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Housing, Happiness and Capabilities: A Summary of the International Evidence and Models

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Housing, Happiness and Capabilities: A Summary of the International Evidence and Models

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Housing, Happiness and Capabilities: A Summary of the International Evidence and Models

Housing is not consumed in isolation from other aspects of life and our housing can have important meanings attaching to it. The authors seek to add to the growing literature around capabilities and subjective well-being by drawing out the connections between housing, housing satisfaction and capabilities and by contributing to our understanding of the relationship between housing and life satisfaction. Housing, and the immediate environment, can provide us with a range of freedoms and opportunities that are central to a good life. Good quality, appropriate and affordable housing is not just a source of shelter but can facilitate access to employment and recreational facilities whilst enabling individuals to live healthy and dignified lifestyles and to do so in safety. The objective of this paper is to address two primary questions in this exploration of the international literature: (i) does housing contribute to our assessments of our own utility (or SWB)? and (ii) what factors shape our housing satisfaction and how do these feed through to life satisfaction more generally? To this end, the role of housing satisfaction as a mediating variable is explored. Issues pertaining to habituation, adaptive preferences and the heterogeneity of housing satisfaction are also surfaced here. The paper concludes that there is scope for further empirical research into the connections between housing, housing satisfaction and capabilities, particularly with regard to the operationalization of the capabilities approach in the housing space and an examination of housing and neighbourhood-based functionings (including social indicators) as covariates for housing and life satisfaction.

Keywords: Housing satisfaction, life satisfaction, capabilities approach, behavioural economics

1. Introduction

Our housing is deeply intertwined with our day-to-day life and well-being. It is more than a mere refuge from the elements. Housing, and the home, provides a forum for interaction with families, friends and neighbours and a place for rest and relaxation. Good quality, safe and adequate housing is critical to our survival. It plays an integral role in promoting, or undermining, not just our health and safety but also, our mental well-being. Housing is also intrinsic to our sense of self-esteem and our perceived control over our surroundings and has the potential to directly influence a range of other outcomes from education, to employment to social participation. Such is the centrality of housing to each person's day-to-day life that it invariably plays an important role in shaping how we see our own lives and our place in the world around us. The house and home constitutes an emotional warehouse where identity is formed; a place of privacy and refuge; a haven from outside pressures and the prism through which we see and understand the world around us. Housing and the places where we live contribute to our sense of place and belonging and provide a source of social identity and pride. Moreover, our housing and neighbourhoods provide a mechanism for attaining, and investing in, our own security and future; for making connections within our communities; and availing of the opportunities and support networks around us.

The capability approach is a key development in our thinking on issues of poverty assessment and policy evaluation. This approach takes cognisance of the heterogeneity of individual preferences and a person's 'beings' and 'doings'. This approach recognises the importance of an individual's freedoms and opportunities to choose those functionings which they value from across their capability set alongside the inherent value of autonomy and the value associated with an individual's capacity to choose. The

capabilities approach represents a departure from traditional practice in economics and broadens the scope of our understanding. This approach is not restricted solely to market measures of utility, such as income, and increasingly incorporates the use of non-monetary measures of utility such as self-reported data on happiness or life satisfaction. The usefulness of wider social indicators such as health outcomes, education levels and employment status have also come to be recognised in the emerging literature around the capabilities approach. Doolan et al (2008) has noted that the increased interest in what he terms the ‘economics of happiness’ is reflected in the burgeoning literature in this field and that the evidence suggests that indicators such as ‘poor health, separation, unemployment and lack of social contact are all strongly negatively associated with self-reported well-being (SWB)’. Housing is another such useful indicator. The authors believe that, by virtue of housing’s importance to our everyday life and its scope to influence our happiness, the incorporation of this variable can improve our understanding of how well-being is determined for individuals and can yield useful results for policy-makers, in both low and high-income countries.

The authors are particularly interested in exploring the manifold ways in which housing, in its broadest conception, shapes the opportunities open to individuals and their communities; enables them to access good life desiderata; to experience lives that they have reason to value; and to participate fully and freely in productive economic activities and the spectrum of normal social interactions. In this context, we address two primary questions in this exploration of the international literature: (i) does housing contribute to our assessments of our own utility (or SWB)? and (ii) what factors shape our housing satisfaction and how do these feed through to life satisfaction more generally?

1.1 Sen’s Capability Approach and the Importance of Housing

The nature of the ‘good life’ and the essential qualities underpinning life satisfaction have been discussed and refined over millennia with many of history’s greatest thinkers contributing to the debate. Aristotle, for instance, put forward the concept of *eudaimonia* where individuals were ‘called on to realise their full potentialities in order to achieve a good life’ (Diener and Eunkook, 1997). Economists have increasingly come to reflect upon the shortcomings of traditional welfare economics and these developments are reflected in the capabilities approach to human economic welfare. This approach recognises the importance of a person’s opportunities (or potential) to ‘do’ or ‘be’ and the centrality of these states to each individual’s welfare. Our functionings are those beings and doings that we have reason to value – and can range for the elementary to the complex – whilst our capabilities refer to those combinations of functionings that an individual can potentially achieve. The capabilities approach developed by Sen and others recognises the ‘multidimensionality of social disadvantage’ (Sen, 2003). The capabilities approach conceives of quality of life with reference to our freedom to achieve and enjoy valuable states and activities (Alkire, 2008) and emphasises the importance of the freedom to achieve well-being through what people are able to do within the constraints of the resources at their disposal. This approach broadens the scope of poverty assessment to include measures such as education, employment and health. These multi-dimensional approaches to the assessment of well-being can be effective in capturing the import of many life domains for human welfare (Anand et al, 2009).

Housing, and housing satisfaction, play an important role in shaping our SWB (or ‘happiness’) and do so in many ways. In his writings, Sen has referred to survival as the ultimate functioning and the one from which all others flow. For people in both low and high-income countries, it is difficult to conceive of human survival in the absence of access to good quality housing. Housing, however, has the potential to contribute more to human welfare and life satisfaction than to merely provide us with shelter against the elements. Our immediate environment, including the home, is of critical importance in shaping life chances and effects both current and future well-being (Harker, 2006). Housing is not merely an essential precondition for human health and survival but is crucial for a number of different capabilities (Volkert,

2006). Housing can restrict our effective opportunities by means of imposing trade-offs. Our housing, oftentimes the largest single item of consumption for most households (Malpass, 2005), can constrain the resources at our disposal in other walks of life. Alternatively, the location of our housing and its proximity to valued services, structures and amenities (albeit at a cost) can potentially constrain our opportunities viz services, work and play.

Housing can have a direct influence on a range of other life outcomes and has the potential to feed into other good life desiderata, including good health, healthy lifestyles and social participation; this theme is explored in greater detail in Section 2 below. The capabilities approach, with its emphasis upon a person's 'beings' and 'doings', can provide a useful theoretical framework for the interpretation and assessment of the nature of housing satisfaction and its implications for life satisfaction and happiness.

1.2 'The Good Life', Social Indicators and Subjective Well-being

The international literature recognises a number of alternative approaches to the measurement of our quality of life and an assessment of 'the good life'. The use of information on subjective well-being is one such approach. Subjective well-being measures have gained greater traction throughout the literature more recently. Such measures capture information on subjective experiences and allow us to access people's evaluative reactions to their own lives; 'if a person experiences her life as good and desirable, it is assumed to be so' (Diener and Eunkook, 1997). In this approach, life satisfaction is paramount. The use of subjective well-being data originated in the field of psychology but this has come to be incorporated into economic research, including the measurement of capabilities (Anand et al, 2009). Increasingly, economists have come to use self-reported data on happiness, or well-being (SWB), an indicator of experienced utility (Kahneman et al, 1997). The capabilities approach recognises a role for 'happiness' in human welfare and research into what makes people happy can provide useful insights into their underlying values and priorities (Sen, 1985).

Such data is a useful measure of our QoL and can act as an indicator of whether we have achieved that which we have reason to value: 'happiness is not all that matters, but first of all, it does matter' (Sen, 2008; Alkire, 2008). Recent research around happiness and subjective well-being has underscored the empirical robustness of the use of such measures in economic research with some contributors advocating that such subjective measures should replace other indicators, such as income, when it comes to the assessing social progress or quality of life: 'if we want to measure the quality of life, it must be based on how people feel' (Alkire, 2008; Layard, 2005). Evaluated life satisfaction is clearly important and intrinsically valuable: to achieve happiness is 'a momentous achievement in itself' (Sen, 2008). As such, evaluated life satisfaction provides compelling data and offers distinct insights into quality of life¹.

Human welfare, however, is multi-dimensional and 'many domains are important for life satisfaction' (Anand et al, 2009). The evidence from the international literature suggests that indicators such as 'poor health, separation, unemployment and lack of social contact are all strongly negatively associated with self-reported well-being (SWB)' (Doolan et al, 2008). Consequently, there is scope to complement subjective well-being data with other measurements of quality of life. Social indicators are a useful alternative approach. These measures relate to social indicators such as health and crime levels or other such indicators based upon normatively-derived characteristics of a life that is valued and valuable (i.e. to help others, to have access to services). A further, related strand in the use of these social indicators can be found in the deployment of resource measures and indicators of resources.

¹ It must be borne in mind that such measures of satisfaction (or happiness) are often simplistic and can be confounded by contextual and cultural factors: for instance, how different groups or nations interpret and answer such questions. Nevertheless, these measures can go to the heart of how individuals perceive their own circumstances and have increasingly gained traction in economic research

Individuals endeavour to satisfy their needs and preferences within the constraints of the resources at their disposal. Access to, and control over, resources is certainly an important prerequisite for the achievement of a high quality of life but resources alone are insufficient for the construction of quality of life measures (Alkire, 2008). This insufficiency arises as resources are not intrinsically valuable and are poor proxies for valued states and activities; people's ability to convert resources into valued functionings can and do differ. Nonetheless, indicators of resources – whether money or some particular resource category such as housing or amenities – are highly relevant to the measurement of quality of life. Resource indicator-based measures (or indicators of resources) can be used as effective proxies for functionings and in the estimation of capability sets (Alkire, 2008).

