Security and Anxiety of Homeownership: Perceptions of Middle-class Australians at Different Stages of their Housing Careers

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Security and Anxiety of Homeownership: Perceptions of Middle-class Australians at Different Stages of their Housing Careers

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ABSTRACT This article explores narratives of homeownership by middle-class Australians in the context of an increasingly complex and volatile housing market. Our analysis focuses on people’s perceptions and feelings of security and anxiety at different stages in their housing careers. We use the concepts of ontological security and risk society to frame the analysis. The participants’ narratives of homeownership were mainly positive, in tune with a well established idea of homeownership as the fulfilment of the ‘great Australian dream’, and the view that homeownership influences people’s status, identity and sense of belonging in a positive way. However, we found that homeownership created its own set of anxieties. These anxieties varied in people of different ages and at different stages of their housing careers. Mortgage indebtedness, high interest rates, housing market volatility and the threat of global recession were the most often mentioned sources of anxiety. A discourse of global uncertainty and risk brought about by social change and globalization was pervasive. The article is based on narrative data collected in late 2007 through eight focus groups with a total of 73 participants.

KEY WORDS: Homeownership, ontological security, anxiety, risk society, middle-class, housing career

Introduction

Over the past several decades, Australian social commentators have observed, with some irony, that Australians have an ongoing love affair with real estate. Bricks and mortar seem to loom large in the Australian consciousness and owning a detached suburban home still represents the achievement of the “great Australian dream” (Hulse & Burke 2008). Badcock & Beer (2000:1) claimed that “Australians [are] the world’s greatest hoarders of housing wealth”. The importance of homeownership in Australia is closely associated with a perception of an egalitarian society where everyone can become a homeowner (Horne 1971). Australian post-war governments used the ideas of egalitarianism and accessibility of suburban homeownership to attract...
immigrants. While much has changed since the 1950s and 1960s, Australia remains a home-owning suburban nation: nearly 70% of Australian housing stock is owner-occupied and 80% of the housing stock consists of detached houses (Newton 2001). About 85% of Australians live in sprawling metropolitan cities with the lowest urban population densities in the world (Urban Transport Fact Book 2003).

Over the past decade, issues of housing, real estate and housing finance have occupied much media time and space. Reflecting the importance of mortgages in the lives of many Australians, interest rates have often been mentioned as an issue that shapes election outcomes. A number of authors have convincingly argued that homeownership has been “naturalized” in Australia and represented in the public discourse as the type of tenure people “normally” aspire to (Kemeny 1983, Paris 1993). Post-war financial and fiscal policies (especially taxation) have favoured homeownership over other types of tenure, thus engineering its “naturalness” (Berry & Dalton 2004). While the gentrification of the inner cities has somewhat modified the Australian dream since the 1970s (cf. Zukin 1987), the desire for independent homeownership remains largely unchanged: this despite indications that Australia’s “home owning democracy” may experience a drop in homeownership rates in the future (Berry 1999).

At the time we collected our data (late 2007) housing affordability in Australia reached its lowest recorded point as a consequence of the extraordinary rise of housing prices over the past decade (Yates, Milligan, Berry, Burke, Gabriel, Phibbs, Pinnegar & Randolph 2007). Many have blamed deregulated financial markets and easy credit for the housing bubble and its socio-economic consequences such as unaffordable housing. The latter has contributed to deeper socio-economic polarization and the dissolution of post-war egalitarian ideals. Given that the home is often people’s most valuable possession and a life-long store of wealth, the inability to break into the housing market is seen by most people as a major socio-economic disadvantage.

In this paper we analyse feelings of security and anxiety engendered by one’s position in the housing market (renter or homeowner) and one’s stage of the housing career (aspiring, recent or established homeowner). We focus on the private housing market in which an overwhelming majority (c.95%) of Australians meet their housing needs. We analyse our narrative data in the context of two theories: one on “ontological security” (especially when focusing on its connection with housing, see Saunders 1990) and the other on the “risk society” (Beck 1992).

The current global financial crisis that started through sub-prime mortgage lending in the US threatens the image of homeownership as a source of ontological security. Most Australians view homeownership and real estate investment as the safest way of accumulating wealth, but as our data show, also as a possible source of anxiety. These issues are significant in Australia where alongside significant appreciation in houses prices over the last decade, there have also been increasing levels of indebtedness. Although these developments affect all social strata, anxiety-producing factors among middle-class homeowners have received less attention in housing research. This article seeks to address this imbalance.

Homeownership: a Source of Ontological Security in a Risk Society?

Social researchers have long recognized that people are happier when there is a sense of order, continuity and predictability in their lives. Laing (1965) first introduced the
idea of ontological security to describe the experiences of those with a mental illness. The concept was further developed by Giddens (1984, 1990, 1991) who claimed that contemporary life is characterized by a crisis of ontological security. Giddens defined ontological security as:

[…] the confidence that most human beings have in the continuity of their self identity and in the constancy of the surrounding social and material environments. A sense of reliability of persons and things […] is basic to feelings of ontological security. (Giddens 1990:92)

Ontological security is about people having trust in the social world, confidence in the continuity of the social order, and predictability in their day-to-day lives. When these conditions are breached anxiety comes “flooding in” (Giddens 1991) and this constitutes a serious threat to our identity and sense of ontological security. Giddens argued that seeking ontological security is a “characteristic of large segments of all human activity in all cultures” (1991:36). He suggests that securing, maintaining or restoring a sense of ontological security often takes place in the private realm “where tensions built up from the constant surveillance in other settings of daily life can be relieved” (Dupuis & Thorns 1998:27)

