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ABSTRACT

The recent success of populist candidates in the UK and Continental Europe has sparked a major debate between those who view populism as a reaction of the economically ‘left behind’ and those who view it as a cultural ‘backlash’ by groups with declining social status, pointing to stark divisions between urban and rural areas, core and periphery. This paper bridges the economic and values-based approaches to populism by arguing that the geography of wealth inequality offers a convincing explanation for the pattern of populist vote share. Drawing on fine-grained house price data in the UK and France, it is shown that the pattern of house prices – even within small districts – plays a major part in shaping support for Brexit and Marine Le Pen. The findings illustrate how longstanding variation in local wealth shapes the geography of discontent and drives populist appeal. Populism, the article concludes, is primarily a politics of place, and place is a product, in part, of the housing market.

KEYWORDS Housing; populism; Brexit; France; political geography

Over the course of the last half-decade, populism has moved from the fringe of West European politics to its centre stage. Populist parties vary in their policy agendas but they broadly share a distaste for existing political elites and institutions and claim to support the ‘common person’ against both the ‘establishment’ and outsider groups, oftentimes immigrants and other minorities (Mudde 2007). In some countries, such as Italy, populist parties now capture a plurality of voter support. In others, such as the United Kingdom, the populist vote share remains marginal, but the tail wags the dog: establishment parties are adopting populist rhetoric and responding to the policy priorities of this vocal minority (Ford and Goodwin 2014). The rise of the populists has not been sudden: establishment parties have steadily lost ground to populist challengers as

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Western Europe's electoral systems have unfrozen (Mudde 2001; Mény and Surel 2002). But the political earthquakes of Donald Trump's election in the United States and Britain's decision to exit the European Union have put these trends in sharp relief. Indeed, Western Europe is not alone: developed democracies in general are becoming more polarised (Ezrow *et al.* 2014), more volatile (Hernández and Kriesi 2016), and more favourable to populist candidates (Zaslave 2008). It is an earthquake felt around the world.

The appearance of populist parties on the main stage has sparked a major debate about the drivers of populist appeal. One strand of this literature examines economic factors that contribute to workers' sense of exclusion in the post-industrial economy, highlighting the importance of trade (Colantone and Stanig 2018; Dorn *et al.* 2016; Swank and Betz 2003), education (Algan *et al.* 2017; Guiso *et al.* 2017), and employment insecurity (Ford and Goodwin 2014; Vlandas and Halikiopoulou 2018) in pushing voters toward populist alternatives. Another strand of this literature argues that populism is the product of a 'backlash' by voters who feel that their traditional values have been left behind in post-materialist cosmopolitan culture (Inglehart and Norris 2017; Kaufmann 2016). Across both, there is broad agreement that the populist revolt represents the 'return of the repressed' (Streeck 2017), who felt pushed towards the periphery of the economic, cultural and political imagination (Cramer 2016; Gest 2016; Hochschild 2016).

However, existing research has completely overlooked the single most important determinant of people's everyday welfare, the largest asset on their household balance sheets, and the driver of massive macroeconomic instability over the last two decades: housing. Like trade and technological change, the housing market has had a profound impact on the distribution of winners and losers across advanced capitalist economies. Some homeowners, based in booming global cities, have profited handsomely from rapid house price inflation; others, based in regions of economic decline, have weathered a housing crash that sent them into negative equity, foreclosure, and increased risk of depression (McLaughlin *et al.* 2012). Indeed, while there is broad recognition that the housing market played an important role in the financial crisis (Rajan 2010), and broad recognition that the financial crisis has played an important role in the political economy of populism (Rodrik 2017), there is not a single study to our knowledge that has examined the impact of housing market dynamics on populist vote share. This article aims to fill that gap in the literature.