Approaches based upon either subjective well-being measures or social indicators will each have their own respective strengths and weaknesses and this is a theme that has already been explored at length in the literature. It is, however, still the case that these measures are 'necessary to evaluate a society...add substantially to the regnant economic indicators' (Diener and Eunkook, 1997) such that each of these categories of variable contains information not elsewhere captured. The foregoing variables (or examples thereof) – and data required to operationalise the capabilities approach – are, generally speaking, available to researchers. Anand et al (2005) have previously identified sets of questions from the British Household Panel Survey (BHPS) that are closely linked to Nussbaum's (2000) checklist of those capabilities that are essential to human flourishing. Similarly, both the German Socio-Economic Panel (GSOEP) longitudinal survey and the European Quality of Life Survey (EQLS) contain variables relating to social indicators such as health, crime and social participation. Such datasets also pose questions with regard to subjective evaluations of satisfaction with many life domains including health, employment and housing.

1.3 Social Inclusion, Public Policy Responses and the Capabilities Approach to Welfare

It is increasingly accepted that poverty measures based upon standard monetary indicators will underestimate actual poverty. In response, the capability approach developed by Sen offers an alternative to standard income and expenditure measures by accounting for the heterogeneity of needs among individuals (Kuklys, 2005). This approach recognises the 'multidimensionality of social disadvantage' (Sen, 2003) and broadens the scope of poverty assessment to include non-monetary issues such as education, employment, housing and health¹. In doing so, the utility measured is not restricted to income but rather is captured by life satisfaction and happiness (and the constituent elements thereof). This approach is increasingly recognised in governmental and multilateral responses to measuring and tackling poverty. For instance, in past research Sen developed a series of basic functionings for the purposes of ranking countries and assessing the veracity of country rankings based solely on GNP per capita. The functionings used included age and gender-specific mortality rates. Many of these measures have come to be incorporated in the United Nations' annual human development (UNHDP) reports since 1990 as that body has adopted some of the central tenets of the capabilities approach (Kuklys and Robeyns, 2004).

Similarly, European Union (EU) member-states have sought to develop coordinated, multi-annual National Action Plans for Social Inclusion (NAPS) with a specific focus upon measuring, and improving, QoL across the bloc. These plans constitute the contribution of each member-state to the EU-level 'Report on Strategies for Social Protection and Social Inclusion'. This commitment to social inclusion is framed within the broader EU policy commitment to greater social cohesion and the NAPS reflect broader EU objectives. At the European Council in Lisbon (2000), it was agreed that the member-states would work towards the eradication of poverty and social exclusion and to this, would co-ordinate policies and practice for combating these phenomena. At the EU-level, the continued monitoring of both economic and social performances of member-states is considered fundamental in order to identify lagging regions and consequently developing policy and programs that will achieve socio-economic convergence and target inequality. The improvement of Quality of Life (QoL) is included among the

principal objectives of the EU's Sustainable Development Strategy. At the Barcelona Conference of EU member-states there was a call for the establishment of "a system of local and regional indicators of the quality of life to inform policy makers" (Committee of the Regions, 1999).

The most recent National Action Plan for Social Inclusion, 2007-2016 unveiled by the Irish Government (Stationary Office, 2007), for example, noted the importance of building an inclusive society and pledged increased resources to critical social services and infrastructure in a number of areas, including housing. This plan sets out a commitment to building and supporting sustainable communities and this commitment is underpinned by a number of high-level goals focussing on selected themes such as housing, health and the integration of migrant communities. In terms of housing, the core objective articulated here is to 'enable every household to have an affordable dwelling of good quality, suited to its needs, in a good environment, and, as far as possible, at the tenure of its choice'. The report commits Ireland to delivering high quality housing for those who cannot afford to meet their own needs and to meet special housing needs for vulnerable communities, including the homeless, the elderly, people with disabilities and Irish Travellers.

The rest of this paper is structured as follows. Section 2 provides an outline of overlaps in the international literature regarding housing, housing satisfaction and life satisfaction (or SWB) including a discussion on the evidence relating to self-reported housing satisfaction and life satisfaction and the connections between housing satisfaction and the capabilities approach. Section 3 outlines a decomposition of housing understanding and sets out a summary of the international literature with regard to the importance of such factors as structural conditions, neighbourhood features and amenities and belonging. The scope for heterogeneity in housing satisfaction amongst culturally-formed groups, with a particular focus upon migrant communities, is presented in Section 4 alongside a discussion of those factors with the potential to influence housing outcomes and satisfaction for migrant communities. Summary and concluding comments are presented in Section 5.

2. Housing, Housing Satisfaction and Quality of Life

The capabilities approach underscores the potential of an individual, or a community in the case of agency goals, to optimise their welfare by means of the freedom to choose from amongst available and valued states of being. Human welfare, however, is inherently multi-dimensional with many life domains contributing to our satisfaction with the life we can lead. This chapter endeavours to answer the first question posed earlier: (i) does housing contribute to our assessments of our own utility (or SWB) and if so, how? The following discussion draws out the interactions in the international literature regarding housing, housing satisfaction and life satisfaction (or SWB). This includes a discussion on the evidence relating to self-reported housing satisfaction and life satisfaction and the connections between housing satisfaction and the capabilities approach.

2.1 Connections between the literatures on Housing Satisfaction and the Capabilities Approach

Sen's capabilities approach examines human welfare from the perspective of a person's functionings and capabilities (or actual and potential activities or states of being, respectively) where poverty is defined as a deprivation of capabilities and the absence of the freedoms that people value and have reason to value (Kuklys and Robeyns, 2004; Alkire, 2007). Capabilities reflect 'the person's freedom to lead one type of life or another' (Sen, 1992). These encompass many potential states of being and represent our opportunity to achieve valuable functionings and the freedom to live a life that one has reason to value. These valuable functionings are cross-cutting and multi-dimensional and will embrace many different life domains. Nussbaum (2000) has put forward a checklist of those capabilities that are essential to human well-being. This 'list' spans ten headline capabilities categories ranging from *Life* to *Control over Environment*.

Each of the headline capabilities categories incorporates a diverse range of constituent capabilities. Nussbaum identifies *Bodily Health* as a capability and includes 'being able to access to adequate shelter' as one dimension of that very capability. The notion of the applicability of one single 'list' of capabilities to all societies and systems has been controversial. Sen has advocated against the specification of a single list of basic capabilities and advocates developing capabilities based upon local ethical and political considerations (Gigler, 2005). Nevertheless, Nussbaum's list provides a useful high-level account of the main substantive capabilities. The importance of housing to human flourishing is recognised here.

Housing and the home are central to our day-to-day lives and the influence of housing is inherently cross-cutting with the potential to feed into other good life desiderata. Our housing can also have a direct influence on a range of other life outcomes including opportunities for social participation and the accessibility of employment, education and training opportunities; social and healthcare services and recreational facilities. Housing, then, can play an important role in facilitating many valued functionings, including a number of those states and activities outlined in Nussbaum's checklist: from good health to employment and from control to dignity and self-respect.

2.1.1 Housing, Survival and Good Health

An individual's capabilities and functionings can range from the elementary to the complex. It should be clear at the outset, however, that these potential states of being will include some essential prerequisites such that all capabilities are not created equal. Rather, and from a purely mechanistic perspective, there must be a hierarchy of capabilities. It is difficult to conceive that an individual could achieve a range of states (or could do so optimally and for a prolonged period) – 'being able to participate effectively in political choices'; 'being able to laugh, play and enjoy recreational activities'; 'being able to have pleasurable experiences' – without first satisfying some basic human needs. These needs include 'being adequately nourished', where such a state is a prerequisite for all that follows. Housing is another such fundamental need. 'Being adequately sheltered' is essential to human well-being. Sen has referred to survival as the ultimate functioning and the one from which all others flow. Human survival is critically dependent upon access to safe and adequate shelter. We can say then that the freedom to access good quality housing and to live in safe and accessible communities is, generally speaking, a state that is valued by all. Indeed, it would be a very odd conception of happiness, well-being and 'the good life' which did not ascribe some inherent value to the home, refuge and shelter.

Similarly, it is difficult to conceive of an understanding of human happiness and well-being where good health is not of paramount importance. Health is, of course, an important determinant of SWB. Having the ability to enjoy good health, including reproductive health and nourishment, is recognised as essential to human flourishing in the emergent capabilities literature (Nussbaum, 2000). The relationship between self-assessed health to SWB is reflected in the international literature around happiness, psychology and public health (Anand et al, 2009; Noymer and Ruppner, 2009; Hamer and Stamatakis, 2010). This latter relationship is also borne out in the research presented in a later chapter of this thesis (see: Chapter 3). Housing, in turn, can exert direct, and indirect, influences upon an individual's health and can do so in myriad ways. For instance, being protected from dangers to one's health is dependent upon the standard of one's housing and this is true for individuals in both low and high-income settings.

Housing has been found to be one of most important predictors of health and to be a central aspect to any consideration of welfare outcomes given its role in everyday life, security and health (Kemeny, 2001; Department of Health and Children, 2010). Recent research has found that the built environment can have profound negative effects upon both physical and mental health outcomes, and can magnify health disparities so that these effects are most pronounced for ethnic minority groups and low-income communities. Unsafe, poorly-serviced and dilapidated private and urban spaces have been found to

contribute to unhealthy lifestyles by discouraging physical activity and recreation (Hood, 2005). Our immediate environment, including the home, shapes our life chances and effects both current and future well-being (Harker, 2006). Poor housing is strongly associated with a greater likelihood of poor health, including respiratory and heart diseases, with self-rated health in adults being significantly affected by the experience of poor quality housing in childhood (Blackburn, 1990; Marsh et al, 2000).

2.1.2 Housing, Employment and Social Engagement

There are, however, some further considerations to be borne in mind. Housing has functions that go beyond guaranteeing survival and health. Sen (1983) has characterised poverty as means 'not sufficient to obtain the minimum necessities for maintaining physical efficiency or survival' but people will have a reasonable need for further amenities that are not strictly necessary for survival but that are determined by personal taste and social norms. In other words, although housing is essential to survival, it plays an important role for many other valuable functionings across the life-cycle. The house and home is an important place throughout the course of our lifetimes. Porteous (1976) has argued that the home provides people with a range of life satisfactions, including identity and security. The growing interdisciplinary literature around the capabilities approach increasingly recognises the importance of housing to the 'good life'. The ability to access good quality housing provides a variety of important methodological insights and is crucial for a number of different capabilities (Volkert, 2006). Lelkes (2005) found that the most commonly used measures of well-being (labour market participation, health, housing and social relations) did significantly influence life satisfaction. In the case of housing specifically, it was observed that both neighbourhood safety and the quality of one's accommodation correlate strongly with life satisfaction.

