Slippery footholds on the housing ladder:
Young people’s housing opportunities in Japan’s home-owning society

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Abstract
In Japan, it has increasingly been becoming more difficult for young people to acquire a foothold on the rungs of the housing ladder. A notable decrease in the number of youths who are following conventional life-courses implies a challenge to the traditional organization of Japan’s home-owning society. This paper analyzes the housing situation with young people with particular reference to changes in public-policy practices relating to family, employment and housing. In post-war Japan, the conservative nature of public policy has been maintained in the sense that it has continuously advantaged middle-class families in purchasing a house to lead a conventional life-course. With the global diffusion of neo-liberalism, however, since the middle of the 1990s the Japanese government has reoriented its policy formulation towards accentuating the role of the market economy in providing employment and housing. Public-policy arrangements have thus become characterized by a combination of conservative and neo-liberal approaches. Young family households have been protected by conservative policies in accessing the owner-occupied housing sector. Alternatively, an increasing number of parental home dwellers and single people, who have been out of the protection of conservative institutions, have particularly been affected by neo-liberal implementation of policies, finding themselves excluded from the residential-property ladder system. The paper highlights the differentiation in young people’s housing experiences that has facilitated transformations in Japan’s homeowner society.
Introduction
A normative and pervasive life-course pattern was embedded in the development of Japan’s post-war homeowner society, where middle-class families ascended the housing ladder towards attaining home ownership (Hirayama, 2007). The private ownership of housing has been a material and symbolic basis for securing homes, accumulating assets and maintaining membership in mainstream society. Since the middle of the 1990s, however, it has increasingly been becoming more difficult for many young people to acquire a foothold on the rungs of the property ladder (Hirayama and Ronald, 2008). A notable decrease in the number of youths who are following conventional life-courses implies a challenge to the traditional organization of Japan’s home-owning society.

This paper explores a decline in housing opportunities for young people in Japan. The focus is on the differentiation of housing trajectories between ‘parental home dwellers’, ‘single people’ and ‘family-formers’. In this paper, parental home dwellers are defined as unmarried individuals living in their parents’ home who are children of the head of the household; single people are unmarried individuals who form one-person households; and family-formers are defined as married individuals establishing their own independent households who are the heads of their households or the spouses of their heads. Family-formers have climbed up the housing ladder towards home ownership relatively smoothly, but they have been on the decrease. An increasing number of parental home dwellers and single people have largely been living outside the housing ladder system. The paper highlights the differentiation in young people’s housing experiences that has facilitated transformations in Japan’s homeowner society. Empirical evidence was obtained by re-calculating the micro-data of the 2003 Housing and Land Survey as well as various other statistics.

This paper analyzes the housing situation with young people with particular reference to changes in public-policy practices relating to establishing a family, protecting employment and providing housing. In post-war Japan, the conservative nature of public policy has been maintained in the sense that it has continuously advantaged middle-class family households in purchasing a house to lead a conventional life-course. With the global diffusion of neo-liberalism, however, since the middle of the 1990s the Japanese government has reoriented its policy formulation towards accentuating the role of the market economy in providing employment and housing. Public-policy arrangements have thus become characterized by a combination of conservative and neo-liberal approaches. Young family-formers have been protected by conservative policies in accessing the owner-occupied housing sector. Alternatively, parental home dwellers and single people, who have been out of the protection of conservative institutions, have particularly been affected by neo-liberal implementation of policies, finding themselves excluded from the residential-property ladder system. This paper examines what impact public-policy practices have had on the fragmentation of housing conditions among young individuals.

Japan constitutes one of the most mature home-owning societies among industrial and post-industrial societies accompanied by the concerted development of home ownership. However, it has more recently been undergoing radical changes in the circumstances of home ownership (Hirayama and Ronald, 2007). As the expansion of the owner-occupied sector has been sustained in various countries, along with increasing attention focused on
the varied social outcomes of home ownership systems (Doling and Ford, 2003; Forrest and Murie, 1995; Groves et al, 2007; Ronald, 2008), generational differences have appeared as central variables that have differentiated housing situations (Forrest and Lee, 2004; Hirayama and Ronald, 2008; Yip et al, 2007; Kurz and Blossfeld, 2004). Japan is a mature but dynamic home-owning society where generation-based differentiation in housing opportunities can clearly be observed. The insights that can be gleaned from the Japanese experience can thus more generally contribute to the understanding of new phases in the development of homeowner societies. This paper begins by providing a framework to explain the way in which public policy has impacted on housing opportunities for young people. It then moves on to look at changes in young people’s establishment of households to highlight the decrease in family-formers and a counter increase in parental home dwellers and single people. Finally, the paper explores the fragmentation of housing trajectories among the youth.

