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Debt amnesia

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Debt amnesia: homeowners' discourses on the financial costs and gains of homebuying

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3 In Anglo-Saxon societies, homeowners expect to create synergies between the owned house seen as a
4 space of shelter, a place of home, a store of wealth and increasingly, an investment vehicle (and an
5 object of debt). Drawing on interviews with owner-occupiers and on historic house value and
6 mortgage data in Great Britain, we examine the way in which homes' meanings are negotiated
7 through the subjective calculation of the financial costs and gains of homebuying. We explore
8 homebuyers' **illusory** miscalculation of gains, their disregard of inflation **and more generally, the**
9 **inconspicuousness of debt in relation to gains within their accounts, which we term 'debt amnesia'.**
10 **We show that the phenomenon of debt amnesia is socially constructed by congruent socio-linguistic,**
11 **cultural, institutional and ideological devices. Informed by the ideas of 'tacit knowledge' (Polanyi,**
12 **1966) and 'metaphoric understanding' (Lakoff and Johnson, 1980), we reflect on how the occurrence**
13 **of the unspoken and the partiality of metaphor reinforce the internalisation of homeownership.**
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Keywords: homeownership; housing wealth; mortgage debt; inequality; financial gains; UK.

1 Introduction

By 2012 aggregate UK housing wealth surpassed the 2007 pre-crisis peak and equalled 2.3 times the annual GDP; historically, it increased 14-fold since 1980 reaching a figure which is hard to comprehend. If this wealth was equally distributed, each household in the UK would hold £167,000 in housing wealth of which 70% was mortgage-free equity (Wilcox and Perry 2014). Obviously, this is not the case. The unequal distribution of housing wealth across socioeconomic groups, age cohorts, regional and local markets has been well documented (Hills et al 2010). Overall, homeownership has become more restrictive and owner-occupation rates have been falling since their 2004 peak, particularly among the young. Yet, pervasive long-term neoliberal policies and the post-2008 age of austerity have increasingly framed the owned home as a financial base for family welfare:

“a mix of economic, social, and political changes forming the neo-liberal landscape of the past 30 years has turned home buyers into “investor figures” who see owner-occupation as a safe, secure, wise, and responsible vehicle for managing their money” (____).

The recasting of the owned home as a hybrid of money, materials and emotions, a site of neoliberal governance and ideology, and the reshaping of owner-occupiers into investors constitutes the theoretical background against which we set our inquiry (Flint 2003; Langley 2006; 2008; Smith 2008). Drawing on interviews with residents conducted five years after the 2008 crash and on historic house price and mortgage data, we explore owner-occupiers’ discourses regarding the financial costs and gains of homebuying. How do owner-occupiers relate notions of financial gains and debt to the intertwined multiple meanings of the owned home as a space of shelter, place of home, store of wealth and increasingly an investment vehicle and an object of debt? We draw on Polanyi’s (1966) idea of ‘tacit knowing’ and Lakoff’s and colleagues’ work on the centrality of metaphor in everyday life (Lakoff and

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3 Johnsen 1980; Lakoff and Turner 1989) in order to understand owner-occupiers' discourses
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5 and their discursive omissions regarding the financial terms of homebuying.
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8 The relevance of our inquiry is threefold. First, it was argued that economic studies
9
10 require a better understanding of how the economic is culturally constituted (Amin and Thrift
11
12 2007); we thus aim to contribute to the growing scholarship on the cultural-economy of
13
14 housing. Second, a better understanding of owner-occupiers' conceptualization of the
15
16 financial gains incurred through homeownership help designing socially-accepted fiscal
17
18 instruments in order to increase fairness in the treatment of housing costs across tenures.
19
20 Finally, we aim to contribute theoretically in showing how metaphors capture and reiterate
21
22 the internalization of the ideology of homeownership. Since metaphors inherently highlight
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24 some perspectives while hiding others, our particular focus is to emphasize the occurrence of
25
26 the unnoticed and unspoken; in this case the inconspicuousness of debt relative to gains in
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28 owner-occupiers' discourses, which we term 'debt amnesia'.
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32 The paper proceeds as follows. Section 2 reflects on how the ideas of 'tacit knowing'
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34 (Polanyi 1966) and metaphoric reasoning (Lakoff and Johnsen 1980) can illuminate our
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36 understanding of the hybrid nature of the owned home; and how the unspoken can be
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38 epistemologically attained. Section 3 focuses on the repositioning of the owned house as an
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40 investment vehicle (and an object of debt), particularly in the UK. After a description of
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42 methodology (section 4), section 5 illustrates the likely gains of homebuying using historic
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44 home value and mortgage data; this sets a context for section 6 which explores homebuyers'
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46 views regarding their (mis)calculation of costs and gains. Sections 7 and 8 take the analysis
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48 further by adjusting for inflation the figures shown in section 5, and by exploring
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50 homebuyers' perspectives regarding the time-bounded dimension of homebuying,
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52 respectively. Finally, section 9 concludes the article by showing that homebuyers' financially
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54 unsophisticated understanding of incurred costs and gains arises less from a cultural
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3 acceptance of debt and obvious book-keeping complexities but rather by them tacitly
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5 considering the alternative renting costs of an equivalent space of shelter. We reflect on some
6
7 epistemological and policy implications of our findings and suggest further research.
8

9 10 **2 Tacit knowing, metaphor and the Asset-Shelter-Home**

11 A dwelling—we will use the Scottish term ‘house’ which applies to houses, flats and *homes*—
12
13 —has been recognised as holding different meanings, namely a space of shelter, place of
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15 home, expression of personal identity, social symbol (of consumption), store of wealth and
16
17 increasingly an investment vehicle and an object of debt (Cook et al 2013; Smith 2008; Smith
18
19 et al 2009). However, empirical studies (Gurney 1999b; Richards 1990; _____ noted
20
21 respondents’ difficulty in articulating their understandings of this uneasy mix of money,
22
23 materials and emotions; hence respondents’ took recourse to a small set of metaphors which
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25 emphasized some particulars while ignoring others. As that which is unspoken is key to our
26
27 argument, we seek to link these and our empirical observations to Polanyi’s (1966) idea of
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29 ‘tacit knowledge’ and to Lakoff’s and colleagues’ emphasis on the centrality of metaphor in
30
31 everyday life (Lakoff and Johnsen 1980; Lakoff and Turner 1989).
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36 Michael Polanyi (1966 pp.4) argued that ‘we can know more than we can tell’. For
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38 instance, we can recognize the faces of a hundred people yet ‘we cannot tell how we
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40 recognize a face we know’; that is because our knowing of a physiognomy has tacitly
41
42 integrated the awareness of its separate particulars, which we cannot anymore specify. Tacit
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44 knowing structures human perceptions but also complex acts of conceptualizing, learning,
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46 understanding and acting; of knowing what and knowing how. While widely shared forms of
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48 tacit knowledge tend to remain unspoken (e.g face recognition), disparity in skills levels or in
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50 epistemological frames requires making the unspoken explicit. Although tacit knowledge can
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52 be hardly put into words, it can be nonetheless communicated but this requires both parts’
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3 effort to bridge the gap between that which can and cannot be told; hence communicating e.g.
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5 the art of diagnosing or dancing remains possible.
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7 Polanyi emphasized that just as our perceptions are rooted in bodily experiences, tacit
8 thoughts are bodily-rooted through a process of internalization through practice. Generally a
9 lucid examination of particulars can destroy the internalized understanding of the meanings
10 attached to a totality (e.g. we lose the meaning of a sentence if we focus on its separate
11 words). This work of deconstruction can (momentarily) paralyze knowledge; improve
12 understanding by interiorizing the particulars once more; or fundamentally question the
13 relationships between given particulars. We argue that the concept of tacit knowledge helps
14 understand the complexities of the owned house seen as a totality whose particulars, if not
15 unspoken, are communicated by metaphorical tropes.
16
17