We examine two recent elections with a salient populist dimension: Britain's 2016 referendum on membership to the European Union and France's Presidential Election in 2017. Across both, we show that the

housing market is closely tied to populist electoral outcomes: areas that have gained from house price inflation are far less likely to vote for populist causes or parties than areas that have been excluded from those gains. We run our analyses at both the local and the individual levels, controlling for a range of key variables in the populism literature, including age, income, gender, and education. We show that housing has a strong effect on populist support independent of these socio-economic and demographic factors.

Our findings make contributions to both the housing literature and the populism literature. Several studies have explored the link between house prices and voters' preferences over party choice (Verberg 2000) and so-called 'first-dimension' (material) issues like trade (Scheve and Slaughter 2001) and welfare expenditures (Ansell 2014). Yet very little attention has been paid to how housing markets affect preferences along the 'second dimension' (group-based) of politics, which dominates new populist movements and, through them, much of contemporary West European politics (Jagers and Walgrave 2007). We develop a novel theory of housing and its impact on voters' sense of exclusion from the economic and cultural changes over the last quarter-century.

In doing so, we help to bridge the economic and cultural explanations of populist appeal. Several recent studies attempt a horserace between these explanations, evaluating the relative impact of indicators like household income and attitudes toward immigration (Inglehart and Norris 2017; Rodrik 2017). On the basis of these measurements, some scholars have concluded that the 'economic inequality' perspective is largely invalid (Inglehart and Norris 2017). Our findings suggest that economic inequality is an indispensable explanation of the populist vote, but we reframe our understanding of inequality in geographical terms. The housing market structures the political map by locking people into – or out of – different climates of fortune: in some areas, a housing boom inspires optimism; in others, a housing bust fosters a sense of exclusion – not only from the gains of their neighbours, but also from the areas where housing is no longer affordable to them. It is in these latter areas, we show, that the culture of resentment thrives (Cramer 2016), clearing the way for populist candidates. Housing has clear material winners and losers, but its geographic fixity also means that houses are embedded in local communities, and voters' sense of self-understanding and group identity flows from these local conditions. Diverging fortunes in the housing market can activate both sets of concerns and thereby drive voters' satisfaction with the political status quo.

In the next section, we develop a theory of the relationship between the housing market and local populist appeal. In the third section, we

describe the methods that we employ to examine this relationship. In the fourth and fifth sections, we examine the data from Britain's referendum on EU membership and the French presidential election of 2017, conducting analyses of both local electoral outcomes and individual vote choice. The sixth section concludes by drawing out broader lessons.

Housing and the second dimension

How does housing matter politically? While most models of voter behaviour continue to ignore housing markets, a small but growing literature has made strides in evaluating the impact of housing on voting and on economic policy preferences. A number of studies dating back to the 1980s have argued that homeownership predicts higher voter turnout (Kingston *et al.* 1984) and support for right-leaning political parties (Studlar *et al.* 1990; Verberg 2000; Fischel 2009). In terms of the connection between housing and social policy, at the macro-level, seminal contributions from Kemeny (1981) and Castles (1998), posited a trade-off between homeownership and the welfare state. This finding has been supported at the micro-level – Ansell (2014) and Ansell *et al.* (2018) show a negative relationship between individuals experiencing rising house prices and their support for social insurance policies.

But this literature is largely restricted to questions of the 'first dimension' of economic and material outcomes. According to this spatial model, voters are guided primarily by their position along the economic left–right spectrum, and parties design their programmes to compete for the median voter along that spectrum (Meltzer and Richard 1981). Housing wealth predicts economic attitudes, which in turn structure voting along the first dimension of politics.

Yet populism resists first dimensional classification. Over the last half-century, populist movements have emerged from the far right, the far left, and in some cases – as with Italy's Silvio Berlusconi and M5S – the centre (Weyland 1996; Zaslove 2008). Where earlier scholarship described the robust ideological content of populist movements in the mid-Western United States (Hofstadter 1955), more recent work emphasises populism as a political strategy, or 'logic' (Laclau 1977). Rather than offering distinct policy positions, this political strategy attacks the 'corrupt' elite on behalf of the forgotten, common man (Müller 2017), relying on two common rhetorical strategies. The first is anger: a desire to vent frustration against a system that has failed to serve its voters. Gest (2016) cites concerns among voters that they have been 'demoted' in the imagination – and therefore the priorities – of the political system. The second, and related, is nostalgia: a vision of a nation uncorrupted by special interests

and ‘outsider’ populations (Mudde 2004). More recent work by Gest *et al.* (2017) suggests that the populist right derives support from this ‘nostalgic deprivation’.

