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Hulya Dagdeviren & Jiayi Balasuriya

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Hulya Dagdeviren and Jiayi Balasuriya

Hertfordshire Business School, University of Hertfordshire, Hatfield, UK

ABSTRACT

This article engages with recent literature on the class-based underpinnings of domestic property ownership, using data from the British Wealth and Assets Survey. Specifically, it explores the potential rise in 'living off rent', as argued by some studies. Moving beyond the conventional emphasis on property ownership in relation to income or wealth inequality, this study offers a novel perspective by examining domestic property as a source of rental income, owner-occupation, and investment across occupational classes, with particular attention to geographic location. The findings show that the sharpest class divide in domestic property ownership exists between the traditional working class and all other groups. 'Living off rent' is rare amongst the working class and remains minute amongst professional and technical workers as well as managers and employers. Place-based inequalities appear more pronounced than class-based inequalities related to property wealth and rental earnings.

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Introduction

While owner occupation, supported by mortgages, was once seen as an equalising force in wealth distribution (Causa *et al*. 2019), this effect has diminished after the 1990s. Recent research shed light on escalating disparities in housing and domestic property wealth. The continuing rise in house prices in countries such as Australia, the Netherlands and the UK has been accompanied by declining owner occupation in the aftermath of the global financial crisis (GFC) (Arundel and Ronald 2021, Smith *et al*. 2022, Ryan-Collins 2022, Hochstenbach and Aalbers 2023). There is compelling evidence that housing inequality has a significant intergenerational dimension with younger age groups facing considerable disadvantages (Köppe 2017, Christophers 2018, Hochstenbach 2018).

Emerging research on class-based inequalities highlights the pivotal role of housing investments in social stratification, particularly by enabling mobility into rentier positions (Adkins *et al*. 2021). Our study seeks to contribute to this strand of research on housing inequalities, residential property wealth and social class. From a theoretical perspective, the study investigates whether domestic property may influence the class position of property owners independently of their labour market position. The class dynamics

CONTACT Jiayi Balasuriya j.balasuriya@herts.ac.uk University of Hertfordshire, Mosquito Way, Hatfield AL10 9EU, UK

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inherent in residential property ownership, as well as the potential for working-class individuals to become landlords through attractive mortgages – and earn substantially more in rents than from wages – have been discussed by Adkins *et al*. (2021). Thus far, few studies have explored this question but primarily within the broader context of income and wealth inequalities. For example, the class analysis by Hochstenbach (2022) involved mapping the concentration of property wealth against the concentration of income and overall wealth. One dimension of these debates relates to the rising property wealth inequalities associated with owner occupation. Another, perhaps even more crucial, element is the growing private rental sector, which reflects both an affordability crisis for some and lucrative rent opportunities for others (Arundel 2017).

This article contributes to the debates on class and domestic property ownership in three ways. First, it provides evidence regarding the occupational class status of individual landlords. Focusing on individual landlords is crucial as they play a major role in the private rental sector for residential properties, primarily due to the accessibility of mortgages and the widespread incentivisation of property ownership in many countries (Ronald and Kadi 2018). Second, it examines the proposition that property markets facilitate class mobility. Finally, recognising that housing market dynamics vary by location, the study explores whether residential property ownership exhibits unique place-based class attributes.

This research focuses on Britain, where the wealth of the top one per cent income group has grown by 42 per cent since the early years of the Global Financial Crisis (GFC). The analysis draws on ownership data for rented properties from the British Wealth and Assets Survey (WAS), covering the period from 2018 to 2020. The findings reveal that the sharpest class divide in rental property ownership and earnings is between the traditional working class and all other groups. In general, the traditional working class has a distinctively minor position in terms of rental property ownership, wealth and rental incomes.

This challenges the arguments, suggesting a broad trend of upward class mobility into rentier positions, where individuals earn substantially more from rents than from wages under financialised capitalism. London and the South East emerge as favoured investment locations across all social classes, except for the traditional working class. Notably, 'living off rent' is not widespread among individual landlords, regardless of class. Instead, employment remains the primary source of both income and property acquisition. Overall, the findings underscore the role of property ownership in reinforcing social stratification for those earning rental income, rather than facilitating a shift in class status.

The paper is organised as follows: the next section provides a review of the literature on class, domestic property and drivers of recent trends in property wealth inequality. This is followed by a discussion of the methods and the data. The subsequent section presents an analysis of the survey estimates and the results. The final section highlights the key conclusions of the study.

Class-based ownership: a review of literature

From a theoretical standpoint, discussions on class-based property relations conventionally draw on Marxist and Weberian conceptualisations. The Marxist approach emphasises the ownership of the means of production, the hiring and selling of labour power, the expropriation of surplus value and exploitation (Marx 1867, Wright and Perrone 1977, Wright 1999). Conversely, the Weberian perspective underscores the importance of

market power, especially in relation to property ownership and labour status (Weber 2013). In this view, home ownership and housing wealth have the potential to influence or transform class dynamics in society (Saunders 1978).

There exists a longstanding recognition that class structure has undergone significant transformation. Notably, research undertaken at Nuffield College by Goldthorpe *et al*. (1969) extended the Weberian framework to include a 'managerial class', further dividing it into top, middle and lower managers and supervisors, to account for the growing importance of the separation between ownership and control. Marxist scholars such as Erik Ohlin Wright introduced similar revisions, highlighting decision-making authority, control over workers, hierarchical position and autonomy in production relations (Wolff and Zacharias 2013, Wright *et al*. 1982).

The role of domestic property in the evolving class structure has been an important aspect of these debates, especially amongst Weberian scholars. For instance, Saunders (1978) argued that owner-occupation could be a source of accumulation through capital gains on property value. Thus, he divided 'property classes' into:

> … those who live off domestic property (the suppliers of housing, those who live in it (tenants) and those who do both (owner-occupiers). (p. 246)

In his 1984 article, in response to criticisms[1], Saunders acknowledged that homeownership served as a basis for social stratification, conceding that class status only arises from production relations. Nonetheless, he maintained that homeownership has independent effects on wealth accumulation and is therefore exploitative.

