

## No money, no housing security? The role of intergenerational transfers, savings, and mortgage in mobility within and into insecure housing positions in Hungary

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### Abstract

*The article reviews current housing mobility patterns in Hungary, with specific regard to relocations within the rental sector and mobility from the owner occupied to the rental sector. By doing this, it intends to gain a more profound insight into housing mobility within or into less secure positions in the housing system. The analysis explores the role of factors beyond basic socioeconomic variables, such as access to different sources of housing finance, to housing mobility, through multivariable analysis of representative survey data. It points out how the lack of access to intergenerational transfers, savings, and mortgage leads to the inability of households to exit the rental sector. Besides, it draws attention to formerly mortgaged households moving from homeownership to the rental sector. It discusses the results in the context of Hungary's super-homeownership tenure structure, the highly ownership-oriented public policies, the lack of effective measures to tackle housing unaffordability and the loosely regulated rental sector. The analysis is based on data from a large sample personal survey conducted in 2018 (N=2650).*

**Keywords:** housing mobility, intergenerational transfers, housing finance, housing policy, Hungary

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## Introduction

Recent macroeconomic changes have had a significant impact on the housing opportunities and, thereby, on the housing pathways of households. Notwithstanding spatial differences between housing markets and housing conditions, along the housing path considered typical in the previous decades, individuals entered the “housing ladder” of the owner-occupied housing sector at some point in their lives (Lux *et al.*, 2017; McKee, 2012; McKee, 2015), possibly temporarily involved in the rental sector as young people leaving their parents’ homes and then, over time, with the increase of their household size, financial stability and income, they moved up on such a “housing ladder” into owner-occupied homes of increasing size, value and location. After their children becoming independent, the consumption of housing was typically curbed, and the wealth was possibly transferred to the next generation during retirement (Hegedüs, 2001). Such a typical housing pathway is increasingly challenged by socioeconomic changes, such as an increased flexibility of the labour market, declining job stability (Arundel and Ronald, 2016; McKee, 2012; Ronald, 2018), changes in the asset-based welfare model (McKee 2012), and related changes in the housing market, such as rising real estate prices, diminishing access to mortgages, the decline and residualisation of the social rental housing sector, as well as the growth of the private rental housing sector (McKee, 2012; Ronald and Kadi, 2018) and the emergence of alternative forms of housing (new forms of co-housing) (Cole *et al.*, 2016; Polyák 2017; Ronald, 2018).

One of the factors mediating changes in housing mobility is an increasing role of intergenerational transfers in accessing homeownership (Cook, 2020; Isengard *et al.*, 2017; Ronald and Lennartz, 2019). The transfers concerned may take various forms (Cook, 2020; Isengard *et al.*, 2017; Ronald and Lennartz, 2017; Wong, 2017), including direct, non-refundable cash transfers through loans, in-kind transfers, parents acting as guarantors of children’s mortgage loans, as well as non-material help, such as the opportunity to stay or return to the parental home (which might enhance young generations’ capacities for savings for housing purposes). The potential and type of transfers for the offspring is strongly related to parents’ financial status, with higher status parents more likely to provide financial transfers for their children (Ronald and Lennartz, 2017). Also, the timing of transfers is relevant: in-vivo transfers – compared to bequeathed wealth – are more likely to support young people to access homeownership (Ronald and Lennartz, 2019). Households without intergenerational transfers as a source of housing finance have poorer chances to access homeownership. Thereby, intergenerational transfers for housing contribute to the reproduction of social inequalities (Isengard *et al.*, 2017; Ronald and Lennartz, 2019). Meanwhile, unlike the role of socioeconomic factors in housing mobility, which is a well-researched area, the role of intergenerational transfers, as well as other forms of housing finance, such as savings and mortgage has received less attention.

One of the spectacular changes in the housing pathways of households is a changing role of the rental sector. A growing number of authors analyse the evolution of a ‘generation rent’; a high proportion of young people living in the rental sector, who might proceed to further phases in life without having access to homeownership (e.g. Blackwell and Park, 2011; McKee, 2015; McKee and Hoolachan, 2015; Ronald and Lennartz, 2019; de Santos, 2012). Others point out that such a housing trajectory is not necessarily determined by age, but socioeconomic factors (McKee and Hoolachan, 2015): vulnerable households – irrespective of the age of their members – with no or poor resources may spend their entire housing career in the rental sector.