18 Lakoff and colleagues (Lakoff and Johnsen 1980; Lakoff and Turner 1989) argued
19 that metaphors constitute powerful tools for understanding everyday ways of thinking and
20 acting, thereby constructing social realities and identities. They emphasized that metaphors
21 are always partial, highlighting and hiding aspects of social reality; for instance
22 conceptualizing ‘arguments as war’, we lose sight of the collaborative aspects of speech. The
23 use of metaphors is thus not innocent; they assist the ‘construction of truth’ and the
24 maintenance of existing social inequalities (Bourdieu 2005; Cresswell 1997; Gurney 1999a;
25 Richards 1990). For instance, the metaphor ‘the man builds the house, the woman makes the
26 home’ captures persistent ideologies of patriarchy (Brickell 2013; ____ ____).
27
28

29 Richards (1990) argued that the linguistic conflation of home with *home*-ownership
30 in people’s words, analogies and metaphors captures the internalisation of the ideology of
31 homeownership. Looking at housing tenure aphorism, Gurney (1999a) noticed the
32 astonishing ideological consistency of few verbal utterances depicting the owned house as a
33 classed sanctuary of personal control (an Englishman’s home is his castle; you can do what
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3 you want with it). Mortgages were seen as a means to possession (you've got something to
4 show for it; it's yours at the end of it; lining my own pocket) whereas rents were depicted as
5 dispossession (dead money; money thrown down the drain). Using metaphors as research
6 instruments, scholars (Colic-Peisker et al 2010; _____) reported on mortgages being
7 compared to friendly, domestic pets in the UK but to alien, potentially dangerous creatures in
8 Australia. Likewise, housing wealth tended to be seen somewhat more fungible in the UK—a
9 safe or a credit card in which one can add or take money from—than in Australia where it
10 tended to be seen as dormant 'pots of gold' or 'nest eggs'. These studies suggested that
11 homebuying in the UK is internalised as an investment vehicle to a larger extent than in
12 Australia.
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25 Lakoff and colleagues (1980; 1989) showed that conventional metaphors can be
26 expanded or novel ones created in response to structural changes in society. Their example of
27 'time is money' reflecting the new industrial order could be paralleled with the common
28 British tropes 'housing ladder' and 'homeownership is my pension' reflecting the
29 neoliberalisation of housing markets (____). However, the power of ideology can be
30 even more strongly evidenced by what metaphors hide and what remains unspoken (Bourdieu
31 2005)—a point to which we return in our empirical analysis after we first outline some key
32 debates regarding the financial possibilities of homeownership and secondly present the
33 research design.
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45 **3 The financial benefits of homeownership**

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47 The debates regarding the ideological allegiances and policies that have structured the terms
48 between welfare/housing, and owner-occupied/rented homes into stable configurations of
49 welfare/housing/'residential capitalism' regimes are well rehearsed (Esping-Andersen 1990;
50 Kemeny 1981; Schwartz and Seabrooke 2009). Whether neoliberal globalization and post-
51 2008 policies of austerity have significantly altered these configurations remains worthy of
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3 further exploration but is beyond the scope of this paper. We will focus instead on the
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5 repositioning of the owned house as an investment vehicle (and an object of debt) and the
6
7 reshaping of owner-occupiers into financialised investors (Flint 2003; Langley 2006; 2008)
8
9 whose housing wealth may be liquidated in order to provide for family welfare. While the
10
11 UK and other Anglo-Saxon countries take the lead, the financial benefits of homeownership
12
13 are not ignored in other welfare/housing regimes (Doling and Elsinga 2013; Doling and
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15 Ronald 2010).
16

17
18 At a macro-scale, it is argued that homeownership facilitates broad social policy
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20 trade-offs, particularly with the pension systems through cycles of accumulation and
21
22 decumulation across the life-cycle (Kemeny 1981). At the micro-scale however there are
23
24 important distributional caveats; for instance in the UK, household wealth distribution by
25
26 deciles shows that individuals having greater housing wealth also have greater pension wealth
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28 whereas those with no housing wealth barely have any financial wealth at all (ONS 2014,
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30 2015). Socioeconomic distributional limitations are compounded by geographical inequalities
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32 in the amount and yield of housing wealth (Hamnett 1999).
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35 Notwithstanding these crucial differences in wealth distribution across owner-
36
37 occupiers, the outright owned house indisputably contributes to 'income smoothing' via free-
38
39 rent shelter. At the micro-level it is this rationality that instils households buying (or self-
40
41 building) into the advantages or the ideology of homeownership across welfare and housing
42
43 regimes (Doling and Elsinga 2013; Ronald 2008). As a financial gain of homeownership, the
44
45 idea of rent-free living was conceptualised as 'imputed rents', which are linked to the owned
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47 house seen as a space of shelter, a roof over one's head. Taxed until 1963 under the
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49 'Schedule A' in the UK, the idea of imputed rents made its reappearance in economic studies
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51 (for instance (Frick et al 2010). Yet little is known regarding the ways in which imputed rents
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53 are conceptualised by owner-occupiers as actual gains during and after the mortgage term.
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Figure 1

The ideological 'normalisation' of homeownership (Gurney 1999b), not least in terms of increasing homeownership rates (which nonetheless have fallen since 2004), deregulation of the private rental sector and increased stigmatisation of social housing, has been paralleled by a significant growth in house values, indeed everywhere (Piketty 2014). Figure 1 shows historic movements in homeownership rates and house prices in the UK. Notwithstanding volatility, UK house price inflation averaged 6.5% over the last 50 years, which represented 2.5% percentage points above general price inflation. Figure 1 also shows that if house prices had only risen by inflation since 1970, the average national house price would have currently been £67,400 rather than £188,000. Likewise, if we take 2000 as year of reference, which is also the time since house prices have skyrocketed, the corresponding figure would have been £123,900. While there is lively debate on the macroeconomic effects of this sharp increase in aggregate housing wealth (e.g. greater 'feel good' consumption; the collateral outcome), there is agreement regarding its increasingly unequal distribution across households, having privileged owners over tenants, downsizers versus entrants/upsizers, older versus younger cohorts, and owner-occupiers in the South versus those in the North of the UK (Hamnett 1999; Hills et al 2010).