A large body of sociological and psychological literature is devoted to discussing the concept of ontological security. Over the last 15 years researchers interested in the psycho-social benefits of housing have also used the idea of ontological security. The central argument is that a person’s home is a critical site through which ontological security is obtained and maintained. Saunders (1990:361) argued that home is a place “where people feel in control of their environment, free from surveillance, free to be themselves and at ease, in a world that might at times be experienced as threatening and uncontrollable”. In the wake of Saunders’ contribution, researchers interested in the psycho-social benefits of home and housing elaborated further on the relationship between housing and ontological security. Three overlapping and interconnected propositions are commonly presented. First, ontological security is maintained when home is a site of constancy where people feel in control of the world. Here the home functions as a safe haven that provides security and protection from the outside world (Dupuis & Thorns 1998, Hiscock, Kearns, Macintyre & Ellaway 2001). Second, ontological security is also maintained through home as a site of autonomy where people are free from outside scrutiny and free to express themselves as they please (Dupuis & Thorns 1998). Finally, housing can provide social status and a base around which identities are constructed (Cairney & Boyle 2004, Dupuis & Thorns 1998, Hiscock, Kearns, Macintyre & Ellaway 2001, Kearns, Hiscock, Ellaway & Macintyre 2000, Nettleton & Burrows 1998, Winstanley, Thorns & Perkins 2002). Social status is important because ontological security can only be maintained as long as the self is viewed positively.

The most common approach among housing researchers interested in the psycho-social effects of housing has been to focus on different tenures. The key contention is that owner-occupiers derive more ontological security from home than renters, as owning a home is a “means of gaining control over one’s life and one’s future” (Nettleton & Burrows 1998:748). Homeowners are perceived to derive more ontological security than renters because homeownership creates the opportunity of anchoring
ourselves in a familiar, constant environment which can minimize the stress of everyday life. In addition, in Australia and other “homeownership societies”, being an owner-occupier also conveys status and a means of earning a place among the “respectable majority”, as opposed to renters whose sense of individual autonomy and belonging to local community may be limited.

While this may be true at an aggregate level, there are significant variations among home owners at different stages of their housing careers. For example, Cairney & Boyle (2004:166) found that mortgage indebtedness increases anxiety so that mortgage holders have higher stress levels and a lesser sense of ontological security than either outright owners or renters.

In Australia renters have traditionally been seen as less able to obtain ontological security – rental contracts are typically short-term and restrictive in terms of tenants’ freedom to adjust the home environment to suit their needs. For many Australians, being at the mercy of landlord’s economic interests, as well as their tastes, creates a feeling of instability and a lack of autonomy. Combined with the low status of renting, there is consequently much emphasis, in societal and individual terms, on making a transition from private renting to homeownership. Housing researchers often use the term “housing career” to describe “the sequence of dwellings and housing forms in which a person or household resides during his/her independent life” (Abramsson, Borgegard & Franson 2000). While housing careers are far more fluid these days than in the past (Beer, Faulkner & Gabriel 2006, Flatau, Hendershott & Wood 2004), renting is still seen as a stage preceding homeownership.

The contribution of housing tenure to health and wellbeing has been debated in the housing literature with some arguing tenure is important while others have disputed the relationship. In the latter case researchers have argued that Saunders’ original claim that homeownership guarantees emotional security ignores a range of external factors that also influence ontological security. For instance, Hiscock, Kearns, McIntyre & Ellaway (2001:62) argue that “greater ontological security is not necessarily to do with tenure itself: it is to do with having wealth, living in a nice area, living in larger, better quality dwellings and being settled in relationships and work”. Thus, the role of housing has to be placed in the context of a person’s age, gender, socio-economic background, household composition and lifestyle aspirations. Furthermore, home, and even more narrowly homeownership, is but one source of ontological security: some of its other important sources are family membership, social connectedness and secure, meaningful work.

Although people need more than economic security to live happy and fulfilled lives, in Western capitalist societies economic interest is considered “the bottom line” and economic security is, by implication, seen as the primary basis of ontological security. Australian public culture is firmly in the grip of “economic rationalism” (the Australian version of neo-liberalism) that upholds economic growth (for societies) and economic prosperity (for individuals) as main criteria of success (Pusey 2003).

In Australia, for reasons already mentioned, the idea of economic security and success intersects with homeownership and housing wealth in general. Apart from being a home-owning democracy, until the late 1990s Australians had 60–65% of their wealth tied up in bricks and mortar (Badcock & Beer 2000), and about 17% of Australian taxpayers are small real-estate investors, owning approximately 20% of the...
housing stock (APC 2004:xviii). But has this made them feel “ontologically secure” and anxiety-free?

Our second theoretical underpinning, the risk society theory, views contemporary Western society as characterized by “man-made risks” (Beck 1992, 1999). In such a society, an individuals sense of stability and continuity, a key source of ontological security, is jeopardized by relentless social change. In addition, the global scale of change creates the perception of uncontrollability. In spite of the fact that modern technology has eliminated many natural risks and people nowadays enjoy unprecedented life expectancy, there is a widespread argument that modern society, due to its structural complexity, engenders feelings of uncertainty and anxiety, because individuals often feel as if they have little or no control over their circumstances, let alone any influence on the system as a whole (Bauman 2005, Beck 1992, Giddens 1999, Hiscock, Kearns, Macintyre & Ellaway 2001:51, Luhmann 1993, Scott 2000).

Low (2008:49) argued that the widely accepted middle-class discourse of fear and insecurity of modern urban living—in connection to crime, terrorism and status anxiety—“contradicts and overwhelms proactive aspects of home as a friendly place where residents feel safe and comfortable”. This drives people to various defensive strategies, such as seeking security behind the walls of gated communities. Such defensive strategies, however, are likely to deepen rather than eliminate a generalized anxiety (Mackay 1993).

