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Owner-occupation: at home with a hybrid of money and materials

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Abstract. This paper is about the changing character of housing assets, owned homes, and perhaps owner-occupiers themselves. It draws from two studies of UK homebuyers, whose lives are entangled in the materiality of housing, the meaning of home, and the mobilisation of money. This mélange is facilitated by a new generation of financial services that render housing wealth interchangeable with the cash economy, turning owned homes into a hybrid of money and materials. In total 150 qualitative narratives are interrogated to document three key trends. First, a shift of households' disposition, from opting for ownership by chance to banking on housing by design. Second, a change of financial orientation as property-holding citizens illapse into asset-accumulating investors. Third, an ethically charged encounter between the governance of housing and the micropolitics of home, which is prompted by the growing fungibility of housing wealth as it inspires new styles of, and imperatives for, consumption.

One materialisation of home

Home has many meanings and manifestations: a point of departure, return, or arrival; a feeling or a memory; a performance and a thing; and so on. Home is not therefore contained in, or congruent with, housing. But there are some important lines of connection between housing and home and these materialise in intriguing, puzzling, engaging, disruptive, subversive, always energising ways. So I want to consider housing as one materialisation of home—not the only one, not even a necessary one, but one that invites scrutiny for a wide range of political and economic, as well as cultural, reasons. My very broad point is that it may be worth thinking about housing as one materialisation of home in the same way that Lévi-Strauss considered the materiality of a Bororo village in *Tristes tropiques* (1955).(1) It sums up all of life: its form expresses the shape of the world; but if it were reconstituted, then everything else would change.

The materialisation of home into housing, the appropriation of housing for home, takes place in all kinds of ways, each enmeshed by the complex networks of power that govern the sites of dwelling. This paper explores one such location, namely, the market for owner-occupation in the more developed, and especially the English-speaking, world. Here homeowning (or homebuying, at least) is the dominant housing style, and it takes a particular form: it is funded, insured, and to an extent marketed and managed, by a stream of financial services which link households' cash economy (their behaviours around savings, spending, and debt) into the world of international finance. This contrasts, for example, with the high rates of owner-occupation in parts of Southern Europe, which are financed by family wealth, as well as with those in the former Eastern bloc, which result from the mass transfer of state-owned assets into private hands (Stephens, 2003). The UK model is a financial markets model whose rationale is to blur the boundary between (fixed) capital and (fluid) money (Smith, 2005a).

(1) Thanks to Boris Wiseman for this idea, which was discussed in our joint workshop on the Politics of Home in Durham University's interdisciplinary seminar on Writing, Culture and Identity in a Postcolonial World (March 2005).

This is what gives rise to the complex, politically charged, and ethically challenging entanglements between the materiality of housing, the meaning of home, and the mobilisation of money (the flow of cash and credit in market societies), which are the subject of this paper.

In a country like Britain—which epitomises the drive to 'financial marketisation' in housing, and so provides the setting for my discussion—owner-occupation grew at four times the rate of the housing stock as a whole in the last half of the 20th century. This part of the housing market currently accommodates nearly 70% of the population (rising to 85% among households in mid-life), and residential mortgage loans account for a high proportion of the consolidated assets of the financial system. Reviewing the strategies of government and the policies of transnational financial organisations, it is easy to read this as part of a necessary and inevitable drive towards mature (housing and financial) markets which work efficiently. However, a paradigm shift at the interface of economic and social research has exposed the extent to which markets are made, not given, and this is my point of departure. Owned homes are a hybrid of money, materials, and meanings. The question is, what makes this hybrid 'work'—financially, politically, socially, and domestically? What brings the financial and cultural materials of owned homes together; what accounts for their social and economic constitution; what products and practices help prise them apart; and what, more generally, energises their physical and financial fabric?

I have argued before that one route into an appreciation of how (housing) markets work is via 'small stories' embedded in lay practices (Smith, 2005b). These stories might helpfully inform the stylised facts of economists' models, but they exceed and revise these assumptions, often in surprising ways. So I shall stick with that approach here, drawing on the ideas and inspiration contained in two rather different qualitative studies of homeowners/buyers in the UK.[(2)] Both studies were completed during 1999–2000. One is a study of *Housing for Health*, which includes interviews with eighty-four households in three UK regions, all but ten of whom were either owner-occupiers at the time of the research, or had owned a home in the recent past. The other project—*The Anatomy of a Housing Boom*—is a study of house-price appreciation in Edinburgh, Scotland. This project includes interviews with sixty-six households who bought homes in 1998–99 within high-priced, medium-priced, and low-priced urban neighbourhoods at the leading edge of Britain's most recent housing boom.

In the discussion that follows, I draw from a total of 150 separate narratives to explore an encounter between two styles of politics. On the one hand, I am concerned with the 'grammars of living' prescribed in the acts of governance that conspire to make homeowning what it is. On the other hand, I draw attention to the 'home rules' these encounter, as the micropolitics of households animate the meaning and materiality of dwelling. In the first half of the paper, therefore, I chart what might be thought of as the emendation of an 'investor figure' for the new financial order of housing. Here, I explore the technologies and practicalities of a politically inspired shift in households' disposition away from a tendency to opt for ownership by chance, towards an inclination to bank on housing by design. In the second part of the paper, I consider how home occupiers engage with this at a time when new options for mortgage-equity withdrawal mean that households' major source of wealth, which was once fixed in bricks and mortar, is increasingly available to spend.