To be sure, the owned home seen as an asset was and still is one of the reasons for which owner-occupiers buy into homeownership across many countries (____ ____). This asset has primarily been seen as a mechanism for familial accumulation (Saunders 1990), a legacy to be bequeathed down the family generations across housing regimes whether in terms of the family home or liquidated housing wealth (Doling and Elsinga 2013). The bequest motive is one of the reasons for which homeownership did not play out as a mechanism of accumulation-decummulation across the lifecycle to the extent to which it was

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2
3 theorised. The other reason is the identity of the owned house seen as place of home rather
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5 than an asset (Easthope 2004; Fox O'Mahony and Overton 2014).
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8 A key area of scholarly and policy interest is the ways in which house prices connect
9
10 to households' equity via the social institutions of mortgage and debt, particularly given the
11
12 1980s deregulation of financial markets in some countries (Aalbers et al 2011; Alan and
13
14 Brian 2015; ____ ____). On the one hand, financial innovation has increased households'
15
16 access to homeownership; on the other hand it has created more flexible and diverse
17
18 mortgages which made housing wealth more fungible. Besides selling off, households could
19
20 now tap into their housing wealth via the reserve or an existing mortgage, use it as collateral
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22 for secure, cheaper borrowing or pay their debt faster; in other words, rather than seeing their
23
24 owned house as a latent store of wealth, owner-occupiers can use it as an investment vehicle
25
26 or a source for welfare (____ ____).
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29
30 While the evolution and distribution of mortgage debt, housing wealth and un-
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32 mortgaged housing equity is carefully monitored (Wilcox and Perry 2014), little is yet known
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34 regarding households' views of their mortgage choice(s) and management, and how they
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36 perceive the gains, costs and debt of homebuying. While housing economists conceptualise
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38 mortgage debt strictly in terms of debt on capital value—the costs of borrowing appearing
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40 only on banks' accounting balance as a source of profit—we argue that at the level of
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42 households' budgets these two components cannot be separated, being theoretically two
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44 intertwined forms of debt but in practice just one liability, payable monthly. Our position
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46 aligns towards sociological views of (financial) debt seen as moral obligations of exchange in
47
48 the everyday economy (Bourdieu 2005; Ford 1988; Graeber 2013) and links to measures of
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50 households' mortgage stress rather than figures on mortgage debt (which, we argue, under-
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52 report household debt). While interest rates are key mechanisms of neoliberal monetary
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54 policy as well as familiar sign-posts for the selling of, and buying into financial products,
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3 there is a lack of scholarly inquiry regarding households' understanding of the debt thus
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5 incurred. Helping fill this important knowledge gap is one of the aims of this paper.
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8 With reference to pensions, housing and more broadly the individualisation of
9
10 welfare, scholars draw attention to neoliberal policy expectations that individuals should
11
12 become responsible, self-interested, financially-knowledgeable investors (Engelen 2003;
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14 Langley 2006; 2008; Langley and Leaver 2012). However, these and other scholars have
15
16 evidenced the perilous socioeconomic implications of these policy expectations as well as the
17
18 inability and reluctance of many individuals in taking on the role of investors, including
19
20 within increasingly financialised housing markets (Flint 2003; Fox O'Mahony and Overton
21
22 2014; Gurney 1999a).
23

24
25 While the deregulation of finance has opened up new possibilities, it also augmented
26
27 the risks of homebuying in the face of macroeconomic turmoil and personal shocks to
28
29 households' budgets (Smith et al 2009). This is nothing new of course (Ford 1988; Kemeny
30
31 1983). The devastating global effects of the US sub-prime financial crisis have reminded the
32
33 macroeconomic costs of enticing low-income households into homebuying. House prices
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35 have fallen virtually globally although there has been high variation in the extent of fall and
36
37 recovery across national, regional and even local housing markets as it has been in the
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39 number of repossessions (Ashton 2009; Keasey and Veronesi 2012; Reid 2014; Schwartz and
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41 Seabrooke 2009).
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44
45 While the financial gains of owner-occupation necessarily rely on ever increasing
46
47 growth in home values, the accrued capital gains differ spatially and temporally (Schwartz
48
49 and Seabrooke 2009). Depending on when and where one enters homeownership, the
50
51 likelihood of facing severe negative equity for a long time—leading to repossession or
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53 residential traps—or conversely benefiting from capital gains varies significantly. These
54
55 differences are also patterned by social class and cohorts (Hills et al 2010; ____ ____).
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3 Against this theoretical background, the next sections explore owner-occupiers' views
4 regarding the financial costs and gains (or losses) incurred through homebuying. Data were
5 collected within the _____ study during 2013. This timing is particularly important in order
6 to observe whether the ideology of homeownership has been challenged by the 2008 housing
7 crash.
8
9

10 11 12 13 **4 Research design**

14 Since our broader research questions focused on the ways and the extent to which households
15 act to position housing wealth as a financial buffer in the face of economic turmoil and
16 changing life circumstances, we focused on the age group 35-65. This age group comprises
17 two cohorts, commonly referred to as 'baby-boomers' and 'generation x', both likely to be
18 actively engaged in developing their housing careers. The sampling strategy was nested in the
19 2012 Family Resources Survey, whose national representative coverage,¹ large size and
20 available household information allowed efficient and ethical access to a stratified sample
21 according to our research requirements. During June-December 2013 we conducted 112
22 semi-structured telephone interviews with outright owners, (re)-mortgagors, social and
23 private tenants from a mix of socioeconomic and gender profiles; these were relatively
24 equally distributed across the 10 standard regions of Great Britain (response rate 34%;
25 average interview length 56 min).² In this paper we report however on the sub-sample of 79
26 owner-occupiers (Table 1).
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45 **Table 1**

46 Household annual income was spread from marginal to affluent levels in both age groups.
47 Overall, 35 respondents had below £30,000 (of whom 13 had below £15,000); 31 respondents
48 had between £30,001 and £60,000; and 13 participants had more than £60,001 (of whom 6
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54 ¹ This excluded Northern Ireland.