Partly influenced by the continuing search for a more realistic class analysis that captures contemporary trends within and beyond employment relations, several recent studies have revisited the links amongst housing, wealth and class. This renewed emphasis on class and wealth inequalities aligns with existing research on the concentration of wealth (Piketty 2014), evolving labour market conditions and precarity (Standing 2011, 2016) and the changing forms of social classes (Savage *et al*. 2015). Notably, a study by Adkins *et al*. (2021) argued that deepening wealth inequalities, stemming from housing and property wealth, have significant class dynamics:

> Important class differences exist within the population of asset holders, with owner-occupiers distinct from owners of investment properties and outright owners distinct from prospective, indebted owners. (p. 564)

The study refers to both the stratifying and the class-forming effects of property ownership, asserting that asset ownership and intergenerational transfers can sideline employment relations, potentially enabling class mobility as some lower-income individuals move into higher wealth brackets. The authors stress the role of credit expansion in fuelling house prices and wealth inequalities, especially for buy-to-let investors in the pre-GFC period. In a critical review, Christophers (2021) challenged the primacy of property over employment in shaping the class status of individuals: '… while employment is not always sufficient for home ownership … it is typically a necessary one' (p. 10).

This revived interest in class-based underpinnings of residential investment, whether for owner-occupation or renting, reflects several interconnected developments. The primary among these is the secular decline in owner-occupation over the last three decades across Anglophone countries, with notable locational variations within and

across countries. Research shows that in the US, Australia and the UK owner occupation declined from approximately 65–72 per cent to a range of 59–64 per cent (Smith *et al*. 2022, Arundel and Ronald 2021). Notably, part of this decline is attributed to the exclusion of younger generations due to unaffordable house prices and poorer employment conditions (Hochstenbach and Arundel 2021, Whitehead and Williams 2011, Johnston *et al*. 2021). These inequalities have contributed to the emergence of a housing precariat with an unstable trajectory, falling outside the idealised housing path of mortgaging, paying off and becoming owner-occupiers. Instead, they drop out, live with their parents or return to renting (Wood, *et al*. 2017, Köppe 2017, Ong *et al*. 2021).

The second development, closely connected to the first, pertains to the escalating demand for private renting, especially in large, urbanised towns. On the one hand, workers grappling with precarious employment and limited earnings were compelled to turn to private renting partly because of declining investment in social housing and the privatisation of the existing social housing stocks since the 1980s in many countries in the Global North (Kemp 2015, Arundel 2017, Hochstenbach 2022, Wainwright and Manville 2024). On the other hand, speculative dynamics in the housing market since the 1990s have led to a housing affordability crisis, especially for younger generations, some of whom are permanently trapped in a 'generation rent' status due to the combination of high house prices and low earnings (Montgomerie and Büdenbender 2015, Raviv 2021). Beyond these forces, two institutional developments have played an important role in the revival of the private rental sector (PRS), reversing its downward trajectory from the early to the late twentieth century (Aalbers *et al*. 2021, Brill and Ozogul 2021). One is the relaxation or removal of restrictive regulations on the PRS, and the other is the advent of buy-to-let mortgages (Leyshon and French 2009, Lowe *et al*. 2011, Kemp 2015, Paccoud 2017, Ronald and Kadi 2018). These factors have been crucial for financing property development and acquisition as well as increasing profitability in the rental market.

Thus, private landlords are of central interest for scholars researching class-property nexus with respect to residential property ownership. On the one hand, there are institutional landlords, including real estate investment trusts (REITs) and property development firms, which draw on the yield-seeking capital of institutional investors such as pension funds (Sanfelici and Magnani 2023, Aalbers *et al*. 2023, Bradley 2023, Brill and Ozogul 2021, O'Callaghan and McGuirk 2021). On the other hand, there are individual landlords who also play a pivotal role in the residential market. This group primarily consists of small-scale property owners, in contrast to the predominantly medium and large-scale institutional landlords (Paccoud 2020, Arundel 2017). In the UK, approximately 90 per cent of landlords are individual landlords (Ronald and Kadi 2018, p.791).

There is no controversy regarding the class position of the institutional landlords. Corporations investing in land and property development are capitalist entities both in Weberian and Marxist conceptualisations of class, creating surplus value (and profits) through employment and exploitation of labour as well as leveraging their market power, derived from their control over the labour process and property. Other institutional actors, such as property management companies, letting agencies, real estate investment trusts, and buy-to-rent investors are also capitalist by way of engaging in rent extraction or asset-based speculation.

The challenge lies in deconstructing the class position of individual landlords. From a Weberian perspective, while the interaction between labour market position and asset

ownership is acknowledged, the possession of housing assets is expected to exert an independent influence and lead to class mobility (Adkins *et al*. 2021). It is argued that the long-term tendency of house prices to appreciate more than those of other assets and commodities, combined with easy access to attractive mortgages, may lead to class mobility (e.g. from working class to rentier positions) or social stratification (workers with and without domestic property). The question is whether this view has significant empirical validity, arising from systemic tendencies within capitalism, enabling moves from the working class into predominantly a rentier position, for example, through access to mortgages. We return to this question following the discussion of empirical results.

Empirical evidence on the ascendance of landlords and the intricate relationship between class and property positions is notably scarce. One of the studies addressing this issue is by Hochstenbach (2022), who employs three key markers – income, wealth and neighbourhood position – to delineate the class-property nexus and construct profiles of landlords in the Netherlands. The findings reveal that a substantial majority of Dutch landlords are small property owners, often possessing just one property. The conclusion is that residential property ownership in the PRS has a stratifying effect. Another study, by Goldstein and Tian (2022), investigates the validity of Piketty's (2014) argument about the ascendance of a 'petty-rentier' class by examining the broader forms of 'rental' earnings – including interest rates, dividends, royalties and property rents – across 29 countries since 1998. Interestingly, their evidence points to a decline in the petty-rentier class. In Britain, Soaita *et al*. (2017) found that many small portfolio landlords invest in rental property as a vehicle to support retirement income. Analysing data from the British Wealth and Assets Survey, Arundel (2017) showed that approximately half of all individual landlords are positioned in the top decile of property wealth and household income.