Such a change of the role of the rental sector in housing pathways has a potential impact on housing security, as tenure types tend to differ in terms of the security of housing they offer (Payne *et al.*, 2012). Security of tenure is a basic housing adequacy criterion set by the United Nations (UN 1991), interpreted as the right to effective protection by the state against forced evictions, “the permanent or temporary removal against their will (...) from the home (...) they occupy, without the provision of, and access to, appropriate form of legal and other protection” (UN 1997, pp. 1-2). In addition, recent theoretical and practical considerations discuss housing insecurity as a broader, multi-dimensional concept (Watson and Carter, 2020) including unaffordability, physical problems, forced moves, and overcrowding (Routhier, 2018), affordability, instability, safety, quality, as well as neighbourhood factors (Cox *et al.*, 2017, Leopold *et al.*, 2016). The article applies such a wider concept of housing insecurity.

The potential of the rental sector to offer secure housing is contingent on the housing regime, including the share, number and location of tenements, their characteristics concerning the criteria of adequate housing, the policy and regulatory context of rental housing, and, not independently from the above, their affordability. In the case of Hungary, the context of households’ housing experience and housing mobility pathways is a super-homeownership housing system, with strongly ownership-oriented housing policies, and a loosely regulated rental sector. In this context, the rental sector carries specific housing security risks for tenants.

In the following, the article describes the main characteristics of the Hungarian housing and welfare context, with special emphasis on its impact on households’ housing mobility opportunities, and tenure security and affordability risks in the rental sector. Next, following the description of data and methodology, it analyses the characteristics of housing mobility in Hungary focusing on a specific segment of households’ housing pathways: the tenure form of current and previous residence, based on representative survey data. In addition to sociodemographic factors, it explores how disparities in access to intergenerational financial transfers, savings and mortgage lead to different housing pathways. Finally, we highlight how specific features of the Hungarian housing context lead to households’ inability to

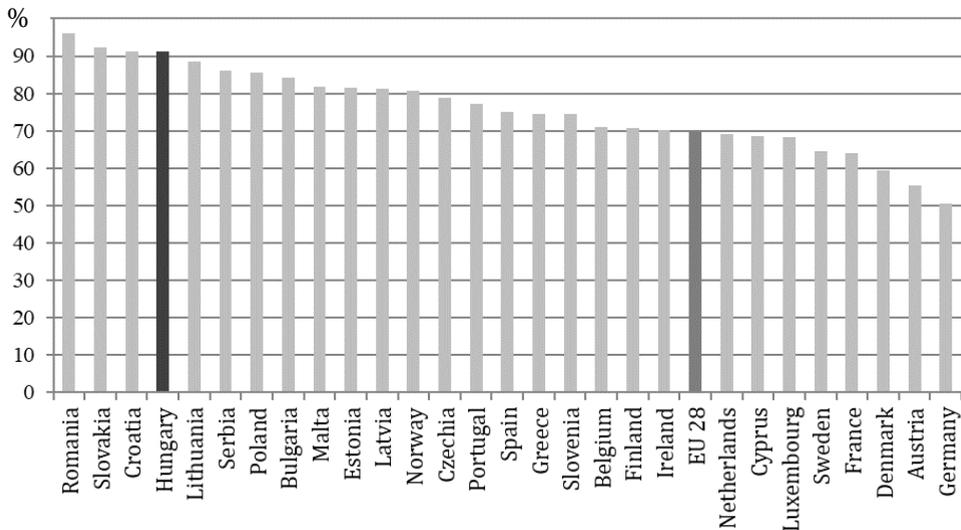
exit, or prevent moving into less secure and affordable positions in the housing system.

We argue that in such a super-homeownership tenure structure, with a limited and insecure private rental sector, lack of an effectively operating social rental housing sector, and public subsidies promoting access to homeownership, which are systematically better accessible for better-off households, the role of intergenerational transfers significantly increases. The social inequalities stemming from unequal access to intergenerational transfers are further exacerbated by inequalities in households' capability to accumulate savings, and access to mortgage. As a result of the above, specific groups of households are likely to get stuck in the rental sector without a realistic chance to access homeownership, while others fall down from the "housing ladder" of owner-occupied housing and have to move back to the rental sector. Meanwhile, such households, with typically less resources are less able to offset the specific tenure security risks posed by the rental sector.

## 1. The Hungarian context

As already described by scholars (Csizmady *et al.*, 2017; Hegedüs *et al.*, 2014; Hegedüs and Teller, 2007; Stephens *et al.*, 2015; Teller and Tosics, 2014) the Hungarian housing system is characterised by a 'super-homeownership' tenure structure. Cca. 90 per cent of the population lives in owner occupied housing, which is a very high proportion in international comparison. Figure 1 shows that Hungary, together with the other Central and Eastern European countries, belongs to the group of countries within the EU where the proportion of people living in owner occupied housing is the highest, over 80 per cent.