Neo-liberal economic globalization and labour market deregulation over the past three decades have deepened socio-economic cleavages and most commentators agree this is particularly evident in English-speaking countries, Australia included (Communities and Local Government 2007:21, Nygaard, Wood & Stokes 2005, Pusey 2003:6–7, 23, 39). Competitive market logic has penetrated all spheres of society and a widening gap between the rich and the poor has diminished social cohesion in Australia, increased rates of violent crime (Mackay 1993:14) and consequently exacerbated a feeling of anxiety across all socio-economic strata (Pusey 2003). Mackay (1993:1, 16) goes as far as naming the era that starts in the mid-1970s “the Age of Anxiety”. In such a social context, focused on economic success and its conspicuous symbols such as homeownership, people’s “systemic” reflex is to seek ontological security in a “wealth portfolio” that could presumably shield them from various personal and societal risks. In addition, displaying economic success through consumption ensures social status that in itself may help sustain a feeling of ontological security.

In Australia, as in other developed countries, the weakening of the welfare state, increasing casualization of work and insecurity of employment, as well as increased spatial mobility in search of economic opportunities have been well established (Nettleton & Burrows 1998, Shiller 2005). This is associated with a weakening of the nuclear family and “communities of place” (neighbourhoods, local communities, cities, regions) as sources of identity and ontological security (Bauman 2001, Hutton 1997). The connection between consumption, status and identity has become more prominent (and complex) and people are expected to “achieve” and “earn” their individual identities through professional and pecuniary success, while the “ascribed” anchors of identity such as family, culture and ethnicity are less defining than in the past. Achieving individual economic success is usually associated with investment,
which carries with it the potential for high rewards, but also considerable risks – as shown only too well since the beginning of the “global financial crisis”.

In addition, the scale of the “risk society” has changed: technological advancement led to the establishment of global labour and financial markets, what Wallerstein (1990) called the “capitalist world-economy”. The latter is also a “world risk society” (Beck 1999) in that environmental deterioration, global warming and financial turmoil affect everyone. The fact that it is hard to establish who is responsible for global problems and even harder to find a global solution can increase the feeling of insecurity. As the current American economic downturn threatens the world economy, people are increasingly aware of global interconnectedness and its implications to their daily lives. Their mortgages, it turns out, are not just part of the local consumer market, a business between themselves and their bank—they have instead become an important part of a global financial market in the form of “mortgage-based securities” (MBS) (Aalbers 2008). Our participants expressed a clear understanding that their comprehension of global finances is just a small tip of a large threatening iceberg. In times of economic prosperity and stability, the awareness of this may not cause anxiety, but in times of economic downturn and volatility the perception of uncontrollable risks may be accompanied by an acute feeling of anxiety.

Analysing the modern individual’s feeling of security and anxiety, Bauman (2005:1) introduced the concept of “liquid modernity”, describing the society where “conditions under which its members act change faster than it takes the ways of acting to consolidate into habits and routines”. Therefore, the ultimate virtue for those inhabiting the liquid modernity is flexibility, rather than striving for security. In order to be successful, the individual needs to abandon old certainties and instead embrace constant change and new opportunities. Although younger generations may be more flexible and ready to embrace change, the intrinsic need for ontological security is not likely to disappear; rather, the deep human need for ontological security is the point where relentless change becomes a source of anxiety. In sum, the life path of the 21st century Western individual is arguably more dynamic and mobile and more solitary and competitive than it was only a generation ago. According to Scott (2000:37) “the individual is […] faced with choices in place of established paths with their supporting norms and expectations”, forcing the individual to “reflect where reflexion was previously not required”. The freedom to choose can also be seen as compulsion to choose, bringing along the individualization of risk. Such a life is likely to create anxieties as the capacity to achieve relative constancy and predictability in day-to-day life is compromised.

The housing market is one arena of this relentless competition and change. The housing markets in Australia and other English-speaking countries have been extremely dynamic, increasingly polarized and volatile, and therefore more risky. Anxiety-producing factors among homeowners have typically been sought among low income earners with excessive debt and at risk of mortgage default. Unwittingly, this creates an impression that middle-class people are able to avoid anxieties and insecurities associated with housing and homeownership. While objectively they may be less at risk of mortgage default, they may also have higher aspirations for themselves and their children, experience more intense status anxiety, and thus feel no more ontologically secure than low income earners.
While we know a great deal about the economic and social significance of different forms of tenure, we have little insight into the different ways renters and owners experience tenure-related anxiety. Only a fine-grained approach can capture the combined and intersected impact of structural social changes, globalized financial markets and culturally ingrained perceptions of housing tenures on the feelings of security and anxiety. We attempt such an analysis below.

**Method**

Our data were collected through eight focus groups conducted in Melbourne in late 2007. In order to canvass a range of views and experiences on homeownership and housing wealth, the focus groups consisted of different categories of homeowners or aspiring homeowners: renters in the process of buying a home; recent homeowners (people who had recently purchased their first home); people in a “mortgage stress” (defined as a situation where a household’s mortgage repayments exceed 30% of the total household income; see Fujitsu Australia Limited 2008a); established homeowners; people on high incomes (over 100,000 pa); outright owners (people who paid off their home loans fully); and owners in the process of selling their properties. We recruited participants through the university email networks.

The number of participants in the focus groups, each lasting 1.5–2 hours, varied from five to 14, with on average seven participants. It may be worth noting that focus groups that comprised financially better-off participants and people in the later stages of their housing careers (e.g. high-income, outright owners and home-sellers) were male-dominated whereas the focus groups consisting of renters, recent owners and people in mortgage stress had female majorities. The participants who were renters or recent homeowners were mainly younger people (under 40). A total of 73 people participated, 60% of whom were women; 45 participants were Australian-born, 16 were immigrants from English-speaking countries (mainly the UK) and 12 were born in non-English speaking countries. The age of participants varied from 25 to 65, and the mean age was 45 years (SD = 10.86). All descriptive statistics presented in this section come from a one-page questionnaire our participants filled in after the focus group discussions.