The emphasis on affect in populist movements allows populist candidates to move more freely between traditionally left and right policy commitments. In the name of nativism, even populists on the right can advocate for stronger state support for their citizens (Gidron and Hall 2017). In other words, new populist movements have coalesced far more around the dimensions of ‘group’ (insider vs. outsider) and ‘grid’ (democratic participation vs. authoritarian decision-making) than around the traditional left–right dimension of ‘greed’ (Kitschelt and Rehm 2014). Hitherto, the housing literature has had little to say about the relationship between house prices and the new dimensions of political mobilisation.

How does housing affect preferences over this second dimension of politics? We propose effects at two levels – one individual and one geotropic. For any given voter, housing costs form a significant proportion of monthly expenditure. Over the last three decades, house prices across West Europe have risen rapidly, but in highly variable fashion: while global cities like London and Paris have witnessed tremendous house price inflation, the value of housing in smaller cities and towns has remained largely stagnant – and, since the financial crisis in 2008, actually declined. In other words, just as with exposure to trade (Autor *et al.* 2016; Colantone and Stanig 2018; Rodrik 2017), housing market dynamics have created a map of winners and losers. Some homeowners have gained massively from rising house prices, providing a significant source of security against economic shocks and a nest egg for retirement. Others have been excluded from these gains, and face significant insecurity in the face of economic volatility.

We predict that these dynamics will have an impact on the distribution of populist vote share. The winners from house price inflation – specifically, homeowners in areas with high house prices – will be less likely to vote for populists who attack the status quo than the losers. At an individual level, then, we predict that housing shapes voters’ position on the second dimension by determining their sense of inclusion in one of the primary drivers of West Europe’s household wealth formation and thus their support for the legitimacy of the political system that has produced these differential economic outcomes.

Housing has a second effect at the geotropic level. Reeves and Gimpel (2012) introduced the concept of ‘geotropic’ effects to describe how voters’ views of the national economy are inflected by their ‘workaday experience of the economic to which they are exposed’ at the local level (see also Kriner and Reeves 2012). These local conditions have been

shown to play a major role in right-populist appeal: according to Gest (2016: 15), the ‘white working class’ – concentrated in pockets of deprivation – senses that it has pushed from ‘the center of their country’s consciousness to its fringe’. Cramer (2016) and Hochschild (2016) similarly describe the anxiety, resentment, anger, and nostalgia among white communities that perceived themselves in decline.

Our theory extends these insights to account for housing markets as a key factor in shaping perceptions of decline. New superstar cities attract both flurries of international investment as well as floods of young workers seeking new employment opportunities (Glaeser 2012; Moretti 2012), driving up house prices as demand has soared. Regions with lagging economic growth, by contrast, tend to have declining population rates, declining levels of real estate investment, and declining house prices, in turn. Areas that were hit hard by the recession sent *individual* homeowners into negative equity – but also sent *local* businesses into bankruptcy, damaging growth in the decade since. The housing market both proxies and produces this ‘ecology of unease’ (Reeves and Gimpel 2012). We expect that people in areas that have experienced (relative) house price deflation over the last couple of decades – regardless of whether they own houses – will be more supportive of populism than areas that have experienced overall house price inflation. Local house price deflation should stoke both resentment for regional decline and nostalgia for a time when things were looking up and opportunity was expanding – a shift along the second dimension. By contrast, local house price inflation should reduce demands for radical change, as in a relatively booming local economy voters opt instead for the more stable, status quo candidates.