Unsafe or poor-quality urban spaces have been found to contribute to violence and reduced interpersonal contact and participation by discouraging recreation and encouraging social isolation (Hood, 2005). Housing quality also relates to other capabilities such as the ability to live without shame and to meet friends without losing self-respect. The psychological, emotional and economic importance of the house and home is intimately tied into the immediate, surrounding residential environment and the neighbourhood too plays an important role in shaping our social interactions and relationships. The neighbourhood contributes to our SWB through health, friendship and work (Sirgy, 2012) and an individual will endeavour to optimise their own happiness by choosing to live in a neighbourhood with good access to public services and employment, prospects for career advancement and good schools (Michaels, 1997). Indeed, a key aspect of our housing decision is the comparison of the bundle of amenities, including employment, offered by each prospective location (Blomquist, 1998).

2.1.3 Housing, Control, Self-Esteem and Social Status

Housing, and in particular the ownership of housing stock, plays an important role in the enhancement of self-esteem and in the provision of a sense of control over one's immediate environment. Homeownership has previously been found to make a major contribution to overall life satisfaction by conferring a higher social status: the belief that 'one has made it'. Homeownership also acts as an effective means of communicating this status (Saunders, 1990). Support for homeownership, particularly in the case of low-income households, has generally been predicated upon a belief in the social benefits of homeownership (Rohe and Stegman, 1994). Consequently, much of the international research suggests a connection between housing and homeownership with life satisfaction, self-esteem and a perceived sense of control over one's own life. Rakoff (1977) has found just such a relationship between self-esteem and housing. This has been attributed to the higher social status afforded to owners, at least in some economies. The homeowner's property and its attendant features are 'seen as an indicator of personal status and success, both one's own and others'. Moreover, homeownership is also believed to give people

a greater sense of control over their own housing. Homeowners have more control over who enters their property and over the décor when compared to renters. By extension, ownership is perceived to contribute to a greater sense of control over life generally (Rakoff, 1977; Rohe and Stegman, 1994).

The acceptance of the strength of this relationship between homeownership with self-esteem and control is not, however, uniformly held. Rosenberg (1979) has previously developed a model of how factors such as homeownership could shape self-esteem. This model is based upon three principles: reflected appraisals, social comparison and self-attribution. This suggests that how we are seen by others and how we see ourselves compared to others are important factors. The research, however, does suggest that self-esteem is shaped in early life and that our view of ourselves is inflexible in later life; homeownership may not be sufficient to influence self-esteem. Rohe and Stegman (1994) found that although low-income homeowners do experience an increase in self-esteem or sense of control, it was not statistically significant. Nevertheless, the authors also found that under direct questioning most respondents reported that owning their own home made them feel better about themselves and increased their sense of control over their lives albeit that the enhancement of self-esteem and sense of control were gradual.

The same researchers also found that low-income homeowners experience a significant and rapid increase in life satisfaction where 'ownership had the strongest association with life satisfaction...it was more important than the other demographic variables in the equation'. Rohe and Stegman (1994) also identified a significant relationship between housing conditions (quality) and housing amenities, self-esteem and life satisfaction for all households: 'those who rated their units in better condition, regardless of whether they were owned or rented, reported higher levels of self-esteem and life satisfaction'. These findings are consistent with many other studies in the international literature (Sirgy, 2012; Zebardast, 2009; Fine and Fine-Davis, 1991). Finally, the international evidence also suggests that homeownership and improved housing conditions influence other aspects of one's life such as health and social participation.

2.1.4 Housing, Wealth Accumulation and Security

Housing is the largest single consumption item in most people's lives and will be considered by buyers to be more than a mere asset purchase. The purchase of a house can be viewed simultaneously as both a home – a particularly important place – and a tool for financial investment. In the case of the latter attribute, a house can thus act as a mechanism for wealth storage and transmission and as an implicit provision of future household security. Malpass (2005), using similar reasoning, has referred to the process of purchasing a house as a mechanism for the accumulation of equity over a lifetime. A broad constellation of factors can potentially affect the economic valuation of a house; these include the features and quality of the dwelling; the comparative value of houses in a locality; the cost of living and taxation; the availability of employment; and the provision of services in the neighbourhood. These relationships, in turn, imply that an individual's housing decision and the perception of the value of a selected house is not determined solely by the dwelling alone. The housing decision, and the price payable, is reflective of satisfaction with both the dwelling and satisfaction with the features of the prospective neighbourhood and locale.

Housing is an important aspect of welfare economics and the relationship between housing provision and welfare regimes has been explored extensively in the international literature. Kemeny (2001) has argued that housing is an important aspect of any consideration of welfare outcomes given its role in everyday life, security and health. Housing has been presented as a 'one of the four major pillars of the welfare state' albeit a 'wobbly' pillar. The latter characterization has gained currency as housing is often less likely to be publicly-provided relative to health, education and social security: 'the neglect of housing by comparative welfare researchers...indicates the importance of housing to welfare rather than its insignificance'. Ronald (2007) has argued that the emergence of mass homeownership societies can be

related to emerging welfare regimes and that 'in a number of society's retrenchment in public welfare provision has increased the focus on homeownership and asset-based welfare self-reliance'.

Housing has been found to play an important role in providing individuals with a sense of security where the latter encompasses a sense of safety and protection from crime; personal economic security; and protection for our standard of living (Mitchell, 2000). Housing, and housing wealth, has also come to play an important role in enhancing the financial security of households and individuals in a number of countries. In such cases, housing has become an important source of retirement savings. It is one of the largest asset classes held by households, particularly for older persons, and it represents one of the main forms of wealth held by individuals (excluding the richest and poorest households)(Apgar and Di, 2005; Hamnett, 1999).

2.2 Self-reported Housing Satisfaction and Life Satisfaction

Our house and home plays a variety of multi-faceted roles. It is an individuals' largest single item of consumption, a source of rest and comfort and the place where we experience and share our most intimate feelings and thoughts (Sirgy, 2012). Housing, then, is uniquely positioned to shape our quality of life. A number of international studies have demonstrated that satisfaction with housing and the neighbourhood is a significant predictor of life satisfaction (Davis and Fine-Davis, 1991; Dukeov et al., 2002). This relationship between self-reported housing satisfaction and life satisfaction has been addressed by a number of contributors to the international literature over many decades. Porteous (1976) has argued that the home provides people with a range of life satisfactions with housing satisfaction feeding into life satisfaction. Peck and Stewart (1984) also found that housing, and housing satisfaction, did influence life satisfaction. In this latter case, the authors observed that housing satisfaction contributes to life satisfaction and that an increase in housing satisfaction was accompanied by a significant increase in overall life satisfaction. The former, in turn, was associated with a diverse series of housing-related themes. These included higher neighbourhood satisfaction alongside structural quality, ownership, space, years-in- residence and lower perceived housing costs.

The above results served to re-affirm earlier findings presented by Carp (1975). Carp argued that housing and housing satisfaction plays a particularly important role in the life satisfaction and morale. This research also demonstrated that the act of moving to improved housing can have a positive impact on life satisfaction, particularly in the case of older residents. The author noted that moving to new accommodation has the potential to improve both housing and life satisfaction, particularly where the new living environment is modern, high quality and facilitates inter-personal interaction. The research attributed these improvements to a variety of factors, including a greater sense of independence, security and safety. Similarly, the study found that an improvement in life satisfaction was also accompanied by a rise in morale with 'movers' likely to be more optimistic about the future and more confident. Carp also found that these effects were not a 'honeymoon' reaction but rather, that movers continue to be happier and better satisfied.

When considering the relationship between housing satisfaction and life satisfaction, however, it is important to note the importance of cultural norms (see below for a more detailed exposition). Context and cultural factors are important considerations in shaping satisfaction. In other words, it is reasonable to assume that households living in different regions and in very different housing and social conditions can attain similar levels of life satisfaction. This seeming anomaly arises because any evaluation of the various domains of one's own life, and satisfaction or otherwise with these domains and life in general, must necessarily occur within a given context. This implies that conditions that may be acceptable in one society, and from which households might derive satisfaction in said society, may be wholly unacceptable in another. This phenomenon – referred to as the paradox of actual versus perceived life conditions (or

‘the independence of satisfaction ratings from objective conditions’) – has been discussed by Oswald et al (2003).

The latter research considered the case of two distinct rural regions in Eastern and Western Germany. This study found comparable levels of perceived life satisfaction in spite of significant differences in the quality of objective living arrangements, conditions of the home (including quality of amenities) as well as for neighbourhood and community environments. For instance, the study showed that both homeownership rates and the number of rooms per occupant were significantly higher in the West. One possible explanation advanced by the authors for this paradox is the concept that that people can and do adapt to different objective living conditions to sustain their level of well-being. Similarly, it is reasonable to assume that satisfaction with objective living conditions is heavily influenced by preconceived ideas of what good living conditions would entail. To this end, these authors found that ‘one might emphasise different patterns of objective and subjective predictors for life satisfaction instead of merely juxtaposing living conditions’ (Oswald et al, 2003).

3. Understanding and Decomposing Housing Satisfaction

This chapter endeavours to answer the second question posed earlier: ii) what factors shape our housing satisfaction and how do these feed through to life satisfaction more generally? The following discussion draws out the manner in which cultural and contextual factors matter and how these influence housing satisfaction as individuals evaluate their own housing by comparing actual with desired states. The role of habituation and adaptive preferences is also explored here. This chapter also endeavours to decompose housing satisfaction into its constitute elements by looking at the international literature around those considerations which feed into housing satisfaction. To this end, we explore those needs which housing meets and identify some of the valued states and activities with which our housing provides us. Finally, this chapter examines the manner in which these states and activities ultimately come to influence SWB and the role of housing satisfaction as a mediating variable for these myriad housing-related attributes.

