

Shared housing for students and young adults and the urban-regeneration process of second-tier cities

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Abstract

In the context of growing housing and urban commodification, shared-housing accommodations have been developed for specific target groups, including students and young professionals. Such developments have preferably emerged in urban environments, including second-tier, student cities where they play a strategic role in urban regeneration. We investigate different types of shared housing aimed at young adults (from purpose-built student accommodation to co-living houses) in four Walloon cities (Belgium) with a high share of students, university premises and, for most of them, an industrial past. Based on desk research and interviews with civil servants and private investors, we examine how shared housing for students and young professionals has emerged in these cities, what are the actors conflicting interests in this housing segment, and what possible role it may play in urban regeneration. Our results show that civil servants are not especially preoccupied with access to affordable and quality housing for young adults, despite their significant presence, whereas political attention focuses on middle-class families. Conversely, the private sector primarily targets (international) young people in often high-priced developments with short-term tenure located in well-connected areas with access to amenities. Overall, shared housing for young adults grows in a legal void and acts as an unregulated tool of urban regeneration. Instruments measuring shared housing effects in regeneration areas appear to be missing to inform appropriate ways to address them in policy and planning.

Keywords: Second-tier cities; Student housing; Shared housing; Urban regeneration; Young adults

Introduction

The concentration of higher-education institutions and job opportunities in urban environments has led to more young adults being attracted to cities. Students come to cities to study and, later on, young professionals working in knowledge-intensive sectors stay for jobs opportunities. Young adults are also attracted to urban amenities, social interaction opportunities (Moos, 2016) and neighbourhoods with good public transport infrastructure (Hubbard, 2009). However, entering urban housing markets has been increasingly challenging for young adults. Young people can often access neither homeownership nor social housing and stay longer with their parents or find accommodation in the private-rented sector [PRS] (Hoolachan et al., 2017). The latter is more flexible, which is particularly appealing to young urban singles and digital nomads (Druta et al., 2021), yet offers less tenure security. Young people further value affordability, location and proximity to amenities before square meters (Preece et al., 2021) and may live in shared accommodations where they have sometimes very little private space (Verhetsel et al., 2017). Shrinking domestic space may negatively affect well-being, though (Harris & Nowicki, 2020).

Sharing has become popular – and often the only option – among young adults to cope with unaffordable housing markets (Moos, 2016). Shared housing accommodations have been specifically developed for students and young professionals (Druta & Ronald, 2020), with different possible levels of space sharing and services. Finance-driven, large-scale and newly-built housing developed exclusively for students – Purpose-Built Student Accommodation (PBSA) (Revington & August, 2020) – have been expanded towards young professionals (Uyttebrouck et al., 2020). Such developments typically provide small

housing units (studios) combined with shared spaces and services that are supposed to compensate for small private space and enhance social interaction and community-building (ibid). In the existing stock, another form of shared housing is co-living, which provides furnished rooms with shared spaces in apartments and homes managed by professional service providers (Casier, 2023). Both PBSA and co-living are illustrative of the institutionalisation of shared housing under the housing financialisation and affordability crisis (Ronald et al., 2023). Shared housing has more broadly expanded under housing platformization, which allowed extending financialisation to new housing segments and drawing new ways of governing the management of tenants and properties (Fields, 2022).

Beyond affecting housing markets, massive shared housing developments for young adults have played a role in cities, notably by creating specific forms of gentrification driven by young adults, such as 'youthification' (Moos, 2016) and 'studentification' (D. P. Smith & Hubbard, 2014). The latter consists of students clustering in affordable neighbourhoods, which may create conflicts with other communities in these neighbourhoods, lead to fast housing price increases and segregate students, between the ones who can afford high-standing PBSA and the others (Revington, 2021; D. P. Smith & Hubbard, 2014). Conversely, 'post-studentification' refers to the integration of a non-student population in student neighbourhoods (Revington, 2021). The concentration of students in cities and the related needs in student accommodations have been central to urban regeneration (D. Smith, 2008), including of second-tier, post-industrial, student cities (Heslop et al., 2022).

Beyond student population, this paper aims to understand the possible role of shared housing for students *and young professionals* in the regeneration of second-tier cities, with four Walloon cities (Belgium) as case studies (i.e., Liege, Namur, Charleroi and Mons). We more specifically address the following questions: (i) How has shared housing for students and young professionals emerged in second-tier cities, (ii) what are municipalities and investors' conflicting interests in this housing segment and (iii) how may it contribute to urban regeneration? The four Walloon cities are relevant to explore these questions as they all accommodate a more or less significant number of students and, for part of them, have a heavy industrial past that has driven local authorities to launch vast urban-regeneration operations.

The following section contextualises the emergence of shared housing for young adults and its possible consequences for urban development. We then present the selected cities, the empirical material collected, and a zoom on the typology of shared housing found in Liege. The results' section first presents municipalities' (dis)interest in young adults and shared housing and investors' focus on niche profitable products that can be easily upscaled. Then it shows how shared housing grows in a legal void and participates in urban regeneration. The concluding discussion points to the authorities' missed chance to regulate a housing segment that will likely continue to grow and reflects on the need to regulate shared housing supply in urban regeneration operations.

