

The model of tenure choice throughout the household life cycle

Finding a way to satisfy their housing needs is one of the biggest decisions made by households throughout their life cycle. The living environment satisfies a wide range of needs, including physiological or safety needs, but also the need for social recognition, which accompany humans through their whole lives. In this respect, a housing unit is a consumer product. It is also capital-intensive, and the assets allocated in a residential purchase are characterised by low liquidity. Therefore, households may satisfy their housing needs by purchasing or renting a residence, or by living together with another household. Against other European Union states, Poland has a high proportion of households living in their own housing units, with a relatively low share of the rental market, which is strongly characterised by non-market rental. Changes in housing policy, gradual reduction in publicly-supported housing supply, and the expansion of the real estate developer market are among the main factors which shape the structure of households' residential statuses in Poland's developing market economy. As a results, through 2006-2017 the proportion of households owning their residences increased from 62 to 84%. Over the analysed period, the private rental market also showed a slow progress. This may be interpreted as an increase in the housing sector's flexibility.

Nevertheless, there is still a deficit in solid knowledge about the factors shaping the housing status of Polish households and how the significance of particular determinants changed over the development of the country's market economy. Research conducted to date has shown that the conditions of owning a housing unit and the preferences in this respect change with the age and socio-demographic status of the household. Getting married or divorced, as well as having children have a dominating impact on a household's housing situation. However, these factors do not explain the differences between households at the same life cycle stage. That is why the author of the proposed research focuses on analysing those factors which determine whether a household decides to own or rent a house at a specific stage in life. In order to obtain clear results and to make them useful in further examinations of the macroeconomic factors shaping the residential markets, the research will focus on three phases of a household life cycle: growth, stability, and reduction.

The project aims at examining how particular factors which shape the tenure choices of Poles evolved over the recent years. That is why the author plans to repeat the research for the following years: 2006, 2010, 2014 and 2018. Such analysis would indicate which factors gain or lose significance in determining residential status as market economy develops. It may also prove useful to compare the obtained results with the findings in other post-transformation states.

The research will be conducted using data collected within *the European Union Statistics on Income and Living Conditions* (EU-SILC). The author of the study hopes to contribute to explaining and furthering the understanding of individual decisions of households shape the mechanisms observed in the entire economy of the residential market. This stems from the idea that clarifying the processes occurring in the real estate development market, rental market, the mortgage and other markets, it is necessary to identify the reasons for the decisions made by individuals which, in aggregate, construct the economic balance in the market of goods and services related to the housing sector.