

Home Ownership and the Transition to Parenthood: A Study on Coresidential Couples in Finland in 2005–2019

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Introduction

Fertility has declined steeply in the Nordic countries since the early 2010s, similar to many other high-income countries (Kearney et al., 2022; Matysiak et al., 2021). The Nordic fertility decline is primarily driven by the entry into parenthood, while progression to higher parities has declined less (Hellstrand et al., 2021; Ohlsson-Wijk & Andersson, 2022). Moreover, the decline has been particularly pronounced among coresidential couples (Hellstrand et al., 2022b; Rahnu & Jalovaara, 2023). There have been no major changes in the formation of cohabiting unions in the Nordic context (Cantalini et al., 2024), but coresidential unions have become more likely to dissolve than before in Finland (Rahnu & Jalovaara, 2023), while in Sweden cohabiters are less inclined to progress to marriage (Cantalini et al., 2024).

The causes of the Nordic fertility decline remain poorly understood. Some evidence points to increased ideals of remaining childless, at least in Finland (Golovina et al., 2023), and earlier research shows that macro-economic changes in employment rates alone are not enough to explain the general nature of the decline (Comolli et al., 2021). Relatively little research has explored the role of housing conditions for the recent fertility decline (see, however, van Wijk, 2024). **This study aims to investigate the relationship between housing tenure and the entry into parenthood among childless, coresidential couples in Finland in the early 2000s during the strong fertility decline.**

The fertility decline has coincided with rising housing prices in capitals and growing challenges for young adults in getting established in the housing market (OECD, 2023). Homeownership among young adults dropped in Europe during the 2010s, including in the Nordic countries (Lennartz et al., 2016). Housing tenure can be related to fertility through mechanisms including the potential of homeownership to reduce the economic uncertainty of the future (Tocchioni et al., 2021; Vignoli et al., 2013), reducing the direct housing-related costs that come along with a child (Atalay et al., 2021; Daysal et al., 2021; Dettling & Kearney, 2014; Lovenheim & Mumford, 2013), as well as providing access to housing considered better suited for families (e.g. terraced housing or housing with access to green space) (van Wijk, 2024). Clearly, besides the potential effects of tenure on fertility, decisions about housing, partnership and childbearing can to some extent be jointly determined, so that those planning to have a child are more likely to settle down and buy a home (Mulder & Lauster, 2010; e.g. Mulder & Wagner, 2001). Previous research has shown that homeownership is typically positively associated with fertility (Chudnovskaya, 2019; Mulder, 2013; Mulder & Lauster, 2010). A recent study shows that the relationship between housing tenure and the entry into parenthood varies by age group in the Nordic context, being strongest and positive for those at the core childbearing ages 25-29 and 30-34 (Li et al., 2025).

Moreover, previous research suggests that economic uncertainty linked to the labor market may have become a stronger determinant of first births over time, yet alone is unlikely to explain the declines (Hellstrand et al., 2022a). In the Nordic context, ownership among young adults is typically mortgage-based, such that accessing homeownership is relatively strongly connected to individuals' or couples' positions in the labor market (Lersch & Dewilde, 2015). Through this mechanism homeownership is more accessible than in many countries in Southern and Eastern Europe with less developed financial markets (Mulder & Billari, 2010). Previous studies have not investigated how couples' position in the labor market and housing market jointly determine their entry into parenthood. We may expect that fertility has declined in the 2010s more strongly among those with an uncertain outlook in both of these spheres, the labor and housing markets. Yet evidence from a context of very expensive housing suggests that investment required in home ownership may compete with investment in children, as fertility has declined more among homeowners (Tocchioni et al., 2021). This evidence suggests that ownership may not be a necessary condition to enter parenthood in more recent times.