This article contributes to the ongoing debates in two ways. Firstly, the class-property nexus has so far been discussed in relation to the elite, often framed with reference to the top 1% income group, asset management companies, real estate investment funds or other financial actors (Hoschstenbach and Aalbers 2023, Fields 2018). In this study, paying attention to locational differences, we focus on occupational class status rather than income or overall wealth status. To our knowledge, this has not been investigated so far. Secondly, identifying individual property owners with rental incomes, the study examines the interface between landlord status and class position, as well as exploring the patterns of 'living off rent' across the class divide.

Method and data

This study focuses on individual landlords to evaluate class-property dynamics and assess if housing markets involve systemic tendencies for working-class households to enter private rental markets and earn a living from rent extraction. Thus, individual landlords are divided into two categories as outlined in Figure 1:

a) Landlords with other occupations and associated class positions. Rental income for this group adds up to earnings from other occupations.
b) Landlords who live off rent, as pointed out by Saunders (1978) earlier and Adkins *et al*. (2021) more recently.

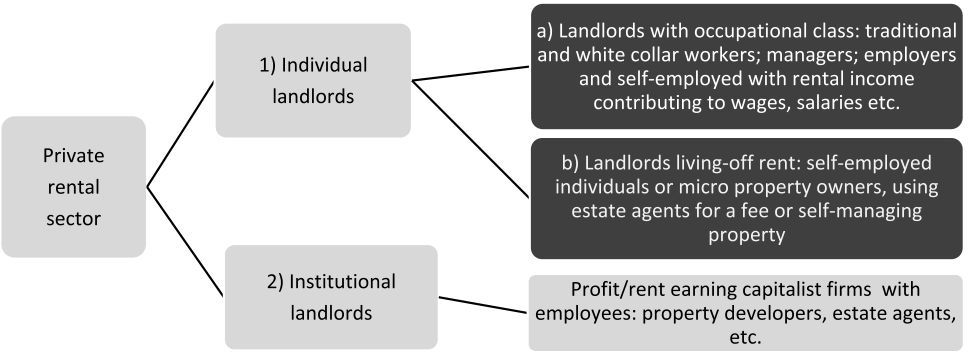


Figure 1. Class and landlords in the private rental sector.

The analysis is based on the Wealth and Assets Surveys (WAS), a longitudinal household survey conducted biannually across Britain by the Office for National Statistics (ONS) since 2006. At the time of writing this article, the WAS spanned seven waves with the latest survey covering the 2018–20 period, just before the onset of the pandemic in Britain[2]. A three-stage process was implemented to identify the landlord status of the WAS respondents in line with Figure 1. Firstly, respondents who owned property other than their primary residence were identified. Secondly, individuals, earning rental income from extra property were isolated. Thirdly, individuals for whom rental income constituted a large proportion of overall earnings (more than 75 per cent) were identified as landlords living off rents.

Various class schemes grounded in Weberian (Goldthorpe and Lockwood 1963, Goldthorpe *et al*. 1967), Marxist (Wright *et al*. 1982) and Bourdieuian perspectives (Savage *et al*. 2015) are available in the existing literature. In Britain, the Nuffield class scheme, known as the National Statistics Socio-Economic Classification (NSSEC), reflects the long-term efforts of Goldthorpe and his associates (Goldthorpe *et al*. 1969). It is the most established occupational class system, employed in a diverse array of surveys conducted by the ONS. Within the WAS, respondents' social class is reported in 17 distinct categories based on the NSSEC. In this study, they are combined into four major categories as shown in Table 1.

This consolidation is based on three criteria. First, whether the respondent is an employee, employer, or self-employed. Second, if an employee, whether the respondent has control over the production process and the working conditions of others, as a manager. Third, if an employee, whether the respondent has technical or professional skills/experience that may enhance her earnings and allow for some control over the labour process. Using this classification, we estimate that 30 per cent of respondents belonged to the traditional working class, 46 per cent to professional and skilled workers, 12 per cent were self-employed, and a further 12 per cent were employers and managers. Self-employment stands as a distinctive category in which the respondent is neither an employee nor an employer. By virtue of not employing hired workers, self-employed individuals are not capitalists, but as landlords, they could be rentiers, 'living off' property without any other occupation.

Table 1. NSSEC categories[a].

WAS codes	Employers and managers	Abbreviation
1	Employers in large establishments	Emp & Man
2	Higher managerial and admin occupations	
5	Lower managerial and admin occupations	
8.1 and 8.2	Employers in small establishments	
	Professionals and skilled intermediate workers	
3.1 and 3.2.	Higher professionals	Profs & Skilled
4.1 and 4.2.	Lower professionals	
6 and 10	Supervisors	
From 7.1–7.4	Intermediate admin, sales, service, technical workers & engineers	
	Self-employed	
3.3. and 3.4	Higher professional self-employed	Self-emp
4.3. and 4.4.	Lower professional and technical self-employed	
9.1.	Non-professional self-employed	
9.2.	Self-employed in agriculture	
	Traditional workers	
11.1 and 11.2	Lower technical craft and operative work	Workers
From 12.1 to 12.7	Semi-routine clerical, sales, service, technical, operative and agricultural work	
From 13.1 to 13.5	Routine clerical, sales, service, production, technical, operative & agricultural work	

[a]While lower managerial occupations could potentially fall under the professional and skilled worker category, our examination of their property ownership structure revealed a closer resemblance to that of employers and managers. Therefore, we decided to categorise them within the employers and managerial class.