Policy developments and the young generation
The dual nature of public policy, which reflects both conservative and neo-liberal characteristics, is a key factor that has accounted for transformations in young people’s housing opportunities. In post-war Japanese homeowner society, public policy has explicitly been conservative focusing on maintaining conventional life-course patterns, where middle-class families have benefited from advantageous positions in accessing home ownership. At the same time, with the growing influence of neo-liberalism, the government has begun to seek market solutions in addressing housing and social issues. It would be misleading to consider that neo-liberal policies are completely replacing conservative policies. The rise of neo-liberal policy has become more apparent while conservative policy has been deeply embedded in Japan’s post-war society. This section investigates the organization of public policy measures that has been implicated in young people’s housing conditions.

Family policy
Japanese family policy has largely remained conservative in promoting the establishment of conventional households. This has been intertwined with the development of the homeowner society. Nuclear-family households that are at an advantage in terms of various family-policy-related benefits have acquired firm footholds on the housing ladder to access home ownership. The close link between establishing a family and acquiring an owner-occupied home has been a central element in shaping the home-owning society. This in turn means that non-conventional households are at an apparent disadvantage in climbing up the ladder towards entering the owner-occupied housing sector.

Public policy in Japan has relied on families as welfare providers with the development of the ‘male breadwinner family’ model (Yokoyama, 2002). This has been assumed to be effective as a substitute for the minimal expansion of public welfare provision. In the Japanese labour market, the status of women has been much lower than that of men in terms of stable employment, promotion opportunities and remuneration. Marriage has thus been almost only the means for many women to obtain their economic security. Tax and social security systems, which have been government instruments to facilitate the establishment of families, have prioritized their protection of conventional households. Married women who earn less than ¥1,300,000 (£6,500 [£1 = ¥200]) are provided with an
entitlement to a basic pension without having to make contributions while those whose incomes are ¥1,030,000 (£5,150) or less assist their husbands in qualifying for income tax deductions. This has effectively advantaged those who are married and has led many women to maintain the status of dependent wives to maximize their economic benefits (Nagase and Murao, 2005).

Japanese society has been referred to as a ‘company society’ where the corporate sector has played a significant role in providing welfare to form a model of the ‘company as a family’ (Fujita and Shionoya, 1997). The government has encouraged the provision of corporate-based welfare to avoid expanding the direct provision of public welfare. Within the framework of the ‘company society’, major companies have provided employees with a range of occupational welfare, including housing welfare (Sato, 2007). This has clearly corresponded with the ‘male breadwinner family’ model. Low-rent company housing has often been provided to male employees whose wives earn ¥1,030,000 or less, or less than ¥1,300,000, in line with the tax and social security systems. Male employees with their family members are able to utilize low-interest company loans to purchase houses. In terms of young unmarried employees, many companies provide males with company dwellings or rental subsidies. Young females are often employed on the condition that they commute from parental homes and they are then expected to quit working after marriage or childbirth.

Despite the fact that family policy has advantaged conventional households, there has been a noticeable increase in young people who have delayed marriage and thus the establishment of independent families. This means an increase in youth who are in disadvantageous positions and not protected by public policy. Between 1980 and 2005, the unmarried rates for the 30-34 age group rose from 21.5% to 47.1% for males, and from 9.1% to 32.0% for females (see Figure 1). Unlike some western societies, cohabitation by non-married couples is uncommon in Japan, although such couples are on the increase. The unmarried rate is higher for men than for women for all age groups. The percentage of never-married people at the age of 50, who are defined as ‘lifelong never-married persons’ in Japanese statistics, increased to 15.4% for men and 6.8% for women by 2005. This figure is expected to further increase because the unmarried rate among current young people remains high.

The neo-liberalization of government policies has led to some changes in family policy, promoting the individualization of social security benefits. The introduction of a new pension system, which enables divorced couples to split their entitlement to the earnings-related portion of the former husband’s pension, started in 2007. A research committee within the Council for Gender Equality (2002) recommended that the systems of taxation and social security be transformed towards individualization. According to the committee, current systems based on the ‘male breadwinner family’ model do not support people’s free choice in terms of forming households but has led many women to choose particular patterns of family life. However, the focus on individualization by social security policies has been minimal while the conservative characteristics of family policy have mostly been preserved.

Japan has one of the lowest fertility rates in the world. The total population began to decrease in 2006 due to falling fertility. This also led to an inevitable decline in the
workforce. The government thus began to seek to improve women’s working conditions, although ‘male breadwinner families’ were still advantaged. This policy shift was not only due to increasing claims for equality by women but also due to the necessity to address fertility and workforce issues. The government has encouraged companies to form childbirth-oriented environments for female employees, involving increased compensation for maternity and childcare leave. However, progress in implementing pro-childbirth policies has been slow and has not yet been effective in stimulating a recovery in fertility. Moreover, government concerns for women have concentrated on married females who may possibly contribute more to mitigating the decline in fertility rates. An increasing number of unmarried women are beyond public-policy concerns.