55 ² Additionally we interviewed 16 housing and financial experts.
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3 had more than £100,000). Furthermore, 60 participants declared they were financially
4
5 comfortable or doing alright, 14 were just getting by and five found it (very) difficult. Self-
6
7 declared home values ranged from £40,000 to £800,000 and accrued equity from £6,000 to
8
9 £500,000. Our inquiry benefited from cultural differences between interviewees and the
10
11 interviewer: _____'s eastern European cultural understanding of bank borrowing as
12
13 doubling/trebling the purchase price meant that she consistently probed to elicit respondents'
14
15 views regarding the cost of servicing their mortgage. Interviews were transcribed and the
16
17 anonymous transcripts were coded using NVivo software based on interview themes; then
18
19 recoded into finer (sub)-categories collated into theoretically-informed themes. We also used
20
21 the method of content analysis by quantifying the incidence of some categories (length of text
22
23 was disregarded given that semi-structured interviews allow the interviewer to probe in order
24
25 to elicit details).

26 27 28 29 30 **5 Gross costs and gains**

31
32 To set the context, we first draw upon quantitative evidence. Table 2 shows the average gross
33
34 costs and gains of homebuying over four distinct 25 year periods, and subsequent average
35
36 gains in house value to 2015. Given that participants construct their frame of reference in
37
38 gross figures, as we will show in the next section, we do not yet account for effects of time
39
40 and inflation (which we do in section 7). We use average UK-wide house price derived from
41
42 the Nationwide House Price Index. Mortgage costs were tracked over the 25 year term of a
43
44 typical standard variable rate mortgage according to the average annual mortgage rate
45
46 supplied by the Building Societies Association. No account has been taken of purchase costs
47
48 (e.g. stamp duty; agents' fees), one-off payments to the lender, or costs of maintenance,
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50 improvements and homemaking (e.g. furnishing; redecoration). We have assumed that each
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52 purchase is financed through a 20% deposit and 80% mortgage paying the average standard
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3 variable rate applicable for each year. The columns to the right of the Table 2, headed 'profit'
4
5 are calculated as follows:
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- 7 • 'Profit 1' represents the value of the home at end of mortgage term (when the
8 mortgage was completely repaid) minus its value at date of purchase. Profit 1
9 therefore represents gross capital growth over the mortgage term. However to be fully
10 realised, the purchase should have been made entirely with cash and not with a
11 mortgage which carries additional costs of borrowing.
12
- 13 • 'Profit 2' represents the house value at the end of the mortgage term minus the total
14 cost of purchase (including the costs of borrowing). Profit 2 therefore represents the
15 gross financial gains of homebuying. Currently in the UK, homebuyers could only
16 calculate Profit 2 at the end of the mortgage period by summing up the annual
17 mortgage payments as shown in the 25 annual statements.
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29 **Table 2**

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31 By adding the amounts in columns 'b' and 'd' for deposit and mortgage payments, we
32 observe that the total cost incurred was between 2 and 2.7 times higher than the purchase
33 price (column 'a'). For instance, for a house valued at £11,300 (period 1975-2000) a
34 homebuyer actually paid £30,100. The amount paid in interest over the 25 years (column 'd'
35 minus column 'c') ranged from £18,800 (1975-2000) to £56,700 (1990-2015). However,
36 home values over the mortgage term grew by 3.7 to 7.2 times over the four mortgage periods.
37 Consequently, the cost of borrowing consumed 27% to 38% of the 'illusory' Profit 1 for the
38 mortgage periods considered. However, given the high growth in house values, homebuyers
39 still made on average significant financial gains of between £51,600 and £97,400 over the
40 mortgage term (Profit 2). Further gains accrued during the period of outright homeownership
41 (column 'f'). Given common mortgage offers of 5% deposit after the early 1980s, we
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3 replicated these calculations correspondingly; perhaps surprisingly, differences in the
4 financial gains incurred were trivial (smaller by between £3,500-£10,600).
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7 **Table 3**

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10 Given recognised differences in house values and in their growth regionally, it was
11 interesting to examine variations across one of the best and worst performing regions. Table 3
12 shows the stunning differences in both Profit 1 and 2 between the South East (SE) and the
13 North East (NE) of England in all four periods considered. For instance, for the period 1990-
14 2015, homebuyers' financial gains in the NE were only a quarter of those in SE. This is a mix
15 effect from capital growth being smaller in the NE compared to the SE (by 2.6 against 3.7
16 times) and by similar mortgage interest rates; consequently, borrowing costs wiped out 66%
17 against 38% of the capital gains incurred over the period, respectively. Geography thus
18 dramatically differentiates between higher and lesser winners on the simple ground of place
19 of residence (Hamnett 1999).
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32 Finally, we replicate these calculations for different housing types for 1990-2015, the
33 only period for which national data is available. We observed that the values of flats and
34 terraced homes have risen by over 4 times whereas those of semi- and detached homes by
35 only 3.4 and 2.9 times, respectively. After deducting the costs of purchase, financial gains
36 (Profit 2) were surprisingly similar across housing types, however the buyers of less
37 expensive homes did better than those who bought more expensive houses given their lower
38 initial investment. Only by paying a larger deposit than our assumed 20%, would a detached
39 house generate a similar profit; this is indeed facilitated by the practice of moving up the
40 housing ladder in the UK.
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52 We conclude this section by observing that during the mortgage terms considered,
53 whether homebuyers bought in a well or poorly performing UK region, whether they bought
54 a flat, terraced or semi-detached home, on average they made some or significant financial
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3 gains even though the costs of mortgage doubled or trebled the purchasing price. However,
4
5 these gains (Profit 2) have only accrued due to the exceptional growth in house prices in each
6
7 mortgage period considered in this exercise. If the growth in house values had only been half
8
9 that experienced over each term, borrowing costs would have triggered losses (averaging up
10
11 to £37,800 nationally; £59,000 in the NE; and £43,400 in the SE). Only during the first two
12
13 mortgage periods considered, would homebuyers have enjoyed some minor gains (averaging
14
15 up to £7,000 nationally; £3,000 in the NE; and £15,700 in the SE). We were interested to
16
17 learn how participants accounted for the costs and gains of buying their home.
18
19

20 21 **6 Negotiating the multiple meanings of home**

22
23 In line with previous research (Easthope, 2004), half of participants conceived their house
24
25 exclusively as a place of home: “I prefer to buy my *home* even if it makes no financial sense”
26
27 (male 35). Just under half saw their home as a dual identity of home-and-asset. Of these,
28
29 some saw the eventual capital gains as just ‘a nice bonus’ while others believed there was a
30
31 strong synergy between the role of the owned house as a place of home and an investment
32
33 vehicle:
34
35

36
37 “Luckily they both go the same way. The better place to live is a more expensive one
38
39 and a better investment. That is just the nature of the situation of social economics”
40
41 (male 54).
42

43
44 It was slightly more likely for participants aged 35-49 than those aged 50-65 to account for
45
46 their owned house as a home-and-asset hybrid rather than exclusively a home. Yet these
47
48 differences were patterned by changing meanings along the life-course and household
49
50 affluence/type rather than simply being cohort effects. Our participants entered the housing
51
52 market as first-time-buyers between 1970 and 2012 (23 participants bought after 1990).
53
54 Housing pathways were obviously much more complex than we assumed in our exercise. On
55
56 average, the younger group was already living in their second-bought home and the older
57
58