The public housing sector – including public social rental housing – is limited, residualised, and highly unevenly distributed spatially. In the '90s the majority of formerly state-owned housing was privatised, whereby the share of the public rental sector is very low: local governments own less than 3% of the country's housing stock. The sector is highly residualised, as following privatisation, it was typically housing with habitability problems which remained in local governments' property (Hegedüs *et al.*, 2014; Hegedüs, 2018). Within loose state-level regulation, conditions of rent are set by local governments, leading to highly varied practices in access to public housing between municipalities, including practices to intentionally limit vulnerable households' access (Czifusz and Pósfai, 2015; Hegedüs, 2017). Although only a part of public housing is formally allocated on the basis of social situation, low status households are overrepresented in this housing segment. The public housing sector continues to decline, partly due to continued housing privatization, further restricting access to social rental housing for households in need.

**Figure 1. Proportion of homeowners in the population in European countries (%)**

Source: authors' representation based on Eurostat data, EU-SILC survey, reference year: 2020

The private rental sector (PRS) is also limited, approx. 6-8 per cent of the housing stock; however, its significance seems to increase. Between 2003 and 2015, the proportion of private rental housing changed from 2.5% to 6% (HCSO, 2005; HCSO, 2016), which is reflected in households' housing pathways: while between 1996 and 2003, 11% of households, which were mobile on the housing market, moved to private rental housing, between 2005-15, this proportion tripled to 28% (HCSO, 2016).

Past years' research also suggests changes in the role of PRS in the housing system. The share of PRS in younger generations' tenure structure is dynamically increasing, which supports the notion of the development of a Hungarian 'generation rent' (Balogi and Kőszeghy, 2019). According to Housing Surveys of the Central Statistical Office, between 1999 and 2015, the proportion of young households in the PRS tripled: in 1999, 10.2% while, in 2015, 30.3% of households with a head of the household being less than 35 years of age lived in the PRS. The increasing role of the PRS was accompanied by a similar decrease in the proportion of young households in owner-occupied housing, from 83.1% in 1999 to 66.4% in 2015 (Balogi and Kőszeghy, 2019). Meanwhile, qualitative information suggests that a low-end segment of the PRS, where highly vulnerable households live among seriously inadequate housing conditions, is in formation (Balogi and Ámon, 2018).

At the same time, living in the PRS in Hungary carries significant risks in terms of tenure security and affordability. Since the beginning of the post-socialist transition, the state applies a *laissez faire* regulatory approach towards the private

rental sector, leaving most aspects of the rental agreement to the negotiation of landlords and tenants, without an effective system for supervision, dispute resolution and law enforcement (Hegedüs, 2018; Hegedüs *et al.*, 2014; Kováts, 2017). This, together with a high rate of informality is a source of tenure security risks for tenants.

Since the 1989/90 regime change, housing policies – regardless of the differences in various governments’ aims and measures in the housing field – have tended to favour homeownership over rental. In the past few years, the ownership-orientation of government policies has become even more pronounced, targeting especially better-off households. Since 2016, generous one-off subsidies have been given to households with children to buy or preferably build new housing, with eligibility criteria systematically excluding certain low status households (e.g. eligibility linked to social security coverage). Supporting access to ownership of preferably new housing is promoted by further policy measures, such as state-subsidised loans, decrease of Value Added Tax (VAT) in the case of newly built housing properties, VAT-refund for self-initiated housing construction, simplification of the construction permit administration (Átol *et al.*, 2017), each of which are more easily accessible to better-off households.

In the meantime, welfare measures to support housing affordability have been limited, and a recent rearrangement of the system of housing further benefits decreased access to and predictability of subsidies for vulnerable households. In 2015, the provision of subsidies aimed at easing affordability problems, and setting of eligibility criteria – formerly governed by universal guidelines set in the Social Act – was left at the discretion of local governments, on a voluntary basis. The change resulted in a highly fragmented system of services, leaving more space for arbitrary decisions (Átol *et al.*, 2016; Kopasz and Gábos, 2018; Kováts, 2015). In addition, the availability of subsidies dramatically worsened so that housing benefits became unavailable in around one quarter of Hungarian settlements (especially smaller settlements), the amount of sources allocated to such purposes fell, and the number of recipients declined by 44% (Kopasz and Gábos, 2018).