(2) The primary data were collated for ESRC-funded projects: R0000237960 and R000222902.

Grammars of living … towards "a further major extension of Britain's home owning, asset owning, property owning democracy"

Gordon Brown (cited in *The Times* 1 April 2005, page 1)

"One million more will own homes …" ran the headline, summing up the prediction of Gordon Brown, the Chancellor of the Exchequer of the United Kingdom, of what would happen to the housing market if Labour won the General Election in 2005 (which they did). These words are a reminder of how important it is, when documenting the steady expansion, extension, and marketisation of owner-occupied housing, to recognise that the source of inspiration for markets—and housing markets are no exception—is politics. This point has been well made by Neil Fligstein (1996), who positions markets as political as well as cultural (and, of course, economic) projects. His argument—which is now well-established in ideas popularised by John Gray, John Kay, Will Hutton, and others, and which lies behind Pierre Bourdieu's (2005) decision to locate housing at the heart of his account of the social structures of economy—is that, while discussions of state-building focus busily on welfare and warfare, by far the majority of political effort has been devoted to creating and managing a particular style of markets. What has become especially challenging in recent years is to appreciate just how 'successful'—that is to say, how pervasive and how effectively legitimised—this strategy has been. What, for example, has persuaded seven out of ten British households to enter the 21st century holding most of their wealth in their home, carrying record levels of debt, and taking unprecedented responsibility for the maintenance, repair, and insurance of their single source of shelter? After all, less than a hundred years ago, only one tenth of the population were homeowners, and not many of them were in this rather risky financial position.

One answer, for John Flint (2003), lies in the acts of governance which, by way of "a discourse of authoritative 'grammars of living' … seek to shape and prescribe socially sanctioned acts of consumption, including the consumption of housing" (page 614). Flint is concerned with the 'grammars of living' that define responsible citizenship for social tenants who are (according to the prevailing political wisdom) empowered—by changes in the opportunity structures and technologies of renting—as consumers. The grammars he talks about all engage with the way that social housing has been talked about and materialised into a point of distinction between dependent, renter, households (with ostensibly problematic welfare needs) and enterprising, home-owning, individuals (with seemingly autonomous, self-directed lives). But while Flint is concerned with what social renting has become in the wake of housing-market expansion, the concept of ethopolitics which he takes from Nikolas Rose (himself inspired by Michael Foucault) is equally—perhaps even more—apposite in accounting for the way in which *homeownership* has been prescribed, by acts of governance in the UK, as part of the art of responsible citizenship and ethical living.

The political charge animating the drive to homeownership is enduring, complex, and volatile, and a lot has been written about it already. It is not, as they say, rocket science to excavate the acts of governance that make homeowning what it is in Britain. Donna Easterlow and I have discussed these leanings before (Easterlow and Smith, 2004; Smith and Easterlow, 2004), and the comments of the UK Chancellor of the Exchequer, which form the subheading for this section, sum it up. It is achieved partly through what John Rodger (2003) calls 'vocabularies of motivation'—political discourses which prioritise some (market) moralities and some (competitive) values over others. It is a consequence, too, of a range of practical strategies, designed to valorise certain (market) behaviours and certain (individualised, psychologised) forms of interpersonal relations. From this mix of ideas and materialities, a particular style of owner-occupation has emerged as the housing tenure de rigueur of the United Kingdom. But what does this mean for those who have, literally, bought into it?

In this section I show that the lay perspectives recovered from the two studies contributing to this paper contain a store of ideas about the way in which a home of one's own—an owned home—has turned into something you have to have, pour everything into, and, crucially, wrest all you can from, for a variety of psychosocial as well as practical reasons. Some of these 'grammars of living' are so enduring as to seem almost axiomatic, embedded as they are in the drive to ownership, which I discuss first. But as homeownership has increased its purchase on political life and public imagination, the grammars of living that write the experience of homeownership have acquired a complexity, even transformativity, around the theme of investment, which requires attention. The idea that investment is a foundational theme in contemporary neoliberal governmentality is considered more generally by Paul Langley (2006). Its insistence in relation to housing is addressed in the second part of this section.

The drive to ownership: "a further major extension ..."

> "It's a complete change of culture, isn't it, that if you don't own somewhere then you've maybe not quite achieved everything you should?" (hb11).[3]

In one sense, a leaning to ownership is not surprising: owner-occupation has been expanding steadily in Britain for at least a hundred years, both numerically and as a proportion of the total housing stock involved. There is nothing particularly new—no 'complete change of culture'—in this, except that at one point owning was growing at the expense of private renting, and was expanding in tandem with social renting, whereas later this changed. Even so, this shift is recent enough to leave its imprint on some households' biographies. For example, a qualitative study of older people's housing trajectories in Scotland completed early in the new millennium suggests that older owner-occupiers may often have bought their homes more by accident than by design at a time when there was little to choose (financially, qualitatively, or symbolically) between the main tenure sectors (Power, 2004). In contrast, the studies informing this paper—both of which recruited younger participants who had attained homeownership more recently—tell a somewhat different tale.