1
2
3 group in their third one. Only 20 participants had not changed residence since they first
4 bought. Yet all participants enjoyed calculating the profit of homebuying in terms of Profit 1–
5 –even as the difference between the value of their current home less the price of their first
6 home—and they ignored borrowing costs:
7
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10

11 “I bought my first house for £7,500 and I sold the big house for £315,000! So, you
12 don’t make that sort of money by working for a living, if you know what I mean!”
13
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15
16 (male 58).
17

18 Table 2 shows buying with cash is significantly cheaper than buying with a mortgage.
19
20 Seventeen participants bought their current homes with cash. Ten participants were affluent
21 homeowners living in large, expensive homes. Conversely, three participants have
22 deliberately bought inexpensive homes (non-standard; Council house) using their entire
23 savings in order to reduce outgoings.³ Achieving outright homeownership was a symbolic
24 stage for most participants, yet the real costs of sustaining the mortgage were totally
25 overlooked by all participants, even by those few who tried to pay the mortgage faster:
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34 [*Why don’t people include the cost of borrowing?*] “That’s a very good question. I
35 don’t know! As soon as you said it, I can see what you mean, that I have invested
36 additional monies to finance the loan, so I really have got to subtract that from the
37 differential from what I bought it. I guess I consider as sunk money really, you know?
38
39 I never really gave it much thought that I should subtract that money off what I
40 considered as a profit” (male 41).
41
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47 This comes at odds with findings reported in France (Bourdieu 2005) or views from our six
48 non-British private tenants who indeed planned buying with cash in the country of their
49 origin:
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56
57 ³Four participants downsized to bungalows.
58
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3 “If I want to buy a house I have to have the money in my hand. I don’t want to owe
4 any money to anyone or to pay double for it. I buy a property when I am able to pay
5 from own pocket. With cash” (female 38, Hungarian).
6
7
8

9
10 After later reflection, Mr KH (35) texted to explain this ‘debt amnesia’ in cultural terms:

11 “The answer to your question about why British people don’t think about the total cost
12 of a house they bought with a mortgage is this: we are very comfortable with debt. In
13 fact, we are too comfortable! And some people have so much debt they cannot
14 calculate (or would rather not know) the true cost. Debt is a way of life here, the true
15 cost of goods does not matter to people.”
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23 These differences show the normalisation of debt in the UK which feed into the unspoken,
24 tacit knowledge of homebuying. As shown in other studies, our participants simply saw
25 mortgage debt as a good form of debt or even not a debt at all: ‘in this country, having a
26 mortgage is seen as saving, really’ (m, 61). After probing, about half of our respondents
27 reconsidered their understanding of borrowing costs in relation to gains but the other half
28 (mostly female) remained unable to conceptualise these costs beyond the familiar metaphor
29 of percentage interest rate. One participant, however, angrily denied any relation between
30 borrowing costs and the purpose of borrowing:
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40 “That’s stupid, borrowing costs have nothing to do with how much money my house
41 has earned me; I borrowed, I pay for it. That I bought my house with that is unrelated,
42 do you get it? (male 54)”
43
44
45
46

47 However, homebuyers’ debt amnesia was also sustained by a socially-accepted opacity in the
48 practice of mortgage selling and the construction of mortgage annual statements:
49
50

51 “...banks and mortgage lenders are not the most popular institutions. Why on earth
52 would a lender say, ‘Your mortgage has gone down from £100,000 to £94,500 this
53 year, but by the way the cumulative payments you have made to us over the last ten
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3 years are £680,000.’ Where would the benefit from that come? It just doesn’t make
4
5 any marketing sense; it doesn’t make any sense in terms of trying to build trust with
6
7 the borrower” (financial expert).
8

9
10 Classic behavioural economics complement the picture of the [homebuying investor](#):

11 “We all like to think that we are really smart. The reality is most of us are very
12
13 financially lacking in capability. People are not good at doing percentages and doing
14
15 real value of money, there is a lot of myopia... Actually it just makes life easier... you
16
17 know what your house is worth, you can vaguely remember what you paid for it...
18
19 Actually you just want to tell everybody what a fantastic gain you have made! People
20
21 are fairly unsophisticated when it comes to numbers and financial amounts. I don’t
22
23 think, the chances of somebody keeping their annual financial statements and
24
25 thinking, ‘Hang on, I have actually paid... I have been charged £240,000 of interest
26
27 payments on top of the £100,000 mortgage that I have paid back.’ People don’t do
28
29 that. I can’t think of anybody who has got 25 years’ of mortgage statements in their
30
31 folder at home” (financial expert).
32
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34
35

36 None of our 20 participants prompted on this have kept their annual statements. Does the
37
38 puzzling homebuyers’ illusory miscalculation simply evidence their reluctance or inability to
39
40 play the role of the financially knowledgeable investor? After all, Tables 2-4 show that even
41
42 when total purchasing costs are deducted from gross capital growth, homebuying still
43
44 generates impressive gains. If we would further deduct the costs of homemaking,
45
46 maintenance and repairs—that is the true costs of homeownership—gross figures may turn
47
48 towards nil at least in some places. Moreover, if the owned house was seen exclusively as an
49
50 asset, a truly financialised homebuyer would try to maximize profit by paying the mortgage
51
52 faster. A few of our participants did; conversely 37 participants released funds by re-
53
54 mortgaging. [But critically, the owned house](#) is also a space of shelter:
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3 “After all it’s a question of paying the bank or paying a landlord! So you’re as well
4
5 buying as long as you don’t have to move around too much for your job” (male 65).
6

7 Paying a mortgage was seen as being cheaper than renting. The rent was cast as ‘dead/wasted
8 money’, ‘paying someone else’s mortgage’ or a ‘life-time liability’. Conversely, homebuying
9 resulted in ‘rent-free living’, ‘reduced outgoings’, it creates an ‘asset at the end of it’, offers
10 ‘capital appreciation’, ‘financial security’, a reserve for pension or care and more importantly
11 it can be passed down to children (recurring quotes). Overlooking mortgage payments seems
12 then just a way of simplifying the complex terms of buying the *Asset-Shelter-Home*. By
13 considering the alternative renting costs of an equivalent space of shelter—which participants
14 believed to approximate their mortgage payments—the gains of homebuying may indeed be
15 equal to the capital growth over the mortgage term (Profit 1, minus the deposit paid to be
16 exact). These additional gains, corresponding to the hypothetical rents payable for a similar
17 rented property, are no different from the concept of imputed rents. As one cannot spend the
18 same monies twice, a theoretical argument can be made regarding whether the monthly
19 mortgage payments buy an asset (the house) or pay a rent (to oneself). This is important,
20 particularly from a fiscal perspective in respect to the fair treatment of housing costs across
21 tenures.
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40 Participants’ motives to engage in homebuying were deemed to be primarily financial
41 yet a careful reading showed the way in which they reflected expectations, constraints and
42 opportunities stemming from a housing system perceived as offering two tenure options;
43 privately owning or privately renting. Given household affordability, homebuying may
44 therefore be seen as a misleading notion of choice since any other alternative is a
45 significantly worse settlement. In other words, financially comfortable households have no
46 other ‘choice’ but buying. However, it is interesting to consider whether the gains of
47 homebuying stand the test of time.
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7 Looking through the lens of time