**Labour policy**

Compared to family policy that has largely continued to be conservative, labour policy has more explicitly moved towards a neo-liberal course, which has accelerated the casualization of the workforce market. The Japanese bubble economy, which began with an abnormal rise in real estate and stock prices in the middle of the 1980s, collapsed at the beginning of the 1990s. Until the bubble burst, many corporations in the ‘company society’ operated a lifelong employment system and a seniority system for progressive wage rises and promotions. However, the bursting of the bubble marked a turning point and Japan entered a long, traumatic period of deep recession. In addition, the business environment has increasingly been becoming more competitive with the expansion of the global economy. With the weakening of the ‘company society’, an increasing number of corporations have abandoned the system of lifelong employment and introduced a performance-based system to replace the seniority system.

The government, which had protected security of employment with regulatory measures, began to liberalize the workforce market. The major amendment to the Dispatched Labour Law in 1999 played a key role in drastically promoting casual employment. The Japan Federation of Employers’ Associations (1995) published a landmark report that emphasized the necessity to deregulate employment practices to enhance competitiveness in business. The associations merged with the Japan Federation of Economic Organizations to form the Japan Business Federation in 2002. The new federation, the most powerful corporate organization in terms of political influences, has continuously been pressuring the government to deregulate the workforce market. Labour-policy reorientation towards a more flexible labour market has been attained within the context of political pressure applied by business circles.

With the destabilization of the workforce market, more young people have been confronted with difficulties in securing employment and thus housing. Neo-liberal labour policy has encouraged a decline in regular employment and instead an increase in non-regular, low-wage employment. More importantly, its impact has not been across generations but has concentrated on younger generations. While the conservative ‘company society’ has been relatively well maintained for older cohorts, neo-liberal policies have particularly affected employment conditions for younger people (Genda, 2001). Of all employees, the average rate of non-regular employees (part-time, temporary and dispatched employees) rose from 15.8% in 1982 to 30.6% in 2006. During the same period, the rate of non-regular employees aged 20-24 increased more sharply from 11.4% to 41.2% (see Figure 2). The wage gap between regular and non-regular employees is
noticeably larger in Japan compared to other developed countries (Nagase, 2002). A new word, *freeter* has appeared to describe non-regular workers aged 15-34, and more recently the word, NEET (Not in Employment, Education or Training) has been coined to describe the characteristics of unemployed youth. According to the Labour Force Survey, the number of *freeters* rapidly increased from 0.5 million in 1982 to 1.01 million in 1992, and then to 2.17 million in 2003, although it slightly decreased to 2.01 million in 2005. The number of NEETs aged 15-34 rose from 440,000 in 2000 to 640,000 in 2005 (Ministry of Health, Labour and Welfare, 2006). It is almost impossible for an increasing number of young non-regular workers to obtain a foothold on the housing ladder.

Women have been greatly disadvantaged in the workforce market. There is thus a sharp contrast in terms of housing conditions between married and unmarried women (Hirayama and Izuhara, 2008). The Equal Opportunity Act enacted in 1986 and the major amendments to this in 1997 and 2006 provided an institutional framework for enhancing women’s status in the labour market. This forced corporations to abandon explicit gender discrimination in employment practices. However, they developed new employment categories in which employees, who accepted company orders such as work-related moves and longer working hours with higher salaries and greater employment stability, were considered *de facto* men. This system has effectively maintained *de facto* gender discrimination in employment practices. Moreover, the casualization of the workforce has impacted more on women than on men. The level of non-regular employees aged 25-29 in 2002 was 36.6 % among women and 12.9% among men. Consequently, it has become more difficult for women to access the housing ladder unless they get married to ‘male breadwinners’.

**Housing policy**

The government has systematized housing policy to take the initiative in promulgating a home-ownership-oriented housing system (Hirayama and Ronald, 2007). The Government Housing Loan Corporation (GHLC) was established as a state agency in 1951 to provide middle-class households with long-term, low-interest mortgages for the acquisition or construction of their own homes. Of the various housing policy measures, the granting of GHLC mortgages was particularly emphasized to promote middle-class home ownership. Despite rapid urbanization, the level of owner-occupied housing has hovered at around 60% due to the measures used to accelerate the acquisition of housing. The ratio of private rental housing has been the second highest at around a quarter of all housing. However, housing policy has not supported the supply of private rental housing. There has been little assistance for the construction of private rental housing and absolutely no provision of rental subsidy. Direct provision of rental housing by the public sector has been marginal. Public housing has been provided to low-income households and public corporations have constructed rental housing for urban middle-income households. However, the ratios of low-income public housing and public corporation housing to total housing have been very low, corresponding to around 5% and 2%. The Japanese government has thus characteristically operated a tenure-discriminatory housing system as a conservative policy measure to concentrate on promoting middle-class home ownership.