The lack of housing benefits to tackle the issue of unaffordable housing prices affects vulnerable households in all tenure forms; however, tenants are particularly affected. In the case of the PRS, the already existing affordability problems were aggravated by a recent boom in rental fees, especially in larger cities. Between 2011 and 2016, PRS rental fees were estimated to have risen by 87% on average, with a 107% increase in the capital, Budapest (Kováts, 2017). With a slight decrease caused by the Covid-19 pandemic, the increase in rental prices is still ongoing (HCSO, 2021). In the case of the public rental sector, the unaffordable housing prices reflect the residualisation of the sector: residents’ low incomes cannot keep pace with even moderate rental fees of often inadequate tenements. By 2015, 53% of PRS tenants and 62% of public rental sector tenants struggled with housing unaffordability problems (low residual income after paying housing costs, substandard housing due to the inability to finance adequate housing, housing costs over 40% of household

income) compared to 25% of outright owners, the most typical tenure form in Hungary. (Meanwhile, among mortgage owners, the occurrence of such problems was 45%, showing that, for many households, mortgaged ownership does carry financial risks) (Hegedüs and Somogyi, 2018). Affordability problems are a major factor in the insecurity in the rental sector.

The tenure structure strongly influences access to and mobility in the housing market. In the case of owner-occupied housing – the dominant tenure form in Hungary – high transaction costs of mobility (Hegedüs, 2001) restrain housing mobility. In rural settlements, this (along with other factors, such as property prices) is further enhanced by the lack of alternatives to homeownership, due to the uneven distribution of rental housing spatially, concentrated in the cities. Housing mobility within or into the rental sector is only a relevant option for households in cities.

## **2. Data**

In the course of our analysis, we relied on the data of a survey based on a personal questionnaire (Excellence Cooperation Program, KEP2 data collection) conducted in the autumn of 2018 in the Mobility Research Centre of the Institute for Sociology in the Centre for Social Sciences, Hungarian Academy of Sciences Centre of Excellence. The data collection was carried out on a national representative sample of 2,650 persons aged 18 or over living in Hungary and of Hungarian citizenship. A two-step, proportionally stratified probability sampling procedure was used to select the sample. The sample reflects the proportions characteristic of the total adult population in this field in terms of gender, age (3 age groups), education (4 levels of education) and type of settlement (4 levels of settlement).

The database we use refers to the housing situation in 2018, but questions on previous housing were added to the questionnaire, to allow analysis concerning housing mobility. Only apartments in which the respondent lived for at least 6 months were considered. The obtained data allow the examination of a segment of respondents' housing pathway, through comparison of the characteristics of current housing and preceding housing.

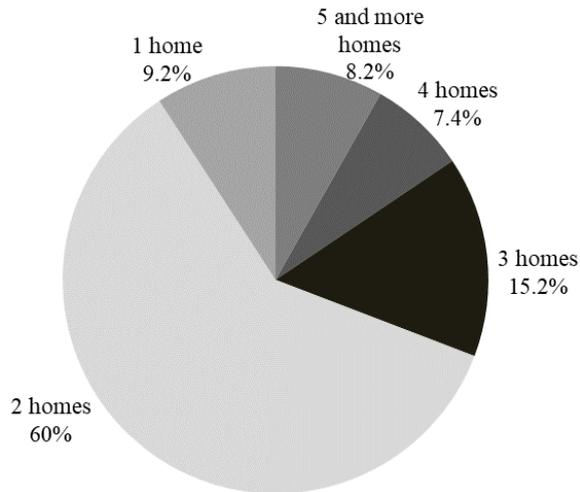
In the following, after briefly discussing basic characteristics of housing mobility dynamics, we will examine this segment of respondents' housing pathways and the factors shaping differences between housing pathways.

## **3. Characteristics of housing mobility in Hungary**

Respondents have lived in an average of 2.6 homes since birth (including only places where they have spent at least six months): slightly less than a tenth of them had not lived anywhere else but at their parents' dwelling at the time of the survey (i.e. "single-home"), and three-fifths had an additional residence other than their parents' home, (i.e., "two-home"), a sixth of them changed residence three times,

while another sixth moved to another home four or more times in their lifetime (see Figure 2).