The interview checklists of these qualitative studies include various prompts around the decision to buy,[4] and both qualitative coding frameworks cover the theme of home purchase, collecting ideas about the aspiration to homeownership wherever it arose in discussion. In this subsection I concentrate particularly on the views and experiences of those who participated in *Housing for Health*. These include homeowners across a range of working ages, who are generally current or recent mortgage holders, and whose home purchases span a quarter of a century. So, in 1999–2000, just over a quarter (28%) had lived in their current (owned) home for twenty years or more; two in five (41%) last moved between five and ten years ago; and just over one in four (27%) had bought more recently, within five years of the study.

I want to draw from these narratives to emphasise a single key point. This concerns the ingredients that constitute the 'normality' of owning, and so account for its relative desirability. The normalisation of homeownership in the UK has been discussed before (the seminal account is by Craig Gurney, 1999) so it is not surprising that, across both

(3) Quotations in the text are cited as 'hh' if they are drawn from *Housing for Health* and as 'hb' when they are part of *The Anatomy of a Housing Boom* vote; the number refers to an interview transcript.

(4) The key relevant prompts read: "Thinking about the last time you moved—your move into this home—why, on that occasion, did you decide to buy rather than rent?" (hh); and "why did you want to buy a house (rather than rent) on this occasion?" (hb).

sets of interviews, owning is widely held to be simply 'the done thing'. Even the *Housing for Health* group, for whom access to social renting has been a (relatively successful) welfare priority (Smith et al, 1997), say it would never have occurred to them not to try to buy. What is notable among this group, however, is how readily exclusion from homeownership is individualised and psychologised, so that, even with a health trajectory which—in a discriminatory society—compromises all kinds of life chances in systematic ways (see Smith and Easterlow, 2005), people still talk as if exclusion from ownership were both problematic and of their own doing:

> "I sort of feel quite inadequate now at my age [50s] [because] I sort of haven't really got my own place" (hh20).

This recourse to psychological narrative is discussed by Valerie Walkerdine (2005) in relation to work experiences: it is, she argues, testimony to the effectiveness of an ethopolitics of neoliberalism which not only defines success in terms of market outcomes, but also locates responsibility for succeeding with the way individuals live their lives. It is not surprising in light of this to find a strong steer in the narratives of actual and aspiring homeowners that owning is not just a question of being respectable and respected: it is also about self-respect, getting (back) on your own feet, and doing the 'right thing' as a citizen.

There is also a sense within these *Housing for Health* narratives, and again consistent with the normalisation thesis, that owning is a marker of distinction from renting: that owner-occupation is a gateway to nicer neighbours, better schools, and so on; that owners are, as Flint (2003) puts it, "autonomous individuals, capable of self government", forming an Other to renters, who are "dependent individuals to be targeted for government intervention" (page 615). But what is striking here is the considerable evidence that younger cohorts of owners—perhaps because they are becoming more critical, more knowledgeable, more politicised, more astute as the housing market 'matures'—do not regard owning as 'natural', however much it might have become the norm. Most notably, whereas the literature around ethopolitics tends to emphasise its discursive powers, *Housing for Health* participants refer more often to the technologies of governance which prioritise home purchase. Indeed, most of their talk hinges around *materialities* and *practicalities*: around, for example, the limited quality, condition, and availability of social tenancies; around the uncertain future for renting in the face of impending stock transfers; and so on. As one former tenant noted:

> "I was quite happy jogging along on a rental" (hh47),

what made the difference was

> "all those restrictions and problems, and worrying about who was going to own this property in the future and what state the rents would be" (hh47).

In short there was

> "too much going on that was insecure" (hh47).

There is another set of practical reasons—another part of the architecture of governance—dividing owners from renters around the sentiment that 'you have to have property'. This is again highlighted particularly (though by no means exclusively) by participants in the *Housing for Health* project whose most usual answer (that is, in more than half the cases) to the question 'why buy?' came in the form of positive value-for-money statements about their regular housing outlays, in comparison with those they might have incurred (or, in a few cases, currently do incur) as renters (Smith et al, 2004). The clear steer from this group is that people are buying rather than renting less to inhabit particular visions of citizenship and more because governments make it financially worthwhile by the way they manage costs and subsidies. This group were also asked a variety of questions with a more direct bearing on their views, and/or experiences, of renting. In reply sixty-one out of eighty-four made comments which were coded as 'general drawbacks'. (This does not mean that all the remainder had positive comments: several had not given renting a thought.) Most notably, twenty-seven transcripts explicitly characterise the costs of renting as 'dead money'. This is not the first study to recover that phrase, but two themes are worth elaborating.

First, there is the way in which money dematerialises, for no obvious gain:

"you pay money out week after week and never get anything for it" (hh36).

On the one hand, this expresses the extent to which, by the early 1990s neither public nor private landlords were seen to be offering a service that was up to scratch: rents were high; property was in poor condition; repairs were hard to arrange; and so on. Hence the idea of getting nothing—no proper housing service—for your money. On the other hand, it draws attention to the way in which owners are differentiated from renters because owners are not required to pay for the service aspects of shelter (for example, they are not charged an imputed rent). With this as the yardstick, it is hardly surprising that there is a sense that, as a tenant, you pay rent month after month and "just get nothing back" (hh39).

Second, and more fundamentally, renting is regarded "just money down the drain" (hh67), because, as one owner put it:

"when you've paid your rent, you've no assets left, so you've got nothing" (hh33).