Shared housing for young adults and urban regeneration

Urban housing provision has been affected by housing commodification and financialisation (Aalbers, 2008), especially since the Global Financial Crisis (GFC) and in large cities subject to market-driven housing provision (Wijburg, 2021). Regulatory changes and socio-technical evolutions, including new technologies and digital management means, have contributed to transforming housing into a primarily financial asset (Aalbers, 2019; Fields, 2018). The PRS has grown in pressured housing markets (Ronald et al., 2023) and is increasingly the outcome of financialised actors, such as institutional investors and REITS (Aalbers et al., 2023) who create flexible niche housing products (Casier, 2023), including shared housing for students and young professionals. Such financial strategies are accompanied by domestic space shrinking and a decrease in housing standards (Harris & Nowicki, 2020).

These developments and the context of economic uncertainty and shifting conditions make it increasingly challenging for low-income groups and young adults to enter urban housing markets as

they can no longer access homeownership or rent housing alone (Ronald et al., 2023). Within this group, we differentiate students, who come to cities to complete higher education, from the ones who are later launching their careers and are referred to as young (urban single) professionals. Young professionals (aged 20 to 34) are expected to be flexible and mobile in their work (Bergan et al., 2020; Heath & Kenyon, 2001). They enter both housing and labour markets (often in creative and knowledge-intensive sectors), as part of their transition towards adulthood (Arundel & Ronald, 2016). They are of high interest to local governments, in the context of cities' globalisation and competitiveness (Sassen, 1991). Housing is critical to them as it impacts both quality of life and economic security (Arundel & Ronald, 2016). However, some young adults face precarious living conditions and are forced to stay longer at the parental home (Housing Europe Observatory, 2018).

The myth of the glamorised 'young, hip professional' moving between locations with similar amenities (Bergan et al., 2020) has contributed to enhancing flexible rental housing markets (Hochstenbach & Ronald, 2020), including shared-housing products for young professionals (Bergan et al., 2020; Druta & Ronald, 2020; Parkinson et al., 2020). The market has repurposed shared housing into a highly-profitable product, presumably responding to young adults' needs for flexible and affordable housing. This has happened both in new housing production, through the development of PBSA and high-density, shared-housing estates for young professionals based on a housing-as-a-service model (Bergan et al., 2020), and through co-living companies' institutionalisation of dwelling-sharing by multiple tenants.

Shared housing fast expansion has contributed to transforming cities. High-density shared housing for students and young professionals takes part in planning strategies using high-density living in regeneration areas as a tool for economic growth and urban development (Easthope & Randolph, 2009). In second-tier cities, PBSA is an opportunity to return shared houses in city-centres to families and concentrate students in regeneration areas (Heslop et al., 2022). The student population is then specifically considered a driver of economic and urban regeneration (D. Smith, 2008). Real estate redevelopments in former industrial or office areas further tend to focus on flexible housing segments as private developers expect young internationals to be less demanding regarding their living environment. For example, Uyttebrouck (2020) studied mixed-use redevelopments in Amsterdam and Stockholm that were located along highways in regeneration areas with still few urban amenities and that primarily target young adults.

Such redevelopments may foster industrial gentrification, real estate financialisation, studentification and youthification (Sun & Chen, 2021). Those are induced by mixed-use and high-density, micro-living for students, young professionals and childless couples, in which families cannot downsize, creating neighbourhoods with exclusionary spaces (Moos, 2016; Revington et al., 2018; D. P. Smith & Hubbard, 2014) and luxury mixed-use buildings (Landriscina, 2018). The nature of studentification and the typologies of youth housing are, however, place-specific (Zasina et al., 2023) and dependent on local institutional frameworks. Unlike other forms of gentrification, which have received heavy state support, massive campaigns against studentification have been observed, e.g., in the UK (D. Smith, 2008). Nevertheless, post-industrial cities have supported the regeneration of brownfields for higher-education purposes to capture new desirable mobility flows, under the influence of the knowledge-economy paradigm (Zasina et al., 2023). In this view, (international) students are drivers of urban renewal (Mulhearn & Franco, 2018) and higher-education institutions also attract a highly-skilled workforce (Zasina et al., 2023). PBSA has particularly grown in secondary, post-industrial cities with weaker housing markets that rely on knowledge-economy development, hence enhancing high-density redevelopment of brownfield sites (Heslop et al., 2022).

Public and private actors both play critical and entrepreneurial roles in shared housing development and urban regeneration processes, yet their roles vary according to planning regimes, local institutional and governance capacities and stakeholders' interests (Hermelin & Jonsson, 2021). State intervention hence creates conditions (e.g., through regulations or planning instruments) that allow markets to work 'efficiently' (Korthals Altes, 2019) and entrepreneurial local governments increasingly negotiate with opportunistic market parties (Taşan-Kok, 2010), in the absence of public own capacity to drive urban regeneration (Heslop et al., 2022).

Data and methods

Selection of case-study cities in Wallonia (Belgium)

We selected three cities (Namur, Charleroi, Mons) and one group of municipalities (Liege, Seraing, Esneux) in Wallonia, the French-speaking region of Belgium. Within this region, the cases were selected because of their university premises, share of students, and, for most of them, heavy industrial past (Table 1). The four cities are located along Wallonia industrial West-East axis of the Sambre and Meuse rivers (Figure 1). In the case of Liege, we included the neighbouring municipalities of Seraing and Esneux because the University campus is situated on the Southern outskirts of Liege and a part of the students may settle in these municipalities. Charleroi has reduced university premises, but their development and the student population they have attracted have been key to the city urban regeneration strategy. Moreover, we decided to exclude Louvain, although its university has over 30 000 students, because of its specific situation: the city was built from scratch in the years 1968 to welcome the new Catholic University of Louvain with a land-lease system (so the university owns the whole city land).