**Figure 2. Number of residences inhabited by respondents since birth (for at least 6 months)**

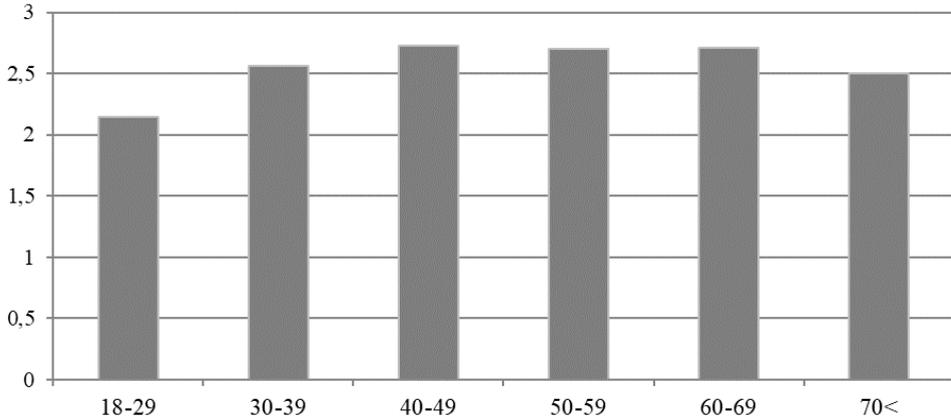


Note: Average: 2.6; Standard deviation: 1.4; Minimum value: 1, Maximum value: 16; N=2540.  
 Source: Authors' representation based on Mobility Research Center KEP2; data collection (2018)

Reviewing the changes in age and family situation related to housing mobility, a trivial correlation emerges: the number of housing mobility steps depends on age (see Figure 3). The average number of homes is lower in the younger age groups; the average number of homes in the over 40 age group is above 2.7, while it is no longer rising significantly in the older age groups, suggesting that a relatively low proportion of households adjust their residence to the changing family and household structure as they get older.

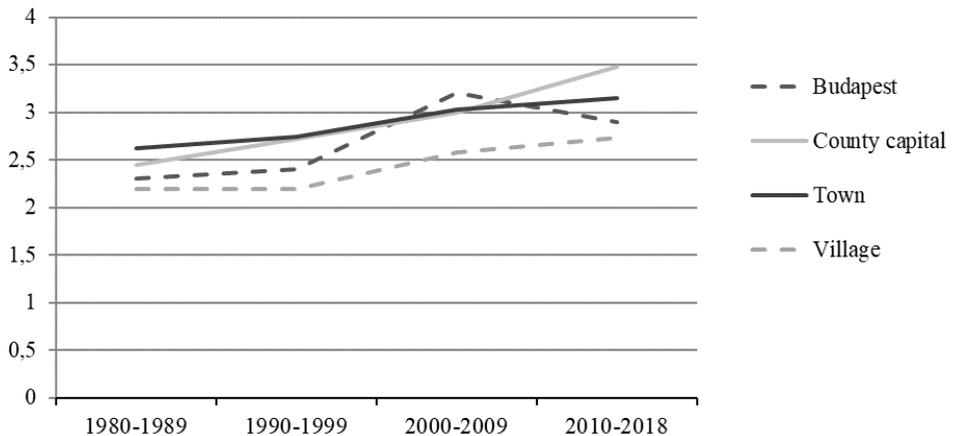
Reviewing the movement of households by type of settlement (see Figure 4), it can be seen that while after the turn of the millennium (2000–2009) respondents living in the capital were most mobile (3.2 relocations on average in ten years), and in the preceding decades (between 1980–1989 and 1990–1999) people living in smaller rural cities took the lead (with an average of 2.6–2.7 homes), more recently, the proportion of people moving to new homes has been the highest in larger cities (county capitals, cities with county rights). In each period, people living in villages moved house the least often (on average 2.2–2.7 times per decade).

**Figure 3. Average number of homes used by respondents since birth by age group**



Source: Authors' representation based on Mobility Research Center KEP2; data collection (2018)

**Figure 4. Changes in the number of relocations by type of settlement in each period (mean values)**



Source: Authors' representation based on Mobility Research Center KEP2; data collection (2018)

### 3. Social disparities in housing mobility

In the remainder of the study, we examine the factors determining different housing mobility pathways. First, we analyse how traditional socio-demographic variables, often reviewed in the housing mobility literature, shape the housing pathway of households.

Our analysis on housing mobility focussed on the tenure form of current and previous apartment. By combining the categories of the original variable used by the questionnaire, respondents were divided into two groups: *owner* (in addition to owners, co-owners and usufruct holders were included) and *tenant or other non-owner* (including tenants of public and private rental flats and flats in company ownership, users of company housing, students residence residents, and those living in the apartment as the owner's family member, due to the very similar behaviour of the groups).

The majority of housing mobility occurs within the owner-occupied sector: those who were owners (or co-owners) in their previous dwelling are also (partial) owners in their next home; this housing mobility pattern characterises almost two thirds of our sample (65.9%). In the rental sector, there is also a strong tendency for intra-sectoral housing mobility: those living in their previous dwelling as a tenant or as a member of the owner's family typically rent their next residence (a quarter of the sample) and do not move to owner occupied housing. These are typically households with no housing property, it is very rare that households moving within the rental sector own any housing property. The analysis of households' movements between the homeowner and rental sectors reflects that the typical form of housing mobility within the two sectors leads from renting to homeownership. Relocation from owner occupied housing to rental housing is atypical, it only comprised 8% of the housing routes we surveyed. Based on our data, the motives for housing mobility could not be analysed; however, the latter group supposedly includes households who were forced by economic reasons to move out from the owner occupied to the rental sector<sup>1</sup>. This is supported by the fact that, at the date of the survey, such households typically did not own any housing property.