Study aims and research questions

The current study aims to provide new insight into couples' fertility in the early 2000s during a period of a strong fertility decline by focusing on how housing conditions are associated with the entry into parenthood. We go further than earlier studies by examining potential mechanisms, differences across population subgroups, and change over time before and during the recent fertility decline. The study context of Finland is particularly interesting, given the steep fertility declines: TFR fell from 1.87 in 2010 to 1.25 in 2024 (Eurostat, 2025). Projections suggest that completed fertility will also fall substantially, from 1.9 among women born in the early 1970s to somewhere between 1.4 and 1.8 among women born in the late 1980s (Hellstrand et al., 2021). Fertility intentions are currently lower in Finland than in the other Nordic countries (Li et al., 2025). In Finland, there have been increases in real house prices since the early 2000s, but in the 2010s the increase was constrained to the capital region; altogether the increase was less pronounced compared to other Nordic capitals (Nordic Council of Ministers, 2021). The Finnish economy has stagnated since the Great recession (Kokkinen et al., 2025), and the income position of those born in the 1980s has weakened in relation to earlier born cohorts (Karonen & Niemelä, 2020). We expect this to have weakened the position of young adults in the housing market in the 2010s. We make use of exceptional register data in Finland, by following women who have entered a co-residential union in the period 2005-2019 and analyzing their risk of having a first birth with an event history approach. Our research questions and hypotheses are as follows:

- 1. Has entry into parenthood declined more among couples who live in rental housing than among couples who live in owned occupancies?** If many renters prefer to obtain owned housing before having children but are blocked from ownership by rising housing prices, the declining propensity to enter parenthood should be more pronounced among renters (H1).
- 2. Are differences between owners and renters in the magnitude of the declined entry into parenthood more pronounced in larger cities?** Housing prices are higher and have increased more in larger cities, so we should expect steeper declines among renters in larger cities (H2).

3. Does the association between housing tenure and entry into parenthood differ depending on whether a couple experienced unemployment? Has this relationship changed over time? For couples facing unemployment, owned housing may represent stability and security, while rented housing in combination with unemployment may represent double uncertainty. Thus, a steeper decline among renters who experience unemployment is feasible (H3a). Alternatively, couples in mortgaged ownership may face stress in case of unemployment, leading to a steeper decline among owners (H3b).

4. Does the association between housing tenure and entry into parenthood vary by age group or ownership status during childhood? Have these relationships changed over time? We expect a stronger impact among younger adults, who still have room to postpone their entry into parenthood (H4a), and individuals who lived in owned housing during childhood, since they may have a stronger norm for owned housing as a setting for having children (H4b).

5. How are debt levels among homeowners associated with the entry into parenthood? Has this relationship changed over time? High level of debt relative to household income may crowd out other expenditures, thereby leading to a lower likelihood of entering parenthood (H5a). However, higher debt levels may also be anticipatory of childbearing (i.e. associated with larger housing and recent moves), meaning the relationship between debt and first-birth propensities may be positive (H5b).

Method and data

We use Finnish population register data to study the transition to first birth among women in coresidential and childless heterosexual couples. Our study population consists of Finnish-born women aged 20-45 in their first coresidential union (cohabitation or marriage) at some point during 2005–2019. We utilize monthly information on coresidential unions, which is uniquely available in Finnish register data for the period of interest.

We carry out an event-history analysis by following women either from the start of the first coresidential union or January 2005 (whichever happens last). We define the event as conception of the first child, approximated as the first birth minus nine months. Women are right censored at union dissolution, emigration, death, their 46th birthday, or December 2019. Left censoring occurs if the start of the first coresidential union or conception of the first child takes place before the twentieth birthday.

Covariates include tenure type (owner-occupied, rented), calendar period (2005-2010, 2011-2015, 2016-2019), region (Helsinki capital region, medium-sized municipalities, other municipalities), age, activity status (employed, student, unemployed, other), ego's and partner's educational attainment, disposable household income (deciles of the full Finnish population), debt-to-income ratio (the sum of both partners' total debt divided by the sum of both partners' yearly disposable income), number of rooms in the housing unit, and type of housing unit (detached, terraced, block of flats, other or unknown). All independent variables except age are lagged one year. The start and end of coresidential unions are measured monthly, as are age and the first-birth event. Other variables are measured yearly, on 31 December.