Inflation affects both the value of money and houses. On the one hand, the purchasing power of money is diminished (10 years ago £100 bought more than today just as £100 today will buy more than in 10 years' time). On the other hand, house value growth contains two separate components: one derived from general price inflation, which we refer as the RPIX factor; the other component can be regarded as an additional housing market affect, representing the real growth in house values. Consequently, to calculate the inflation-adjusted profit of homebuying at the end of each mortgage term, one should deduct the deflated total costs of purchase from the real growth in house values. The results are shown as Profit 3 in Table 4.

Table 4

We observe that growth in house values has surpassed general price inflation resulting in real capital gains (column 'i'). However when the adjusted costs of mortgage are deducted, the real gains (Profit 3) are only material for the two middle 25 years periods considered in our exercise, being very low or negative for the other two periods. Based on national averages, these real gains ranged from -£2,200 to £43,500 reflecting the UK boom-and-bust cycles and the corresponding perils or fortunes of homebuying—even though subsequent gains (column 'k') generate profit. If gross financial gains represented 62%-73% of capital growth (Profit 2 as percentage of Profit 1, Table 2), adjustments for inflation significantly reduced them to -3%, 32%, 19% and 1% respectively for each period considered. This is important given that participants' financial frame of reference was clearly the illusory Profit 1 that is capital growth.

Table 5

Looking at the corresponding figures for the NE and the SE (Table 5), the highest losses were £51,300 and £13,200 respectively; the highest gains reached £32,500 and £67,200

1
2
3 respectively. As above, these real gains ranged between -69% and 33% of capital growth for
4
5 the NE and between -8% and 42% for the SE. While on average, homebuyers' gross financial
6
7 gains were smaller or larger by regions but still positive, inflation adjusted gains were not
8
9 only significantly smaller in all cases, but were sometimes indeed losses. Inflation-adjusted
10
11 gains were highest for flats, smaller for terraced houses and negative for semi- and detached
12
13 houses, significantly so for the latter.
14
15

16
17 However as the previous section has shown, participants' way of thinking included
18
19 the alternative costs of renting an equivalent space of shelter into the financial calculation of
20
21 homebuying (imputed rents). As participants tended to equate such hypothetical rents to their
22
23 mortgage payments, the overall adjusted gains of homebuying can be approximated by the
24
25 sum of Profit 3 and the deflated mortgage payments (column 'g'). Therefore homeownership
26
27 commonly generated an impressive amount of unearned wealth. Table 6 shows these gains
28
29 made through asset appreciation and imputed rents over the term of the mortgage. Yet it is
30
31 important to note that despite large gains in gross figures, there were times and places where
32
33 in adjusted figures the gains of homebuying were trivial even with the inclusion of imputed
34
35 rents. In other words, there are places in which significant gains are achieved only during
36
37 outright homeownership. In the next section we examine participants' views regarding the
38
39 generative mechanisms of this wealth.
40
41
42

43 **Table 6**

44 **8 'They always go up'**

45
46 Altogether, 73 out of our 79 participants believed their home value increased significantly.
47
48 Asked why house values increased (or decreased), participants proved to be free-market
49
50 thinkers. Explanations in relation to economic fundamentals were clearly dominant, and
51
52 navigating them successfully was to some degree related to luck. Key themes were the notion
53
54 of a self-explanatory, transparently natural, reified housing market; various notions of
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1
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3 inflation; and demand-supply disequilibria. Other factors mentioned by just a few participants
4
5 were peoples' confidence, the state of the economy and easy supply of credit.
6

7
8 In terms of the working of the housing market, and given the recent financial crisis, it
9
10 is not surprising that participants were aware of housing boom-and-bust cycles, the
11
12 difficulties in predicting them, and the advantages or risks of transacting at the right or wrong
13
14 time:

15
16 "I've been just lucky really; the housing market has just ballooned. It's just the
17
18 market, I mean it's just crazy, just crazy" (female 65).
19

20
21 Risks of loss were generally overlooked by strong beliefs in long-term increases in house
22
23 values. A detailed look at the housing pathways of those who bought at the peak of the
24
25 market, demonstrates that the interplay between housing careers, housing cycles and life
26
27 course events was patterned by homebuyers' economic capacity to move up at a loss but also
28
29 by the suitability of the house as a family home. Out of our 14 participants who bought in the
30
31 late 1980s or early 2000s booms, only two lamented having been trapped for years in an
32
33 unsuitable home, the remaining being either genuine stayers (n=5), could easily afford to
34
35 move at a loss (n=4), were benefiting downsizers (n=2); and finally, the case of a Londoner
36
37 who was already able to re-mortgage by 2010, points to key differences in capital gains
38
39 across regional markets. However, overall only four participants referred explicitly to
40
41 geographical effects in house value (growth), which draws attention to the complex links
42
43 between housing and place. While participants have on average changed residence two or
44
45 three times as homebuyers (the 35-49 and 50-65 age groups, respectively) few of them have
46
47 moved across UK regions.
48
49
50

51
52 The working of the (housing) market was connected to notions of inflations. The
53
54 relation between property and general price inflation was yet most ambiguous. The idea of
55
56 general inflation was perceived within the frame of historic determinism by some participants
57
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1
2
3 in terms of ‘the way of the world’, ‘the historic feel’ or it elicited a childlike amazement as
4
5 below:

6
7 “We’re talking in the office about the Mars bar. When I was a child that used to be the
8
9 equivalent of 2p, it’s now 80p! So the cost of living has done that! [*By 40 times!*] No,
10
11 by *400 times!*” (male 62).
12
13

14 These figures were indeed correct according to the inflation index but this participant’s
15
16 astonishment is perhaps more telling regarding the extent to which individuals tend to
17
18 exaggerate the effects of inflation on living costs. Conversely inflation was totally
19
20 disregarded in the calculation of housing gains, as we have previously shown. Finally, the
21
22 effect of housing commodification and lack of supply were also acknowledged by some
23
24 participants:
25
26

27 “It’s a commodity. It’s like anything else, it’s supply and demand. And the housing
28
29 stock in Britain at the moment to purchase is too small for the number of people that
30
31 want to buy” (male 49).
32
33