The empirical implications of these theoretical claims are twofold. Firstly, both house price *levels* and *changes* should be connected to populism. *Levels* reflect long-run economic fortune across localities, whereas recent *changes* reflect the direct benefits that homeowners will have experienced over the past few years. Both ought to feed into voters’ relative support for populist causes. Second, we ought to expect housing *tenure* to play a significant role in moderating the impact of housing market dynamics. Homeowners – not renters – are the biggest beneficiaries of higher house prices (in terms of both levels and changes), as well as the biggest losers from collapsing house prices. They ought to be impacted most strongly, therefore, by the individual-level effect. However, house prices also reflect the local health of the community in which *both* homeowners and renters live. If populist attitudes in part reflect concerns about how local communities are faring in the European and global economy, then there ought to be an effect of local

house prices on all voters in that community. Combining these two mechanisms we expect the effects of house prices to be strongest for homeowners but through the geotropic mechanism to affect all voters in a particular community.

Empirical analysis

In order to connect housing to populism, we have selected elections in which the populist dimension of political competition was highly salient and where local housing data is available and comprehensive. This combination of requirements led us to examine two European elections – the Brexit referendum and the French presidential election of 2017.

In terms of the salience of populism in elections, consider Britain's referendum on EU membership: while both sides of the campaign emphasised the economic benefits of their cause, Brexit was won and lost along the second dimension, where voters expressed their views of globalisation and the project of multiculturalism that came along with it (Goodhart 2017; Inglehart and Norris 2017). Far more than a general election – in which parties compete across multiple dimensions with a range of policy positions – the Brexit referendum provides a clear case of a populist vote. The French election of 2017 also presented a clear populist candidate in Marine Le Pen, whose Front National has traditionally been viewed as a radical right party (Betz 1993; Mudde 2004). Her opponent, Emmanuel Macron, also aimed to capture the populist spirit with a grassroots mode of voter mobilisation that sidelined establishment parties. But Macron's political style is best described as 'anti-populist populism' (Bordignon 2017), cosy with French's political establishment and friendly with the French elite more broadly. We therefore consider the competition between Le Pen and Macron to be a referendum on populism in France, though we also examine Le Pen's performance against other first-round candidates.

In terms of the availability of house price data and matching survey and election information, it is only in recent years that it has become possible to gather local data on house prices in many countries (and indeed in certain cases such as Germany, data remain difficult to collect). Moreover, it is important to be able to match such data to a politically relevant level of analysis where we can access accurate vote count information and which identifies participants in national surveys. Again, the UK and France fulfil both requirements, making it possible to analyse house price data at a highly disaggregated level (wards and local authorities in England and Wales, *départements* in France) and to match that to survey respondents.

Housing and Brexit

We begin our empirical analysis with perhaps the most striking example of unexpected populist victory: the narrow victory for the Leave campaign in the 2016 European Union Membership Referendum in the United Kingdom (henceforth the Brexit referendum). Many observers were struck at the time of the vote by the distinct geographical pattern of voting for the Leave or Remain sides, which cut across longstanding regional divides that structure voting for the dominant Conservative and Labour parties. Both parties remain internally divided about the merits of and proper approach to Brexit, suggesting that voting for Brexit did not conform closely to the standard economic class divide in British politics.

In that sense, the Brexit vote was won on the ‘second dimension’ of politics – exposing rifts between citizens comfortable with immigration, cosmopolitanism and a partially European identity and those whose identity was more local (or explicitly English in that particular country) and who found immigration and cosmopolitan values less to their taste. The political commentator David Goodhart (2017) has referred to these two groups as, respectively, ‘Anywheres’ and ‘Somewheres’. In fact, both groups can be identified with particular ‘somewheres’: cosmopolitan Remain voters were not scattered widely across the country – if anything they were more geographically concentrated than Leave voters. But they were situated in areas that had largely boomed from the previous few decades of integration with the European Union and in such locations discontent with the status quo was less obvious. Leave voters, by contrast, on average tended to live in areas with declining or stagnant housing markets, where few locals appeared on first sight to have benefited from Britain’s membership of the EU.