Results

Figure 1 shows that the share of childless, coresidential couples in Finland who reside in rental housing has increased since 2008. While rental housing is less common among couples with at least one non-student and couples where the female partner is older than 25, these subgroups exhibit trends similar to the overall population of childless, coresidential couples. This compositional shift in tenure status means that a growing proportion of childless, coresidential couples reside in a housing setting that has previously been found associated with lower first-birth transition rates.

Figure 2 shows that women in rental housing are less likely to enter parenthood than those in owned housing, consistent with earlier research. The propensity to enter parenthood declined over time among both renters and owners, but was stronger among renters, in line with hypothesis 1. The gap between renters and owners widened most sharply between 2005-2010 and 2011-2015 but continued to widen further between 2011-2015 and 2016-2019.

As shown in Figure 3, the negative association between renting and entry into parenthood is observed across municipality types: the Helsinki capital region, medium-sized municipalities, and other municipalities. All municipality types experienced widening differences between renters and owners over time. In line with hypothesis 2, this trend was somewhat stronger in the Helsinki capital region and medium-sized municipalities, where housing prices are higher, than in other municipalities.

Figure 4 shows that couples in which at least one partner is unemployed have a lower likelihood of entering parenthood than couples where both partners are employed. This pattern is evident among both renters and owners, but is more pronounced among the latter. Thus, results support hypothesis 3b, that mortgage-related financial commitments could amplify the negative impact of unemployment, rather than hypothesis 3a, which suggested that renting combined with unemployment represents a “double uncertainty”. Additional analyses (not shown) indicate similar patterns when the unemployed partner is either male or female.

Further analyses will explore research questions 4 and 5.

Preliminary conclusion

The results point to a growing polarization in family formation by housing status in Finland. The increasing prevalence of renting among childless, coresidential couples, together with the widening fertility gap between renters and owners, suggests that housing unaffordability and barriers to homeownership may now represent more important constraints on fertility behavior than earlier. The results underscore the need to consider housing policy as part of broader strategies to support family formation and address persistently low fertility. Our further analyses will examine whether these patterns vary by age and early-life housing background, offering additional insight into the role of housing in the social stratification of fertility in the Nordic context.

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Figure 1. Share of childless coresidential couples in rental housing

