

	B	Exp(B)
Civil Status	-0,298	0,742**
Level of Education	0,337	1,4***
Employment Situation	-0,983	0,374***
Donations or heritages received	0,722	2,058***
Sex	-0,126	0,882
Age	0,002	1,002

Note: *p < 0,05; **p < 0,01; ***p < 0,001

In 2020, various critical factors notably affected the probability of homeownership for individuals in the lowest income quintile. The most significant predictor was the receipt of donations or inheritances, with recipients of such financial gifts having more than double the likelihood of owning a home. The level of education also had a substantial impact, as those with higher levels of education were 40% more likely to become homeowners. Conversely, employment status adversely affected homeownership, with employees being 62,6% less likely to own a home. Additionally, civil status was a significant factor, with single individuals being 25,8% less likely to own a home compared to their partnered counterparts. In contrast, gender and age had negligible effects on homeownership, as neither was statistically significant in 2020. In summary, among the poorest 20% in 2020, those most likely to achieve homeownership were individuals who received financial gifts or inheritances, possessed higher education, were in stable relationships, and held secure employment.

When comparing the profiles of individuals most likely to be homeowners in the bottom quintile of the population in 2010 and 2020, several important changes emerge in the factors that predict homeownership. While in 2010 the civil status significantly reduced the likelihood of owning a home, with single individuals having 57,3% lower odds of homeownership compared to those in

relationships, it dropped to 25,8%, indicating that while relationships still provided some advantage, the importance of civil status had diminished over the decade. Age was a significant predictor of homeownership in 2010, with each additional year of age increasing the odds of owning a home by 9,3%, but it was not ten years later, which shows that there are other predictors, suggesting that rising housing costs that have made homeownership more difficult for individuals across all age groups, particularly for those with lower incomes.

Education was statistically significant in predicting homeownership in 2020, with individuals with higher levels of education were 40% more likely to own their home, suggesting that education had become a more important determinant of financial stability and homeownership access, likely for being associated to higher income. The employment to be a key predictor in 2020, with self-employment improving the odds of homeownership by 62,6%, suggesting that those with entrepreneurial roles are better positioned financially to secure homeownership, possibly due to higher income potential. Moreover, receiving donations or inheritances was a statistically significant predictor of homeownership in 2020, with individuals who received them being over twice as likely to be homeowners. This reflects the increasing role of intergenerational wealth transfers in facilitating homeownership, especially as housing prices rose and affordability became more challenging for low-income individuals. In both 2010 and 2020, sex had a minimal impact on homeownership, suggesting that other variables had more explaining power.

7. Discussion and Conclusions

This dissertation meant to investigate the evolution of the social profile of Portuguese homeowners in 2010 and 2020, with a specific focus on financialisation and demographic changes, allowing the comparison of trends. The findings indicate significant changes in the characteristics of homeownership during this period.

Financialisation, especially applied to real estate investments, emerged as a critical factor influencing housing markets in Portugal. The transition of housing into an asset class is relevant to a debate on housing prices (Santos, 2019; Rodrigues, Santos and Teles, 2016; Santos, Teles and Serra, 2015), which affects disproportionally the poorer population. Although credit mechanisms facilitated access to main residence property, more flexible labour markets and precarious employment arrangements hindered the credit ability of lower-income households, contributing to a significant inequality in housing tenure among socioeconomic classes (Lagoa and Barradas, 2020). Nevertheless, an easier accessed to credit enable more people to buy houses, therefore pressing the housing market. Other factors such as the phenomena of the "safe deposit box" and short-term rentals (Gago and Cocola-Gant, 2019) have been argued to contribute to rising house prices, even if the properties remain vacant (in the first case).

Historically, Portugal had changing housing policies, from early interventions post-revolution to liberalisation measures in subsequent decades, which enabled and facilitated credit availability, and hence contributed to shaping the accessibility and distribution of homeownership between different socioeconomic groups. As observed, the homeownership rate of the bottom quintile of the Portuguese population has decreased to less than half (from 20,6% in 2010 to 8,1% in 2020). In contrast, an analysis of the other segments of the population, particularly the wealthiest 60%, showed stable rates, which highlights growing socio-economic disparities in property access. This is consistent with the broader trends of growing social inequalities in Portugal, exacerbated by the Global Financial Crisis. In this regard, it is important to mention that the credit-based policies, promoting homeownership, were proven to exacerbate homeownership inequality (Arundel and Ronald, 2021; Ribeiro, 2019; Silva, 2019). The poorer quintile of the Portuguese population had not only more consumption debt compared to the other net wealth groups but also it was aggravated, hindering the economic conditions of these households. Analysing this, I estimated the predictors for homeownership in the whole population for 2010 and 2020, and then specifically for the poorer quintile, to allow not only the temporal comparison but also the comparison between different sectors of the population.