Housing policy has paralleled family policy to advantage conventional households (Hirayama, 2003; Hirayama and Izuhara, 2008). One-person households have been
excluded from most housing policy measures. Once singles became married, housing policy came into play. This facilitated the formation of conventional life-courses. The GHLC did not provide one-person households with mortgages until 1981. Of single-person households, GHLC mortgages were only available to those over 40 until 1988 and to those over 35 before the age restriction was removed in 1993. In addition, the GHLC did not provide mortgages to those who wished to purchase or build small houses. This was aimed at promoting the construction of spacious homes but implicitly excluded one-person households. Public corporations provided rental housing mainly to family households with a very limited number of dwellings for single-person households. The public housing system for low-income people excluded one-person households. In 1980, elderly singles qualified for public housing, but non-elderly single households are still excluded from public housing.

The government began to undertake the neo-liberalization of housing policy in the middle of the 1990s, which expanded the market-based supply of housing and mortgages (Hirayama and Ronald, 2007). New starts in low-income public housing and public corporation housing have almost stopped and their roles in housing policy will become marginalized even more. The 2007 abolition of the GHLC, which had been the core of post-war housing measures, was a particularly important watershed in the history of Japanese housing policy. The Housing Finance Agency, the successor of the GHLC, withdrew from the primary mortgage market and has thereafter only dealt with the secondary market of mortgage securities.

The neo-liberalization of housing policy has affected the housing conditions of younger generations. Unlike conservative housing policy, the housing and mortgage markets do not discriminate against non-conventional households including one-person households. However the market economy inevitably excludes low-income people and those with poor credit. Older generations have moved up the housing ladder towards home ownership, supported by government subsidies. Younger generations will not be provided with the same level of support by the government in becoming members of the homeowner society. They are required to climb their own housing ladder by themselves within the market. With the casualization of employment, however, an increasing number of young non-regular workers will undoubtedly be further excluded from the housing and mortgage markets.

Changes in household formation
This section looks at changes in the rates of ‘parental home dwellers’, ‘single people’ and ‘family-formers’ to explore transformations in young people’s household formation. It has been assumed that young individuals change from being parental home dwellers to independent singles and to family-formers, or from parental home dwellers directly to family-formers in leading a conventional life-course. However, young people’s life-courses have increasingly been fragmented.

As shown in Figure 3, which was prepared from a combination of various data obtained from the Population Census, parental home dwellers and single people, parental home dwellers in particular, have been increasing in number while family-formers have been in decline. This is primarily due to rising numbers of unmarried people. Between 1980 and
2005, the percentages of parental home dwellers and single people rose from 24.0% and 12.1% to 41.3% and 19.3% for the 25-29 age group, and from 8.2% and 5.6% to 24.8% and 13.5% for the 30-34 age group, respectively. Even among older individuals aged 35-39, during the same period, the rate of parental home dwellers rose from 2.9% to 16.0%, and that of single people from 3.4% to 8.9%. Alternatively, the ratios of family-formers continuously dropped to 28.1% for the 25-29 age group, 50.3% for the 30-34 age group, and 61.3% for the 35-39 age group by 2005. This obvious decline in transitions into family-formers means a serious erosion in conventional life-course patterns.

There are differences in the ways households are established by men and women (see Figure 3). The numbers of family-formers are higher for women than for men. This coincides with the fact that there are more unmarried men than unmarried women. The 2005 percentage of family-formers of those aged 30-34 was 44.8% for men and 55.8% for women. Of unmarried individuals, women are more likely to be parental home dwellers compared to men. In 2005, the proportion of parental home dwellers to single people for those aged 30-34 was 1.6 times for men and 2.4 times for women. This means that unmarried women tend to continue to live in their parents’ homes and that they do not tend to leave home to become independent singles but only leave to get married. In addition, young females are more often employed if they agree to commute from their parental homes. This reflects the tendency by unmarried women to remain as parental home dwellers.

Since the rapid increase in young adults living in their parents’ homes has been a novel phenomenon, it has intensified not only academic but also popular debate. In 1991, Miyamoto, Iwagami and Yamada (1997) first began to conduct a series of surveys on parental home dwellers to highlight affluent parents’ over-protection of their dependent adult children. At that time, the aftermath of the bubble economy generated an image that young adults living in parental homes indulged themselves in the consumption of luxury goods without having to incur housing costs or food expenses. Yamada (1999), who called parental home dwellers ‘parasite singles’, more explicitly pointed out young people’s dependent attitudes. This catchy term provided a trigger provoking a ‘parasite bashing’ phenomenon in popular discourses, where the dependent behaviors of young adults were severely criticized (Kitamura, 2001).