Empirically, the effect of local housing markets on Brexit support is extremely strong. Moreover, the impact of local housing markets on vote choice is *accentuated* among homeowners, whose most important asset has been one of the key beneficiaries, or losers, of the relative rise and decline of British regions since 1973. We demonstrate these relationships at both the aggregate and individual levels.

We begin by considering the proportion of votes cast at the local authority level for Leave in England and Wales. Local Authority Districts (LADs) are sizeable administrative units that tend to match towns, county divisions, or London boroughs and average around 100,000 people in terms of their electorate for the Brexit referendum (which excluded EU citizens who can vote in local but not national elections). The advantage of using these units of analysis is that it is possible to collect a comprehensive voting record on Brexit across the UK (we omit Scotland and Northern Ireland due to a lack of housing data, not the Brexit vote) as

Table 1. Brexit voting at local authority level and house prices (England and Wales).

	(1)	(2)	(3)	(4)	(5)	(6)
Log median price	-19.36*** (1.33)	-14.44*** (2.85)			-13.88*** (1.38)	-12.86*** (3.16)
House price change			-11.78*** (1.31)	-5.19*** (1.11)	-5.80*** (1.57)	-1.47 (1.37)
JSA rate		1.89* (0.92)		4.00*** (0.97)		2.03* (0.97)
Weekly pay		0.01 (0.01)		-0.01 (0.01)		0.01 (0.01)
Weekly pay change		-6.43* (2.94)		-2.64 (3.16)		-6.18* (2.93)
Manufacturing		40.77*** (10.31)		71.28*** (9.04)		41.47*** (9.99)
Change WC		18.54** (7.70)		17.47* (7.99)		18.09** (7.45)
Change MC		5.74 (3.86)		7.59* (4.13)		5.90 (3.89)
Over 65s		72.96*** (14.42)		51.40** (21.03)		69.81*** (15.98)
Under 15s		121.22*** (14.37)		96.49*** (22.88)		114.49*** (17.71)
Size of LA		-0.20*** (0.05)		-0.20*** (0.05)		-0.20*** (0.05)
% non-UK		-30.09*** (9.25)		-34.48*** (7.33)		-27.67** (9.95)
Change non-UK		54.83*** (12.36)		65.39*** (9.41)		52.45*** (12.85)
R^2	0.59	0.78	0.54	0.76	0.62	0.78
N	348	331	348	331	348	331

Region clustered standard errors in parentheses. Region dummies not reported.

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

well as for house price data. Data on house prices comes from the Land Registry and includes all sales of apartments and houses in each local authority. We take the median sales price for each LAD in 2015 and take the natural log in order to reduce dispersion. We also create a house price change variable that measures the percentage change in the median (non-logged) house price in the LAD between 1996 and 2015. With these measures in hand we can examine the relationship between house price levels and changes and support for leaving the European Union.

Table 1 begins by examining the relationship between logged median house prices in 2015 and the Brexit vote in 2016, using a simple linear regression model with region clustered standard errors. Model 1 contains only the house price variable along with dummies for the 10 regions of England and Wales (in order to ensure this is not simply a 'London' effect). We see a large and tightly measured coefficient – the estimated impact of a log-point increase in house prices (for example, moving from a local average of £160,000 as in the Kentish Medway authority to £420,000, as in Mole Valley, in Surrey – both in the South East region of England) is associated with a

roughly 19-point decrease in support for leaving the EU (similar in magnitude to the 18-point gap in the actual Leave vote between these two local authorities). These variables collectively represent almost 60% of the variation in local authority support for Brexit, and even omitting the region dummies, logged house prices alone account for 44% of this variation.