The analysis of the entire population (Table 6.1) in relation to the bottom 20% in terms of net wealth (Table 6.4) uncovers significant disparities in demographic, educational, and economic trends over the decade. Regarding civil status, the bottom 20% experienced a more pronounced increase in the number of single individuals (+16,1p.p.), likely due to economic pressures that discourage marriage or cohabitation, whereas the general population exhibited minimal change. Both segments witnessed a considerable increase in educational attainment, with the bottom quintile experiencing a particularly notable surge in higher education (+15,3p.p.), while the overall population also saw a substantial rise (+16,2p.p.). Both groups show bigger reliance in receiving financial gifts or inheritances (15,9p.p. in the broader population and 14,6p.p. in the bottom quintile). A significant shift was also observed in the variable sex: while the gender ratio remained stable in the overall population, the bottom 20% saw a notable transformation, with women now representing the majority, indicating that women are particularly prevalent in the poorer segments of society. Lastly, although both groups are aging, the overall population experienced a more substantial rise in average age (+5,1 years) compared to the bottom quintile (+0,8 years), indicating that aging trends may be more impactful among wealthier demographics. This reveal underscores that while both groups have undergone changes in education and demographic structure, the economic challenges, including the necessity for financial assistance and evolving family dynamics, are particularly acute for the bottom quintile in net wealth.

Studying the population, the civil status was statistically significant in both analysed years for predicting homeownership. While in 2010 the findings demonstrated being single significantly reduces the odds of homeownership by about 63,9%, in 2020 it dropped to 36,1%. When focusing on the bottom 20% in net wealth, in 2010 single people had 57,3% less probability of owning their home, and in 2020 it was only 25,8%. These findings show that civil status is a central predictor of homeownership even for the poorer strata (Grinstein-Weiss *et al*, 2011). However, this decrease might suggest greater financial autonomy among single individuals, perhaps driven by changes in lifestyle choices.

The educational level proved to be an important factor influencing homeownership in the population (for 2010 increasing the likelihood of property by 31,5% by each unit level increase, and ten years later in 66,5%), but for the poorer quintile, it was only significant in 2020 (increasing in 40% for each additional level of education). This prediction is in line with Aarland and Nordvik (2009). As the economy stabilized (considering that at the time of the survey, the implications of Covid-19 had not yet been felt), higher educational attainment became increasingly important for improving financial situations, potentially boosting income.

The employment situation was statistically significant in both years in the whole population. Respectively, being a regular employee decreased the probability of owning the main residence by 40,4% and 44,5%. This trend suggests that employees might have faced wage stagnation in certain sectors, limiting their ability to save for a down payment or meet mortgage requirements. In contrast, self-employed individuals, particularly those with employees (thus management responsibilities, usually associated with older companies), may have greater flexibility in income generation. In the bottom quintile of the population, this variable was not significant in 2010, and in 2020 the odds of homeownership decreased by 62,6% in comparison with self-employed. This indicated that the gap had widened considerably for the poorer population, reflecting increasing inequalities in housing access because of broader economic changes.

Receiving donations/heritages proved to be a highly significant predictor of homeownership for the whole population, with individuals having financial gifts or inheritances having 135,6% higher odds in homeownership in 2010 and 100,8% in 2020. This highlights the enduring importance of intergenerational wealth transfers in facilitating homeownership (Kaas, Kocharkov and Preugschat, 2019; Ronald and Lennartz, 2018; Adkins and Konings, 2020). In the poorer strata of the population, donations/heritages were not a significant predictor of homeownership in 2010, but in 2020 the individuals who received it had twice the odds of being a homeowner. This shift might underscore the growing reliance of lower-wealth individuals on external financial support to enter the housing market, possibly due to its increasing inaccessibility to rising house prices (Graph 3.4).

For the Portuguese population, the variable sex was shown to be also a strong factor in predicting homeownership, which is consistent with the findings by Lemire (2022). Being male increased the probability of homeownership by 45,3% in 2010 and in 2020 it remarkedly decreased to 11,3%, which might be related to a smaller gender pay gap and sociocultural changes. However, it was not relevant in the bottom quintile, suggesting that lower-income households have other barriers to property-owning.

Age is a significant predictor of homeownership for the population in both analysed years, significantly increasing the likelihood of owning a property by 3,6% in a year (of age) by 2010 and 0,9% by 2020, which shows a decrease that is in contrast with the literature. In the poorer 20%, age was highly significant in 2010 (each year of age increasing homeownership by almost 10%), but it was not significant in 2020. While contrasting with the literature (Ribeiro, 2013; Drago, 2021), these results suggest that, in the most economically vulnerable individuals, age is no longer enough to offset the financial barriers to homeownership.

The literature notes that post-2008 financial crises have led to heightened insecurity in housing markets, factors that contribute to a cycle of inequality, where those already disadvantaged face greater barriers to homeownership (Drago, 2021). This dissertation's findings resonate with this observation, as the rising housing costs have disproportionately impacted lower-income households, further entrenching social inequalities. The findings indicate that by minimizing the influence of other variables related to homeownership, financial barriers emerge as significant factors in explaining the challenges faced in accessing and securing homeownership, especially among the lower-income segments of the Portuguese population. This implies that economic challenges, rather than social or demographic factors such as gender or age, are the main reasons some individuals find it difficult to achieve homeownership. The exclusion from homeownership, which represents the most significant asset for households (Will, 2023), prevents lower-income segments of the population from accessing this wealth-building opportunity, thereby intensifying wealth inequality (Rodrigues, Santos and Teles, 2016).