Since the late 1990s, however, with the post-bubble prolonged recession as a backdrop, many researchers have begun to argue for the economic instability of parental home dwellers (Iwagami, 1999; Kitamura, 2001; Miyamoto, 2004, Nagase, 2002, Ohishi, 2004; Shirahase, 2005). A survey on young adults living in their parents’ homes, conducted by the National Institute of Population and Social Security Research (2001), found that many parental home dwellers were not ‘lazy’ but, despite working, did not have sufficient income to leave home to establish an independent household. Yamada (2004) has also begun to shift his view on ‘parasite singles’ towards emphasizing the exacerbated economic circumstances surrounding the youth. These arguments and research findings have suggested that the increase in parental home dwellers cannot necessarily be attributed to young people’s dependent attitudes but to their own economically rational choices.
The neo-liberalization of labour policy and the consequent casualization of the employment market has accelerated the increase in the number of young non-regular workers and deprived them of opportunities to leave their parents’ homes and to get married. The establishment of families in Japan has been based on the ‘male breadwinner family’ model. This has been reflected in the clear correlation between the unmarried rate and economic status particularly among men. The Employment Status Survey in 2002 revealed that the percentage of unmarried men aged 30-34 in regular employment was 41%, while the figure for those in non-regular employment was notably high at 70% (Ministry of Health, Labour and Welfare, 2006). It is also important to look at the increase in marriages within the same social classes. The implication is that economic status has begun to determine the marriage rate not only among men but also among women (Nagase, 2002). Iwagami (1999), Miyamoto (2004) and Ohishi (2004) among others carried out surveys on youth to find evidence that the rates of non-regular workers were substantially higher for parental home dwellers than for those who had left their parents’ homes. Obviously, there are close links between the casualisation of the labour force, the increase in unmarried young people, and the increase in parental home dwellers.

Changes in people’s attitudes towards marriage have led to a delay by young people in starting independent households. According to a survey periodically conducted by the NHK Broadcasting Culture Research Institute (2004), the rate of those who answered ‘it is a matter of course to get married’ and ‘it is a matter of course to have children’ decreased from 45% and 54% in 1993 to 36% and 44% in 2003, respectively. The younger the respondents were, the lower the rates were. Moreover, as younger people are spending longer in education, they are forming households later. It is, however, necessary to look at not only the change in people’s attitudes towards marriage but also the apparent tendency of young people who have a lower employment status to more often remain unmarried. Regardless of young people’s attitudes towards marriage, it is difficult for non-regular, low-wage employees to choose to get married and establish their own families.

Some commentators have attributed the ‘parasite’ phenomenon to a cultural tendency peculiar to Japan – parents who are overprotective of their children and the delay by young adults in becoming independent (Miura, 2005; Yamada, 1999). However, increases in parental home dwellers have been observed not only in Japan but also in many other societies (Ministry of Health, Labour and Welfare, 2003). The rates of young people living in parental homes in southern European countries including Spain, Greece and Italy have been much higher than in Japan, and are increasing even more. In western European countries and Anglo-Saxon societies, there have traditionally only been a small number of parental home dwellers. In Britain, France, Germany and the U.S.A., however, those living in parental homes have recently begun to increase. This is largely due to the deregulation of employment markets that has become a common tendency across many societies. It is therefore reasonable to regard the increase in parental home dwellers in Japan not only as a particularly domestic cultural phenomenon but also as a reflection of wider economic transformations.

Moreover, as Mandic (2008) and Mulder (2006) among others have suggested, home-ownership-oriented housing systems tend to delay marriage and the establishment of families. It is most likely that young individuals who wish to leave home to form their
own households need affordable rental housing before entering home-ownership markets. However, housing systems to prioritize the promotion of home ownership do not support the supply of private rental housing. Social rental housing sectors are also marginal in property-ownership-based societies. Of countries with a high level of owner-occupation, the shortage in affordable rental housing available to young people to establish their own households is a common feature.

In Japan, tenure discriminately housing policy, which has concentrated on expanding home ownership, has accounted for the increase in parental home dwellers. A limited number of public rental dwellings available for youth, low quality private rental housing in terms of floor space and amenities, and high rents for privately rented housing have effectively combined to discourage young people from establishing their own independent families. In addition, the neo-liberalization of housing policy has meant fewer public subsidies for youngsters to acquire housing. Many young people have been seeking to secure housing in the private rental market, only to find it difficult to access adequate, affordable places to live in. This has in turn led to the increase in parental home dwellers. The housing policy system, along with casualization of the workforce, has progressively been eroding young people’s footholds on the housing ladder.