Model 2 adds controls for the rate of unemployment benefit receipt (JSA rate), weekly pay, the change in weekly pay since 1997, the proportion of workers in manufacturing, the decadal change in the proportion of citizens in working and in middle class populations, the proportion of citizens over 65 and under 15, the population of the local authority, and the proportion of residents of non-UK birth and the absolute change in that amount over the previous decade. Adding controls for other key indicators at the local level reduces the size of the effect of house prices to around 14 percentage points – still a sizeable effect. We also see some expected relationships – higher unemployment, more manufacturing sector workers, and a growth in the proportion of the population who are working class lead to more support for Brexit, as does having more retired people or those of school age (alternatively, those areas where the population is largely of working age were least likely to support Brexit). By contrast larger local authorities, those where pay has risen more since 1997, and those with more non-UK born were more supportive of Remain, though the change in non-UK born is positively associated with Leave support.

Models 3 and 4 use the change in median house prices at the local authority level between 1996 and 2015 in place of the level of prices. We see negative effects of higher house price growth on support for Leave – that is, places where prices grew faster from the mid-1990s were more supportive of Remain. Places where prices grew by 200% rather than 100% were between 5% and 12% more likely to vote Remain. Models 5 and 6 include both levels and changes. We see negative effects of both on support for Leave, though the former does appear substantially stronger in magnitude and statistical significance.

In order to show that these patterns are fairly consistent throughout England and Wales, [Figure 1](#) displays the relationship between the 1996 to 2015 change in house prices and support for Leave in each region. While that relationship is tighter in some regions (London, Wales, the West Midlands) than others (the East Midlands), in every case there is a negative pattern. Since regions with faster growing house prices had lower support for Leave than regions with slower growing prices, we can see a ‘fractal’ effect – at higher and lower geographic aggregation, there is a negative relationship between house prices and support for the populist Leave vote.

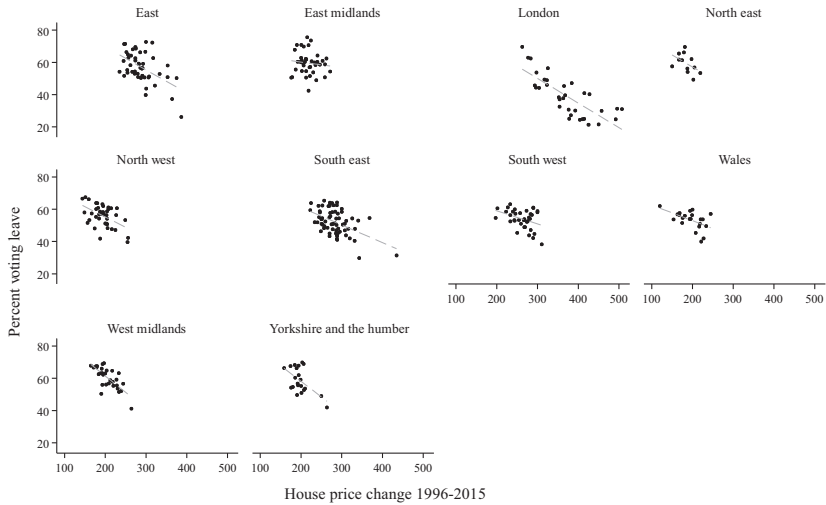


Figure 1. Voting for Brexit and 1996–2015 house price changes at local authority level (by region).

This fractal effect can be seen more starkly as we move to a lower level of geographic aggregation. Local authorities do vary substantially in their housing wealth and Brexit vote but of course they are large and quite internally diverse geographical units of around 100,000 people. Unfortunately, they are the smallest unit at which *all* Brexit voting data was collected. However, researchers at the BBC were able through freedom of information requests to acquire Brexit voting data at the ward level – around 3000 or 4000 people – for a limited (and not random) number of local authorities. Although the local authorities that did provide this data are self-selected and hence not perfectly representative, such data does allow us to examine voting behaviour at a much lower level of aggregation and to net out social and economic differences across local authorities. [Figure 2](#) provides some descriptive evidence of how Brexit voting played *within* local authorities, displaying the vote for Leave at the ward level in the local authority of the City of Bristol. A strong negative relationship between (logged) median house prices at the ward level and the percentage of the ward voting for Leave is apparent – wards with inexpensive housing such as Hartcliffe and Withywood and Filwood had more than 60% support for Leave. By contrast, wards with expensive housing, such as Clifton and Redland, had very low support for Leave – under 25%.