This is a direct reference to the asset and investment—as distinct from consumption—component of owned housing. Not only does the investment component of owning render renting unwise; it also makes it seem unfair. Study participants were astute enough to identify a variety of ways in which renters are financially disadvantaged relative to owners: they have to carry the burden of housing outlays into older age; they might have to fund housing costs from their pension; their rental payments are about 'lining someone else's pockets'. There are many facets woven into the transcripts, but my interpretation overall is that what is typically characterised as the normalisation of homeownership is, at core, about owners' desire to distance themselves not from tenants as people (that is, not from some imagined 'tenant character') but from tenant status—from the very practical, material, raw financial deal they feel the housing system extends to households who rent compared with those who own.

Ethopolitics works both by infusing political discourse with a set of expectations that pick out, prioritise, and reaffirm certain moral sentiments and values, and through technologies of regulation, contractual arrangements, and other styles of formalisation imposed on interpersonal relations. There is a steer in some work on the normalisation of owner-occupation that it is the discursive aspects that matter most: that households are lured into a particular style of accommodation by silver-tongued politicians. The data I have drawn on urge attention back to the materiality of all this—to the technologies and practicalities of regulation which distinguish owners from, and advantage them relative to, renters.

Having made this point, I am not proposing to say much more about the moral economy that apportions respectability and opprobrium between tenure sectors, and which propels the drive to ownership which has transformed the tenure structure of housing and the home lives of households in the last four or five decades. I want to engage instead with the grammars of living that differentiate among homebuyers in a housing system which may be dominated by one tenure sector, but which, within that sector, accommodates a very wide range of households. Indeed, a key theme may no longer be what distinguishes owners from renters: as Peter Malpass (2006) has pointed out, homeowning is no longer exceptional—as a positional good it has diminishing cachet and value. What matters is what kind of owner you are; and this is tied to what kind of asset you own. So I want to comment next on the drift of an ethopolitics of housing whose grammars of living shape the wise and responsible use of money into the respectable art of homemaking. Here I turn to the transcripts from *The Anatomy of a Housing Boom*; to the motivations and behaviours of a single cohort of buyers, who purchased their home in 1998 or 1999.

Banking on housing: creating an "asset holding, property owning democracy"

> "it seemed to us that the more you could put into a property, the more, eventually, you were likely to, to realise" (hb19).

An intriguing tactic in the recent ethopolitics of British housing is epitomised in the way in which 'asset owning' has been inserted into an otherwise well-worn description of homeownership. "Homes are not just places to live" says the government, launching its most recent drive to marketisation (bundled into a package called Homebuy), "they are also assets" (ODPM, 2005, page 10). Accordingly, one aim of Homebuy is "enabling more people to share in increasing asset wealth". Capitalising on the asset component in owned housing is not an innovation: it is, indeed, an enduring theme in the homeownership debate (Forrest and Murie, 1995). However, engaging with this at a time when households hold more wealth in their homes than ever before, my suggestion is that the figure—the character—of the home investor is increasingly privileged, valued, and indeed brought to life, through the ethopolitical governance of countries like the UK.

Owner-occupiers in the UK are distinctive as investors go: they work with a very narrow portfolio and hold a uniquely high proportion of their personal wealth—62%—in their homes (Banks et al, 2002). While this is both risky and riddled with inequality (Hamnett, 1999; Thomas and Dorling, 2004), there is also an extent to which homeownership has been a successful medium-term investment strategy for those households able to sustain it (HM Treasury, 2003). House prices may be notoriously volatile, but Britain has experienced four phases of house-price appreciation since 1970 (with peaks in 1973, 1979, 1989, and perhaps 2006) placing it (alongside Spain) at the top of the OECD league table for average annual increases in real house prices over that period (Catte et al, 2004).

It is not surprising in light of this that there is a growing consensus among some British households that not only is an owned home an important possession to have in a consumer-orientated society, it is also a store of wealth which might profitably be nurtured in a neoliberal marketplace. While some may "resent the way it [home purchase] does, you know, drag money out of people that probably can't afford it" (hb4), on the whole, study participants regard investing in owned homes as a strategy that (like it or not) makes financial sense. This is particularly apparent from the 'housing boom' cohort whose answers to the question 'why buy?' and whose reflections on prices paid, cover similar ground to the other (hh) buyers we spoke to, but contain a decidedly more marked investment theme.

Twenty-eight of the transcripts in this (hb) study contain detailed commentary on the financial pros and cons of buying homes. Even at the turn of the present millennium—that is, before prices rose again by 60% (over the next four years), and before a time when the wealth of many owner-occupiers was accumulating faster in their homes than through their incomes—a spread of homebuyers in the low-priced, medium-priced, and high-priced neighbourhoods included in the present study were thinking about owner-occupation as a financial as well as a housing strategy. They also provide normative justifications for this, often—even among those who have both an owned home and a wider investment portfolio—by drawing explicit contrasts between housing and other savings and investment vehicles.

Although in some times and places, homeowning and housing investment have been more closely coupled for longer—for example, in Australia, where it has long been common (thanks to the tax break of 'negative gearing') to engage in buy-to-let—in these transcripts it is investing in own-homes (being an owner-occupier), not investing in just any residential property, that secures most normative justification. Indeed, there is a tendency for homebuyers to distance themselves from people who buy property to let purely as an investment vehicle, and to disapprove of this as a strategy which drains the market of affordable housing. The range of positive justifications for investing in owned homes refer to such investment as:

Imperative: "You just have to keep money going into your house" (hb9).