Differentiation of housing trajectories
In this section, we examine differences in housing trajectories between ‘parental home dwellers’, ‘single people’ and ‘family-formers’, drawing on re-calculations of micro-data taken from the 2003 Housing and Land Survey. In the majority of research on housing, there has been a tacit assumption that housing is an issue at the household level. Therefore, housing statistics are often ‘households as a unit’ base, where the situations with the head of the household are assumed to represent those of the entire household. However, it is necessary to look at housing at the individual level to reveal young people’s housing conditions because they are not necessarily the heads of households. While single people and most male family-formers are the heads of households in census statistics, parental home dwellers and most female family-formers are not. Japan’s Housing and Land Survey uses a ‘household as a unit’ base. The micro-data from the survey were thus reorganized into an individual base to explore the housing situations young individuals experienced.

Housing Tenure
As illustrated in Figure 4, there are clear differentials in housing tenure among young people. More than four-fifths of parental home dwellers live in owner-occupied housing. This holds true for both men and women and from the 20-24 age group to the 35-39 age group. Most owners of owner-occupied houses can reasonably be assumed to be parents. The increase in parental home dwellers can be understood within the context of public-policy practices. Conservative family policy has promoted reciprocity within the family, which partly accounts for a particular form of inter-generational relationship producing parental home dwellers. The neo-liberalization of workforce policy has accelerated the increase in young non-regular workers who have almost no choice but to continue to live in their parents’ homes. Housing policy has encouraged the current generation of parents to move up the housing ladder towards acquiring their own spacious home, which has enabled the younger generation to live with them. It can be assumed that
many parental home dwellers occupy their own private rooms in the house.

In mature home-owning societies like Japan, the inheritance of residential properties has become more significant in housing processes (Hirayama, 2007; Izuhara, 2005). Many parental home dwellers are likely to inherit their parents’ homes in the future. A decrease in the number of siblings means a rise in the possibility for offspring to inherit residential properties. Housing assets also tend to be passed down to those who live there with their parents. Increased longevity, however, tends to delay succession. It will not be before parental home dwellers become considerably older that they will inherit housing properties.

Most single people, who left home, have been living in private rental housing. The rates of private rental dwellings for both men and women aged 20-24 are very high at approximately nine-tenths. The figures among older age groups are lower than among younger age groups but considerably high at about seven-tenths for those aged 35-39. People who continue to be single can scarcely acquire an owner-occupied dwelling. The older they are, the higher their level of home ownership is. However, the home-ownership rates for men and women aged 35-39 are low at below one-fifth. The percentage of those in company housing is higher for men (14.8% for those aged 25-29) than for women (7.9% for the same age group). This is due to the fact that many corporations have excluded unmarried women from company housing.

Unlike parental home dwellers and single people, family-formers have climbed the housing ladder to become homeowners. While the percentages of private rental housing at the age of 20-24 are high (65.9% for men and 65.5% for women), the figures are low at the age of 35-39 (29.8% for men and 25.5% for women). Alternatively, the levels of home ownership are much higher at the age of 35-39 (55.7% for men and 61.2% for women) than at the age of 20-24 (8.4% for men and 11.7% for women). The home-ownership rate of women is higher than that of men among the same age groups. This is because women tend to marry men older than themselves. Family-formers at younger ages are more likely to live in public rental housing compared to parental home dwellers and single people. The percentages of public housing (including both public housing for those with low incomes and public corporation housing) for the 20-24 age group are 17.4% for male family-formers and 15.5% for female family-formers. Parental home dwellers hardly ever need public rental housing to move into since their parents often own their own homes. The public rental housing system has excluded young one-person households. These factors have differentiated the rates of public rental housing among young people according to the types of households. Public rental housing has provided a foothold on the lower rungs of the housing ladder, but this has only been provided to married youths.

**Household income**

Questionnaires administered by the Housing and Land Survey have not included individual incomes but household incomes. Here, differences in household incomes according to the types of household are examined (see Figure 5). It is important to note that the household incomes of older parental home dwellers are lower than those that are younger. The rates of households whose annual incomes are ¥7 million (£35,000) or more are about one half for male and female parental home dwellers aged 20-24, but one-fifth for those aged 35-39. This difference is mostly caused by parents’ retirement. The ratios
of low-income households with an annual income of less than ¥3 million (£15,000) are high at about one-third for men and women aged 35-39. Regardless of whether or not parental home dwellers are ‘parasitic’, their parents’ incomes, which they may rely on, decrease with advancing age. If parental home dwellers are in secure employment, an increase in their own incomes with advancing age is likely to compensate for the decrease in their parents’ incomes. However, many parental home dwellers are non-regular workers on low wages. Parental home dwellers in the household are not heads but adult children. The fact that male parental home dwellers aged over 30 are not householders but adult children suggests a very low level of income.

The annual incomes of single people increase with advancing age but remain considerably low. Moreover, it is important to look at the large income gap between men and women within the single-people category. The percentages of low-income single people aged 35-39 whose incomes are lower than ¥3 million (£15,000) are 25.7% for men and 42.3% for women. This contrast is observed in all age groups. Women have been and continue to be disadvantaged in the labour market, which accounts for the noticeable income gap.