3.1 Normatively-derived Needs and Housing Satisfaction

The importance of the difference between reality and expectations in determining housing satisfaction is a recurrent theme in the international literature on housing and housing satisfaction. Housing satisfaction has been conceptualised as a variable reflecting the gap between households actual and desired (or expected) housing situation (Galster, 1987). This conceptualization puts aspirations and expectations at the heart of housing satisfaction, particular with regard to the importance of tenure. A number of contributors to the international literature around housing and housing satisfaction have concluded that housing expectations and preferences (and thus, satisfaction) are normatively-derived needs (Morris et al, 1976; Galster, 1987, Oswald, 2003). These needs, and what each individual or community comes to value with regard to their housing, are shaped by their experience and by their surrounding cultural and family norms.

Many life domains, including housing, contribute to SWB and our well-being reflects our actual living conditions across a composite of domains including health, economic opportunities and housing (Marans and Couper, 2000; Dukeov et al, 2002). In each case, individuals and households evaluate the objective attributes of each life domain as against their expectations and perceptions for that domain. The results of these internal evaluations feed into satisfaction with said domain, and with life more generally (see Figure 1).

Figure 1 here.

Expectations based upon the prevailing culture and trends, in addition to the needs of the household, play an important role in any assessment of housing satisfaction. Each household's satisfaction, or otherwise, with its housing is determined by normatively-derived needs (Morris et al, 1976). This is achieved by means of assessing actual housing outcomes relative to both cultural and family norms (albeit that the former is the primary determinant of satisfaction). These housing norms (or expectations) 'are widely agreed upon in the sense that they apply and are applied at all socio-economic levels'. Family norms refer to the standard that each family seeks for itself and its needs. Cultural norms refer to commonly held expectations regarding an acceptable standard of housing. These expectations cover a wide range of housing attributes from space to tenure to the environs of the home (including neighbourhood features). Such expectations are commonly held but there is still scope for high-level albeit substantial differences, or divergences, from the norm. These divergences exist across class, location, and ethnicity and in the presence of segregation and migrant concentrations. Such divergences are most likely to affect vulnerable groups within society such as those with low-incomes, the elderly and migrant communities. These norms, however, do change over time and according to Marsh et al (1999) 'over time commonly used indicators of housing deprivation...become increasingly inappropriate'.

These norms allow each household to evaluate its housing to test whether it is in accord some preconceived criteria; where the housing does not meet its normatively derived needs, or the housing does satisfy expectations, a deficit can be said to exist (Morris et al, 1976). In other words, the household will be dissatisfied with its housing. This, in turn, can result in individuals seeking to take steps to alleviate this dissatisfaction by mean of narrowing the gap between expectations and reality. For instance, it has also been found that the presence of these deficits in the case of housing can prompt households to move: the propensity to move is a response to housing dissatisfaction where this dissatisfaction is a response to discrepancies between achieved and normatively prescribed housing (see Figure 4).

Finally, these deficits are not restricted to dwelling characteristics or housing tenure only. Our conceptualisation of our housing is a more expansive concept than mere 'bricks and mortar'. Housing fulfils many needs and thus, our housing has many 'sub-domains' when it comes to SWB where these domains can range from dwelling quality, space and tenure to our surroundings, amenities and the availability of services (Zebardast, 2009).

3.1.1 Habituation and Conditioned Expectations

The foregoing suggests that individuals derive their expectations and needs from prevailing cultural norms and that satisfaction, or otherwise, is a function of some comparison of objective circumstances with these expectations (or the evaluation of 'deficits'). This, however, is not the whole story as individuals can become habituated (or adapted) to their circumstances and their preferences and expectations can be conditioned by experience. These dynamics can shape and influence expectations such that an individual can conceivably be rendered satisfied, and achieve utility, at a lower threshold of quality than that sought throughout society generally: 'traditional underdogs...oppressed minorities...often tend to adjust their desires and expectations to what little they see as feasible...the adjustments have the incidental effect of distorting the scales of utilities' (Sen, 2008).

The expectations and preferences of the individual are conditional upon many factors, including past experience. This process is applicable across many spheres of life, including housing and housing satisfaction. The conditionality of our needs and preferences is s applicable to many states of being. The role of adaptation in this regard is recognised in the literature around the capabilities approach. For housing, as for any other state of being, the lived experiences of any individual, or group, can shape their aspirations around future opportunities with 'those experiencing significant past disadvantage forming

lower aspirations' (Burchardt, 2009). Consequently, the process of adaptation can provide a platform for past experiences to influence future choices by means of shaping preferences and expectations. These subjective constraints, then, limit the perceived housing opportunities present in the individual's capability set.

The lived experiences of any individual, or group, come to shape their aspirations around future opportunities with 'those experiencing significant past disadvantage forming lower aspirations' (Burchardt, 2009). The vagaries of adaptation (or habituation to one's own circumstances) ensure the process of choosing available functionings from each individual's capability set will depend on past experiences. This ensures that the full 'menu' of available options and opportunities are not perceived to be part of an individual's capability set because their expectations are conditioned by the experience of growing up in disadvantaged circumstances. Consequently, subjective constraints, such as low expectations, effectively serve to limit a person's capability set. Moreover, the perceived 'menu' influences choice and can also shape preferences (Sen, 1997). For those, who have experienced poor quality housing and/or neighbourhoods during their own childhood, for instance, this experience will continue to influence contemporary individual preferences due to conditioned expectations. These conditioned expectations serve to constrain the capability set by shaping aspirations and preferences as the individual (or group) come to perceive their housing opportunities and needs as being narrower than they might be.

3.2 A Decomposition of Housing Satisfaction

Having considered the role of expectations and normatively-derived needs in the literature around housing and housing satisfaction, we can go further and explore those constituent elements which feed into housing satisfaction and with regard to which individuals, households and communities have expectations and needs when they consider their own housing. Consequently, in the remainder of this section we present the findings of our survey of the international literature as we endeavour to decompose the meaning of housing into its various sub-strata so that we can better understand what we mean by the term 'housing' and those various attributes and themes that contribute to an individual's housing satisfaction.

Our housing is not a static, uni-dimensional concept but rather, our conception of house and home tends to be expansive. The psychological, emotional and economic importance of the house and home is intimately tied into the immediate, surrounding residential environment. We do not conceptualise housing in 'bricks and mortar' terms only. Our housing has many broader attributes and serves to fulfil a diverse range of needs such as meeting a need for place attachment and the provision of an emotional warehouse. When examining the concept of satisfaction with housing and the home, therefore, one must accept that these are inextricably tied into the broader concepts of community and neighbourhood for a variety of reasons. Housing is not consumed in isolation from other aspects of life and our housing can have important meanings to attaching to it and may be an important part of our personal identity (Clapham, 2005).

Many domains contribute to our quality of life, including housing and community (or neighbourhood), where these domains provide us with many valued attributes such as our standard of living; social networks and group relations; and social infrastructure and services (Mitchell, 2000). Housing not consumed in isolation from the surrounding community and neighbourhood and is not perceived, experienced and evaluated in a vacuum. The social and physical environments we inhabit, including housing, the immediate locale and our communities, shape both housing satisfaction and SWB (Shafer et al, 2000; van Kamp et al, 2003). Liveability is key concern when considering these satisfactions. The liveability of our environments is reflected in our satisfaction with said environments. This satisfaction is multifaceted and embraces a range of environmental domains, including the house, neighbourhood and

community. Life satisfaction is the sum of satisfaction with these different environmental domains (van Kamp et al, 2003).

Figures 2 and 3 here.

The evidence from the international research indicates that a broad variety of factors serve to determine an individual's (or a household's) sense of housing satisfaction. These range from the features of the house to neighbourhood quality to cultural expectations fulfilled. Unsurprisingly, given the aforementioned discussion on the relationship between 'deficits' and satisfaction – tenure is another factor which influences housing satisfaction. Familiarity with and attachment to both the dwelling and the local neighbourhood environment have also been found to play an important role in determining housing satisfaction.

3.2.1 Decomposing Housing Satisfaction: Tenure, Social Status and Physical Dwelling Characteristics

Deficits between household expectations (or preferences) and actual outcomes achieved can arise in the case of housing tenure. In such cases, a household would prefer a different tenure; generally to be homeowners. These deficits impact negatively upon housing satisfaction as a result of expectations and needs unfulfilled. When considering the importance of tenure, however, it should be noted that although homeownership is the dominant tenure in many countries and is seen as important, this is not always the case. Owning one's own home may become less important as a person grows older. In the case of older Germans, for instance, it was tenants who were more satisfied by comparison with owner-occupiers (Oswald et al, 2003). The authors speculated that this was potentially attributable to the fact that tenants are not responsible for maintaining and fixing the dwelling or because they just perceive greater freedom to leave whenever they want.

A preference for renting may simply reflect a reduced desire to accumulate equity in 'bricks and mortar' and/or a lesser desire to access the equity accumulated over a lifetime as one gets older. Tenure may be important not merely in terms of status conferred and expectations fulfilled. Differences can also exist in housing quality and features between the tenures with a given tenure being more suitable to a individuals' changing and evolving needs over the lifecycle. Previous studies have identified and examined differences in reported satisfaction with housing characteristics between owners and renters (Lane and Kinsey, 1980). These authors constructed a conceptual model for those demographic characteristics which 'were believed to influence perceived satisfaction through their effects on attitudes'. It was found that each group, renters and owners, have different levels of housing satisfaction with rented dwellings possessing fewer desirable characteristics such as space and amenities.

Much of the available literature assumes that homeownership is the desired or aspired housing situation; this 'aspirational' conceptualization of housing satisfaction leads one to consider homeownership as a key factor in determining housing satisfaction. Homeownership can be said to represent expectations fulfilled. Homeownership has also been found to confer enhanced social status. The hypothesis underlying this concept was borne out by the findings of Diaz-Serrano (2005). The latter estimated that, depending on the country, tenure status might explain a substantial portion of the gap in average housing satisfaction between homeowners and renters. Tenure, however, was found to be a more important predictive variable in those countries where owner-occupation was the dominant tenure status. In other words, homeownership was more important where this was inherently viewed as the natural state and thus, as an aspiration which people expect to fulfil. The research also identifies the existence of selection effects with regard to homeownership and, perhaps again, reflects a cultural tendency amongst people to buy where possible. These effects occur by means of a market mechanism whereby house prices allow those from a

similar socio-economic background to cluster together. This has potential implications for neighbourhood satisfaction.