The study employs indicators of incidence (who owns extra property and rents it out), concentration (what proportion of extra property and wealth is owned by which class) and the relative rental earnings. Occupational class status is assigned to individual household members in the WAS data. However, residential property – including property other than the primary home – may be jointly owned by multiple members of the same household. This may lead to double-counting, resulting in inflated incidence of ownership and overestimated rents or wealth. To address this potential bias, the analysis focuses on Household Reference Persons (HRPs). The WAS defines the HRP as the person responsible for owning or renting property or who is otherwise responsible for the accommodation[3]. Focusing on HRPs avoids the possibility of double-counting household property and rental income while appropriately assigning the class status to an individual (i.e., the household representative person).

Mapping individual landlords by occupational class in Britain

The context: the property ladder and class

The British housing system exhibits a pronounced class-based divide with more than half of traditional workers residing in rented accommodation. In contrast, most employers and managers, professional and skilled workers, as well as the self-employed, are owner-occupiers with or without mortgages (Figure 2a). The unaffordability of housing, deteriorating employment conditions, stagnant wages, and the dwindling supply of social housing (Wainright and Manville 2024, Arundel 2017) have prevented many from stepping up on the property ladder. As a result, owner occupation has been declining in Britain in line with the experience in some other advanced capitalist economies. Longer-term estimates indicate that the ownership rate peaked at 71 per cent in 2005 (Ronald and Kadi 2018).

Our estimates, based on WAS data, highlight several crucial developments. First, post GFC, overall homeownership continued to decline (by 23 percentage points) from 2006–8

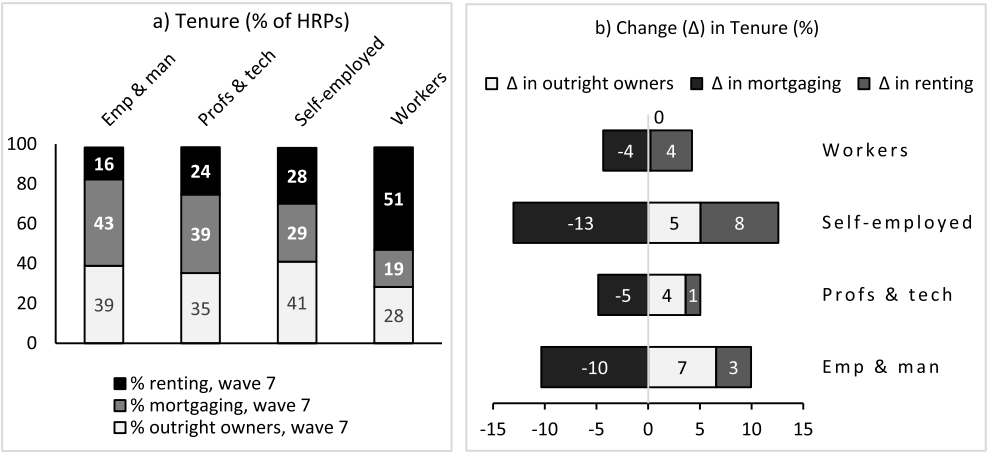


Figure 2. Class, tenure & change from Wave 1 to Wave 7 (weighted data).

Note: The aggregation of different forms of tenure across classes do not add up to 100% because a very small proportion of the population is shown in the 'living rent-free' category (e.g. living with friends and family). The terminology with respect to period of surveys changed from 'Wave' to 'Round' in the WAS after 2014. For simplicity, we use the term 'Wave' for all periods.

(Wave 1) to 2018–20 (Wave 7) with 66 per cent of HRPs either owning their homes outright or with mortgages in the latter period. Second, a significant proportion of this decline (40 per cent) is accounted for by the traditional working classes. An examination of the shifts in housing tenure (Figure 2b) shows that the post-GFC decline in owner occupation with mortgages is entirely counterbalanced for this class by a greater incidence of renting with no gain in outright ownership levels. Note that although the shift from mortgages to renting seems small for this class in Figure 2b, because of the greater weight assigned to traditional working-class HRPs in the total population, their impact on overall tenure patterns is greater than that of other classes, except for professional and technical workers.

Thirdly, owner occupation with mortgages declined for all classes at varying levels. This reflects several tendencies. One is that younger respondents entering HRP positions between Wave 1 and Wave 7 have been more likely to rent due to poorer employment conditions, inadequate social housing and unaffordable house prices as mentioned above. Indeed, our estimates show that more than half of the below 35 age group rent. While more than two-thirds of the 65 + age group own homes outright, outright home ownership prevails among merely 3 per cent of the below 35 age group (See Figure A1 in the Appendix). Another tendency is that the proportion of mortgage holders declined across all classes. For some, this decline corresponds to a transition into outright ownership, while for others, the move was into renting. The overall trends in Figure 2b point to rising outright ownership amongst employers, managers and professionals. For the self-employed, the ownership outcomes are polarised. More were driven out of the property market into renting with a smaller proportion graduating from mortgage holding into outright ownership. At the household level, most property wealth in Britain is concentrated in owner-occupied property rather than in second homes or rented property[4].

Who are extra property owners?

It is widely recognised that the private rented sector (PRS) has been on the rise because of the declining availability of social housing (Wainright and Manville 2024), the unaffordability of house prices for younger and low-income workers, and the lack of savings for down payments. Rising house prices, partly fuelled by extra property ownership beyond primary homes, have squeezed out first-time buyers and kept them reliant on renting (Cole *et al*. 2016). In essence, therefore, rising demand for private renting on the one hand and the advent of buy-to-let mortgages on the other, along with the legal flexibilities afforded to landlords, have stimulated the expansion of the private renting sector (Leyshon and French 2009) in line with similar developments observed in Europe (Aalbers *et al*. 2021).