Table 1: Comparison of the cases

Liege, Seraing, Esneux	Namur	Charleroi	Mons
Student population from Universities (other higher-education institutions excluded)			
28 064 students [<i>Université de Liege</i>]	7000 students [<i>Université de Namur</i>]	2000 students [Masters from <i>ULB, UMon</i> , <i>UCL</i>]	10 000 students [<i>Université de Mons</i>]
Total population (Data from the Urban Audit)			
Liège: 405 980 inhab. Seraing: 64 021 inhab. Esneux: 13 023 inhab.	112 373 inhabitants	238 412 inhabitants	157 333 inhabitants
Past industry			
Steel and Coal industry in Seraing	Steel industry in the province, but not in the municipality itself	Steel and Coal industry	Coal industry
Urban regeneration strategy at the municipal or urban-region level			
Seraing: <i>Master Plan de la Vallée Sérésienne</i> (2005 – still being implemented)	Masterplan for the University of Namur (2016)	Masterplan ‘ <i>Charleroi. Le projet métropolitain.</i> ’ (2022)	-

In each city, we conducted desk research (shared-housing websites’ screening, analysis of masterplans) and 11 semi-structured interviews with civil servants of the municipalities’ housing and planning departments, the municipalities’ union, and private developers and investors (Table 2). All the empirical material is in French, so all quotes found in the results’ section are the authors’ translation from French to English. We also zoomed in on the case of Liège and mapped all shared housing accommodations to establish a typology of shared housing for students and young professionals (see next subsection).



Figure 1: The cities/group of municipalities selected (Quehec, 2022)

Table 2: List of interviewees in the different cases

Case/City	Type of actor	Role [identifier]	Interview date
Charleroi	Bouwmeester (actor in charge of the architectural/urban quality of the city)	Planner involved in the masterplan's implementation [Charleroi, planning]	15/03/2022
	Co-living company	CEO [Charleroi, co-living]	14/04/2022
Liege	Civil servant in a municipality	Head of the planning permission department [Liege, planning]	23/02/2022
	Co-living company	Hospitality manager of a shared-housing residence [Liege, hospitality manager]	29/03/2022
Liege/Esneux	Civil servant in a municipality	Achitect in the urban planning department [Esneux, planning]	18/01/2022
Liege/Seraing	Civil servant in a municipality	Advisor in the housing department [Seraing, housing]	08/12/2021
	Employee in a para-public agency for spatial and economic development	Project manager [Seraing, urban development]	01/03/2022
Mons	Civil servant in a municipality	Head of the spatial planning department [Mons, planning]	24/11/2021
Namur	Civil servant in a municipality	Head of the housing department [Namur, housing]	08/12/2021
	Civil servant in a municipality	Head of the technical planning department [Namur, planning]	01/03/2022
All	Employee in a public union	Legal advisor of the cities and municipalities' union [Municipalities, housing]	16/12/2021
	REIT specialised in student housing	CEO [Investor, student housing]	06/12/2021

Typology of shared housing for students and young professionals: zooming in on Liège

We examined more closely the typology of shared housing present in Liège, Seraing and Esneux to see what kind of accommodations are concretely developed for students and young professionals in Walloon cities, with a focus on PBSA and co-living houses. We did not map dwelling-sharing by individual landlords (which are spread in all neighbourhoods) nor University self-provided student housing (located on the University main campus) because we wished to focus on the commercial, institutionalised offer of shared housing.

Figure 2 shows the mapping of shared housing zoomed on the city-centre of Liège, given the absence of such accommodations in Esneux and Seraing (except for one ongoing project on the Trassenster former industrial site in Seraing). Nevertheless, we expect the Sart-Tilman campus to attract future shared-housing developments in Esneux, given its proximity to the campus (Figures 3). The map confirms how a central and well-connected location remains the name of the game, including in a municipality where the central districts are also the poorest (Figure 3-left). These central areas also correspond to the higher-density neighbourhoods (Figure 3-right). Shared housing for students and young professionals thus develops in well-connected neighbourhoods with amenities rather than proximity to the campus.

The listing of shared housing accommodations (Table 4) provides further information on the actors involved, the configuration of rooms or studios and shared spaces and the rent fees. The actors of Liège shared housing market are a mix of international Real Estate Investment Trust or REITs (XIOR Student housing), institutional investors (Ecklemans) and hotel companies (Yust) as well as local (start-up) student housing (Eras'must, Chick and Kot, Studentstation SPRL) and co-living companies (IKOAB). REITs are typical financialised actors, defined as:

“legal-financial instruments for institutionalizing real estate investment in an increasing number of countries. (...) REITs and other similar real estate investment funds and holding companies with different legal structures act as a bridge between the worlds of housing and urban development, on the one hand, and institutional investors and financial markets, on the other.” (Aalbers et al., 2023, p. 313)

Not surprisingly, international investors are the ones who run the largest estates (up to 300 units) with more diversity in shared spaces and services (e.g., furniture package in the Arc residence). They also combine affordable and ‘exclusive’ products, as mentions for example Ecklemans’ website:

“In parallel to the development of residential and mixed projects, the group fast specialized in the design of niche investment rental products commercialized through an exclusive concept.” [https://www.eckelmans.be]

Their Meuse Campus residence further mixes individual private space with twin and couple rooms or studios. XIOR student housing also offers different standards and private spaces, for example, in the Avroy Student House (from budget to standard-plus rooms and studios). Delivering a large number of units is further part of their strategy, notably to compensate for the shared space area. Conversely, local companies rather agglomerate several micro-projects, which allows opening them to (foreign) investment:

“Willing to invest in high-end *kots* [name for student accommodation in Belgium]? Your worry-free profit with 4% profitability? It’s possible! Discover our offer” [http://www.chickandkot.be/investissement-horschateau/]

Irrespective of the type of accommodation, rooms start from 10 m² (for one person), which is just compliant with the regional housing regulations. Finally, rents are generally higher than for usual student housing (e.g., in shared houses rented out by an individual landlord), where medium rents range between 369 and 426€¹.

¹ As specified on the local student guide website: <https://www.kotaliege.be/guide-etudiant/cout-du-loyer>

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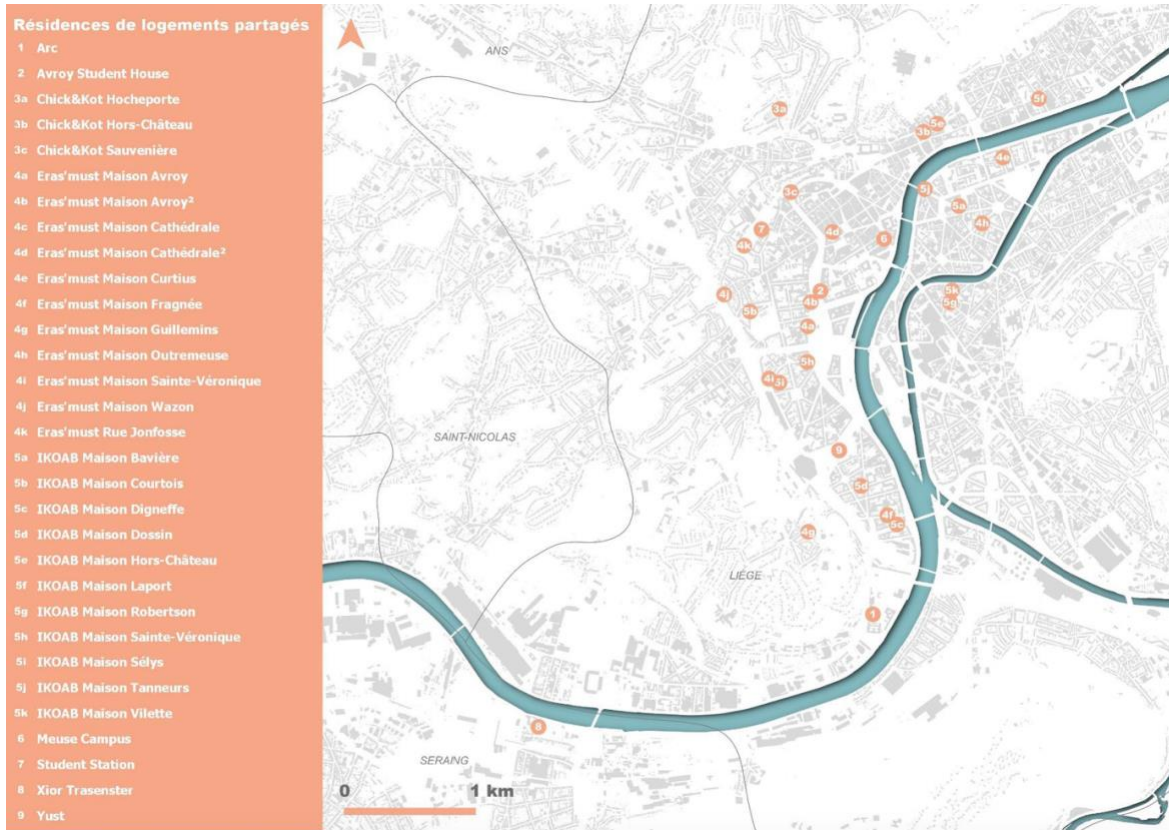


Figure 2: Mapping of shared housing in Liège in spring 2022 (Quehec, 2022)