It is important to bear in mind housing-type when considering the issue of physical dwelling characteristics. Households will seek a housing type, whether a detached house or a mobile home, to meet both their needs and expectations over the lifecycle. According to Diaz-Serrano (2005) individuals living in detached or semi-detached properties, rather than multiple occupancy dwellings, tend to report higher levels of housing satisfaction in all European countries. Individual's living in different types of dwellings have different preferences for selected housing characteristics; this possibly reflects differences in age and household composition (Lane and Kinsey, 1980). Residents of single-family dwellings and duplexes were found to have had the highest levels of reported housing satisfaction compared to those in other types of housing.

Tenure status, and homeownership in particular, is, then, an important contributor to housing satisfaction by means of fulfilling expectations and conferring social status (at least in some countries). This, however, is not the full story. The actual physical features and characteristics of the dwelling are also influential. Dwelling deficiencies such as a shortage of space, rot, leaky roofs, inadequate heating, or insufficient light exert a negative effect on housing satisfaction in all European countries although housing conditions do not impact solely upon housing satisfaction (Diaz-Serrano, 2006). These deficiencies also negatively impact upon the self-esteem, and life satisfaction more generally, of all households, regardless of tenure (Rohe and Stegman, 1994). These transference channels occur via the mediating influence of housing satisfaction. Research in the US has also identified a similar relationship between structural features, physical amenities and the self-reported satisfaction of renters (James, 2007).

An earlier study undertaken found that factors such as the size of the dwelling, and the psychological value of the home, are widely regarded as important determinants of housing satisfaction for older persons (Jirovec et al, 1984). This research found that four specific characteristics were the key predictors of housing satisfaction. These ranged from tangible and architectural issues to more ephemeral desiderata: modern dwelling standards and features; familiarity; sense of community; and perceived safety. These features were complemented by the presence of central heating, echoing the aforementioned findings of Diaz-Serrano, albeit that their combined predictive power was overshadowed by that of neighbourhood satisfaction. This study further noted that all households, regardless of age or income, prefer safe and secure housing. From a public policy perspective, this findings imply that higher levels of housing satisfaction can be triggered by planned developments that recognise the importance of these factors and in particular, the impact of the neighbourhood environment on housing satisfaction. The latter themes are explored more fully below.

3.2.2 Decomposing Housing Satisfaction: Neighbourhoods, Social Interaction and Amenities

Architectural attributes, dwelling characteristics and tenure alone do not fully identify the determinants of satisfaction with one's house and home. The importance of neighbourhood satisfaction cannot be underestimated. Any discussion on the relationship between housing and life satisfaction must take cognisance of more than the technical considerations on the physical standard of a dwelling. We need to incorporate some understanding of the importance of social interactions and the sense of community and accept that one's house and home does neither exist nor can be understood in isolation from the surrounding environment. Satisfaction with one's neighbourhood is determined by both the quality of surrounding houses and the neighbourhood features provided. The latter includes the provision of services, public safety and green spaces. When examining the concept of satisfaction with housing and the home, therefore, one must accept that these are inextricably tied into the broader concepts of community

and neighbourhood for a variety of reasons. Both objective and subjective indicators are required to better understand the relationship between an individual and their local environment; 'a multidisciplinary framework of environmental quality and quality of life is required' (van Kamp et al, 2003). The conceptual model of factors that contribute to quality of life from the human ecological perspective is replicated here (see Figure 2).

It is precisely because housing-related considerations do not exist in a social vacuum that broader issues, including community and neighbourhood considerations, should be explored. Social interactions and the sense of community are important as are a variety of neighbourhood features. A multi-layered framework taking account of the impact upon self-perceived quality of life of both the immediate living environment, and the physical condition of the dwelling, and neighbours and the features of the wider community has been presented in the international literature (Ng et al, 2005). The authors noted that whilst the importance of issues relating to dwelling quality is obvious '...these only scratch the surface of quality of life...'

For most people, housing is of an order of importance exceeding many other issues as housing consumption translates into something inherently unique and intimate: the formation of a home. It is in the home that one finds refuge, rest and satisfaction (Sirgy and Cornwell, 2002). The home, moreover, is the place where people experience their personal relationships and consequently, this ensures that housing and the home affect the quality of their life. This also implies those external features of the neighbourhood – such as crime and the perceptions of crime; the impact of vandalism and intimidation upon perceptions of safety and so forth – can and do shape satisfaction with one's home and ultimately, satisfaction with one's own life.

The development of relationships and the importance of inter-dependence and belonging within the hierarchy of human needs – and as a functioning in the capability framework – means that residents will also reach outside of the home for interaction and social networking. It is in this context also that social interaction and relationships with neighbours assume a significant importance vis-à-vis housing and life satisfaction. Studies in both the US and Asia, for example, have found that where former slum residents were relocated to new accommodation, they were oftentimes dissatisfied with their new homes due to the absence of sufficient opportunities for social interaction. Good relations with neighbours can have a substantial positive impact upon quality of life but that time and meaningful interaction are required for this form of social capital to form (Ng et al, 2005). Similarly, Sirgy and Cornwell (2002) have noted that the neighbourhood plays an important role in social interactions and affects well-being through a range of channels including the development of friendships.

The foregoing issues have contributed to the development of the concept of neighbourhood satisfaction and satisfaction with this particular domain has been found to affect life satisfaction through its impact upon housing satisfaction. A number of studies have found both neighbourhood and life satisfaction to be positively correlated (Prezza and Constantini, 1998; Parkes et al, 2002). A number of common factors have been found to be likely to lead to neighbourhood dissatisfaction; crime, noise, unfriendly neighbours and high housing densities. Past research in the field of quality of life (Lee and Guest, 1984) has found that several important features of the neighbourhood can contribute to improved life satisfaction via higher neighbourhood satisfaction including local safety, service provision and housing satisfaction. A number of related studies have also found that for elderly persons, housing satisfaction was negatively influenced by perceived neighbourhood safety. These studies also found personal well-being to be affected by health, housing satisfaction and neighbour interaction where the latter was also positively affected by perceived neighbour sociability, underscoring Ng et al's comments regarding the need to build relationships within communities over time. A number of studies have noted the importance of various neighbourhood features to both neighbourhood and life satisfaction.

Finally, one of the recurrent themes in the international literature relates to the value of green and shared spaces. In the course of an examination of the inter-relationship between human, social and built capital, Vemuri and Costanza (2006) found that shared, natural capital, including green spaces, has a unique relationship with life satisfaction. Kearney (2006) identified the provision of shared and natural spaces as promoting better neighbour relations and higher neighbourhood satisfaction as well as reducing perceptions of overcrowding and high densities. Moreover, the provision of natural amenities and semi-developed spaces such as playgrounds also impacts positively on the economic valuation of any house. In addition to the importance of neighbourhood features in determining housing satisfaction these features, in turn, also feed into SWB. Much of the research in this area again identifies a complex inter-relationship whereby a sense of community and neighbourhood considerations are bound up with housing quality (and perceptions thereof) and ultimately, housing satisfaction.

3.2.3 Decomposing Housing Satisfaction: Meaning, Belonging, Place Attachment and the Home

The literature refers to the role of the psycho-social approach in shaping our understanding of the role and meaning of the home by emphasising the psychological importance of people's experience of the home throughout the course of their life. We have an innate psychological attachment to the home and it is the role of this bond as a determinant of well-being which can influence one's ability to feel safe and attached in the home. This attachment, in turn, has implications for those factors that will shape satisfaction with one's home and life (Giuliani, 1991). The home, moreover, provides people with a range of life satisfactions, including identity and security (Porteous, 1976). The personalisation of one's home promotes that very sense of security and identity such that the home has been characterised as an 'emotional warehouse' (Easthope, 2004; Gurney, 2000).

The effect of these emotional and psychological attachments to one's home can be seen in people's economic behaviour. Individuals do not always act as rational economic actors. Their economic decisions can be influenced by other factors such as their attachment to and satisfaction with the home and neighbourhood. This can be seen, for example, in the expenditure incurred as people seek to differentiate their home from other places and on the improvement of the image of their place-dwelling. Moreover, the fact that people can and do make economic decisions based upon their perceptions of the nature of place impacts upon house prices, homeownership rates and the success or failure of regeneration projects.

Ng et al (2005) have explored the concept of place belonging (or attachment) and have found that this is a powerful source of social identity and pride. This concept is generally territory-based and has been advanced in the environmental psychology literature as being a source of self-identity. These authors have found that a sense of attachment is positively affected by age – potentially reflecting longer, richer experiences – but also by the physical quality of dwellings. According to Prezza and Constantini (1998) the sense of community concept is one of the most important in the field of community psychology and Sarason (1974) has drawn a connection between this sense of community and the concept of belonging. The former can be disaggregated into four distinct but inter-related elements: membership, influence, integration and shared emotional connection.

3.3 Housing Satisfaction: A Quality of Life Domain and a Mediating Variable to Subjective Well-being

The international literature suggests that the aforementioned various and disparate concepts and considerations which influence housing satisfaction also shape life satisfaction, more generally. These considerations, from dwelling quality to tenure to neighbourhood features, contribute to SWB and do so through the mediating variable of housing satisfaction. In other words, these considerations impact upon housing satisfaction which, in turn, feeds into SWB. For instance, a number of studies have found both

neighbourhood and life satisfaction to be positively correlated and satisfaction with the former has been found to affect life satisfaction through its impact upon housing satisfaction (Prezza and Constantini, 1998; Parkes et al, 2002).

Dwelling deficiencies, housing conditions and physical amenities have also been found to negatively impact upon self-esteem and life satisfaction via the mediating influence of housing satisfaction (Rohe and Stegman, 1994; Diaz-Serrano, 2006; James, 2007). Similarly, Peck and Stewart (1984) also found that housing, and housing satisfaction, influenced life satisfaction. In this case, the authors observed that housing satisfaction does contribute to life satisfaction and that an increase in housing satisfaction was accompanied by a significant increase in overall life satisfaction. It was found that the improvement in life satisfaction was a direct result of higher levels of housing satisfaction where the latter acted as a mediating variable between both housing on the one hand and life satisfaction on the other. In this case, the enhanced housing satisfaction was associated with higher neighbourhood satisfaction, better structural quality, homeownership and lower perceived housing costs.