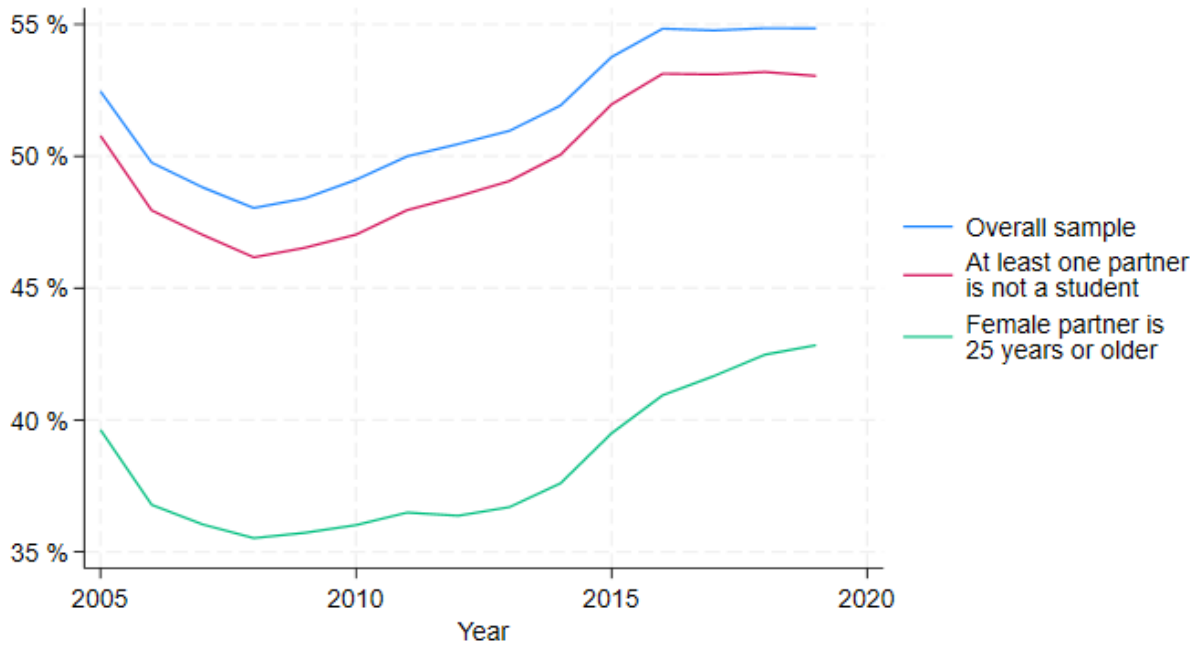
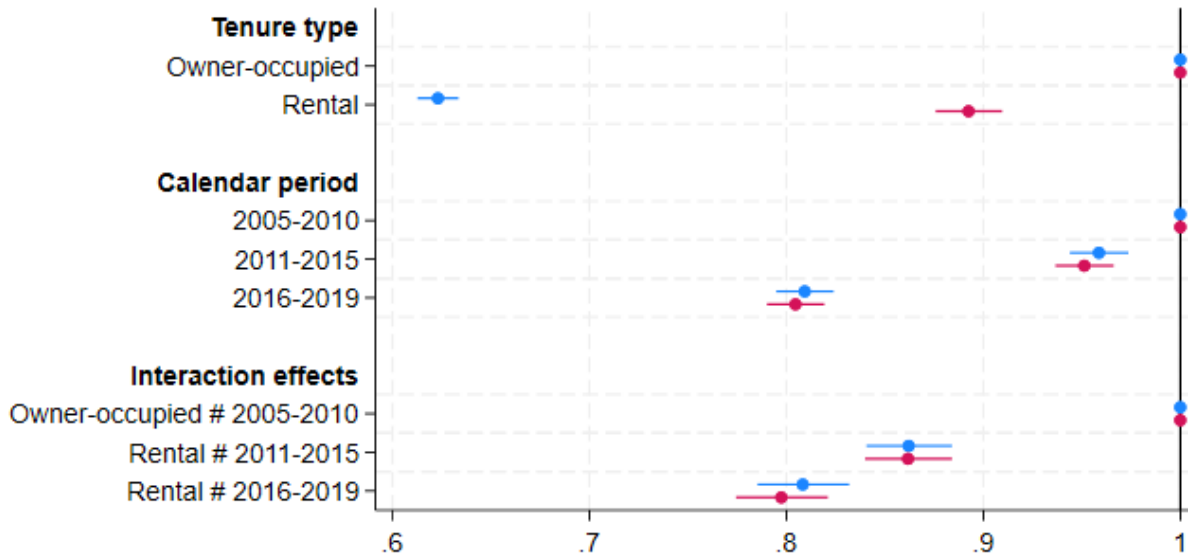
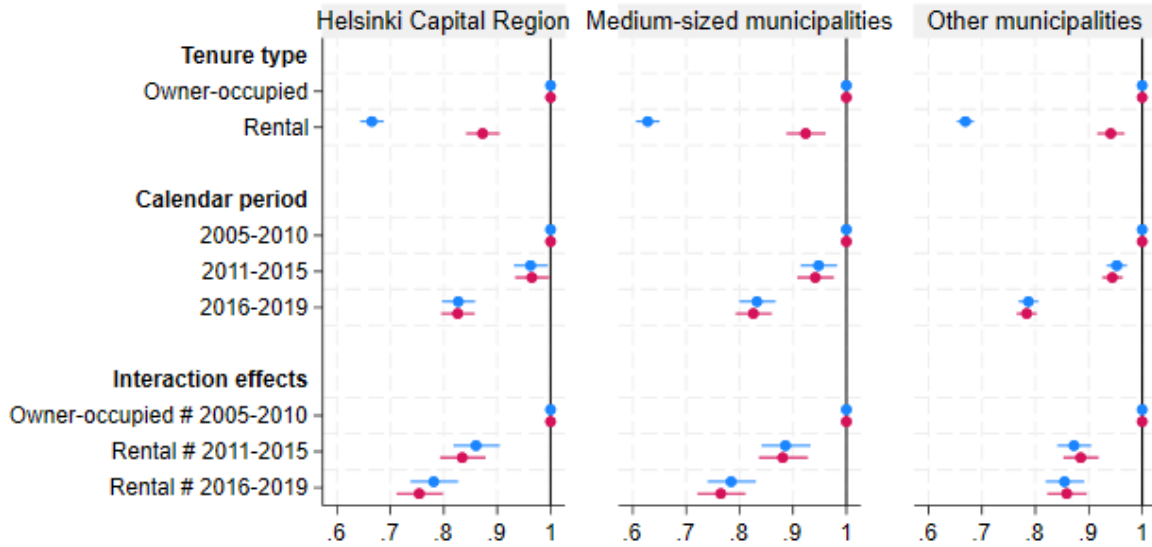