Family-formers have experienced a steady increase in their household incomes. While the percentages of households with an annual income of ¥7 million (£35,000) or more for family-formers at the age of 20-24 are very low at 1.0% for men and at 3.4% for women, the figures at the age of 35-39 are considerably higher at 27.6% for males and 32.1% for females. Annual incomes are higher for female family-formers than for male family-formers, which is due to the tendency by women to marry older men. Family-formers have moved up the housing ladder towards home ownership, which has been buttressed by the continual increase in their incomes.

### Rental payments

Housing cost is an important element that has shaped housing conditions. While the research items on the 2003 Housing and Land Survey did not include mortgage repayments, it did involve monthly rents. Since there are very few renters among parental home dwellers, monthly rent payments by single people and family-formers are examined here (see Figure 6). Most incomes of single people are low but rise with age. This reflects higher rent payments by older tenants. The percentages of single men and women who spend ¥50,000 (£250) or more on rent payments are 39.5% and 45.3% for those aged 20-24, and 60.4% and 65.7% for those aged 35-39, respectively. Despite the fact that single women’s incomes are lower than those for men (see Figure 5), women tend to live in rental housing paying higher rents compared to men. This suggests differences in housing preferences between men and women. According to Yui (2004), single women in urban areas in particular placed importance on short commuting times and thus central locations, anti-crime environments and high quality amenities. This arguably accounts for single women’s more expensive rent payments. In addition, more single males than single females live in company dwellings paying low rents, which leads to the differentiation in rent payments. As previously discussed, compared to unmarried men, unmarried women are more likely to be parental home dwellers. This is partly because they need high-cost housing despite their lower incomes.

There are mainly two groups in the family-former category in terms of rent payments.
The first consists of those whose rent payments increase with age. This is because of the increase in family-formers’ incomes in line with advancing age. The second group is comprised of those whose rent payments are low regardless of age. This includes family-formers who live in company housing. A low level of rent payments makes it possible for family-formers to live in company housing for a long time and to accumulate savings before purchasing their own homes.

Conclusion
In post-war Japan, membership in mainstream society was defined by marriage and the establishment of a family, stable employment and income, and the private ownership of residential property, where many middle-class families led a conventional life-course to move up the housing ladder towards achieving home ownership. Since the middle of the 1990s, however, an increasing number of young people have been confronted by difficulties with obtaining a foothold on the housing ladder. This paper explored the differentiation in housing trajectories between ‘parental home dwellers’, ‘single people’ and ‘family-formers’ and we found that only family-formers climbed up the housing ladder to access home ownership. Parental home dwellers and single people, who are on a drastic increase, are not participating in today’s home-owning society. The fragmentation of life-courses among the younger generation has increasingly been becoming more apparent.

We demonstrated that public-policy practices relating to family, employment and housing accounted for transformations in the housing conditions of young people. Family-formers have benefited from conservative policies to promote middle-class housing purchases. Alternatively, parental home dwellers and single people have been excluded from conservative policies because housing and family policies have not focused on unmarried people. In addition, the neo-liberalization of labour policy to facilitate casual employment has impacted on youth in particular, which has led to a rapid increase in parental home dwellers and single people. Many young casual workers on low wages have no choice but to continue to live in their parents’ homes while many low-income single people are living in low-quality private rental housing with almost no prospects of moving up the ladder towards home ownership. The longstanding recession during the post-bubble period exacerbated young people’s economic environments. However, the nature and organization of public policies have affected housing trajectories more structurally among the youth.

The term, ‘gap society’, has recently spread not only through academia but has also been used in popular discourse in describing the current condition of Japanese society (Shirahase, 2006; Tachibanaki, 2006). Social-class-based inequalities have long been observed and analyzed in Japan as well as in many other countries. However, the word, ‘gap society’ is often used to emphasize the expansion of social inequalities with generations as a key variable. Japan’s housing system was a mechanism that provided people with the ‘promise’ of access to the homeowner society. Many renters who aimed at purchasing a house regarded themselves as potential homeowners, and young people on low incomes in the past, within the seniority system of predictable wage augmentation and promotion, were able to expect an increase in income. The older generations relied on the paternalism of the ‘company society’ and benefited from government subsidies in
purchasing their own houses. In the emerging ‘gap society’, young people, particularly parental home dwellers and single people, are increasingly failing to accomplish the ‘promise’ of establishing a family, finding a career or acquiring a house.

It is likely that changes in the housing conditions of young people are eroding the traditional basis of post-war Japan’s home-owning society with the compounding of social inequalities. Moreover, the increase in parental home dwellers and single people will inevitably undermine fertility even more, encouraging a decrease in the total population and the workforce. This will also be associated with an accelerated increase in the proportion of older people. Within this context, the housing situation with the younger generation is a key driver for future social changes. Examining home-ownership transformations in Japan places young people’s housing conditions into sharp focus. It is evident that not only Japan but also other homeowner societies in the West and in the East Asian region are developing generational fractures in housing pathways. A suggestion drawn from Japan’s present experience is that housing for young people is an important policy issue not only in itself but also in shaping wider social processes.