Although a relatively small proportion of households (12 per cent) in Britain own property other than their primary residence with or without a mortgage (WAS data for 2018-20), the current market structure in the PRS is largely composed of individual landlords[5]. Rental income estimate for 2023 in the UK Bluebook data is given as £94.8 billion, of which 52 per cent is earned by households, 36 per cent by private corporations and the rest by the public and quasi-public entities[6].

Half of all extra property holdings are buy-to-let properties, while one-third are second homes[7]. This partly reflects the perception of property as a 'safe investment' with strong growth potential both in terms of rental income and asset value (Kadi *et al*. 2020). Mortgages play a crucial role in the acquisition of additional residential property, approximately half of which were financed through borrowing based on the latest WAS data available at the time of our analysis. The remainder are outright owned. Most individual landlords in Britain are small-scale property owners: more than 40 per cent have only one property (EPLS 2022).

The hierarchy of extra property ownership in Figure 3 is indicative of the earning structure associated with occupational class status. Pronounced distributional inequalities

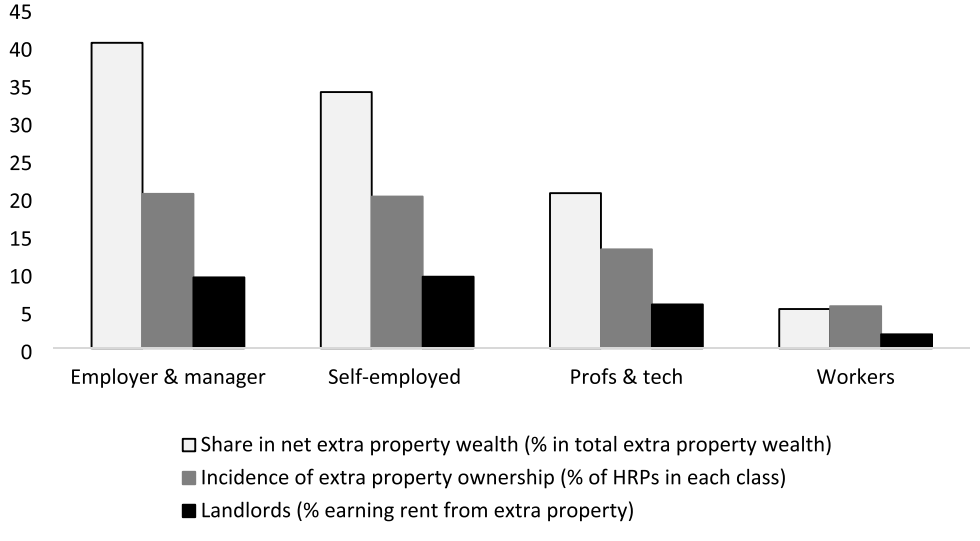


Figure 3. Selected indicators of extra property ownership in Britain (2018-20, weighted estimates).
Note: Net property wealth is the difference between property values and the outstanding mortgage values on them.

exist, with employers, managers, and the self-employed claiming the largest share of all net wealth in extra property (74 per cent) across all parts of Britain. A small proportion of net wealth in extra property belongs to the traditional workers. Approximately one in five employers, managers, and the self-employed own extra property. The same estimate for traditional workers is around one in twenty[8]. Close to ten per cent of HRPs in employer, manager, and self-employed categories are landlords with rental income, whereas only a minute proportion of the traditional working class with extra property are landlords (1.8 per cent).

The significance of property ownership by the self-employed is intriguing. This is partly because this group is considered to include workers with precarious terms and conditions, allowing employers greater flexibility and limited responsibility for work-related benefits (Auguste *et al*. 2023, Moisander *et al*. 2018). Closer examination of data showed that the estimates for this category partly reflect greater additional property ownership amongst the self-employed engaged in agriculture. Figure A2 in the appendix provides this insight by breaking down extra property ownership by professional and non-professional self-employed in addition to the self-employed HRPs in the agricultural sector. The incidence of extra property ownership is greatest amongst the self-employed in the agricultural sector (41%), followed by those with professional occupations. Across these groups, between 8 and 18 per cent are landlords with rental income.

The tendency to own extra property and be a landlord is highly sensitive to location as shown in Table A1 in the Appendix. London and the South are the preferred investment destinations for employers, managers, self-employed individuals, and professional and skilled workers. In contrast, the traditional working class has a higher incidence of extra property ownership in the East and in Wales. The popularity of Wales as a destination for the traditional working class to own additional property can be attributed to the country's class structure, which features a larger working-class population than that of the rest of Britain[9]. Moreover, the more affordable house prices in Wales contribute to their appeal to the working classes. The East is likely to serve as a more affordable alternative investment destination compared to London.

Landlords, rental earnings and class

A very small proportion of all HRPs in Britain is landlords (5.5 per cent) by way of earning rental income from property. Of those who own extra property, approximately 44 per cent have rental incomes, regardless of their occupational position. While this is significant, it also implies that a substantial fraction of additional property is intended for personal use, such as second homes, investment, or supporting relatives. Notably, in London, a large proportion of extra property holders are not landlords. The owners of some of these properties are possibly asset-rich individuals who are more interested in the rising property value in the longer term rather than rental income or cash flow. Other unrented additional property holdings in London may represent parental support for housing in a city where both rents and house prices are unaffordable for many young people[10]. In comparison, the use of additional property for rental purposes is more prevalent in the South and least prevalent in Scotland. The traditional working class has lower incidences of renting out additional property, but this is a regionally varied situation.

How are rental earnings associated with the location of the property? To explore this, we focused on three areas in England: the North, the Midlands, and the South, to avoid outlier effects. Rental earnings by landlords are presented in two ways to gain insight into rent-class-place relationships in the private rented sector: (a) the median net annual rents, and (b) the mean annual earnings of the top 1 per cent of rent-earning landlords. The estimates are presented in Figure 4. When focusing on median rent data, it becomes evident that class-based differences are not substantial. This is an indication that rental earnings differentials are limited across classes for the lower half of the landlord population. Instead, what proves significant are the large variations in rental incomes, especially between landlords in the North and the South (Figure 4a). However, given the lower overall earnings for the working class, rental earnings contribute to a greater proportion of household incomes for working-class HRPs. For instance, the rent-to-total-income ratio was less than 20 per cent for employers and managers across the regions. In contrast, for working-class HRPs, rental income constituted between 20 per cent and 46 per cent of total net household income.