Sensible: "It made a lot more sense for us to spend it [an inheritance] on a house than, you know, shove it in the bank, really" (hb20).

Responsible: "Well, we're not ... we're not gamblers" (hb38).

Safe: "It was a case of, well, stocks and shares or property, and we just thought property would be, you know, safer" (hb32).

Useful: "I just felt I wanted to put my money to use ... instead of having it sitting there in a PEP [personal equity plan]" (hb2).

Alex Preda (2004) has written an engaging account of the emergence of 'the investor' as a key (though strangely neglected) figure of capitalism. He shows how, from murky and suspect origins in whim and intrigue, investing (in financial markets) slowly gained respectability. From its roots in gambling, blackmail, and fraud, speculation and investing became a scientific enterprise, a creative social force, and a basic human right. The investor changed from being a shady figure of disrepute into being the respectable face of capitalism:

> "the figure of the investor has to do with capitalism as a justified *and* just order" (Preda, 2004, page 148, original emphasis).

There is scattered talk across the hb transcripts of quite explicit trade-offs between home and stock-market investments, of positive decisions to put cash from windfalls into property, and indeed of rolling cash out of shares into the material of homes. What is intriguing is how, across these discussions, the housing investor is being set up as even more justified and just than the stockbroker: more respectable still than the most rational of speculators. Investing in owned housing and buying stocks and shares are both distinctive because of the way in which they entangle home lives and household affairs with the precarious world of financial markets. The *housing* investor, though, is the figure who wisely distinguishes 'safe' housing investment from riskier styles of money management; the person who is too responsible to gamble; the forward thinker who may hold "cash and PEPs and TESSAs[5] and Unit Trusts and God knows what" for emergencies (hb35), but who, nevertheless, regards the majority of their funds as safest in their home.

Some part of this 'safety' may, of course, be linked to what Keynesian economists like to call 'money illusion': to (in this example) decision making based on nominal prices, without adjusting for inflation. This creates the idea of a steady rise in prices, when in real terms, house prices—especially in the UK—are more volatile even than stock markets. It is also, of course, about time frames and time discounting. At the time of these interviews, the stock market had crashed and a housing boom was underway. So housing investment would have seemed the financially astute option. But there is another kind of reasoning embedded in these transcripts explaining why housing seems to be an exception to the economic generalisation that risk-averse investors avoid

[5] TESSAs were one of the UKs cash-limited tax-free investment accounts; they have now been replaced by ISAs (Individual Savings Accounts).

volatile assets (Bridges et al, 2004). Homes give investments a materiality, a practicality, a usefulness that stocks and shares do not:

"I wanted to have something tangible, and shares you can't see" (hb37).

So even where buyers admit 'you're not always safe with property', the idea that materialising money into homes is 'better' than other ways of investing money, and indeed that it is 'useful'—a lively resource in marked contrast to the 'dead money' that goes into renting, or the 'paper' money that materialises in shares—is pervasive. It is the tangible way to *use* money as well as a means of safe-guarding assets.

So it is that, one way or another, though not always happily, the grammars of living that write owner-occupation have concentrated the personal wealth of the United Kingdom into the market for housing to an unprecedented extent:

"all we've worked for all our lives is in this house, you know, this bricks and mortar" (hh73).

Engaging with homeownership is not simply about securing a preferred housing service, a favoured form of housing consumption, or the most prized of all possessions. Owned homes have become the wrapper for the vast majority of most households' financial assets and investments. As a result, by 2006, the UK stock of owner-occupied homes was worth £3.2×10^{12}. As much as £2.2 trillion of this housing equity is unmortgaged, so that the average owner/buyer across all age ranges has as much as £56 000k of this stored within their home (Smith and Vass, 2004). It is this that accounts for the new-found financial glint in the government's eye, which now sparkles not with the old adage equating property owning and democracy, but with the new mantra of an asset-holding society. This, above all, is what places British households on the brink of a 'complete change of culture' around the ownership of housing and home.

Character shift?

Economists sometimes wonder why people invest so much—everything they have and more—in their own home. And they worry that housing wealth accumulates over the life course and (albeit via reduced housing costs in old age) flows on to the next generation through inheritance. Neither strategy seems rational: it would be more logical to have a diverse investment portfolio, and to spend more personal assets before the end of life. It is hardly surprising that, with a looming pensions gap and a crisis of care in older age, politicians are revisiting this economic logic. What is equally apparent from recent reports is that the public is close behind.

A study by the Council of Mortgage Lenders and Hanover Housing Association (see Smith, 2004; Smith and Vass, 2004), for example, shows that nearly half the homeowners in three age cohorts (aged from 45 to 80) expect to access some of the equity in their homes in retirement. Furthermore, those in their forties and fifties are much more likely to hold this view than those who have already retired: less than half of this (40–50-year-old) group want to leave their whole house as an inheritance, compared with more than two-thirds of the older owners (Smith, 2004). This is consistent with Henley and Disney's (2006) ESRC-funded research which, by analysing the British Household Panel Survey, showed that people under 40-years old in 1993 spent a larger proportion of the wealth they accumulated through housing between 1993 and 1999 than did those who were 55-years old and over. New research funded by the Joseph Rowntree Foundation presents much the same picture (Rowlingson and McKay, 2005). It seems that most middle-aged and younger households do not anticipate passing the entirety of their housing wealth to their heirs: they are planning to spend (some of it) before that time comes.