In the two-dimensional cross-tabulation analysis, it was found that the most significant correlation can be observed in terms of *age* (CV = 0.363), but there was also a strong correlation in the case of *marital status* (CV = 0.346) and *household size* (CV = 0.113). There is also a differentiation regarding *subjective financial status* (CV = 0.087), as well as in terms of *education* (CV = 0.082) and *type of settlement* (CV = 0.071), although the latter correlations are the weakest based on the association indicators concerned.

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<sup>1</sup> As the incidence of rental to owner-occupied housing mobility is very low in our sample, we omitted it from the analysis.

As far as *mobility within the owner-occupied sector* is concerned, it can be seen that this group typically includes middle-aged and elderly people; those living in a household of up to two people; married or widowed respondents; those with a high level of education; people having subjectively good financial situation, and those living in smaller rural towns or villages. A review of the factors influencing the probability of *mobility within or to the rental sector* shows that the financial situation and the settlement category play a similar role in the steps “*tenant of both previous and current dwelling*” and “*owner of the previous residence but currently a tenant*”: both mobility steps appear mainly in the capital and are typical of respondents living in material deprivation (those who can cover their usual daily expenses with difficulty or great difficulty). The difference lies in the fact that, while the incidence of the former (*tenant-tenant*) relocation is higher among younger high-school graduates living alone or with a partner in a household of three or more people, the latter (owner-occupier to tenant) is typical for married or widowed/divorced respondents with a low level of education, up to vocational training, belonging to the 35 plus age group, living in smaller households.

**Table 1. Relationship between socio-demographic variables and housing mobility pathways reviewed (%)**

	<b>Owner* in both previous and current apartment</b>	<b>Tenant** in both previous and current apartment</b>	<b>Owner* of previous apartment, currently tenant**</b>	<i>Total % (N)</i>
<i>Total %</i>	66%	25.9%	8.1%	
<b>Age</b> ( $\chi^2=682.01$ ; $p=0.000<0.01$ ; Cramers’V=0.363)				
18–34 years old	34.1	63.5	2.4	100.0 (660)
35–50 years old	71.6	20.1	8.3	100.0 (791)
51–64 years old	78.2	9.2	12.5	100.0 (639)
over 64 years of age	83.1	8.0	9.0	100.0 (502)
<b>Marital status</b> ( $\chi^2=619.57$ ; $p=0.000<0.01$ ; Cramers’V=0.346)				
Unmarried	32.1	66.5	1.5	100.0 (480)
Has cohabiting partner	57.0	36.4	6.6	100.0 (426)
Married	78.9	12.7	8.4	100.0 (1079)
Single (widow(er), divorced)	75.7	10.9	13.5	100.0 (608)
<b>Size of household</b> ( $\chi^2=66.43$ ; $p=0.000<0.01$ ; Cramers’V=0.113)				
1-member	72.3	17.2	10.5	100.0 (676)
2-member	67.6	24.3	8.2	100.0 (990)
3-member	60.3	33.9	5.8	100.0 (551)
4- or more -member	58.0	35.1	6.9	100.0 (376)
<b>Highest level of education</b> ( $\chi^2=16.36$ ; $p=0.000<0.01$ ; Cramers’V=0.082)				
Elementary	67.1	23.7	9.2	100.0 (748)

High school without dipl.	67.6	24.2	8.1	100.0 (587)
High school with diploma	61.9	31.1	7.1	100.0 (808)
College/university	68.6	23.9	7.5	100.0 (456)
<b>Subjective financial status</b> ( $\chi^2=38.15$ ; $p=0.000<0,01$ ; Cramers'V=0.087)				
Can cover their daily expenses with great difficulty or difficulty	56.5	30.7	12.7	100.0 (573)
can cover their daily expenses with slight difficulty	67.4	25.2	7.4	100.0 (1028)
Can cover their daily expenses with relative ease	70.2	23.8	6.0	100.0 (926)
<b>Type of settlement</b> ( $\chi^2=25.64$ ; $p=0.000<0.01$ ; Cramers'V=0.071)				
Budapest	56.5	33.3	10.2	100.0 (462)
County capital, city with county rights	65.3	27.6	7.1	100.0 (438)
Other town	67.7	24.0	8.0	100.0 (925)
Village	69.5	23.6	6.9	100.0 (767)

Note: \*Owner, co-owner, usufruct holder; \*\* Tenant and other non-owner

Source: Authors' calculations

#### 4. The role of intergenerational transfers, savings and mortgage in housing mobility

Our next research question focused on the relationship between the housing mobility steps presented above and the financial resources available to access homeownership. To explore this, we examined multivariate explanatory models in order to establish correlations by filtering out the effects of demographic and social background variables. Using the multivariate regression method, we examined how the combination of loan-taking behaviour, savings, and family transfers influenced the choice of different housing mobility steps.