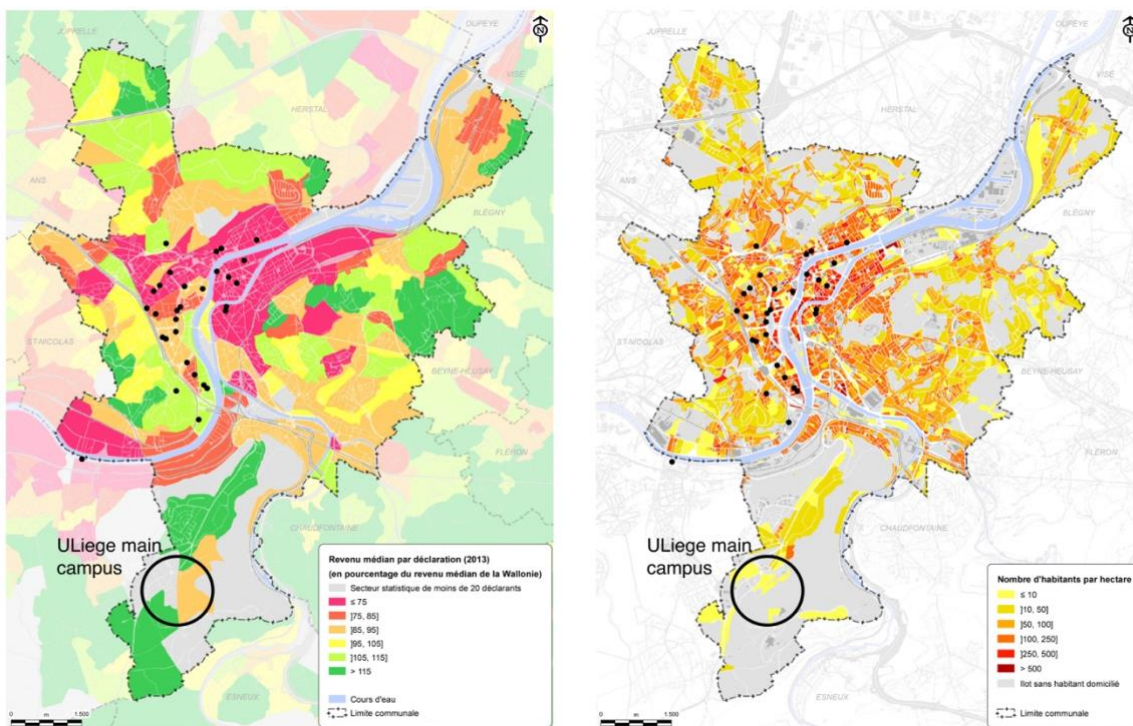


Figure 3: Left: Mapping of shared housing in Liège in spring 2022 according to median incomes (in % of Wallonia median income) – Right: same mapping according to population density (Quehec, 2022 with author annotations)

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Table 3: Listing of shared housing found in Liege

Residence	Investor/manager	Units (rooms and/or studios)	Description	Rent (charges excluded)
Avroy Student House	XIOR Student housing (REIT)	146	Rooms (10 to 18 m ²) and studios (22-24 m ²) for students Shared spaces: kitchens, leisure/workroom Services: Internet, TV, laundry	390-550€
Meuse Campus	Generation Campus – Eckelmans Immobilier (investor)	235	Studios (single; double) for students (17 to 29 m ²) [and young professionals] Shared spaces: study room, leisure room, fitness space, rooftop terrace, sauna Services: Internet, TV, laundry	388-435€
Student station	Studentstation SPRL (local investor)	57	Studios (17 to 40 m ²) for students Shared spaces: kitchen, living room, study room, terrace Services: Internet, TV (incl., Netflix), laundry	500-750€
Chick & Kot	Individual investors /managed by Chick & Kot	60 (spread in 3 locations)	Rooms (from 15 m ²) and studios (18 to 26 m ²) for students Shared spaces: study room, living room, kitchen, terrace Services: Internet, laundry, housekeeping	632-684€
Eras'must	Eras'must as manager	60 (spread in 14 houses)	Rooms (from 10m ²) in shared houses (co-living) for international students Shared spaces: kitchen, living room (and possibly bathrooms) Services: Internet, TV (incl., Netflix), laundry	400-600€
IKOAB	Individual investors /managed by IKOAB	102 (spread in 11 houses)	Rooms in shared houses (co-living) for young professionals Shared spaces: kitchen, living room (and possibly bathrooms) Services: Internet, TV (incl., Netflix), laundry	550-715€
Arc	XIOR Student housing (REIT)	232	'Lofts' (38-64m ²) for students and young professionals Shared spaces: garden, living room with kitchen, theatre, rooftop terrace, fitness, wellness, library, meeting room Services: Internet, laundry, housekeeping, furniture	769-990€
Yust	Yust hotel company	98	Long-stay 'lofts' (35 to 50m ²) and rooms with shared spaces in a hotel - Access to: gym, meeting/co-working space, rooftop, restaurant, coffee corner, laundromat, car sharing, electric bikes	Unknown
Trasenster	XIOR Student housing (REIT)	300	Student housing with shared spaces (no more details so far)	Not yet completed

Results

Municipalities' (dis-)interest in (shared housing for) young adults

The selected municipalities see shared houses on the buy-to-let market as a threat to housing provision for families, yet an opportunity to redevelop vacant buildings. They see single-family housing subdivision as a threat to quality – with units of ‘indigent size’ [Seraing, housing] – and a driver of speculation and precarity. They particularly fight against building subdivisions that only aim to “strengthen land rents” [Namur, planning] and lead to rising real estate prices [Mons, planning], with rents up to three-times higher than for family housing [Municipalities, housing; Namur, housing]. Such an increase in housing prices makes it more difficult for young families to access homeownership, which remains the top priority for municipalities. Nevertheless, Walloon cities have a shortage of both housing for large families as well as small, affordable rental housing units [Municipalities, housing]. Anyhow, planning services in these municipalities only accept subdivisions of old, large houses that have become too spacious for one family. Although a rental permission is now compulsory for collective housing, small housing units (under 28m²) and student housing, many houses were subdivided without any planning permission in the years 1990 in Walloon cities, leading to the creation of poor-quality student housing. Subdivisions were well accepted at the time, in the context of suburbanisation and shrinking cities, to regenerate city-centres [Municipalities, housing]. We will come back to this in the last subsection.