So, not only is responsible citizenship about the wise and responsible materialisation of money into homes in the interests of long-term well-being, it is also, in the age of asset-based welfare, increasingly about the (prudent) spending of that resource as and when required. Indeed, in the last twenty years it might be argued that the grammars of living around owner-occupation—inscribed by an alliance of markets with politics—have been steadily rewritten in order to meet this aim.

Britain pioneered the process of deregulation required to increased the fungibility (the mobility or exchangeability) of housing wealth, enabling mortgagors to roll cash easily, routinely, and cheaply out of, as well as into, their secured loan—tempting them to spend their housing wealth now, rather than save it for later. This suite of regulatory changes has been coupled with a frenzy of product innovation, introducing ever-more flexible mortgages to the market. It has also been accompanied by a discourse of governance encouraging, indeed celebrating, the British public's lead in taking advantage of new opportunities to withdraw equity from their homes (HM Treasury, 2003).

The result is that housing wealth is no longer a fixed asset: it is mobile in all kinds of ways. It is easier now than it has ever been to withdraw equity by overmortgaging or remortgaging; and with some kinds of (increasingly popular) flexible, offset, and current-account mortgages, such equity can, for no more than the price of a phone call or a visit to the cash machine, be spent on something as large as a new car or as small as a swimsuit. With nominal (though not real) interest rates reaching a 48-year low in 2003, and with secured loans being so much cheaper than others, borrowing against the home has become an easy, obvious, and cost-effective option for owner-occupiers to draw on to fund all kinds of spending. Thus Britain's only comprehensive survey of flexible-mortgage holders shows that, by the turn of the millennium, as many as two thirds of 'flexible' borrowers were regarding their mortgage not just as a debt to be paid but as a way of spending their home. Two in five took the opportunity to overmortgage (by an average of £17 000) when they bought their flexible mortgage; one in three had already rolled their equity out further, rather than saving it for the future; two in five planned to do so soon (Smith et al, 2002). A home of one's own—an owner-occupied home—has become something you have to have, and pour everything into, precisely so that you are in a position to wrest all that you can from it (Benjamin et al, 2004, document a similar situation for the USA).

It might, then, be argued that the grammars of living that constitute homeownership are more rooted in money (its materialisation into housing, its accumulation in housing assets, its ebb and flow between bricks and mortar and spending money) than they have ever been. So, while homeownership has been promoted for more than half a century in Britain on a platform of freedom and choice, the ethopolitics around housing wealth are beginning to define in increasingly specific ways what the responsible exercise of this freedom is about. Owned housing is no longer simply a way of trading high outlays in working life for low housing costs in old age. It is, rather, an active resource—a housing-market solution for the wide range of welfare needs and consumption desires that households experience. Choosing to buy may signal the responsible housing consumer; investing money in, and wresting resource from, owned homes is the mark of an active citizen.

This shift—phrased as it is around freedom, choice, autonomy, and opportunity—is not just about privileging the figure of investor: it is about shaping the whole *character* of owner-occupiers. Melanie White (2005) has talked about the importance of character in the practice of ethological governance. Character, she argues, reflects ideals that are agent, rather than act, centred. If character can be shaped in a particular way—if the 'right' qualities or dispositions can be cultivated and normalised—prescribing the rules for every act is unnecessary. What I have argued in this section is that the character of British households may increasingly be defined by a leaning to homeownership as a mode of wealth of accumulation, and as an asset to draw on;

and it is signalled by an interest in using housing wealth *in a particular set of ways* in order to secure a sense of independence, autonomy, and self-improvement. There is a new financial order around homeownership—and this is merely the start.

Home rules

Notwithstanding the politicised 'grammars of living' that materialise in the occupation of owned housing, there is equally a (micro) politics of everyday life that mediates between the fabric of home and the relations of households. Foucault (1980) wrote of the importance of attending to the 'little tactics of habitat' as well as the 'grand strategies of geopolitics', and David Morley (2003) has argued for the pertinence of this in work on housing and home. These small tactics, moreover, have effects. Alex Preda (2004) argues that 'figures' are not just dispositions to act but have an actancy of their own, which might exceed the field that contains them. White (2005), similarly, is sympathetic to "character's potential for social and political transformation" (page 490). So while Bourdieu (2005) suspects that home purchase is an elaborate trap set by governments to provide the construction industry with a market, it is equally important to recognise that homebuyers have agency of their own. Accordingly, I now explore the possibility that the regulatory changes—the technologies of governance—that made owned homes into a hybrid of money and materials might themselves be subverted, their grammars rewritten, their ethics revised, by the 'home rules' infusing local practices of owner occupation.

A short observation by Jane Jacobs (2003) stirs this imaginary. In an editorial titled "Home rules"—which refers to both the book (Wood and Beck, 1994) and the wider practice—Jacobs is enchanted by the story of how two children helped two authors identify 228 rules governing around seventy objects which define a single room. Puzzled about the book's obscurity, Jacobs describes it as an "extraordinary geography of an ordinary room" (page 260), which takes seriously the way a coffee table gets entangled meaningfully with a moonbeam. The quirky, enigmatic, mercurial qualities of engagement to which this testifies equally set the scene for considering the way in which financial services and housing economics thread savings, spending, and debt through the fabric of housing and home. Coffee tables, moonbeams, credit and cash, hopes and fears, all interleave with the mobilisation and management of a core element of the materiality in owned housing, that is, money or, more properly, that hybrid of cash and asset that homeownership has become.