Our *dependent variables* include variables referring to different housing mobility steps, such as: (1) "owner of both previous and current dwelling" (FROM OWNER TO OWNER), (2) "tenant of both previous and current dwelling" (FROM TENANT TO TENANT), and (3) "owner of previous dwellings, currently tenant" (FROM OWNER TO TENANT). Since all three dependent variables are discrete variables, we examined which explanatory variables affect the chances of the occurrence of each relocation step by means of logistic regression analysis.

The *explanatory variables* included in the models are as follows. The dichotomous variable of holding a mortgage (MORTGAGE) measures whether the respondent currently has, or previously had a mortgage (46.5% of respondents have

or previously had a mortgage-based housing loan and/or home equity loan). Two variables were used to measure intergenerational transfers, which were separately included in the models as dichotomous variables. One measures whether the respondent has received *non-refundable financial support from the family* in the past year (34.7% of respondents have received such assistance from outside the household) and the other whether he or she has received a *refundable loan from the family* (17.6% of respondents reported this). The availability of *own savings* was included in the models as a dichotomous variable (more than half of the respondents, 55.7%, were able to rely on their own savings when buying a home).

Other *control variables* were also included in the regression estimates, which may impact the housing mobility dynamics of households, such as relocation due to job change (dichotomous variable), age of respondent (continuous variable between 18 and 90, average 47.7), marital status (four possible values: single, married, cohabiting, divorced/widowed; reference: single), household size (between 1 and 10, average 2.3), subjective financial situation (three possible values: households' usual daily expenses covered easily, with little difficulty, or difficulty or great difficulty; reference: daily expenses covered easily), respondents' educational attainment (four possible values: up to primary education, secondary education without a high school diploma, secondary education with a high school diploma, higher education; reference: higher education) and the type of settlement of current place of residence (capital, county seat/city with county rights, town, village; reference: village).

Estimation results show (Table 2) that, excluding all other variables involved, *mortgage, including past mortgage*, has a positive effect on the housing mobility from owner-occupied housing to rental housing [3. model] ( $\text{ExpB} = 1.559$ ;  $p < 0.05$ ). Concerning *own savings* as a potential source of housing finance, a significant but negative correlation emerges: i.e. the possession of savings reduces the probability of entering the rental sector from the ownership sector ( $\text{ExpB} = 0.587$ ;  $p < 0.001$ ). In addition, it can be established that those who moved from the ownership position to the rental sector were less likely to be eligible for a *non-refundable family support* ( $\text{ExpB} = 0.659$ ;  $p < 0.05$ ), while the *repayable family loan*, as potential source of housing finance, was not significantly related to this housing mobility pathway.

Regarding the *effect of mortgage loans*, possession of mortgage loans (including past mortgage) has a positive and strongly significant effect on housing mobility within the owner-occupied sector [model 1], while it negatively correlates with housing mobility within the rental sector [model 2]. Also, non-refundable family support and own savings significantly increase the occurrence of housing mobility within the owner-occupied sector. At the same time, availability of these sources of housing finance makes housing mobility within the rental sector significantly less likely.

**Table 2. Results of the logistic regression models set up to explain the occurrence of the housing mobility pathways under review**

	(1)			(2)			(3)		
	FROM OWNER TO OWNER			FROM TENANT TO TENANT			FROM OWNER TO TENANT		
	S.E		Exp(B)	S.E		Exp(B)	S.E		Exp(B)
MORTGAGE	<i>0.14</i>	***	3.318	<i>0.23</i>	***	0.081	<i>0.19</i>	**	1.559
NON-REFUNDABLE SUPPORT FROM THE FAMILY	<i>0.16</i>	***	1.753	<i>0.23</i>	**	0.589	<i>0.21</i>	**	0.659
REFUNDABLE LOAN FROM THE FAMILY	<i>0.18</i>	***	0.524	<i>0,28</i>		0,898	<i>0,21</i>		0,753
OWN SAVINGS	<i>0.14</i>	***	1.857	<i>0,20</i>	**	0,619	<i>0,19</i>	***	0,587
Control variables	Yes			Yes			Yes		
Constant	<i>0.41</i>	***	0.116	<i>0,57</i>	***	0,333	<i>0,72</i>	***	0,015
Hit ratio	80.5%			83.2%			89.4%		
Nagelkerke R <sup>2</sup>	0.341			0.552			0.212		
Modell $\chi^2$	319.6***			555.56***			188.56***		

Note: \* $p < 0.1$ . \*\*  $p < 0.05$  \*\*\*  $p < 0.01$  The standard errors are written in italics.