Reference


Yui, Y. (2004) Daitoshi niokeru shinguru josei no manshon konyu to sono haikei [Condominium purchase by single women in large cities], in Y. Yui, H. Kamiya, Y.
Figure 1. Unmarried rate by age and sex

Source: Statistics Bureau, Population Census.
Note: Non-regular employees: part-time, temporary and dispatched employees.
Source: Statistics Bureau, Labour Force Survey;
Statistics Bureau, Employment Status Survey.

Figure 2. Ratio of non-regular employees by age
Figure 3. Changes in household type by age and sex

Source: Author's calculations from Population Census.
<Parental home dwellers> Males Females
20-24 80.9 81.7 0.0 0.0
25-29 83.0 84.7 0.0 0.0
30-34 85.4 84.4 0.0 0.0
35-39 86.1 84.4 0.0 0.0

<Single people>
20-24 89.0 89.2 7.0 0.0
25-29 78.0 87.3 14.8 0.0
30-34 75.2 33.3 10.1 0.0
35-39 16.5 72.8 70.6 0.0

<Family-formers>
20-24 65.9 65.5 12.7 10.4
25-29 58.9 55.0 19.8 19.2
30-34 44.5 39.1 12.8 8.6
35-39 29.8 25.5 14.0 0.0

Source: Author's calculations from micro-data on the 2003 Housing and Land Survey of Japan.

Figure 4. Housing tenure by household type, age and sex
## Figure 5. Household incomes by household type, age and sex

### Parental home dwellers

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<thead>
<tr>
<th>Age Group</th>
<th>Males</th>
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<tbody>
<tr>
<td>20-24</td>
<td>12.3%</td>
<td>30.9%</td>
</tr>
<tr>
<td>25-29</td>
<td>20.6%</td>
<td>32.0%</td>
</tr>
<tr>
<td>30-34</td>
<td>28.2%</td>
<td>33.1%</td>
</tr>
<tr>
<td>35-39</td>
<td>15.5%</td>
<td>8.8%</td>
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### Single people

<table>
<thead>
<tr>
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<th>Females</th>
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<tbody>
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<td>38.5%</td>
<td>8.8%</td>
</tr>
<tr>
<td>25-29</td>
<td>29.9%</td>
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<td>30-34</td>
<td>25.7%</td>
<td>44.8%</td>
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<tr>
<td>35-39</td>
<td>18.2%</td>
<td>9.2%</td>
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### Family-formers

<table>
<thead>
<tr>
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<tbody>
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<td>56.0%</td>
<td>15.4%</td>
</tr>
<tr>
<td>25-29</td>
<td>25.4%</td>
<td>38.0%</td>
</tr>
<tr>
<td>30-34</td>
<td>50.1%</td>
<td>18.9%</td>
</tr>
<tr>
<td>35-39</td>
<td>50.6%</td>
<td>19.8%</td>
</tr>
</tbody>
</table>

Source: Author's calculations from micro-data on the 2003 Housing and Land Survey of Japan.
### Figure 6. Rental payments by household type, age and sex

#### <Single people>

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<th>Males</th>
<th></th>
<th>Females</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30,000 yen</td>
<td>30,000-50,000</td>
<td>50,000-70,000</td>
<td>70,000-90,000</td>
<td>90,000-110,000</td>
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<tr>
<td>20-24</td>
<td>13.7</td>
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<td>31.8</td>
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<td>25-29</td>
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<td>33.7</td>
<td></td>
</tr>
<tr>
<td>30-34</td>
<td>16.5</td>
<td>26.4</td>
<td>38.0</td>
<td>14.6</td>
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<tr>
<td>35-39</td>
<td>11.1</td>
<td>26.5</td>
<td>37.0</td>
<td>14.8</td>
</tr>
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</table>

#### <Family-formers>

<table>
<thead>
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<th></th>
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<th></th>
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<tbody>
<tr>
<td>Under 30,000 yen</td>
<td>30,000-50,000</td>
<td>50,000-70,000</td>
<td>70,000-90,000</td>
<td>90,000-110,000</td>
</tr>
<tr>
<td>20-24</td>
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<td>66.6</td>
<td>39.7</td>
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<td>25-29</td>
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<td>16.2</td>
<td>36.2</td>
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<td>20.6</td>
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<td>30.5</td>
<td>20.3</td>
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<td>35-39</td>
<td>21.5</td>
<td>18.9</td>
<td>25.0</td>
<td>19.1</td>
</tr>
</tbody>
</table>

Source: Author's calculations from micro-data on the 2003 Housing and Land Survey of Japan.