

The Covid-19 crisis and the widespread stay-at-home orders fuel a debate already raging in the public and academic spheres: can people afford to shelter? How uneven are gains and losses when it comes to asset accumulation in the housing market? Is this an intergenerational conflict, and if so, what can we do about it? It is too soon to tell how Covid-19 will affect housing access and affordability, but it is already clear that younger generations are experiencing a second “once-in-a-lifetime” crisis in their critical early adult years. The first, a global financial crisis, was triggered by the 2008 US housing market crash. The second now asks them to shelter in homes they struggle to afford.

The pandemic comes on top of an already bad set of conditions: expensive housing and stagnant wages, potential for intergenerational conflict due to the privatisation of risk and the different needs of cohorts at different life stages, and increasing income and wealth inequality that continues to limit the varying opportunities of young people as they try to establish themselves in the housing market.

Thus, the housing affordability crisis is widely, but unevenly felt. The unevenness of the intergenerational experience is particularly acute because of a combination of age, period, and cohort effects. While young people at the beginning of their income trajectories will always have more difficulty competing in tight housing markets, today’s young people are experiencing unique housing burdens that older generations never had to confront. The unevenness is also acute *within* younger cohorts. Those at the top have easier access to credit because of their jobs or parental resources. Those at the bottom often experience the opposite, because wealth is sticky and prone to transfer within families, not across. Of course, there is cross-national and individual-level variation, but the on average increases in rent and house prices, as well as the risk factors associated with placing household assets in global financial markets, combine to create an explosive situation.

This timely issue of the Intergenerational Justice Review examines the broader structural challenges that young people face in the current financialised housing market. The authors in this issue assess the relatively grim picture of housing affordability for young people, but also indicate that structural reform might be possible. The article by Demography Prize 2019 winner Veronika Riedl starts from the premise that a dual shift in housing markets – whereby social housing stock has decreased in many countries and global financial markets increasingly dominate real estate (recommodification and financialisation, respectively) – creates critical affordability challenges for young people. Riedl examines the cross-country contours of these challenges, which vary in intensity and magnitude. She then describes how a housing strategy steeped in a rights-based approach can begin to address some of the housing challenges young people face. The approach considers the specific needs of young people shut out of housing markets, young people who may be experiencing severe housing insecurity or homelessness, and the spatial dimension of such challenges. While finding merit in this approach, Riedl emphasises

the need for a multi-prong political strategy to effectuate this change.

The article by Demography Prize 2019 winners Laura Naegele, Wouter De Tavernier, Moritz Hess and Sebastian Merkel starts in a similar place, describing contemporary housing challenges stemming from demographic shifts, increasing housing prices, and the effects of urbanisation. But these authors focus on testing the presence of two cross-cutting pressures between younger and older cohorts. On the one hand, older and younger cohorts might band together to ensure housing opportunities for a younger cohort facing expensive housing. On the other hand, a generational conflict is possible as older cohorts look towards retirement and as governments face increasing costs from an ageing population. The authors leverage the design of the Eurobarometer survey to test the relative strength of each possibility, contrasting how people in different age groups assess their own housing situations relative to how they view the country’s housing situation. The authors find some level of support that housing is – at least in terms of identifying the need for public attention – a potential locus of intergenerational solidarity.

The discussion paper by Elena Lutz identifies a two-pronged strategy to address the affordability challenges that young cohorts face in the German housing market. These include measures to facilitate first-time homeownership, as well as measures that create more affordable housing through both rental policy changes and broader measures to increase housing supply. Lutz justifies the policy proposals by articulating the reasons why housing affordability is an intergenerational justice issue. While this piece focuses on the German housing market, the justice concerns resonate in other country contexts.

The issue concludes with three book reviews focused on the pan-European context, the US context, and the UK context, respectively. Two are provocative reviews that identify the key merits of the books, and all three note just how complicated the intergenerational housing picture really is. The books and the reviews describe the current channels that link financialisation to wealth inequality, bring in the human and political dimensions to housing access challenges, and unpack the various policy levers contributing to expensive housing and subsequent social tensions.

All said, if fairness is about current generations having similar housing opportunities as their predecessors, access to affordable housing must be addressed. If progress is about ensuring that younger generations today have accessible housing paths so that one day they can help their own children launch, the intergenerational justice framework should push us to act even more quickly.

*Lindsay B. Flynn, Guest Editor*