There is also an economic-cum-financial dimension to these inter-relationships. Where a prospective buyer is satisfied with a house, this implies some attendant degree of satisfaction with the surrounding residential environment such that satisfaction with that same 'house' – in its broadest conception and where this term also encompasses satisfaction with the features, services and amenities of the local community and neighbourhood – are captured in the agreed price as revealed preferences. Malpass (2005) has referred to the process of purchasing a house as a mechanism for the accumulation of equity over a lifetime and the provision of security going forward. For these reasons, those factors which affect the economic valuation of a house – such as the value of houses in a locality, cost of living, availability of employment and the provision of services in the neighbourhood – imply that the features of a neighbourhood and satisfaction with one's local area do affect life satisfaction and do so through the mediating effect of satisfaction with one's home.

Finally, we have seen that perceived deficits in the housing (or neighbourhood) setting are reflective of some gap between expectations and actual outcomes achieved and that these deficits, in turn, represent some degree of dissatisfaction. The objective attributes of our housing, as an important life domain, are evaluated with reference to the world around us and an individual's evaluation of these attributes determines housing satisfaction which, in turn, feeds into life satisfaction (Marans and Couper, 2000) (see Figure 1). This can result in individuals seeking to take steps to alleviate any dissatisfaction by means of narrowing the gap between expectations and reality. For instance, it has been found that the presence of these deficits in the case of housing can prompt households to move: lower satisfaction is reflected in a desire to move. In other words, the propensity to move is a response to housing dissatisfaction where this dissatisfaction is a response to discrepancies between achieved and normatively-prescribed housing where these discrepancies cover a wide range of inputs (see Figure 4).

Figure 4 here.

4. The Heterogeneity of Housing Satisfaction

The foregoing sections have surveyed the available evidence on housing and life satisfaction and sought to bring out the multi-faceted nature of the concept of housing satisfaction alongside the importance of amenities, belonging and the broader neighbourhood as predictors of well-being. One should not presume, however, that access to housing, and the manner in which housing consumption influences self-reported SWB, will be homogenous across all members of the community. Any given community is likely to be stratified between various groups. There is the potential for asymmetries between the housing expectations, preferences and experiences of majority populations and smaller, culturally-formed cohorts.

Such differences could arise in the case of, for example, minority indigenous populations or migrant communities. In the case of the latter, the housing consumption experience of migrants can often differ to some extent from that of the general populace. The potential heterogeneity of housing satisfaction should be recognised in order to more fully understand the determinants of housing satisfaction and the influence of housing satisfaction upon life satisfaction, more generally.

The nature and dynamics of the relationship between inward migration and housing is a recurrent theme in the international literature with a particular emphasis upon the manner in which the behaviour of migrants in the consumption of housing differs from that of native populations. The housing needs and preferences of migrant communities, and particularly new arrivals, are potentially exogenous to the cultural norms and expectations, and the housing market conditions, of the receiving society. This heterogeneity arises as, for some at least, their culturally-derived housing needs are formed in another housing market. The housing satisfaction of migrant communities will be shaped by their specific, unique needs and the capacity of their new housing and neighbourhoods to deliver these. These needs can differ from those of the native populations. These can include a desire to seek out residential concentrations (or clusters) which provide opportunity structures, community supports and a sense of home and belonging for those seeking a sense of the familiar.

Habituation can play an important role in the housing satisfaction of migrant communities, particularly new arrivals. In those cases where their normatively-derived needs and expectations have been formed in another housing market, there is the potential for such communities to hold comparatively low expectations. They can, in turn, profess themselves to be satisfied with their housing even where said housing falls below the expectations prevalent in the receiving society. Migrants must choose their available functionings from each individual's capability set, in the housing space, where each individual faces narrower choices and constrained autonomy due to a conflux of factors including limited financial resources and housing market information.

4.1 Migration, Assimilation and the Housing Career

The manner in which migrant communities access and consume housing services, and the extent to which their housing meets their manifold needs in terms of shelter, belonging and security, is in many ways shaped by the process of assimilating and adapting into their host society. One of the earlier models on the assimilation of migrant minorities was that developed by Gordon (1964). Assimilation has been defined as 'the social, economic and political integration of an ethnic minority group into mainstream society' (Keefe and Padilla, 1987). Gordon (1964) disaggregated this process into seven sub-processes with the first of these, acculturation, occurring when an ethnic group adopts the culture of the host society (i.e. language, values, etc.). The process of assimilation (oft referred to as 'Anglo-conformity'), then, is a medium to long-term sequence of changes whereby migrants are gradually absorbed into the host society and come to adopt the behavioural and cultural norms, including expectations, of the receiving society.

Gordon's model is but one description of the process by which migrants are integrated into a host society with alternatives such as 'the melting pot' and 'cultural pluralism' suggesting different processes and/or outcomes. Assimilation does not always lead to the complete replacement of one culture by another. In part, this can be explained by selective acculturation whereby migrants seek to maintain their cultural norms and/or by an initial refusal of migrants to acculturate (Selover, 2003). This can also occur, moreover, because different elements of a culture are transferred with varying degrees of success and speed (Shaul and Gramann, 1998). The adoption of the host culture's basic values is dependent upon the capacity of migrant communities, particularly new arrivals, to find a secure and rewarding place within the host society. This latter consideration is what Gordon referred to as 'structural assimilation' or, typically,

opportunities to access the labour market and educational facilities. This process of assimilation is multi-dimensional. It goes beyond merely the acceptance of material culture but also incorporates issues such as greater understanding of, and participation in, the structures of the host society such as the workplace, schools and the political arrangements (Dawkins and Braddock, 1994).

4.1.1 Welfare Dependency and Housing

The processes of assimilation and acculturation for migrant communities can also play out with regard to welfare dependency and access to public and social services. Such welfare dependency can also include a reliance upon public (or social) housing supports) in the receiving society. In some countries, the level of welfare dependency among migrants at the time of arrival has, unsurprisingly, been found to be higher than among the receiving population. It is expected that the passage of time will see a fall in this level as migrants become assimilated into the labour market and begin to accrue resources. The period of high welfare dependency can be extended, however, where barriers to entry are encountered (i.e. discrimination). Blume and Verner (2006) have identified two competing dynamics regarding the impact upon welfare dependency of elapsed time: assimilation out of, or in to, welfare dependency.

In the case of the former, the rate of dependency falls as migrants adapt to the host country and become net contributors to the welfare system. In the latter, the rate of dependency rises as migrants gain familiarity with entitlements and ethnic and community networks are used to gain insight into how the welfare system works. Assessing the validity of these theories in the Danish context, these authors came down in support of the former. This research noted the importance of education, both in the host and origin country, in predicting reduced dependency. They suggest that education influences labour market participation and performance and this can be interpreted as following the broad trend of the process of acculturation whereby enhanced host country skills (i.e. language, etc.) over time prove valuable.

4.1.2 The Housing Career and Housing Pathway Models

The broad process of acculturation, the implied probability of changed behaviour and the positive development in the material circumstances of migrant communities is broadly reflected in the concept of the 'housing career'. According to this model, the standard of the housing accommodating migrants is expected to improve over time. Abramsson et al (2002) have found that migrants tend to start their housing career at the lowest end of the market but that this is not a permanent state. As they come to spend more time in their adopted home, they will move on to better quality housing conditions. In other words, migrant households will experience an upward movement in housing and neighbourhood quality over time albeit that this is a simplistic generalisation. Some migrant households will, of course, have access to high quality housing from the outset.

Figure 5 here.

The housing pathways approach endeavours to build upon the housing career model by incorporating concepts of social meaning and relationships in the housing consumption decision-making process (Clapham, 2005). The housing pathways approach looks at the varying housing experiences and routes taken by households over time. It recognises that the characteristics of the housing consumed by a household will change over time. Moreover, the meaning of the house to the household, patterns of interaction with the home and social practices will also change. A key distinction between the housing career and the housing pathway is that the latter does not presume that there is some clearly demarcated pathway of progress, nor does this approach assume that there exists some universal set of preferences across all households regardless of social, ethnic or cultural differences. This approach assumes that households will move along some housing pathway over time as part of an integrated process of life planning where the household is searching for identity and self-fulfilment such that housing is not an end

in itself but is a means to an end. Such pathways apply to all households and not just migrant communities. For instance, in many countries most of those who rent privately do so as a temporary stage in their housing career that will transition them into home ownership over time (Malpass, 2005).

The evidence presented in the international suggests that migrant minorities, particularly new arrivals, do tend to settle initially in the older, dilapidated working class areas of a city. New migrants to London have traditionally located in central metropolitan areas that were suffering population and economic decline. In turn, they have had a high likelihood of living in deprived conditions and experiencing a poor quality of life (Gordon and Travers, 2006). Similarly, in the absence of social housing, migrants were shunted towards the 'oldest, cheapest and least comfortable part of the private-rented sector' in Athens (Maloutas, 2007). All households, both native and migrant, act in the housing market in accordance with their degree of material, cognitive and social resources. A key dynamic in shaping these housing consumption decisions will be a household's socio-economic status, including household income and labour market status. Migrant households generally accumulate these resources over time dependent upon the constraints encountered, the speed and ease of acculturation and access to appropriate support networks.

Migrants can be expected to, initially at least, face difficulties in accessing work and accordingly, are more likely to reside in low-quality, rented accommodation (Gordon and Travers, 2006; Maloutas, 2007; Wessel, 2001; Massey and Fischer, 2000). The international literature suggests, however, that over time migrants will acquire a similar socio-economic status to native households and will chose similar housing conditions and tenure (Abramsson, 2002). Findings in relation to the Swedish housing market show that time spent in the host society is the key determinant of housing tenure. The longer an immigrant household have been resident the greater the likelihood that they will be homeowners rather than renters. This implies that the more time spent in the host society, and the onset of the process of acculturation, produces integration by means of resource accumulation and conformity to common values and attitudes regarding housing choice.