Our participants were mainly people with tertiary education, in professional (80%) and paraprofessional (20%) jobs. Most of them lived in inner-city suburbs of Melbourne where a “middle-class lifestyle” could be maintained. This included, as our participants explained, closeness to work, access to public transport, a sense of community in neighbourhoods where people regularly frequent public places such as cafés, restaurants, galleries, theatres and sporting venues. Nearly three-quarters of our participants assessed their social position to be above average (an average score of 7 out of 10 for “social position”), and this was, unsurprisingly, highly correlated with their position in the income distribution. The average income of participants was reported to be in the Aus $80,000–94,000 bracket (the Australian average full-time annual adult income was $57,000 at that time). Throughout the paper we use the term “middle class” to denote “knowledge workers” with above-average income.

In the next three sections of the paper our data are presented and analysed. The first section examines the narratives of aspiring homeowners – renters seeking to
enter the housing market. The second section analyses the perceptions of recent home owners. In the last section we explore the views of established (including outright) homeowners.

The Anxiety of “Taking a Plunge”: Renters Seeking to Buy a Home

Over recent years, as rental vacancy rates in large Australian cities fell to historically low levels (under 1% in Melbourne in 2007–2008), private tenants’ dissatisfaction with the costs of renting and the lack of security of tenure has been widely reported in the Australian media. For many renters the feeling of insecurity was most acute when their tenancies were not renewed or were terminated unexpectedly. One woman in her late 40s told us that after four houses she rented were sold she “got sick of moving … I didn’t want to have a nomadic life, a forced nomadic life as opposed to a nomadic life that I choose”. Her statement, which emphasizes a close relationship between a lack of security and a lack of choice, draws attention to the unequal power relationship between landlords and tenants. Another participant is her late 20s confirmed that she felt “completely powerless as a renter … I can’t stop all these decisions being made about where I live, which is frustrating”. Another participant in her mid-30s pointed out that whereas she “used to feel safe renting”, she now felt “very vulnerable because properties are sold more frequently and prices are higher”.

Not only do renters feel insecure about their housing, but they can also feel like “second class citizens”. Renting is commonly associated with “waste and profligacy” and moral tales often portray tenants as “an irresponsible, feckless and undeserving housing class” (Gurney 1999:1715). This class-based discourse on housing tenures is deeply entrenched in Australia (Kemeny 1992). Its relevance here is that ontological security can only be maintained “as long as the self is viewed positively in relation to others” (Hiscock, Kearns, Macintyre & Ellaway 2001). As Gurney (1999:1715) argued, being a renter mobilizes a range of “cultural stereotypes” that often reflect negatively on the worth, capacity and achievements of a renter. One participant looking to buy a property told us that renters were “treated totally differently by real estate agents compared to owners”, while another found that as a renter she was looked down upon by “homeowning” and “quite unfriendly” neighbours. A friend explained to her: “it’s because you are a renter”. Renters recognized and often perpetuated the cultural prejudice towards renting, and conversely, the status associated with homeownership. One renter summed up the prevailing attitude when she told us that “people are generally more respected if they own their own home”. As a source of wealth and respectability, home ownership is also a basis for socio-economic cleavages: as one participant is his 30s observed, rising prices and policies that favour homeownership had the potential to “increase the disparity between the ‘haves’ and the ‘have nots’”. Being a renter was explicitly linked to being a “have not”, reinforcing the view that renters were somehow less successful than owners (see Richards 1990:223).

Given the prominence and value of homeownership in the Australian psyche it is hardly surprising that the majority of renters were eager to enter the housing market. However, few expected to achieve homeownership as quickly as they had hoped. Many told us they delayed their purchase because of the rapid and ongoing appreciation in the Melbourne housing market over the past several years. The housing market
was seen as “Scary, scary, very scary” as “prices skyrocketed”. Prices were seen as unpredictable and uncontrollable and renters were caught in a bind: on the one hand high prices discouraged entry, but on the other, higher prices were the financial rewards for the property market “insiders”. Caught in this “Catch 22” situation, many renters were, in the words of one participant, “in a bit of a quandary” whether to “make the plunge or not”.

Even after a decision to purchase had been made, the process of entering the housing market was complex and exhausting: looking for a property week after week was “taxing” and “really difficult and stressful”. To miss out on a desired property was both common and “disheartening” given that, in the words of one participant, one puts “so much emotional baggage into it”. Further, many were acutely conscious of how inexperienced and naive they were and we repeatedly heard concerns about first-time buyers being manipulated or taken advantage of by real estate agents, mortgage brokers and lenders. One participant told us that she constantly worried about “who was going to try and take me for a ride”, while another found the entire process “totally deceitful”.

Not only did potential purchasers have to engage in the exhausting process of looking for a suitable home and come to terms with taking on a large debt, they also had to choose the right mortgage product from an increasingly complex and confusing range of options. Nowadays, there is much greater choice of different mortgage products than in the past, and while choice is generally desirable, feelings of confusion, uncertainty and inadequacy were common among those with little practical financial experience. One male participant in his mid-30s explained:

I think it has become very, very complicated and I think someone said there are just so many different ways and people you can borrow money off … I mean you see that ad for RAMS [a small home loan specialist] home loan and various other things […] you’ve got to be really careful […] so it made me think more conservatively.

Another person commented that “there were so many options … they were offering me things but I didn’t know how to value [them]”. Lacking the necessary expertise in a complex situation of considerable consequence was a source of much anxiety for inexperienced purchasers. Some sought expert assistance in resolving these problems. A man in his mid-30s reported he was “really intimidated by the whole process, I was just as fearful and scared that I was going to get ripped off by someone” so he resorted to “a buyer’s advocate to do all the negotiating”.

However, not everyone felt that renting reduced their sense of ontological security. In a world characterized by increasing employment and spatial mobility, the flexibility to change residence can be seen as an upside. Australians are a nation of great residential mobility, moving on average every five years. In addition, Australia has one of the highest job mobility rates in the OECD and the shortest average job tenure in the OECD. It is not surprising then that Australia is second among the 30 OECD nations in terms of the rates of part-time and casual employment (OECD 1993, cited in Pusey 2003:62, 80, 217).