Charleroi and Seraing are the two case-study cities that presently face the heaviest de-industrialisation and attractiveness issues and are the most interested in PBSA as regeneration leverage:

“The creation of student housing residences will also be encouraged in the city-centre to meet growing needs et to take part in urban renewal” (Charleroi Bouwmeester, 2022, p. 101)

As observed by Heslop et al. (2022) in Newcastle, Walloon planning authorities see PBSA more positively than housing subdivision. The largest PBSA projects are developed in cities with significant volumes of students. Planning authorities consider them a more “structured” student housing offer, given the possibility to interact with a professional manager instead of several individual landlords [Seraing, housing]. Seraing has, for example, included a large-scale student housing development in its masterplan (Trasenster). For this project, the municipality wishes to involve young adults, the reason being to:

“...facilitate the delicate transition towards professional life and access to individual housing as well as *integrate young workers in the neighbourhood, the latter contributing to its economic and social renewal, just as do students.*” [<https://eriges.be/logements-etudiants-et-jeunes-adultes/>]

The city of Mons is also overwhelmed with PBSA requests, consistently with the growth of its higher-education institutions, but it favours small-scale developments [Mons, planning]. Liege has accepted such kinds of projects as well, especially in buildings in reconversion that wouldn't have been suitable for other kinds of housing anyway, as it is the case of the Arc residence (see last subsection). The development of shared housing for students and young professionals in former office buildings has been observed in other contexts (Uyttebrouck et al., 2020) and emerges in Charleroi too:

“In each masterplan, there is always one building that is difficult to work with and there is always this question of student housing to address this problem. I am talking here of large student housing estates, not *kots.*” [Charleroi, planning]

However, PBSA tends to pressure housing markets in smaller municipalities surrounding university cities, such as Esneux (round 13 000 inhabitants) where the proximity to the university main campus has attracted students in apartment-sharing in one specific neighbourhood, which rose prices in this part of the municipality. The possible effects of PBSA on shared houses provided by individual landlords are seen, depending on the interviewees, as limited [Namur, planning] or tangible:

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“Since there is this pressure on the market, small landlords indeed have more difficulties in attracting students because they don’t have all services nor the community that goes with those kinds of housing” [Liege, planning]

In the specific case of co-living, the offer remains marginal in the smallest municipalities (e.g., Esneux) compared to single-family housing. Municipalities may welcome new co-living proposals if they are “organized” and of fair quality [Namur, planning]. They tend to use the quality argument to facilitate conversions to shared housing, although it may conflict with their interest in retaining families.

Investors’ interest for niche, profitable products that can be standardised and upscaled

The private sector primarily targets (international) young people in high-priced developments with short-term tenure located in well-connected areas with access to amenities (see the mapping of shared housing in Liege in the previous section):

“It often starts with an opportunity of a building to redevelop in a neighbourhood where we consider that student housing can be attractive location-wise in the city.” [Investor, student housing]

They justify high rents with innovative products – “the future of living”² – and the provision of “high-quality” communal spaces [Investor, student housing] that compensate for small private space. Investors brand their offer as creating inclusive communities (Investor, student housing) and pretend that “when luxury is shared, luxury becomes affordable” (Liege, hospitality manager), hence utilizing young adults’ need for affordable housing. Quality and affordability are the primary arguments that they use to justify their business model [Investor, student housing]. They further increasingly focus on people in transition situations, thus broadening the target group and marketizing the flexibility offered:

“It corresponds to people who are in transition phases. Many people who are breaking up and who have to find something quickly choose something smaller while they are sorting their life out and looking for buying again (...). No matter the age, we are several times in our lives in transition periods. Co-living allows adapting to this period. (...) It is a flexible and fast solution in that they [the tenants] sign one single contract that includes water, electricity, heating, lighting, curtains, internet... You get in as fast as out – and this, for them, is so handy – and you can extent as you wish.” [Liege, hospitality manager]

Other research has shown that, in reality, although co-living companies position themselves as transition and institutionalised shared housing, they provide tenants with an illusion of flexibility (Casier, 2023) and put them in transition situations that last forever and turn into precarious living conditions (Hoolachan et al., 2017).

PBSA-like residences for young professionals finally illustrate investors’ upscaling and standardisation strategies, as confirmed by a co-living company about its project of developing the largest co-living residence of Wallonia in Charleroi, with a foodcourt on the ground floor:

“It was really the will to move towards projects of this kind, in urban centres. So, move towards projects between 4000 et 6000 m² where we would develop a *copy-paste* of what we are currently doing, actually. Because I believe it’s a model that will be successful everywhere. So, it’s to have co-living on the upper floors and a food market on the ground floor. So, we clearly think about other Walloon cities. Besides, at the MIPIM [Real Estate fair taking place each year in Cannes, France], we presented the project for Charleroi. Directly, the cities of Mons, Namur, La Louvière and Liège came to see us, for us to develop the same kind of project.” [Charleroi, co-living; emphasis added]

² It is the way the Arc residence is presented on its website: <https://www.arc-liege.be>

Shared housing growing in a legal void and a weak planning framework

Shared housing developments are still emerging (yet fast growing) in the selected cities and happen in a legal void, in the absence of specific regulations for this housing segment:

“In the CoDT [Code du développement territorial – Walloon spatial planning regulation], there is a requirement to ask for planning permission when you create a new housing unit or student rooms, but there are many questions that emerge in specific cases. Is a permit mandatory when you add co-renting to an existing house? According to the current interpretation, it is not needed, unless it is for students, then you normally need one. If a permit is then mandatory, on which part does it apply: the room, the whole? Many things remain fuzzy.” [Municipalities, housing]

Co-living companies rely on this business model of using planning voids to put new units on the market fast, as explained by the interviewees in Liege and Namur:

“We have another kind of developer that rules here. Those are people who buy up single-family buildings, redevelop them into single-family housing, yet systematically rent them out as co-renting.” [Liege, planning – author’s translation]

“And there is co-renting. There we face more difficulties because we do not have any leverage against co-renting. We cannot forbid it so there is a certain amount of applicants who utilize this legal gap.” [Namur, planning]

This was also apparent in the discourse of one of the co-living companies, which feels much freedom in the Walloon context, but still finds it difficult to position its project in the current regulatory framework:

“Our main development axis is Wallonia where, actually, in terms of market and relationships with institutions, it’s much simpler [than in Brussels]. Decision-making is much faster, as well as, permit submission. We don’t face permission refusals and appeals (...). We will qualify it [speaking of a co-living development] as collective housing, knowing that the rules for collective housing are not always adapted for what we do...so we will have to be creative.” [Charleroi, co-living]

Specific rules for dwelling-sharing, or co-renting, were integrated into the 2018 Walloon decree on housing leases, but they do not apply to co-living, the difference being that co-renting relies on one single lease contract signed by all tenants, whereas tenants of co-living accommodations all have an individual contract. Despite this gap, the housing minister has no intention to regulate co-living leases:

“Regulate this does not seem useful to me so far and would be probably premature. Furthermore, the difficulty lies in the specificity of each contract, which, sometimes, looks more like a hotel flat than usual long-term rental. Of course, we watch closely the evolution of these phenomena.” [Answer from the Walloon Minister of Housing, Local Authorities and Cities on a question raised to the parliament on the 20th of April 2022]

Municipalities confirmed the ambivalence of the housing regulation despite the 2018 decree:

“The lease decree adopted in 2018 hardly considers new housing forms. Student housing and co-renting are considered, but co-living is not really considered.” [Municipalities, housing]

“The regulation lags behind when it comes to shared housing. In planning terms, you create a dwelling or you do not. You have to accept a dwelling or refuse it, there is no nuance. So, it’s not always easy to decide.” [Esneux, planning]

They also lack tools in the operational phase:

“When it comes to co-living, there is no preventive tool for the municipality to manage and spread it, control the number of people or manage indoor rooms to ensure well-being in the house and in the neighbourhood. Co-living has an impact on a neighbourhood’s living conditions, especially if there are

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several co-living houses in the same street because it creates a density that is difficult to manage.”
[Municipalities, housing]

The Walloon region – the power level responsible for spatial planning – tries to improve the respect of housing regulations through a health service (in the sense of the French concept of *salubrité*) and some municipalities add specific housing regulations that strengthen quality requirements. This contradicts one investor’s discourse, hinting that planning regulations are relaxed to facilitate shared housing for young adults [Investor, student housing].

Shared housing as an under-regulated tool of urban regeneration

The discourse of the civil servants interviewed appears ambivalent, between the primary political attention for middle-class families, and attractiveness policies positioning young adults as levers for urban regeneration. On the one hand, municipalities seem hardly preoccupied with access to affordable and quality housing for young adults, despite their significant presence. Therefore, they do not see the potential - nor the risks of unregulated development - of shared housing. This lack of interests may be related with young adults’ transition situation, which creates financial losses for municipalities:

“We deal with people who are no longer spatially anchored, who are transiting. Because there is less anchorage, there is less involvement, less life, etc. Therefore, we want social mix because families allow this anchorage, they allow the use of schools, buses, community equipment, whereas co-renters live less in the neighbourhood.” [Municipalities, housing]

“The real problem for the city is that a student is not registered, or very rarely, so he or she does not pay taxes, which is a financial burden for the city. (...) We reach almost 200 000 inhabitants registered, but if we included students, we would be by far above this threshold. But when you reach the threshold of 200 000 inhabitants, the city is considered differently and has the right to other regional resources.” [Liege, planning]

The student registration issue has thus multiple implications for cities and play a role in power relationships between cities of the same region

On the other hand, young adults’ presumed flexibility and higher tolerance level is utilised by public authorities to justify urban regeneration operations:

“The student’s flexibility allows filling up some spaces where families will not be able to come. For instance, students tolerate noise better” [Charleroi, planning]

The young adult is more broadly utilized as a tool of attractiveness in a context of city marketing – using labels such as ‘Liege Together’ – and competition. All case-study cities see the young professional (and the student to a certain extent) as a driver of regeneration in declining city-centres as well as deprived neighbourhoods:

“Namur does not specifically want to grow, but we are in a spatial marketing logic, clearly when it comes to residential attractiveness. We compete with Liege, Mons, the Walloon Brabant [province South of Brussels]. (...) We are in a renewal logic, including in the city centre, towards new urban forms that are more adapted to host early housing pathways.” [Namur, planning]

“Right now, the city-centre is really empty, and we would like to house students in vacant buildings rather than buildings that are used to increase prices and drive families out. For now, the city-centre is abandoned so there is no problem of this kind.” [Charleroi, planning]

“We see the creation of student housing as potential economic leverage in deprived neighbourhoods. Bringing students back can be an opportunity to act on the social mix.” [Mons, planning]

Although taking more structural forms nowadays (PBSA), such perceptions are consistent with houses' subdivisions in the 1990s to repopulate city-centres.