Figure 2. Transition to first birth by tenure type and period (hazard ratios)



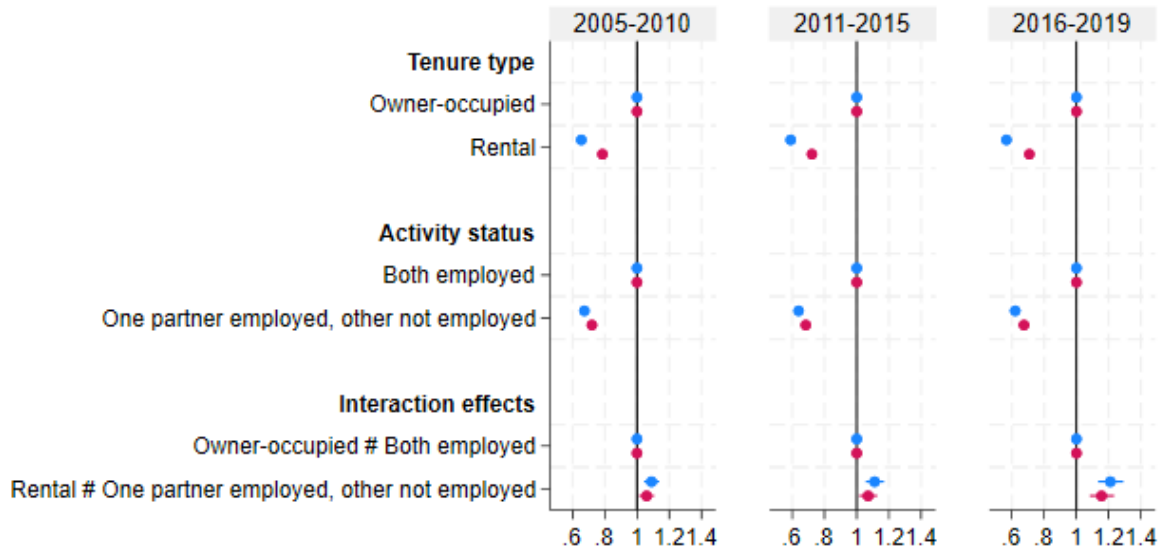
Note: Model 1 controls for age and age squared. Model 2 adds activity status and educational attainment of both partners, household disposable income, number of rooms, and type of housing unit

Figure 3. Transition to first birth by tenure type, period, and region (hazard ratios)



Note: Model 1 controls for age and age squared. Model 2 adds activity status and educational attainment of both partners, household disposable income, number of rooms, and type of housing unit

Figure 4. Transition to first birth by tenure type, activity status, and period (hazard ratios)



Note: Model 1 controls for age and age squared. Model 2 adds activity status and educational attainment of both partners, household disposable income, number of rooms, type of housing unit, and municipality type