Such high job mobility, a characteristic of what economists call a “flexible labour market”, comes at a price – it may also mean unstable employment and a need to
repeatedly chase casual and generally impermanent and insecure work. Given that mortgages are “premised on the assumption of stable employment over a long period” (Nettleton & Burrows 1998:735) such flexibility may simultaneously create anxieties.

Furthermore, such a situation may adversely affect the stability of relationships and families, and also weaken local community ties (Pusey 2003). According to Mackay (1993:223, 285) “a sense of neighbourhood community [in Australia] gradually broke down during the 1970s and 1980s” due to “increased use of the private car and sheer spatial mobility”. All these factors contribute to creation of a highly individualistic, privatized society, where renters may be the most transient and anonymous category of all: their insecurity of tenure and high residential mobility may hamper the development of a more meaningful “identity” and connection to a locality and its people.

A minority of our participants, however, saw renting as a tenure whose “positive benefits such as flexibility and greater mobility are often ignored”, as Hiscock, Kearns, Macintyre & Ellaway (2001) put it. A term such as rent being “dead money” is one of a number of “international key words” that form part of a “credible justification for supporting home ownership and rejecting rental tenures” (Gurney 1999:1715). This orientation was rejected by one female participant who told us that rent “is not ‘dead money’ … I am buying a lifestyle”. Another confirmed this: “I’m paying for a lifestyle which I want … I don’t see it as dead money, I see it as [getting] what I want”. Therefore, some of our middle-class participants challenged the usual negativity associated with renting, preferring instead to see it as paying for a lifestyle choice more suited to their circumstances. Nonetheless, everyone in the focus groups agreed that purchasing a home would increase their financial and emotional security. However, as we highlight in the following section, being an early-career homeowner is also replete with uncertainties and anxieties.

The Anxiety of Early Homeownership: Committing to a Large Mortgage

In contrast to renting, homeownership is often presented as a type of tenure that increases the feeling of ontological security. However, as Cairney & Boyle (2004:161) argued, it is “wrong to presume that [homeownership] is an invariably positive experience [that] guarantees emotional security”. Stress and stress-related illness have been associated with insecure homeownership (Nettleton & Burrows 1998). Furthermore, within this tenure there are clear patterns of disadvantage. In their analysis of data from the Survey of English Housing, Nettleton & Burrows (1998:736) identified seven clear patterns of disadvantage: households headed by younger people, households with dependent children, single males, divorced or separated households, economically inactive households, lower social class and the self-employed were all at greater risk. In her work on health and housing Smith (1990) found that as policies in the UK increasingly favoured and expanded homeownership, homeownership in turn became more “differentiated and stratified” resulting in low income owner-occupiers living in some of the “country’s worst housing environments” (Smith 1990:759).

The central anxiety of early homeownership is servicing a large debt and a possibility of finding oneself in mortgage stress. The stress and anxiety associated with tight finances were often mentioned by our participants and repossession was the ultimate fear. At the time we conducted the focus groups this fear was exacerbated by
emerging American “sub-prime crisis” in which many people lost their homes. In this context three themes were commonly raised by our respondents. The first was the loss of a job. This concern was often expressed by younger respondents, a number of whom was in either casual or fixed-term contract jobs. While a woman in her late 30s worried whether she would “have a job in five years’ time”, others emphasized the precariousness of their current employment and its possible impact on their housing security. One participant in his early 30s said he had to do “all these crappy jobs to get by” because he was “just worried by the [long-term] commitment [to the mortgage]”. The connection between precarious employment and housing instability is well established in the literature (Meen & Andrew 1998; O’Connor, Stimson & Daly 2001). In a labour market where part-time and casual work are increasingly common, the lack of employment security had a clear impact on people’s ability to acquire a sense of ontological security through owner-occupation.

The second concern associated with servicing a large mortgage pertained to life’s general precariousness. One participant (a 40 year old woman) referred to the incapacitating illness or death of a major breadwinner and told a story of a family where the “husband just went pfff [died] with a brain tumour and the wife was left with two small kids and no income and no relations and she had a really tough time”.

The third concern was related to their ability to pay off the mortgage, which depended on general economic conditions outside an “ordinary person’s” control. Here our educated middle-class participants showed strong awareness of the downside of the world’s economic and financial interconnectedness – an awareness that was probably intensified by the likelihood that Australia would be affected by financial storm gathering at that time in the US (cf. Fujitsu Australia Limited 2008a, 2008b). A participant in his late 30s said that the biggest issue facing the Australian housing market was “the international market, the sub-prime [crisis] in America”, while another man said that the “scary part about it is … there are all these factors, like economic factors, that are out of your control”. There was a strong sentiment that the world economy, through its multiple interconnectedness, is also a global risk society. As the following quote from a woman in her early 40s illustrates, issues beyond economic and financial interdependency, such as climate change and “peak oil”, made people further aware of the risks they are exposed to but cannot control:

> I think there are some potential black clouds on the horizon in respect to oil crisis and quite scary considering the [heights] prices reached without a major conflict anywhere in the oil producing states. I think there are some serious threats to the economy there with the oil price [rise].

Alongside the US sub-prime crisis, which abruptly brought the global financial interconnectedness to people’s attention, domestic macroeconomic conditions were also perceived to be beyond ordinary people’s control. In the centre of this anxiety were rising interest rates. By late 2007, Australian interest rates had experienced several consecutive rises to a point where they started hurting households on average incomes, especially recent owner-occupiers. Many people’s concerns about interest rates were coloured by their memory of the late 1980s–early 1990s when interest rates in Australia reached 17%. One participant commented:
My biggest fear is if interest rates hit 14, 15, 16 per cent … that will severely impact on my ability to repay my mortgage. I’m paying principal and interest. If it was interest only I’d sell.