Source: Authors' calculations

Overall, the lack of access to intergenerational transfers, mortgage loans and savings strongly determines households' chances to get "stuck" in the rental sector.

## Conclusions

Our analysis draws attention to vulnerable groups in the housing market in terms of mobility within and into less secure positions in the housing system, and to the characteristics of the Hungarian housing context which lead to and prevent the easing of such vulnerabilities.

It shows that households without access to non-refundable intergenerational transfers, mortgage and savings have a higher chance to get "stuck" in the rental sector. Also, it identifies mortgaged and formerly mortgaged households, households without savings and non-refundable intergenerational transfers moving from the owner occupied to the rental sector. The latter housing mobility pattern is more pronounced among lower educated, materially deprived households, more often above 35 years of age, in the capital Budapest. Although available data were not suitable to analyse the households' motives behind housing mobility, our results suggest forced mobility in the case of members of this group.

Households moving within the rental sector tend to involve younger people which, in line with earlier research results discussed above, suggests the development of a Hungarian ‘generation rent’; however, our data also show that such a mobility pattern is not exclusively age-dependent.

The analysis adds to the international literature by presenting how intergenerational transfers have a strong and independent role in different housing mobility routes in the Hungarian housing context. It shows how specific features of the Hungarian housing context increase the significance of intergenerational transfers in households’ housing mobility routes. The super-homeownership tenure structure, the limited and insecure private sector, and a lack of an effectively operating rental sector narrow down other tenure options. This increases the significance of access to housing finance to acquire homeownership, including intergenerational transfers. The strong role of intergenerational transfers is reflected in social disparities in accessing homeownership, with such disparities further exacerbated by inequalities in households’ capabilities to accumulated savings and access to mortgage. Meanwhile, such disparities are not effectively offset by public policies.

In the contemporary Hungarian housing context, the chances of households which lack access to (especially non-refundable) intergenerational transfers, savings and mortgage to obtain more secure and affordable housing are limited. As presented above, specific tenure security risks and affordability problems stem from the current legislative framework of rental housing, with its *laissez faire* approach and lack of effective dispute resolution and law enforcement and of effective measures to tackle housing unaffordability. Such risks may be offset in the case of resourced households; however, materially deprived households, without external assistance (such as intergenerational transfers), households of lesser education, and households less experienced in the housing sector due to their age, i.e. the very households identified in our analysis, have poorer chances to cope with it.

For some of the vulnerable households identified in the analysis, social tenement could provide secure and affordable housing; however, no effective system of social housing is currently operating in Hungary; in fact, for vulnerable households without access to social housing, the PRS – especially the low-end segment of the PRS – is often the only realistic housing option. The opportunities to improve tenure security and affordability through entering the owner occupied sector is also limited for such households.

Non-refundable state subsidies to access homeownership are linked to existing or future children undertaken by the parents and, without additional housing finance, they are not sufficient to obtain adequate housing, especially if location is also considered. Besides, the regulation of such subsidies systematically excludes some low status households. Access to other forms of state support (such as state subsidised loans, and tax relief for new constructions) are unrealistic for households without notable assets.

An exploration of factors influencing housing mobility, especially forced mobility between and towards less secure housing positions, and an analysis on the systematic constraints of vulnerable households' inability to move into more secure and affordable housing may provide input to housing and welfare policies aimed to decrease the housing problems and risks of households with inadequate or no savings, intergenerational transfers and access to mortgage.

The COVID-19 pandemic brought significant changes in factors influencing housing mobility, at both the micro- and macrolevels. Microlevel changes include changes of household income, changing family relations, as well as housing needs and preferences due to increased time spent at home, and altered home activities. Pandemic control measures of authorities also affected households' housing needs (e.g. due to closures of university campuses and workers' hostels, and self-isolation rules). At the macrolevel, economic downturn, changing interest rates, and unexpected changes in the property market (halting of the increase, in certain segments, even decreasing of property prices, albeit temporarily) reshaped the context of households' housing decisions. Such changes supposedly led to specific housing mobility patterns, and increased the vulnerability of households lacking resources to manage housing problems arising in relation to the pandemic. Housing mobility and vulnerability in relation to the pandemic is therefore an important topic for future research, not only to understand recent developments, but also as a vital input to build better functioning, more resilient housing systems.

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