There is a small cohort of landlords at the very top with substantial rental earnings (Figure 4b). The average rental earnings of this elite group are at least five to ten times greater than the median rental incomes in the corresponding class status in the North and the Midlands. In the South, the rental earnings of the top 1 per cent of self-employed individuals, averaging 396 thousand pounds annually, overshoot the rental income of everybody else.

What is the extent of living off rental income? This is one of the key questions to interrogate, i.e., the extent to which property ownership enables class mobility and leads working-class households to 'live off rent. The evidence on the incidence of 'living off rent' is based on those HRPs who earn more than 75 per cent of total household income from rents. Using this measure, we find that only 1.4 per cent of working-class

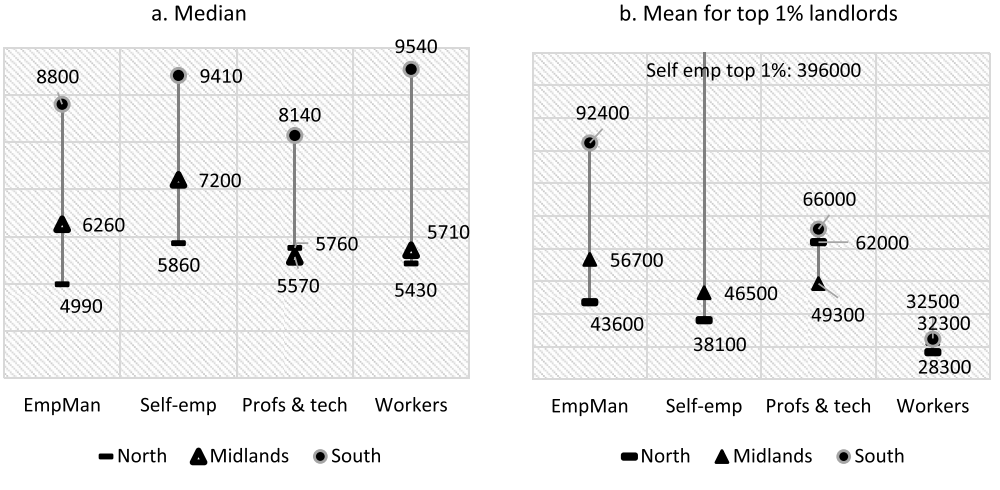


Figure 4. Landlords' net rental income by class and region: 2018–20 (£ per year, weighted).

Note: Median estimates in 4a reflect the average rent for all population in respective classes and regions and exclude the influence of outliers. The estimates in 4b are in means as the estimates focus on the top 1% of the population in which the outlier effect is likely to be negligible. The presence of outliers in the monetary values of rental data required further aggregation of regions in the South to include the East, the South East, London and the South West.

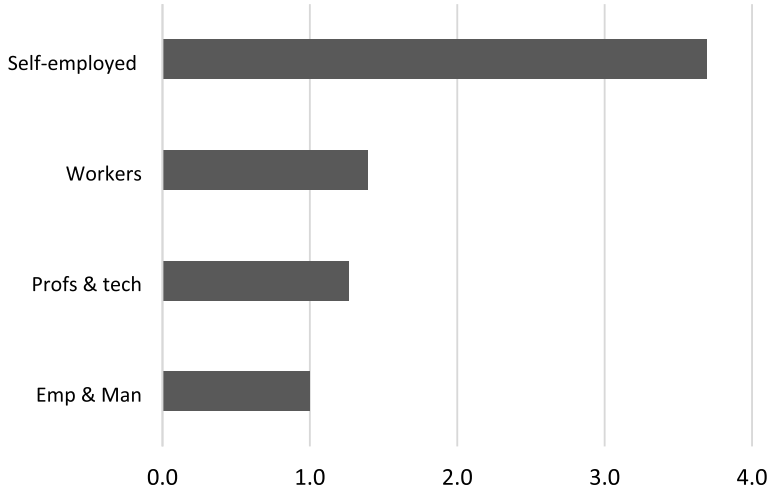


Figure 5. Proportion of landlords 'living off rent' (% of all landlords).
Living off rent: Landlords with 75 per cent or more earnings made up of rental income.

landlords live off rent (Figure 5). From the data in Table A1 (in the Appendix), we know that only 6 per cent of working-class households have additional property and around one-third of them are landlords (i.e. earn rent). Thus, living off rent prevails amongst a minute proportion of working-class households (0.03 per cent). For other social classes, this ratio is slightly higher but substantially less than 1 per cent[11]. Thus, the findings here do not support any claim that the housing market enables upward class mobility amongst the working class. The labour market and employment remain the primary sources of income and wealth.

Discussion and conclusions

Does the current system of property ownership and finance contain inherent features to enable class mobility from working-class positions to predominantly rentier positions? Is there any evidence of a high tendency for this group to live off rents? The findings in this article do not support this position. To make this point, consider how, over time, mortgages enabled wider house ownership as a systemic feature in the sense that moving to the homeowner position encompassed a large proportion of families, irrespective of their class position. While a larger proportion of employers, managers, and professional and skilled workers are owner-occupiers in comparison to working-class families, home ownership amongst the latter group is still significantly large. So, the mortgage system has worked within the confines of class structure with the level of earnings acting as a guarantee for current and future repayments. A similar general tendency has not prevailed with respect to the expansion of landlord population amongst the working class, living off rents. In fact, most individual landlords do not live off rents irrespective of their class position. Occupational earnings remain the major source of income for most households with additional property and rental income. A very small proportion of the landlords in the top decile[12] earn significant rents (more than £30,000 annually). Annual rental earnings, especially at the lower end, are not large.