Apart from the awareness of the immediate financial implications of mortgage stress and possible default, our participants were also acutely aware of the social implications of such developments. To be a homeowner is to make a certain status claim and the ontological security derived from homeownership comes partly from creating the appearance of success and avoiding the “appearance of failure” (Hiscock, Kearns, Macintyre & Ellaway 2001:63). In a competitive, individualistic society, people’s identities are, to some degree, determined by the judgment of others regarding their social position and status. Given that one’s position in the housing market is a particularly salient indicator of status in Australia, not being able to handle one’s debts represented more than just a financial problem but also a blow to one’s status and self-image. As Nettleton & Burrows (1998:746) argued, mortgage indebtedness can be a “biographical disruption […] which may have profound consequences for a person’s sense of self and social identity”. A recent media report quoted a community financial counsellor who emphasized “people’s reluctance to come forward”: “People don’t like to talk about it [financial stress], and certainly not to their peers. They are often highly embarrassed” (Mann 2008). Giddens (1991) points to the idea of shame as another anxiety producing factor that makes people feel less sure about their place in the world. This may be an even more salient point in case of the status conscious and goal-oriented professional middle class.

For some new homeowners, used to more flexibility and fluidity in their lives, being locked into a mortgage commitment was itself daunting. One man in his late 20s opined:

[…] Getting a mortgage is like getting married … but you can’t change your mind in six months and say I don’t want to do this anymore … like, I’ll get a divorce … you can’t do that.

A young female participant said that getting a mortgage “freaked her out … [cause] I’m 25 years old, so I feel like I would be mortgaging my life away”. This suggests that some factors that have traditionally been linked to ontological security, such as permanency, can, with the changing economic and cultural contexts, also produce anxiety. There is a need therefore, to be more sensitive to the changing circumstances in which the traditional notions of marriage and mortgage as transitions to adulthood at a certain prescribed age no longer hold, and where a wide range of life choices may intensify the anxiety of long-term commitment.

The range of anxieties associated with homeownership were nonetheless mediated by the “sense of security” and attachment homeownership brought to most people. Having a “place to call yours” and the “freedom to do what you want” were the most common themes. One 38 year old mother told us she had been:

…renting for years and I’ve always had the fear that I couldn’t do anything with it … what I’ve absolutely loved about buying a house [is] you can knock a hole in the wall if you feel like it and it is nobody’s business except your own.
The autonomy to “do whatever one likes” reinforced the strong sense of identity homeowners derive from their homes. These themes strongly link into wider societal values of individualism and choice. In the perception of our participants, homeownership supports these values while renting can jeopardize them. In addition, people saw their house as a reflection of their personality that expresses individual tastes and preferences (cf. Mackay 1993:223). We heard statements such as “[my home] is part of who I am”; “it is something that is […] a representation of me”. Home ownership is also an important mechanism for creating attachment to a place and belonging to a community, both of which are intimately bound up with an individual’s sense of ontological security.

We found that the initial anxiety of taking on a mortgage started to dissipate as it became a routine part of daily life. One participant in his early 40s said that it “just becomes part of your life, not necessarily a stress”. A woman in her late 30s reported she found the process so stressful at the start that she “couldn’t sleep properly. I never owed money in my life … but now I am quite peaceful with it”. Over time, what had been a source of anxiety steadily diminished and people started to focus more on the long term financial benefits of homeownership: the “security of knowing that in x years it is going to be mine and I will have a permanent roof over my head and not to have to worry about the dreaded landlord”. This suggests that the actual transition from one stage in the housing career to another – even from renting to desired homeownership – may be the most stressful period in the housing career path.

The anxieties of early homeownership and having a large debt were counteracted by a strong belief that the Australian housing market was robust and houses unlikely to drop in value, in spite of the turmoil emerging in overseas housing markets. One early homeowner said:

I don’t worry about the market dropping, I don’t think that is a possibility. I think because I bought well […] in an area that at most will stabilize [and] will never go down and it hasn’t in recorded history, right? Other areas will go down, but mine won’t, so I don’t have that worry. That is not my worry.

This attitude may be partly due to the feeling of many Australians that their country’s geographic isolation, although in some respects a disadvantage, may be an advantage in somehow insulating them from adverse global events and trends. One participant told us that “property losing its value doesn’t enter my mind at all”, while another “didn’t worry about the market dropping”, but recognized that it might “plateau”. While there was a rational agreement that things can go wrong, there was a noticeable leap of faith in that housing was almost universally regarded as a more reliable, predictable and less complicated source of wealth and economic security than other types of investment. This is illustrated by the following quote from a new homeowner in his 40s:

I was told that there’s never a bad time to get into the housing market, there are just better times than others. So implied within that is that prices are always going to go up, but by how much will fluctuate.

In their faith in “brick and mortar”, recent homeowners were in agreement with the prevailing mood of the nation. The attraction to homeownership was not only
financial but had many other personal and social aspects. Shunning other types of investment, however, may have been due to a sample bias, a point we return to in the conclusion.

**Anxiety No More? Established Homeowners**

Not surprisingly, established and outright owners expressed less anxiety about their housing than the previous two groups, reflecting, in part, their higher than average incomes and the advanced stage in their housing careers. They were in the final stages of paying off their mortgages and some had already discharged them. Therefore mortgage indebtedness, the principle source of anxiety among those at earlier stages of housing career, was absent. In addition, the established homeowners had benefited from a decade of spectacular real-estate appreciation which created a broader feeling of financial wellbeing. As mentioned, we conducted our focus groups at the very peak of the Melbourne real estate market cycle, when house prices were very high.

Reflecting on their housing careers and general economic circumstances, many established homeowners emphasized a difference between themselves and younger generations in the way housing was viewed. Several respondents (older “baby boomers”) argued that younger people often viewed housing as an investment, whereas when they were entering the housing market, housing was far less ubiquitous as an investment tool. At that time (late 1960s–early 1980s), buying a home appeared to have been more strongly linked to emotional and ontological rather than financial security. One person is his mid-50s told us that [they] “didn’t think so much about […] property as an investment”, while another argued that he “didn’t hear any of [his] contemporaries using the word “investment” [in relation to housing]”. While these memories may have been somewhat skewed towards making a point about today’s increasingly money-conscious society, they do illustrate how attitudes towards housing may have changed. The distinction between the use-value of home and the exchange-value of “real estate” points to the difference between a house as an investment vehicle and a home as a centre of family/private life and a physical and emotional retreat. One person (a man in his early 50s) made the following statement:

I think there is a serious difference between the one [house] you live in and something you have as an investment, a very serious difference. Because the one you live in is imbued with all sorts of other things, not just the wealth.