34 Besides the influences of economic fundamentals, own agency was also believed to be central
35
36 to the raising value of one’s home and it justified a sense of *deservedness* for the full
37
38 enjoyment of the financial gains of homebuying—and opposition to taxation. Content
39
40 analysis showed that this theme was however just half the density of the macroeconomics
41
42 (25% against 56% in all code references). *Deservedness* was justified by ideas of ‘buying
43
44 smart’ that is the right home, in the right location, at the right time and by undertaking
45
46 ‘smart’ improvements (except extensions, these tended to be beautifying rather than essential
47
48 work, for instance landscaping rather than retrofitting thermal insulation). However, as *shown*
49
50 in the quotation below, owner-occupiers balanced the meanings of the owned house seen as a
51
52 place of home and as a financial asset:
53
54
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2
3 “It has been done up considerably from what it was, so that has increased the value.
4
5 But I did it to make it into my home, not because I was considering future value. And
6
7 we bought in a very good location, somewhere we like” (female 46).
8

9
10 More broadly, *deservedness* was also justified by making a ‘responsible choice’ rather than
11
12 spending on ‘high days and holidays’ and by an ambiguous sense that a lot was paid for it
13
14 (which we showed to be true given that participants perhaps paid two/three times the already
15
16 high purchasing price).
17

18
19 While participants enjoyed showing off their illusory capital gains in gross figures,
20
21 these were also downplayed as just ‘paper money’. The meanings of the owned house as a
22
23 space of shelter, a place of home and a store of wealth remained inescapably intertwined and
24
25 simultaneously embedded into the past, present and future dimensions of time:
26

27
28 “It was irrelevant to whether we bought and whether values went up or down because
29
30 at the end of the day you can’t eat a house; everyone needs somewhere to live... if I
31
32 sold the property now and put the money in the bank that would be silly... and where
33
34 would I live? It’s something usually you leave to your children unless disaster comes
35
36 in the form of old people’s home!” (male 65).
37

38 **9 Conclusions**

39
40 In this paper we examined *owner-occupiers’* views regarding the financial costs and gains of
41
42 homebuying. We have thus substantiated *the inconspicuousness of debt relative to gains in*
43
44 *our participants’ accounts, which we termed* debt amnesia. Homebuyers unsophisticatedly
45
46 calculate their illusory gains by overlooking sums paid in mortgage interest rates and those
47
48 commonly re-mortgaged, used for improvements or moving up the housing ladder. *Their*
49
50 expectations of ever increasing house values *shed* ambiguity *on* the effects of time and
51
52 inflation on the financial costs and gains *of homebuying; commonly they prefer to avoid*
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3 discounting. We showed that the phenomenon of debt amnesia was socially constructed by
4
5 congruent socio-linguistic, cultural, institutional and ideological devices.
6

7
8 Socio-linguistically, the phenomenon of debt amnesia has been evidenced by
9
10 universal (self)-reference to mortgagors as homeowners instead of homebuyers; by
11
12 metaphorical expressions unanimously depicting mortgage payments as direct payments to
13
14 one's own pocket, and rents as a means of dispossession; and by the occurrence of the
15
16 unspoken which has hidden the significant costs of financing a mortgage. These partial
17
18 metaphors have given testimony to the internalisation of the ideology of homeownership
19
20 through tacit knowledge (Lakoff and Johnsen 1980; Polanyi 1966). Institutionally, the
21
22 phenomenon of debt amnesia was constructed by a complicit lack of transparency in the
23
24 terms and practice of mortgage selling and the construction of mortgage statements which
25
26 were built upon, and we could argue were also intended to manipulate, behaviour inclinations
27
28 for the euphoria for winning and repulsion to loss. However the phenomenon of debt amnesia
29
30 was clearly supported by high growth in house values; we showed that if capital growth was
31
32 half over each mortgage period, gains would have often turned into losses. Finally debt
33
34 amnesia was firmly grounded by participants accounting for the alternative costs of an
35
36 equivalent space of shelter in the private rental sector; they equated mortgage payments to
37
38 private rents. The stronger explanatory metaphor advanced by participants in order to account
39
40 for the complexities of house value movements and their own gains was that of the 'market'
41
42 and the tacit, internalised knowledge regarding the paradoxes embedded within the Asset-
43
44 Shelter-Home; of course, none of these is an ideologically-free construct as theorists of the
45
46 welfare/housing regimes have evidenced (Kemeny 1981).
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51
52 Our study draws attention to the issue of fairness across tenures given the high
53
54 financial gains made by most owner-occupiers through capital appreciation and imputed
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56 rents, even after deducting the full cost of financing a mortgage and adjusting for inflation.
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3 This has policy implications in terms of (a) finding ways for taxing homeowners' imputed
4 rents and capital gains; and/or (b) including tenants' cost of rent into a personal tax-free
5 income allowance in the form of a 'Rent Tax Relief'. Additionally, as a nudge policy to
6 reduce household debt by increasing saving rates, we recommend that the terms of mortgage
7 selling, including the construction of mortgage statements, should be revisited in order to
8 make mortgage costs more transparent.
9

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16 Our particular focus of emphasizing the occurrence of the unspoken—in this case
17 owner-occupiers' omission of borrowing costs in the calculation of gains—was facilitated by
18 the different episteme between _____'s eastern European cultural location and that of the
19 respondents she interviewed. The former exhibits adversity to mortgage debt whereas in the
20 latter mortgages are ingrained as good forms of debt. The importance of cultural location was
21 strengthened by the divergent narratives between our British and non-British respondents and
22 more generally by the surprising Anglo-Saxon scholarly omission to ask questions related to
23 the cost of servicing debt. Widely shared tacit knowledge (Polanyi 1966) explains this
24 omission but so does the observation that metaphors—and the unspoken—are complicit to
25 dominant ideologies and to those who they advantage (Bourdieu 2005); it is not surprising
26 therefore that through the terms and practice of mortgage selling, powerful financial
27 institutions prefer to obscure rather than make explicit the real costs of homebuying.
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43 Finally, our study has indicated a broader research agenda on the cultural-economy of
44 housing. Given the obvious Britishness of our paper, further cross-country comparative
45 analyses of the social construction of debt could bring interesting new insights. Given that the
46 financial settlement of homebuying is so dependent on peoples' expectations of continuing
47 high growth in house prices, a rich avenue for future research would be to unveil the socially-
48 constructed and power-laden foundations of such widespread beliefs. A committed
49 engagement with metaphoric speech can shed light on the many ways in which the economic
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3 is culturally constituted in everyday practices, and the implications of these to the
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5 maintenance or reinforcement of social injustices and inequalities.
6