Cities with the heaviest industrial past have extended this principle to brownfields. Seraing and Charleroi have translated regeneration goals for both vacant industrial land and their city centre into masterplans. Both cities aim to attract a student population in their regeneration strategy. For example, Seraing has planned to develop student housing (among other uses) on the Trasenster site (40 000m²) that would host students from the University of Liege and higher-education institutions located in Liege and Seraing³.

From the development side, investors play with the attractiveness myth and Florida's old argument (Florida, 2002) to market tailor-made concepts of shared housing for young adults towards cities:

“Human capital is mandatory for a region's economic development. When human resources are present, companies that create employment come rather towards those cities (...). They [cities] have accepted that students be an economic leverage of their cities and that they have to host them, accompany them and create a housing offer that allows them to enjoy those cities.” [Investor, student housing]

The private sector plays a central role in mixed-use regeneration operations, as in Charleroi, where planning is negotiated between the city, the Bouwmeester and private parties:

“It was a discussion with the city. We never had it with Brussels region. At the beginning, we wished to go for full housing. Then, we changed direction because the city said ‘in this neighbourhood, for the future, with the coming uses and services (...) it would be good to develop restaurants because this neighbourhood will miss it’ (...) So because we like new models, we thought ‘food markets don't exist yet in Wallonia, there are very few initiatives. We will develop the largest food market of Wallonia in Charleroi.’ [Charleroi, co-living]

In Liege, the first large-scale shared housing project for young professionals (Arc residence) in a regeneration area was filled up within 4 months [Liege, hospitality manager], confirming the demand for such kind of accommodation. The Arc residence is located in Val Benoit, the former site of the engineering campus (including its technical labs) before it was moved to the university main campus, in the outskirts of the city. The site has been under conversion since 2013 and still has few amenities, but it will be connected to the future tramway line going to the city-centre. The investor converted a former technical lab into shared housing for young professionals (only 18% of students – mostly international – live in the residence) and people in transition situations. The company considers it took high risks to develop this pilot project but was convinced by the site potential [Liege, hospitality manager]. The residence is now managed by the REIT XIOR (see previous section), which illustrates shows how financialised actors take an active part in urban regeneration and commodification.

Concluding discussion

This paper has examined the development of shared housing for students and young professionals in post-industrial, second-tier cities under urban regeneration. The shared housing developments considered (PBSA and co-living) represent a flexible rental solution responding to young adults' difficulties to enter urban housing markets. They have also implications for cities, not only by taking part in their regeneration, but also by “youthifying” and “studentifying” neighbourhoods. This double role led us to investigate investors and cities' conflicting interests in shared housing for young adults.

Our empirical study conducted in four Belgian cities situated in the Walloon region (Liege – together with Seraing and Esneux – Charleroi, Namur and Mons) illustrates municipalities' ambivalence on this topic. While municipalities' first interest is to attract and retain middle-class families, PBSA is welcomed as institutionalised student housing offer to regenerate and densify areas where other housing

³ More information on this project can be found here: <https://www.seraing.be/le-master-plan/le-parc-trasenster-et-batiment-om/>

segments could not be developed. Young adults are thus seen both as a burden (especially students) and a leverage, being associated with flexibility and seen as a tool of attractiveness. From the supply perspective, the investors involved are often international financialised companies investing in shared housing to develop flexible and profitable real estate products for young people and people in transition, primarily in well-connected neighbourhoods with high levels of amenities. They further aim to upscale the business model towards high-density shared housing for broader target groups, often in regeneration areas where they play a central role, negotiated with planning authorities. Investors also use planning voids, in the absence of specific regulation applying to shared housing, and particularly co-living, in Wallonia. Municipalities also lack appropriate tools to quantify and monitor this market, but civil servants' discourses are contradictory regarding regulations' enforcement or relaxation of in the future.

By not acknowledging the presence and housing needs of (young) people in transition, municipalities miss the chance to regulate housing market segments that target these groups, take advantage of a weak housing and planning framework, and contribute to enhancing the financialisation of housing and urban space. *Regulation* does not correspond here to state *de-risking* (Aalbers et al., 2023) that would facilitate even more financialised shared housing. It refers to a better control of rents, density and spatial quality among other central aspects, notably through enforced land-use regulations (Revington & Wray, 2022) and value-capture instruments. Seraing (neighbouring municipality of Liège) has made a tiny little step in this direction by requiring social rents for 28 units in its ongoing Trasenster project... out of 300 units. This means less than 10% regulated rents for a project situated in one of the poorest post-industrial neighbourhoods of the municipality. This illustrates how huge efforts are still needed to address the risks and opportunities of shared housing in policy and planning.

By drawing attention on housing products that have rapidly grown in second-tier, post-industrial cities but are still little studied, we hope that this paper contributes to feeding ongoing debates on shared housing for young adults. In-depth analysis of planning instruments and interactions between public and private interests on specific urban regeneration operations should be conducted to further improve understanding of the planning and governance of shared housing for young adults in different contexts and help design instruments that measure their outcomes. The Walloon context is still an interesting case of liberal housing regime and weak planning framework with dramatic needs for regenerating its post-industrial cities.

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