Residential properties, in addition to providing shelter, can be a source of profit, rent and capital gains, which can be released for other purposes, for example, financing old-age care or supporting offspring into homeownership (Coakley 1994, Smith *et al*. 2022, Ryan-Collins 2022). The findings in this paper, on the one hand, highlight the relevance of asset-based welfare regimes, in which property ownership provides a safety-net that can support offspring and/or maintain one's living standards in a world of employment and income insecurity (Finlayson 2009, Searle and McCollum 2014, Soaita *et al*. 2017). On the other hand, the evidence presented here challenges the view that financialised capitalism facilitates systemic upward-class mobility by, for example, turning a significant proportion of working-class individuals into landlords. While some individuals may transition from being workers to landlords, this phenomenon is uncommon.

Overall, these findings contrast with the views proposed by Adkins *et al*. (2021) on the independent effects of property ownership in the formation of class structure above and beyond employment relations. However, Adkins *et al*. (2021) and a few other studies have also emphasised the class-stratification effects of property ownership. Indeed, this was the consensus emerging from the earlier debates (Saunders 1984).

The findings of this study with respect to the class-stratifying role of domestic property are as follows: First, hierarchies of property largely overlap with that of class and related earnings as reflected by a greater proportion of traditional working-class individuals and their families living in rented rather than owner-occupied homes. Second, the sharpest class divide in both the owner-occupied and additional property ownership exists between employers, managers and the self-employed on the one hand and the traditional working class on the other. A small fraction of traditional workers are landlords across different regions (2 per cent). In contrast, a relatively greater proportion of professional and skilled workers (6 per cent), and employers, managers and the self-employed (9 per cent) are landlords with rental income. Concentration of net wealth contained in rental property significantly favours employers, managers and the self-employed, who collectively hold 74 per cent of this wealth while the traditional, skilled, and professional workers, who account for approximately 80 per cent of the population, 16 per cent of net rental property wealth.

Third, most of the domestic property wealth lies in owner-occupied properties. Net wealth in extra property accounts for a small proportion of total property wealth, and much of this is in residential rather than land and other property. Fourth, 'living off rent' prevails amongst a minute proportion of households and less so amongst the traditional working class. Fifth, class-based inequalities of wealth and rental income at the lower end of the distribution are relatively lower. The greatest differences are at the top end of the distribution. Finally, place-based wealth inequalities amongst landlords are more substantial than class-based inequalities. London and the South East are the preferred regions for investment in extra property for all except the traditional workers.

These findings on the class-domestic property nexus are unique and further research is needed to assess their comparative value internationally. However, a few findings in this study are directly comparable with other studies in the literature. For example, owner occupation has been declining in Britain, in line with the findings of other studies in Australia, the US, the Netherlands and Spain (Smith *et al*. 2022, Vidal and Garcia-Duch 2024). What is distinctive in this study is that a substantial proportion of the decline in owner-occupation since the GFC is accounted for by the traditional working class, leading to a rising tendency

to rent among them. This is a result of the continuing rise in house prices, associated with investor-driven demand for domestic property as a second property or rental asset. This, together with stricter rules regarding down payments and leverage for mortgages post-GFC, has further squeezed the working class out of the housing market.

Paradoxically, home ownership increased under the redistributive politics of the Keynesian era rather than the asset-based welfare policies introduced after the 1980s (Finlayson 2009). Taken together with the evidence on rising private renting, declining mortgage holding, and the crisis of housing affordability, this suggests that recent housing policies and proposed reforms to the private rented sector, including the government's Renters' Rights Act (UK Government 2025a) and the consultation on raising minimum energy efficiency standards (UK Government 2025b), are unlikely to offer more than piecemeal solutions. A more transformative approach is needed to tackle Britain's current housing crisis through an extensive social housing building programme – to bring an end to the speculative price dynamics in the housing market – together with rent controls and a fairer wage/income policy to address affordability.

Notes

1. For instance, Dunleavy (1979) argued that housing cleavages arise from relative state subsidisation (for private and social housing) rather than accumulation through rise in house values.
2. We also used the English Private Landlords Survey (EPLS) published by the Department for Levelling Up, Housing and Communities (DLUHC). Note, however, this survey does not contain data on labour market status.
3. In the case of joint householders, the person with the highest income takes precedence and becomes the HRP. Where incomes are equal, the oldest person is taken as the HRP. In the case of single person households, there is no difference between the household variables and individual HRP variables.
4. Our estimates based on the latest WAS data available at the time of our analysis indicate that the gross property wealth (including mortgages) in extra property relative to own homes was approximately 13 per cent.
5. In England alone, individual landlords constitute approximately 84 per cent of the PRS (EPLS 2022)
6. ONS (2025) User requested data – UK Rental Income by Sector, Office for National Statistics: London.
7. So, an overwhelming proportion (84 per cent) of extra property ownership at the household level lies in residential real estate. The rest is attributed to land and other property types.
8. Note that professionals and skilled workers owned roughly half of all additional property. This is, however, largely due to the fact this class represents a dominant category within the entire class structure.
9. Approximately, 30 per cent of HRPs were in the traditional working-class category in Britain in 2018-20. This ratio was 40 per cent in Wales in the same period.
10. Recent estimates highlight London as the most unaffordable region with respect to housing (ONS 2023).
11. For example, the incidence of 'living off' rent is highest amongst self-employed individuals but even amongst them this rate is 0.26 per cent.
12. There are also super-rich overseas investors who are searching for safe-haven investments rather than speculative or rent-generating residences. These high-end properties, often un(der)occupied, are concentrated in niches of London boroughs perceived to offer political and economic security and have become more sought-after since the global financial crisis (DeVerteuil and Manley 2017).

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No potential conflict of interest was reported by the author(s).