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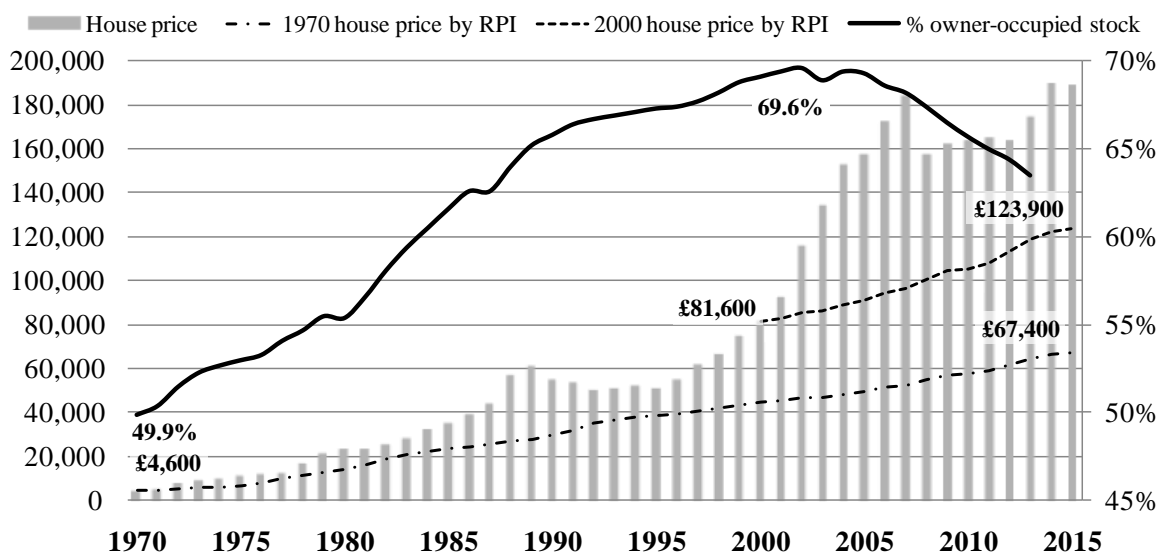
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Figure 1 Historic movement in house price and homeownership rates



Authors' calculations based on Nationwide and ONS data.

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Table 1. Sample distribution

Birth cohort	Outright with cash	Outright by mortgage	Mortgagors	Re-mortgagors
35-49	5	0	11	9
50-65	12	21	11	11

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Table 2 Gross costs and gains (national averages, £000s)

Mortgage period	Home value at date of purchase	Costs of purchase:			Home value at the end of mortgage	Profit 1: Gross capital growth	Profit 2: Gross financial gains	Subsequent home value growth to 2015
		Deposit	Amount mortgaged	Mortgage payments				
	(a)	(b)	(c)	(d)	(e)	(e-a)	(e-b-d)	(f)
1975-2000	11.3	2.3	9.0	27.8	81.6	70.3	51.6	121.0
1980-2005	23.5	4.7	18.8	55.3	157.4	133.9	97.4	45.2
1985-2010	35.4	7.1	28.3	73.5	163.0	127.5	82.4	39.6
1990-2015	54.9	11.0	43.9	100.6	202.6	147.7	91.0	-

Source: authors' analysis

Table 3 Gross costs and gains in two English regions (regional averages, £000s)

Mortgage period	Home value at date of purchase	Costs of purchase:			Home value at the end of mortgage	Profit 1: Gross capital growth	Profit 2: Gross financial gains	Subsequent home value growth to 2015
		Deposit	Amount mortgaged	Mortgage payments				
	(a)	(b)	(c)	(d)	(e)	(e-a)	(e-b-d)	(f)
SE								
1975-2000	11.8	2.4	9.5	29.1	101.5	89.7	70.0	134.2
1980-2005	25.3	5.1	20.2	59.5	185.9	160.6	121.3	49.9
1985-2010	42.3	8.5	33.9	87.8	195.2	152.9	99.0	40.5
1990-2015	63.6	12.7	50.9	116.6	235.7	171.9	106.2	-
NE								
1975-2000	9.3	1.9	7.4	22.9	53.5	44.2	28.7	71.8
1980-2005	18.4	3.7	14.7	43.3	118.4	100.0	71.4	6.9
1985-2010	27.5	5.5	22.0	56.9	116.8	89.3	54.4	8.5
1990-2015	47.3	9.5	37.8	86.7	121.3	74.2	25.4	-

Source: authors' analysis

Table 4 Inflation adjusted costs and gains (national averages, £000s)

Mortgage period	Home value at date of purchase	Mortgage costs, gross	Mortgage costs, deflated to end of term	House value at end of mortgage	Capital gains, by		Profit 3: adjusted to end of each term	Subsequent growth to 2015, adjusted to 2015
					RPIX Factor	Housing Factor		
	(a)	(b+d)	(g)	(e)	(h)	(i)	(i-g)	(k)
1975-2000	11.3	30.1	17.8	81.6	54.8	15.6	-2.2	84.3
1980-2005	23.5	60.0	39.0	157.4	51.5	82.4	43.5	16.0
1985-2010	35.4	80.6	54.8	163.0	48.1	79.5	24.6	22.7
1990-2015	54.9	111.6	76.7	202.6	69.4	78.3	-3.8	-

Source: authors' analysis

Table 5 Inflation adjusted costs and gains in two English regions (regional averages, £000s)

Mortgage period	Home value at date of purchase	Mortgage costs, gross	Mortgage costs, deflated to end of term	House value at end of mortgage	Capital gains, by		Profit 3: adjusted to end of each term	Subsequent growth to 2015, adjusted to 2015
					RPIX Factor	Housing Factor		
	(a)	(b+d)	(g)	(e)	(h)	(i)	(i-g)	(k)
SE								
1975-2000	11.8	31.5	18,6	101.5	57.4	32.3	13.7	96.7
1980-2005	25.3	64.5	41,9	185.9	55.4	105.3	63.3	18.4
1985-2010	42.3	96.3	65,6	195.2	57.5	95.4	29.9	20.3
1990-2015	63.6	129.3	88,9	235.5	80.4	91.5	2.7	-
NE								
1975-2000	9.3	24.8	14,7	53.5	45.2	-1.0	-15.6	33.4
1980-2005	18.4	46.9	30,5	118.4	40.3	59.7	29.2	15.9
1985-2010	27.5	62.4	42,4	116.8	37.2	52.1	9.7	4.6
1990-2015	47.3	96.1	66,1	121.5	59.8	14.4	-51.6	-

Source: authors' analysis

Table 6 Gross and adjusted gains over the mortgage term (£000s)

	National		NE		SE	
	Min	Max	Min	Max	Min	Max
Mortgage period	1975-2000		1975-2000	1980-2005	1975-2000	
Gross	79.4	191.6*	51.6	114.7	99.2	222.8*
Adjusted	15.1	80.7**	-1.3	58.4	31.8	103.4**

* 1990-2015

** 1980-2005

Source: authors' analysis

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