For the established owners the home was an important source of emotional comfort and ontological security. This was reinforced by living in their homes for long periods, which created a sense of familiarity, belonging and “ownership” that extended into neighbourhoods and suburbs. The link between economic and emotional security remains crucial however, as one outright owner emphasized: “It’s paid off now. I can sit back and relax”.

Nonetheless, the image of established or outright homeowners sitting back and enjoying the fruits of their labour overlays, to some extent, the level of emotional and financial security of this group. Even in this economically comfortable
demographic of baby-boomer professionals, there were some specific anxieties. Many emphasized the current lack of affordable housing and argued that “getting into the housing market was immeasurably easier in the past”. This problem did not affect them directly but it affected the generation of their children. A man in his 50s said:

It’s tough for them, I know. Everything’s so expensive, but they take these big loans and it’s massive stress, particularly when interest rates rise.

Established owners were concerned how their children were going to prosper in a complex, stressful, chaotic and at times, cruel world. This intergenerational anxiety is illustrated by the following quote from a man in his late 50s:

It is a different world. I would hate to be in the stress and strain. Insecure labour market, insecure housing market, relationships, delayed children, you know […] how people psychologically cope with it, I can’t fathom.

The complexity and pace of contemporary life was contrasted with the relative simplicity of earlier times. As one man in his mid-50s told us:

None of us had great salaries, none of us were executives or had to work overtime, or do all the strenuous things that the people do today. We could get by, in more than a modest comfort. Yeah, quite comfortably, as long as we held our jobs, that was the only thing.

In response to changed conditions, established owners acknowledged they might need to use some of their housing wealth to assist their children into the housing market, and some had already done so. In the past housing wealth was typically transferred between generations through inheritance. Changes in the housing market, in particular the massive appreciation of housing, coupled with job insecurity for young people, have altered this pattern and many were drawing on their housing wealth earlier than expected for the benefit of their children. One outright owner in his 60s told us:

[…] The view we took was that the children are going to get it anyway sooner or later and so why not sooner. Given that there was a whole pile of wealth in a house that had no mortgage on it why not transfer that wealth to our daughter by helping her buy a house … if she didn’t have this assistance she would never be able to buy a house, that’s the reality.

Although bringing forward the inheritance was considered a rational response to current circumstances, it nonetheless created some anxiety. Many had planned to use a significant part of their housing wealth to fund their retirement and unlocking their housing wealth earlier than expected would negatively impact on their retirement plans. This concern is expressed below:

We were planning to trade down, travel and leave the rest to the kids. Now it looks like we will have to trade down anyway just to help the kids out.
There was also a strong awareness of a raft of new financial tools that could assist them to unlock their housing wealth. One of the newer financial instruments this group were familiar with were reverse mortgages. While some recognized their potential benefits, others were suspicious of reverse mortgages and similar financial products. These attitudes are illustrated by the following comment from a man in his early 50s:

I don’t know, I suppose if you really went into it and you knew exactly what you were doing and all the pros and cons and read the fine, fine print … but you would have to be very sure of your ground and it worries me that it sounds very easy.

Another source of anxiety related to the more general social changes that they saw as negative. For example, our participants expressed concern that as a result of the world being more complex and fast paced, and with credit easier to come by, the expectations of younger people had changed and were unrealistic and ultimately unsustainable:

I don’t think the young people are often saying “I can’t afford it” [and] they’re not willing to move into smaller places to start with, they want to have a big place with two or three bedrooms and a plasma television and this and that.

Older established owners were also anxious about the threat of recession, particularly in reference to younger people, the generation of their children who, while living in complex times, had never experienced hard times and might not have the skills to cope. One participant said:

They have never experienced hard times. Everything is on credit. They expect it all right now. They’re not prepared to do the hard work. The thing is, everything’s been going well, economically speaking, for years now […] What happens when it all goes belly up?

This concern also manifested itself with respect to housing. Many held the view that housing prices would plateau or even start falling at some point. One established homeowner in her 50s told us that:

…house prices have been rising so much, it’s going to have to level in the next 5 to 10 years, maybe in 10 years it might be up again but in every 7 years, it’s a cycle, it’s got to slow down.

This contrasts markedly with people who were in the early stages of their housing careers who typically viewed the possibility of declining house prices as remote.

A rather surprising type of anxiety we came across among the established homeowners is one that could be termed “ethical anxiety”. The focus group consisting of outright owners, mainly people in their late 50s, commented on their own “luck” and “undeserved gains” through decades of real-estate appreciation. They also expressed environmental concerns connected to the global warming. This rather unexpected
expression of guilt should probably be placed in the context of a specific sample of middle-class professionals working in tertiary education sector.

Overall, the dominant impression is that outright and established owners drew considerable ontological security from their housing, a point strongly supported by existing research. In the situation where they didn’t have to worry about their immediate economic wellbeing, they could “afford” to be anxious about the economic wellbeing of their children in an increasingly competitive society, as well as about wider social issues such as the risks produced by the complexity and interconnectedness of the global economy.

Conclusion

In this paper we examine two seemingly contradictory effects: homeownership as a source of ontological security, but also as a source of perceived and real risks and consequent anxiety. We treat ontological security and “ontological” anxiety as the two sides of one existential phenomenon, starting from a logical premise that if something is significant enough to support the feeling of ontological security it can also, under certain circumstances, cause existential anxiety.

In late-capitalist countries, and perhaps even more so in English speaking countries considered to be the most individualistic and competitive, the success, status and ultimately the worth of a person is measured by their economic success. In Australia, a large portion of that economic success is realized through homeownership. This heightens real-estate desires, but also creates its own anxieties.