It is important to mention that variables such as race, ethnicity, and immigration status, were not explored due to data limitations, but are likely to play significant roles in shaping access to homeownership, particularly in increasingly multicultural societies. Another limitation is that some of the R^2 values are low, suggesting that the overall model explains little about who becomes a homeowner and who does not.

Policymakers should impose stricter regulations on speculative investments to regulate housing prices, making it accessible to lower-income households, such as limiting the number of short-term rental establishments and retransforming local lodges in housing, to increase housing supply. Nonetheless, debt-driven policies should be avoided to overcome homeownership inequality, since the poorer segments of the population have already bigger consumption debt and cannot afford larger mortgages.

Future studies could explore the qualitative aspects of homeownership, particularly how individuals from different socioeconomic backgrounds experience the housing market, and examine how the social profile of homeowners from the 20% poorer segments of the population evolved.

To conclude, the transformation of homeownership in Portugal is indicative of larger global trends, including financialisation, increasing inequality, and demographic shifts. This dissertation demonstrated that wealthier individuals continue to gain from the current housing market, while lower-income populations struggle to secure homeownership. In a country characterized by high rates of ownership, being in the "outsiders" category means facing bigger barriers to the right to housing.

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9. Appendix

Appendix 6.1 – Categorical Variables Codings for the whole population in 2010

Categorical Variables Codings

		Frequency	Parameter coding (1)
Sex	Man	1451	1,000
	Woman	357	,000
Employment situation	Employee	1648	1,000
	Self-employed with employees	160	,000
Donations or heritages received	Yes	368	1,000
	No	1440	,000
Civil status	Single	371	1,000
	Married	1437	,000

Appendix 6.2 – Omnibus Tests of Model Coefficients for the whole population in 2010

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	210,994	6	<,001
	Block	210,994	6	<,001
	Model	210,994	6	<,001

Appendix 6.3 – Model Summary for the whole population in 2010

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	1919,305[a]	,110	,159

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than ,001.

Appendix 6.4 – Hosmer and Lemeshow Test for the whole population in 2010

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	23,938	8	,002

Appendix 6.5 – Categorical Variables Codings for the whole population in 2020

Categorical Variables Codings

		Frequency	Parameter coding (1)
Sex	Man	14801	1,000
	Woman	14321	,000
Employment situation	Employee	26408	1,000
	Self-employed with employees	2714	,000
Donations or heritages received	Yes	10086	1,000
	No	19036	,000
Civil status	Single	8253	1,000
	Married	20869	,000

Appendix 6.6 – Omnibus Tests of Model Coefficients for the whole population in 2020

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	760,041	6	<,001
	Block	760,041	6	<,001
	Model	760,041	6	<,001

Appendix 6.7 – Model Summary for the whole population in 2020

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	16351,649[a]	,026	,058

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than ,001.

Appendix 6.8 – Hosmer and Lemeshow Test for the whole population in 2020

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	27,749	8	<,001

Appendix 6.9 – Categorical Variables Codings for the bottom 20% in 2010

Categorical Variables Codings

		Frequency	Parameter coding (1)
Sex	Man	235	1,000
	Woman	49	,000
Employment situation	Employee	249	1,000
	Self-employed with employees	35	,000
Donations or heritages received	Yes	70	1,000
	No	214	,000
Civil status	Single	56	1,000
	Married	228	,000

Appendix 6.10 – Omnibus Tests of Model Coefficients for the bottom 20% in net wealth in 2010

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	50,239	6	<,001
	Block	50,239	6	<,001
	Model	50,239	6	<,001

Appendix 6.11 – Model Summary for the bottom 20% in net wealth in 2010

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	239,984[a]	,162	,253

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than ,001.

Appendix 6.12 – Hosmer and Lemeshow Test for the bottom 20% in net wealth, in 2010

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	10,639	8	,223

Appendix 6.13 – Categorical Variables Codings for the bottom 20% in 2020

Categorical Variables Codings

		Frequency	Parameter coding (1)
Sex	Man	3596	1,000
	Woman	3375	,000
Employment situation	Employee	6219	1,000
	Self-employed with employees	752	,000
Donations or heritages received	Yes	2759	1,000
	No	4212	,000
Civil status	Single	2116	1,000
	Married	4855	,000

Appendix 6.14 – Omnibus Tests of Model Coefficients for the bottom 20% in net wealth in 2020

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	118,607	6	<,001
	Block	118,607	6	<,001
	Model	118,607	6	<,001

Appendix 6.15 – Model Summary for the bottom 20% in net wealth in 2020

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	3265,870[a]	,017	,044

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than ,001.

Appendix 6.16 – Hosmer and Lemeshow Test for the bottom 20% in net wealth, in 2020

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	21,506	8	,006