A further important factor with regard to the housing career of immigrants is the 'myth of return'. Upon arrival many immigrants believe that they will return home when political and/or economic conditions in their country of origin permit. For this reason they are unwilling to invest in housing in the host society – in the form of owner-occupation or more expensive rental accommodation – but rather are apt to accept low-cost, poor quality rented housing. However, as time (and acculturation) pass they tend to settle and become increasingly willing to commit and integrate. This change may also reflect the accumulation of finance (and other resources) and greater access to mortgage credit.

4.1.3 Acculturation and Spatial Relocation

The international literature also contends that as their socio-economic status and acculturation increase, migrants tend to spatially re-locate over time. In other words, they move away from the inner-city and towards the suburbs. It is a central tenet of the Chicago School of Human Ecology that spatially concentrated migrant communities will eventually disperse (Dunn, 1998; Blom, 1999). New arrivals in any society will tend lack invaluable knowledge concerning the workings of the housing market in the host country. This includes information around how to access services, what supports are available, what standard of accommodation to expect and so forth. This will put them at an immediate disadvantage relative to the native populace with whom they must compete for the available housing. This can be further complicated in the case of arrivals from less developed countries who may also lack capital resources. In both cases, it is reasonable to expect that these resources will be accumulated over time and that this, in turn, will lead to an improvement in the quality of the accommodation accessed. A person's housing career is a result of the relationship between opportunities and constraints whereby the latter refer to the extent that attributes limit or enhance the different courses of action available. However, the

progression through this career and the choice of housing possibilities will differ between a newly arrived immigrant and a native leaving the parental home. For the former, there may be a range of additional problems which can influence an immigrant's housing career including access to the labour market and discrimination.

On the basis of the above, it is reasonable to suggest that the processes of acculturation and the housing career (or pathway) are inter-related and can potentially occur in tandem. In other words, as a migrant becomes more assimilated into the host society, the individual has greater scope and potential to access the labour market, to accumulate resources (material) and to access 'soft capital'. The latter can include language skills (where necessary), support networks and information pertaining to the availability of services and allowances. In parallel to these developments, the individual will also progress through the housing market from low-quality private-rented accommodation into an appropriate and good standard form of housing (and perhaps owner-occupation). This latter progress may also see a migrant move away from an inner-city area populated heavily by migrant communities, including new arrivals, and into the suburbs where the balance between nationalities is more even (of which more later).

These processes occur as an individual acquires a better understanding of how the local residential property market functions, what State-housing supports are available and perhaps, becomes sufficiently confident to move away from areas containing substantial concentrations of fellow migrants. Indeed, this may suggest that the housing career itself is a function of the process of acculturation for migrant communities. Consequently, it can be argued that as a migrant adapts to the host society, he will be better able to access the goods and services required for a good quality of life and can begin to avail of the opportunities presented, including work, education and housing. This, in turn, implies that an individual's experience of capability deprivation, across a range of measures such as housing, health and so forth, can be expected to reduce as the process of acculturation advances; as they move along the housing career (or pathway); and as the capability set expands with the forgoing giving rise to new opportunities and potentialities.

4.2 Housing, Housing Satisfaction and Spatial Segregation

Issues concerning the spatial concentration and segregation of migrant communities have been topical in the international literature concerning urban studies and housing over many decades. This has occurred against a background whereby many major cities have witnessed the development of residential concentrations among migrants; these have been detailed in studies relating to Amsterdam, Oslo and others. The concept of residential concentrations of migrants is not static but rather can vary from extreme forms of 'ghettoization' to more diluted examples. Ward (1982) defined a ghetto as a 'residential district that is almost exclusively the preserve of one ethnic or cultural group'. This implies that for a ghetto to develop, most members of an area must be from the same migrant (or demographic) group. Many areas, however, may have large migrant communities which do not form a majority. In these areas migrants are more strongly represented in the local populace than in the population as a whole albeit that they are still a numerical minority in that area. This is the concept of a 'concentration area' as developed by van Amersfoort (1992).

Although there are many examples of places with ethnic concentrations that have a bad public image, segregation is not always bad (Peach, 1996). It can act as a means of accommodating difference as spatial concentrations can act as a support for social cohesion allowing cultural values and norms to be maintained. Voluntary segregation, whereby new arrivals locate within an existing ethnic community (or conclave), can play a positive role. This has been described as the emergence of the ethnic village rather than the ghetto. It is important, however, that this is voluntary rather than imposed by any external actor (i.e. discrimination, etc). Despite these potential positive effects of segregation, this phenomenon has

been identified as a principal contributory factor to urban poverty. Research in the US has found that residential segregation interacts with income equality to create concentrations of poverty (Massey and Fischer, 2000). These concentrations undermine opportunities for upward social mobility by strengthening ethnic divides and in so doing, reduce the scope for high-income minorities to separate themselves from the poor. This research indicates that concentrations of minority poverty stem from the interaction between residential segregation and rising income inequality. These two factors combine to re-enforce pockets of urban poverty.

This propensity for migrants to form concentrations in specific areas of a host society – and, indeed, the propensity to do so in deprived, urban environments – means that it is necessary to explore the underlying rationale for this initial behaviour. The process of migrating to a new country is often traumatic and can involve feelings of loss, separation and helplessness. New arrivals thus seek out their own communal enclaves. These can play a significant role in the experience of a newly arrived migrant by mitigating the psychological impact of displacement, providing alternative economic structures and assistance and facilitating the preservation of cultural traditions. By creating their own communities – or in the case of later arrivals, seeking these out – migrants can preserve their own cultural identity and mediate interaction with their new host society (Mazumdar, 2000). The creation of these concentrations of migrants can and does play a positive role in the provision of social cohesion (Peach, 1996). These areas provide a home from home for the newly arrived that enables them to settle into their host society and, over time, to undertake the process of assimilation. Research in this field has found that recently arrived migrants and the less acculturated find great comfort in being surrounded by familiar people (Mazumdar, 2000). These areas also provide a mechanism whereby migrants can begin to familiarise themselves with their new home and begin to integrate. In this respect, such concentrations can be viewed as intermediate stations or as stepping stones for migrants as they adjust, or acculturate, into their new lives.

The existence of such concentrations, however, may also prove valuable to those migrants who do not wish to acculturate (i.e. resist the process of integration). Selover (2003) identifies the presence of a certain sub-group of migrants for whom a high quality of life may involve not acculturating, or at least taking steps to refuse the onset of this process initially. This phenomenon may provide a partial explanation for some of the concentration and segregation witnessed in many large cities where migrants chose not to integrate. Finally, it is worth remembering that the creation of such concentrations of migrants will also impact upon the receiving society. In the case of London, Gordon and Travers (2006) note the risk of racial tension arising among long established populations. Specifically, such problems can arise in the case of the long-standing white working class, living in homogeneous areas with strong family and community networks that experience multi-dimensional change including the arrival of migrants and the loss of traditional employment. These authors refer to these groups as being among the unhappy and dissatisfied neighbourhoods in contemporary London where perceptions of the quality of life in the neighbourhood, especially compared to the past, are often lowest.

5. Summary and Discussion

Housing, and the immediate environment, can provide us with a range of freedoms and opportunities that are central to a good life. The objective of this paper has been to address two primary questions in this exploration of the international literature: (i) does housing contribute to our assessments of our own utility (or SWB)? and (ii) what factors shape our housing satisfaction and how do these feed through to life satisfaction more generally? In so doing, we can add to the growing literature around capabilities and subjective well-being by drawing out the connections between housing, housing satisfaction and capabilities and by contributing to our understanding of the relationship between housing and life

satisfaction. This chapter presents a detailed survey of the international literature with regard to housing, happiness and capabilities.

This Chapter decomposes housing satisfaction into its constituent elements and presents a synthesised analysis of how each element interacts and ultimately contributes to our satisfaction with housing, the home, and life in general. These elements range from the architectural features and physical characteristics of a dwelling through to neighbourhood and community features, tenure and place attachment. The international literature explored suggests that our conceptualisation of housing and the home, and satisfaction therewith, goes beyond a purely narrow 'bricks and mortar' definition. The international literature demonstrates that individuals' conceptualise housing as more than the physical attributes and characteristics of our dwelling (or mere 'bricks and mortar') and that housing is perceived in more expansive terms. Housing has intrinsic meaning; or put simply, our environs, place attachment and the opportunities and potentialities facilitated by our housing matter and these considerations inform our housing consumption decision-making. Whilst dwelling characteristics, features and quality do, of course, matter our housing is not consumed in isolation from other aspects of life. In other words, our housing is not consumed, perceived or enjoyed in isolation from the world around us and a number of factors and concepts have been shown to be the key predictors of housing satisfaction, including neighbourhood and community.

Conventional housing considerations, such as dwelling quality and tenure, are important determinants of housing satisfaction but this is not the whole story. The psychological, emotional and economic importance of the house and home is intimately into the surrounding residential environment and the features of, and opportunities offered by, these environs. This Chapter endeavoured to decompose housing satisfaction into its constituent elements and sought to understand how each element interacts and ultimately contributes to our satisfaction with housing, the home, and life in general. The evidence from the international research indicates that a broad variety of factors serve to determine an individual's housing satisfaction where these range from the features of the house to the services and attributes of the neighbourhood to our cultural expectations (and our 'achieved' housing relative to our normatively-derived needs and expectations).

Good quality, appropriate and affordable housing is not just a source of shelter but can facilitate access to employment and recreational facilities whilst enabling individuals to live healthy and dignified lifestyles and to do so in safety. Access to good quality and appropriate, including culturally-appropriate, housing is an essential prerequisite for a 'good life' but housing also influences the scope for an individual to achieve a range of other valued states and activities, including good health, social engagement, control over one's own life and the freedom to live with self-respect and free from fears regarding one's own safety. In other words, the absence of good quality and appropriate housing can be said, thus, to constrain an individual's freedom to attain a wide range of good life desiderata.

This chapter explores the heterogeneity of housing needs and housing satisfaction and the potential for asymmetries between the housing expectations, preferences and experiences of majority populations and smaller, culturally-formed cohorts. The literature review presented in this Chapter also surveys a series of conceptual models explaining those economic, environmental and lifestyle factors that contribute to SWB. Finally, the manner in which housing acts as a mediating variable for a number of factors, or housing and neighbourhood-related themes and attributes, into SWB is also explored here. The international evidence demonstrates that a range of housing-centric considerations influence life satisfaction and that this occurs via the mediating influence of housing satisfaction.