We place our inquiry in the context of contemporary Australia, considered by many as one of the safest and most stable developed societies. This is reflected in the idea of the “great Australian dream” epitomized in a peaceful family life in a suburban house on a “quarter acre block”. Our data shows that this “dream”, in spite of contemporary modifications and intense social and cultural change over the past thirty years, continues to inform the views of the Australian urban middle class.

One such broad cultural change that may have been a cause of increased levels of anxiety among people at early stages of housing career is the increase in materialism shown in large international attitude surveys, and arguably brought about by several decades of neo-liberal globalization (Pusey 2003, Reich 2008, Shiller 2005). When this is applied to housing, it tends to strengthen the propensity to perceive housing as an investment. Once the home is framed as an investment with a variable exchange value (price) it ceases to be a safe haven in the insecure world; instead it becomes an integral part of the insecure and often uncontrollable world. In the situation where owner-occupation entails a large debt subjected to financial vicissitudes, and servicing that debt is not supported by a safe “life-long” employment, the feeling of precariousness of one’s life circumstances may be exacerbated rather than soothed by owner-occupancy.

Understanding the relationship between anxiety and security only makes sense if both local and global factors are taken into account. The relevant context here is the capitalist world system, which, according to numerous authors, reached a new stage of development at the end of the 20th century. Beck’s (1992; 1999) theory of the “world risk society” emphasizes the global scale of problems that increases the total amount of risks everyone is exposed to and makes any attempt at solutions more
difficult. As shown, Australian homeowners are aware of various global hazards, made more frightening and unavoidable by the fact that they are produced, as Beck (1999:50) put it “in the centres of rationality and prosperity with the blessings of the guarantors of law and order”. Such hazards, elaborated by our focus group respondents, include not just poorly regulated global financial system which holds significant sway over local housing markets, but also environmental destruction and the depletion of natural resources.

A kind of generalized angst that, according to Mackay (1993:7) has “gripped Western society’s collective unconscious” so that “anxiety, stress and insecurity have become characteristic of Australians”, corresponds to what another astute analyst of Australian society, Michael Pusey (2003:135), termed “the burdens of modernity”: in a dynamic society, old certainties are gone, and social change “takes its toll on our confidence and sense of security” (Mackay 1993:200). In a country where real estate is an object of desire and anxiety, what Mackay calls “holing up”, “caving” or “cocooning” is seen as providing part of the answer to the question of ontological security. The privacy and security of one’s own home is also a response to and a “compensation” (Mackay 1993:222) for the breakdown of tight-knit neighbourhood communities and extended families, both damaged by relentless mobility within a time span of barely more than one generation (Pusey 2003:135). But, the solution to the conundrum of ontological security was never meant to be simple: as Mackay (1993:224) notes, a “too good adaptation to ‘caving’ may increase the feelings of insecurity”. Apart from feelings of isolation and disconnection that modern urban living seems to have brought upon us, achieving a sense of stability through anchoring oneself in a place through homeownership, and taking a considerable financial commitment, may cause anxiety; stability in a “liquid” world with seemingly endless possibilities may seem like “solidifying” the endlessly flexible reality – clearly, a cause of some angst. This is a point where security and anxiety intersect – the point that may not have universal applicability but is instead strongly associated with the (post)modern urban society most Australians, and more broadly “Westerners”, inhabit.

In the context of our research, one important consequence of the opening of numerous life choices amidst new contingencies, complexities and uncertainties is a blurring of prescribed life path to adulthood and old age and a corresponding blurring of “normal” housing career. Baby boomers were perhaps the last generation that largely conformed to prescribed life-cycle transitions and stages. Younger generations have grown up in a deregulated, extremely competitive world abounding with freedoms and choices. The openness of their life paths, as we learned from our respondents, often makes settling down an unsettling prospect. The mid-life stability with homeownership, life-long marriage and permanent job has ceased to be the fate of many post-baby-boomers, for better or for worse.

While our sample was limited to middle-class participants, by balancing the sample between renters, recent owners and established owners, we were able to elicit some valuable insights into the way anxiety and security exist side by side and how the relationship between the two varies according to housing career and life-cycle stage, as well as over socio-economic cycles. The relatively homogeneity of our sample means that certain themes such as status consciousness were more strongly emphasized than perhaps would be the case if we drew our sample from a broader cross section of homeowners.
Given the fact that nearly half of all Australians (46%) own shares (ASX 2006) and are otherwise exposed to the vicissitudes of the financial market through their compulsory superannuation (retirement) savings, the relative homeownership-bound financial conservatism of our participants may reflect a bias in our sample. First, women, a majority of our sample, generally seem more prone to shy away from “risky” investments not involving brick and mortar. Second, our sample mainly consisted of people employed in the tertiary education sector. A sample from private business might have been more financially savvy and risk-prone in their wealth-generation strategies.

Limiting our analysis to the middle class shows that even those in a relatively advantageous “social risk position” (Scott 2000:36) – that is, people who may be insulated by their wealth – do not feel protected from the de-territorialized global risks. Furthermore, those in relatively secure positions and with “more to lose” may be the most risk-conscious. Scott (2000:39) therefore suggested that what Beck termed “risk society” can perhaps be more appropriately labelled “risk-averse society”, or “angst society” – a notion already applied by many commentators to describe contemporary Western zeitgeist. Such angst may, paradoxically, apply even more in an exceptionally stable and relatively safe society such as Australia, when it is faced with global uncertainty.

Since the time we conducted our research many lingering middle-class anxieties have become more real through the financial meltdown in the US, which has filtered through on the global scale. How these developments are interpreted by middle-class homeowners is difficult to say, but given the central role of housing in the global financial crisis and the threat of the Australian “housing bubble bursting” that is regularly evoked in the media, we believe there is a strong argument to focus further attention on the housing-related anxiety and security among middle class homeowners.

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References