Notes on contributors

Hulya Dagdeviren is a Professor of Economic Development at the University of Hertfordshire. Her research focuses on the dynamics of private/public finance and governance of essential services/resources with implications for access, affordability and sustainability.

Jiayi Balasuriya is a researcher and academic lecturer with research interests in household finance, behavioural economics, experimental finance and financial markets. Her work focuses on financial decision-making and related issues influencing individual and market outcomes.

ORCID

Hulya Dagdeviren http://orcid.org/0000-0002-4606-2042

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Appendix

Table A1. Selected indicators of extra property ownership[a].

	London	South	East	Midlands	North	Wales	Scotland	Britain
Share in net extra property wealth in each region/country (%)								
Emp & Man	52	41	43	39	36	20	47	40
Profs & tech	22	23	22	16	22	15	14	21
Self-employed	22	32	30	38	35	58	36	34
Workers	4	4	6	7	6	7	4	5
Incidence of extra property ownership (% of all HRPs in each class and region/country)								
Emp & Man	26	24	22	19	17	12	14	20
Profs & tech	18	15	15	11	11	11	9	13
Self-employed	25	23	18	18	16	23	16	20
Workers	5	6	7	6	5	7	4	6
Landlords (% of all HRPs, earning rent in each class and region/country)								
Emp & Man	9	13	9	9	7	8	5	9
Profs & tech	7	8	6	5	5	6	2	6
Self-employed	11	12	7	9	8	10	3	9
Workers	0	2	3	2	2	2	1	2

[a]South combined South and South West, North combined North West, Yorkshire and North East, Midlands combined East and West Midlands.

Note: Net property wealth is the difference between property values and the outstanding mortgage values on them.

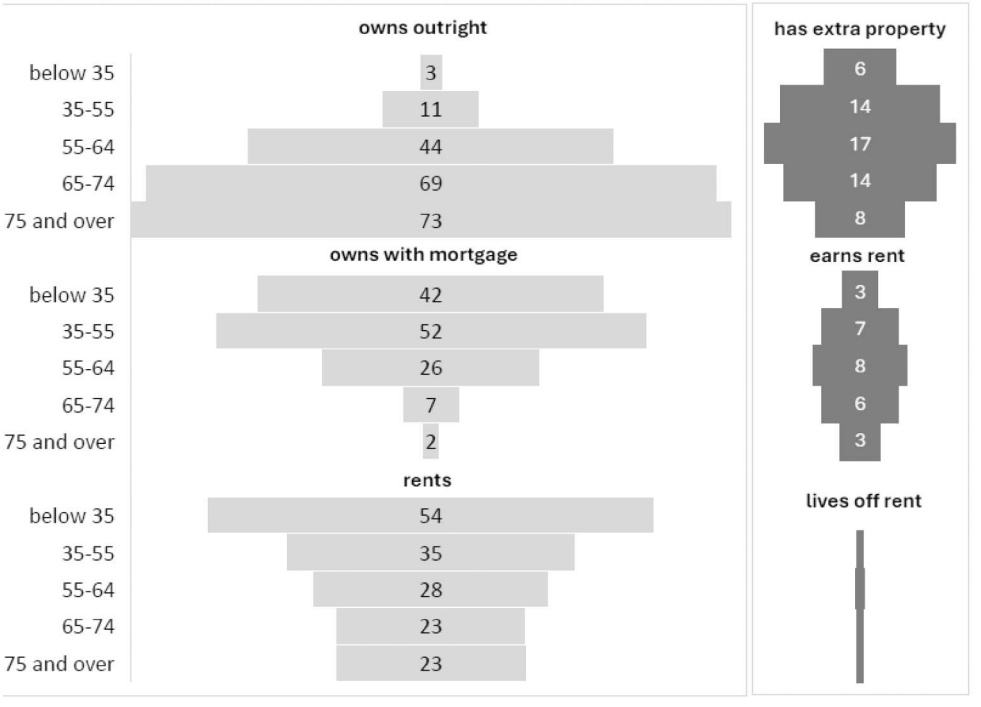


Figure A1. Housing tenure and extra property ownership by age (% of HRPs).

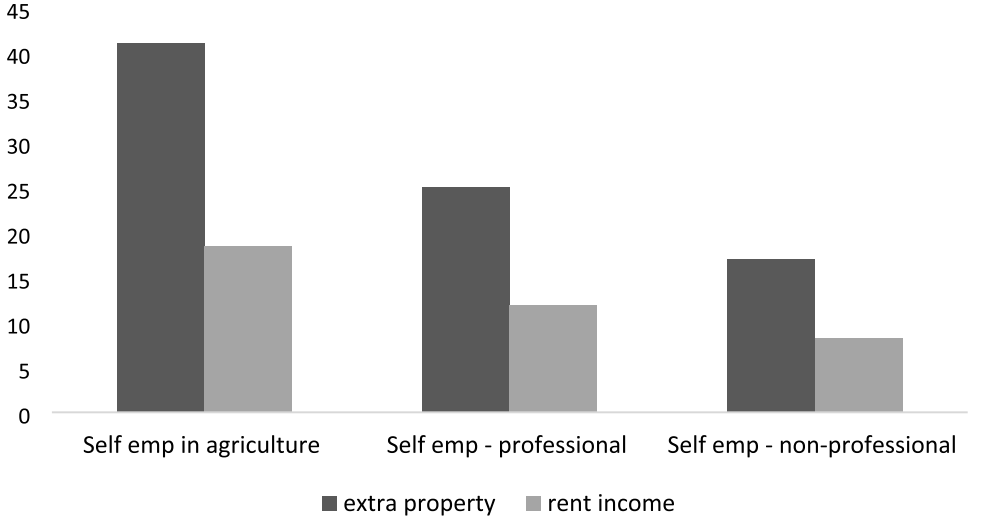


Figure A2. Proportion of self-employed HRPs with extra property and rental income in 2018-20 (%, weighted estimates).