Engaging fully with this mix of moods, dispositions, materials, and money is the subject of ongoing work.[6] Even governments are hazy on what they expect from housing wealth: currently it is the pot of gold at the end of virtually every ministerial rainbow. I do, however, want to offer three comments on the extent to which current uses of housing equity are in line with, or resistant to the character of ownership embedded in ethopolitical discourse. And while my concern here is with the ideas and practices that can be recovered from qualitative inquiry, it is worth noting that the same general trends are apparent in a more systematic overview of the quantitative evidence for mortgage-equity withdrawal in the UK (Smith and Searle, 2006). In the discussion below I give, first, an account of the (longstanding but declining) inclination to save housing wealth for tomorrow, rather than spend it today. Second, I offer an observation on the undocumented but possibly limited extent to which housing equity is reinvested into homes. I conclude with a thought on what people eventually buy with any cash that drains from the materials of housing into the flow of daily life.

[6] In particular, with colleagues Nicole Cook and Beverley Searle in our ESRC-funded project Banking on Housing; Spending the Home (RES 154-30-116).

On the theme of owned homes in older age:

"I suppose in some ways it's our pension" (hb29).

Most talk about the active use of housing wealth clusters around its relevance in older age: its role as a lump sum, an annuity, or an income stream that takes over—as a substitute for, or supplement to, pensions—as earnings fall off. Interestingly, older age is the one point in people's life trajectory at which such wealth has always been relatively available; and there has, of course, been a heated debate about whether and to what extent it should be exchanged for residential care. Yet, apart from this, the evidence is that equity release, if it occurs at all, has been in the form of trading down. This is typified in comments like:

"We anticipate being here for a lengthy period of time, after which we'll downsize and we would hope to have an asset which has gone up" (hb19).

The market for equity release in situ (reverse mortgages, or equity-share schemes) has always been small, even following a wave of product regulation and a code of conduct negotiated (by SHIP, a company promoting safe home income and equity release plans) with insurers and lenders. Indeed, although the Council of Mortgage Lenders estimates that there is about £460 billion of unmortgaged equity in homes owned by people over the age of 65, equity-release products account for just 0.3% of the mortgage market by value, and barely any of the wealth they might tap into (less than 0.001% has so far been extracted).

There is more to say, and to be done, about housing equity in older age. There may, for example, be a growing trend among mid-life owner-buyers to regard both home purchase and buy-to-let as an alternative to pensions. The buy-to-let strategy is explicitly embraced and encouraged in the new SIPPs (Self-invested Personal Pensions) schemes (though they do not have the tax advantages that once were on the cards). Crucially, though, there are other plans for housing wealth. In fact, the consensus, in a world where governments suggest rather than regulate, is that instead of saving their housing wealth for later, homebuyers—especially the younger cohorts—tend to be spending it now, raising the thorny question over how much will, in the end, be available to fund retirement.

On the question of asset-shoring:

"We're just about to put some more investment into it [owned home] … we're committed to the place and we'll put a bit more money into the fabric" (hb29).

As the 20th century wound down, governments geared up to the assertion that, because owned homes are a financial asset as well as a housing service, individual owner-occupiers are the ones responsible for maintaining the quality and condition of the stock. This line of argument runs through virtually every government document on housing produced in the last five years. Given the extent to which enhancing value has become a centrepiece of household activity, this may seem an easy goal to score. Homemaking is at least partly, and possibly increasingly, about adding financial value to property; adding financial value to property is partly about putting money into materials:

"We've also undertaken a fair number of refurbishments. And that, hopefully, will increase the value again" (hb62).

This is, of course, a contextual rather than universal tendency: Forrest and Kennet (1996) found financial gain to be low on people's priorities during a period of negative equity; Winstanley et al (2002), working in New Zealand, teased out a range of values other than financial which merit investigation. And our current work on mortgage-equity withdrawal shows that, even in the UK, financial values are rarely the only bottom line. Nevertheless, as home life congeals into adding value, it is not surprising that surveys and statistics show how between a third and a half of the housing equity cashed in as secured loans is reinvested into housing.

This is fortunate because reinvestment from equity withdrawal is one of the main ways in which the established owner-occupied housing stock is sustained. What is surprising is that there is no steer for mortgage holders on how to manage their housing wealth to achieve this end. For owner-occupiers (in contrast to social landlords) there are no targets set for reinvestment; no warnings or guidelines are issued to householders about how to spend their housing wealth; and—especially when prices are rising rapidly—there are no effective penalties in the housing market for failing to keep the property up to scratch. 'Quality, condition, repair' does not have the same ring as 'location, location, location' in the world of estate agency. And in a 'changing rooms' culture, whose signifiers for adding value may connect only tangentially with the kind of investment needed to safeguard and regenerate the stock, the extent and nature of any reinvestment that does occur is wide open to question.