Pursuant to these findings, there is scope to further this research by means of operationalizing the capabilities approach in a housing research context. This can be achieved by means of developing hypotheses

around the relationship between those valued states and activities derived from housing, neighbourhood and community where those states and activities have been suggested by the international literature around housing and housing satisfaction surveyed here. There is scope to model the relationship between housing and life satisfaction. There is also scope to empirically test the aforementioned hypotheses by exploring in-depth those functionings, and capabilities, derived from our housing and modelling the relationships between these housing-related themes and attributes, housing satisfaction and life satisfaction, more generally, in order to determine which of these are useful covariates for housing satisfaction and SWB. This empirical research into the connections between housing, housing satisfaction and capabilities allows for an examination of housing and neighbourhood-based functionings as covariates for housing and life satisfaction. As part of this empirical research, it is also possible to test for sub-population variations and to utilise survey data on social indicators, and indicators of resources as proxies for functionings, where these indicators are employed as independent variables and self-reported housing satisfaction and SWB are the associated dependent variables.

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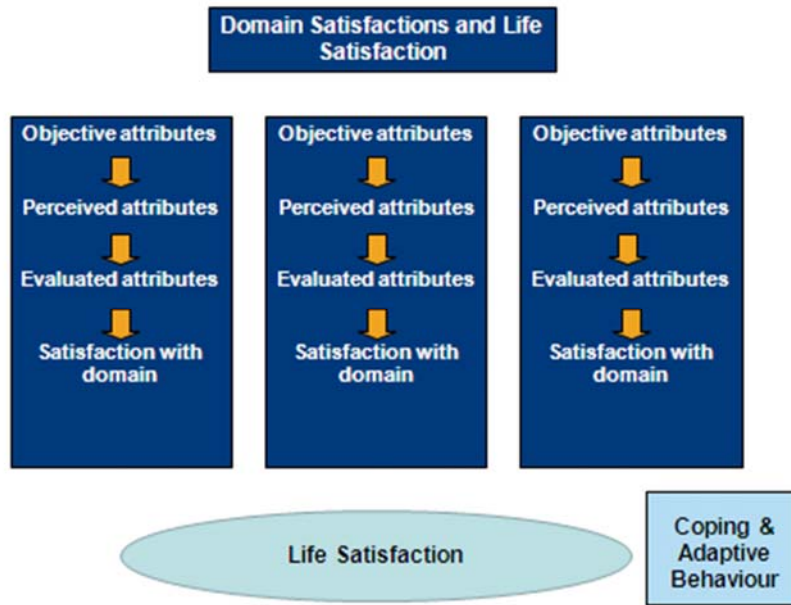
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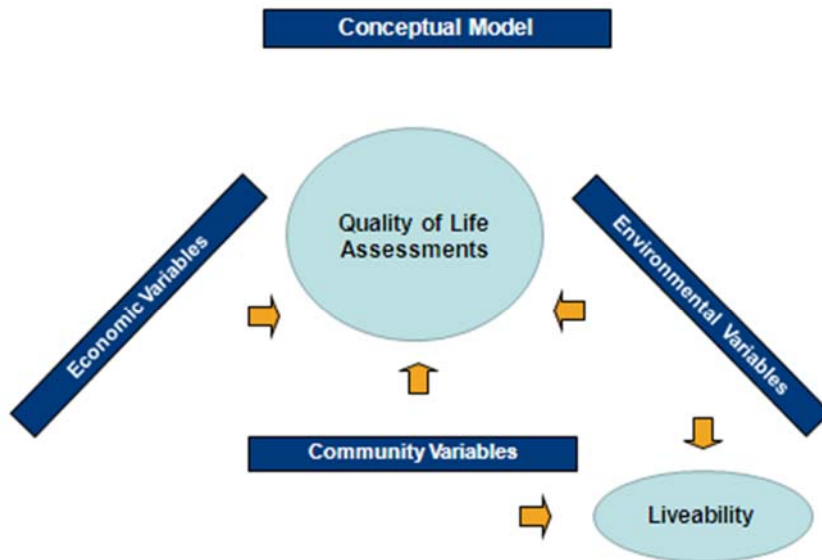
Figures

Figure 1: Relationships between domain satisfactions and life satisfaction



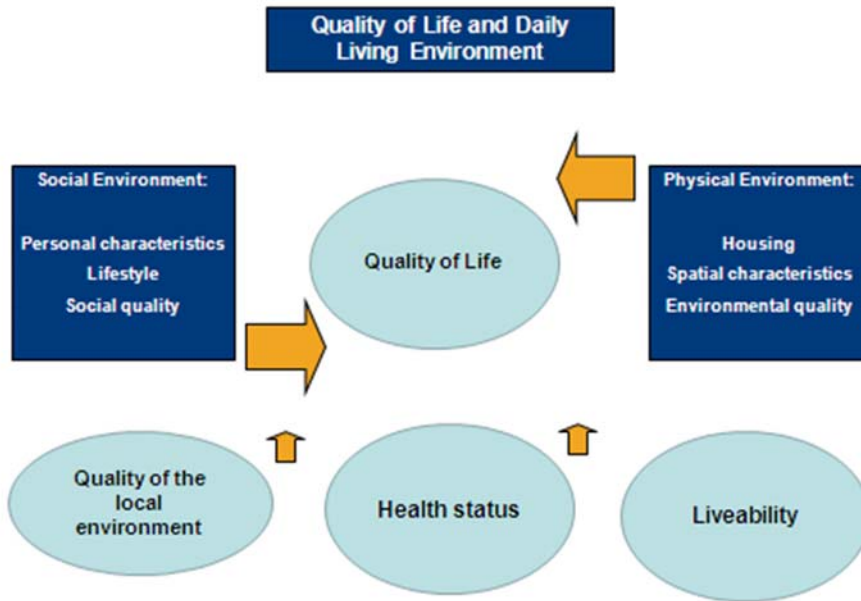
Source: derived from Marans and Couper (2000)

Figure 2: Conceptual model of factors that contribute to quality of life



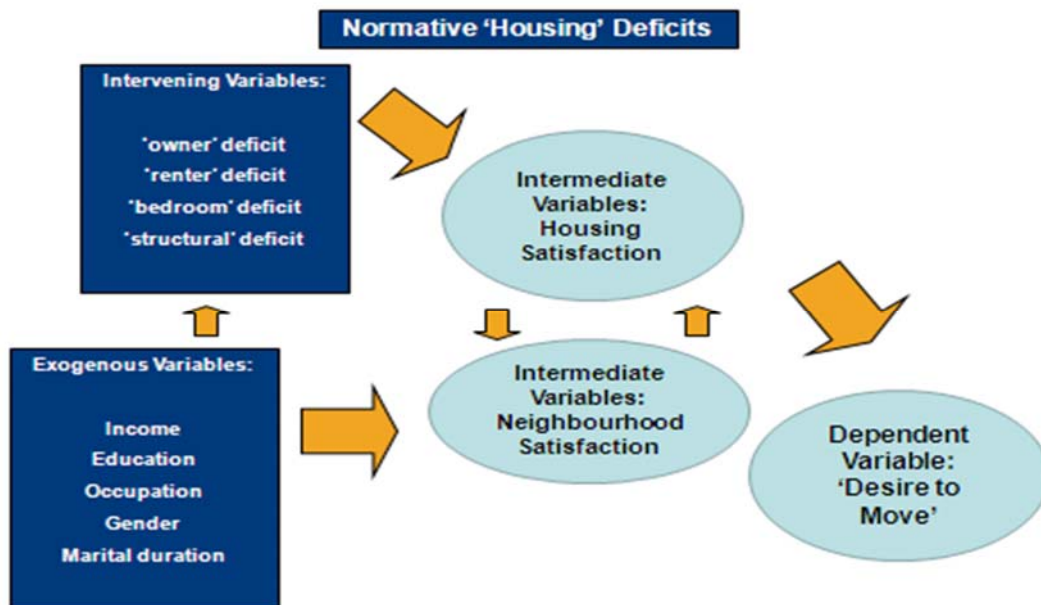
Source: derived from Shafer et al (2000)

Figure 3: Scheme of the basic elements of quality of life, health and the daily living environment



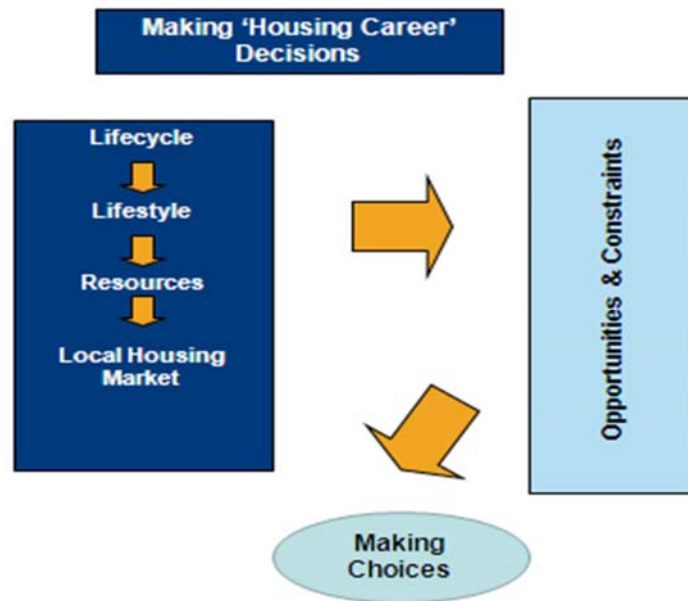
Source: derived from RIVM (2000)

Figure 4: Theoretical model of normative housing deficits, satisfaction and the propensity to move



Source: derived from Morris et al (1976)

Figure 5: Model outlining the process of making housing career decisions



Source: derived from Abramsson et al (2002)

ⁱ Capability Measurement: According to Anand and Clarke (2006), economists can use psychometric measures collected in surveys to discuss well-being where this survey data allows the user to identify determinants of life satisfaction such as work and income. However, methodological concerns with regard to self-reporting of subjective phenomena have been expressed.

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