Most surveys currently monitor only (if anything) the split between equity withdrawal that is reinvested and equity withdrawal that is spent on other things. There is very little information on what this reinvestment consists of. There is, for example, little of note in the literature concerning householders' knowledge, capabilities, and inclinations to use housing wealth to secure the long-term quality, condition, and value of dwelling. There is, on the other hand, the power of 'GLAMS'. Channel 5 property programmers in the UK identify GLAMS (gorgeous lifestyle accessory must-haves, such as espresso machines and plasma TV screens) as third in the top "Twenty quickest ways to make money on your property" (Channel 5, 5 November 2004). Installing appropriate GLAMS can, the programmers suggest, add as much as £15 000 to the sale price of the average home. This is nearly three times as much as the gain from adding a WC, twice as much as from installing a new kitchen, and a third more than the value added by painting and cleaning. This may be a financially astute pathway for withdrawn housing equity; it may be key to moulding housing into home. But it is hardly maintaining the national stock of dwellings.

Dematerialising money:

> "You can always release some of the equity in your home to go off and do whatever projects you might have in mind" (hb45).

There is nothing in legislation, in lenders' regulatory regimes, or (insofar as there is any evidence about this) in local cultural norms, to prevent the 'leakage' of housing equity into other things. Nor is there a sense of whether or not this matters. But if between a third and a half of the gross equity released from housing is reinvested into the stock, then at least half may flow into other things in ways that have little active governance or regulation. In fact, among those interviewed in a recent survey of flexible-mortgage holders—that is, among borrowers choosing the kind of mortgage designed to make equity release easier—only one in three of those who withdrew any equity spent it mainly on their home. Two thirds used it to service other debts, or to buy treats and luxuries (Smith et al, 2002). It is not, therefore, surprising that one of the most noted uses for housing wealth in recent years has been its role in boosting consumption. This 'housing-wealth effect'—drawing on housing equity to raise consumption above the levels driven by earned incomes alone—may be what bailed out the Anglo-American economies, and particularly that of the UK, through recent world recession (Catte et al, 2004; Deep and Domanski, 2002).

So far, however, there has been relatively little analysis of precisely what this spending consists of. It might be about boosting day-to-day subsistence; it could be about self-provisioned safety nets (Smith and Ford, 2002). It may be about the giving and receiving of care; it could be about diverting housing wealth into other investments (including property overseas); it might be about furnishings and fittings, garden design or bringing technological revolution to the living room. It will certainly include consolidating debts—a process which is better regulated in the UK than in the USA (where it has been implicated in the 'asset stripping' of poor sectors of US cities), but which still shows worrying signs. And it contains an opportunity to make the very best of high days and holidays. The balance of spend is the subject of ongoing research, but one thing is already clear: while quantitative research hints at the many ways in which householders are learning to use their housing wealth imaginatively, qualitative enquiry indicates that what happens to housing assets may be as closely linked to improvised home rules as to politically inspired grammars of living.

This could have radical potential. On the one hand, a round-up of home rules takes us into some familiar territory around gender relations, ableism and disability, generational politics, and so on. How households negotiate budgets, and more generally manage the process of mortgage-equity withdrawal, is tied into all the usual inequalities and imbalances in the control of domestic power. But, on the other hand, the various 'rules' around the accumulation and depreciation of housing wealth offer insights into other lay practices—alternative performances of normative ideas, alternative market ethics—which Andrew Sayer (2003) argues are often missed by academics and politicians alike. In the study of *Housing for Health*, to take one of several possible examples, we have argued that, despite its individuation, the owner-occupied housing market is actively excavated for its caring qualities by households who depend on owned homes to manage ill health (Easterlow and Smith, 2004).

More generally, while governments may feel it is wise to invest as much into housing as possible, and to use the gains to supplement earned incomes (Smith, 2005c), there is—in the current policy environment at least—no guarantee that, once housing equity is set free, it will be used in the ways which policymakers anticipate or hope. There is every opportunity for attitudes to, and practices around, housing wealth—for the insertion of housing wealth into the management of savings, spending, and debt, its deployment in the home, its role in energising restless domestic interiors, its significance in animating the traffic in things, its leakage into other spaces, places, and experiences—to subvert, rewrite, or remake the grammars of owner-occupation. And this, as I suggested at the outset, has enormous implications for the neoliberal way of life. If, for example, behaviour in housing markets turned out to be more care-full than governments anticipate—if, say, it were inspired by cooperation and relatedness rather than competitive individualism—then the normative content of home rules might radically revise the existing neoliberal steer. This, by an ironic twist of how life *is*, might make the Chancellor of the Exchequer right to say that "the public square is more than a marketplace" (Brown, 2005); it might, notwithstanding the opposition embedded in technologies of governance, realise Gordon Brown's claim that we are, in the end, bound together by "a shared commitment to the ethics of duty, service and care". More critically still, it might put other normative ideals on the agenda. This is of course an empirical question which, in the end, needs an empirical answer; but first, it must be seriously asked.

Conclusion

This paper is about the prospects and potential of confronting an ethopolitics of housing with a micropolitics of home. It is about an encounter between the 'grammars of living' for owner-occupation (which increasingly hinge around the asset value of housing) and the 'rules of the game' negotiated by households as they engage in the meanings, materiality, and multiple values associated with homeownership.

The discussion untangles the hybrid of money and materials that constitute owned homes in the competition economies of a neoliberal world; and draws attention to the lay practices that engage with political culture to position both housing and home on the brink of something new. Home rules, I suggest, are not (just) about parroting political wisdoms: they also lay the groundwork for performing markets differently. And this is a powerful place to be, particularly if the materialisation of home into the fabric of housing really does sum up all of life: because if *it* changed, everything would change; and of course, by changing it, everything else can be altered.

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