Since house price data is available at the ward level, we can calculate (logged) median prices, changes in prices, and the percentile within the local authority into which ward house prices fall, along with the size of the overall ward vote count. We use these variables as predictors of ward

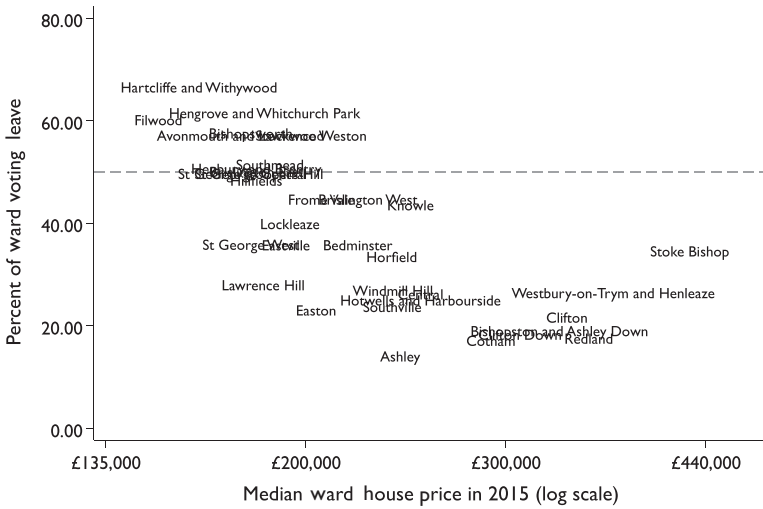


Figure 2. Voting at the ward level in Bristol local authority.

Table 2. Voting for Brexit at the ward level and house prices.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Log median house Price (ward)	-15.83*** (1.59)	-10.35*** (1.89)	-11.55*** (1.72)				
Log median house Price (LAD)		-7.11** (2.70)					
Ward house price Change 1996–2014				-9.21*** (0.70)	-3.27*** (0.81)		
Ward percentile						-0.09*** (0.01)	-0.10*** (0.01)
Ward total votes	-0.85** (0.33)	-0.91*** (0.34)	0.07 (0.48)	-0.92*** (0.26)	-0.45 (0.39)	-0.87* (0.47)	-0.01 (0.46)
R ²	0.44	0.45	0.75	0.45	0.73	0.06	0.75
LAD dummies	N	N	Y	N	Y	N	Y
Observations	1260	1260	1260	1260	1260	1260	1260

Standard errors in parentheses.
 * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

support for Brexit in **Table 2**. Models 1 through 3 contain ward logged median house prices, with Model 2 adding LAD logged median house prices, and Model 3 adding dummies for each LAD. Models 4 and 5 use house price changes at the ward level between 1996 and 2014 (with Model 5 having LAD dummies), and Models 6 and 7 use the percentile rank within the LAD of ward house prices (Model 7 again having LAD dummies). All models contain a measure of the ward electorate size. In each case there is a clear negative relationship between ward house prices and Brexit support. Model 1 shows a log-point increase in ward house prices is associated with a 16% lower support for Brexit in that ward. Model 2 demonstrates that this aggregate effect can be divided into ward-

Table 3. British election study: Brexit voting and homeownership.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Intend	Intend	Intend	Intend	Voted	Voted	Voted	Voted
HH income	-0.05*** (0.01)	-0.05*** (0.01)	-0.05*** (0.01)	-0.05*** (0.01)	-0.05*** (0.01)	-0.05*** (0.01)	-0.05*** (0.01)	-0.05*** (0.01)
Gender	-0.06 (0.04)	-0.07 (0.04)	-0.07 (0.04)	-0.07 (0.04)	-0.08* (0.05)	-0.08* (0.05)	-0.08* (0.05)	-0.08* (0.05)
Age	0.04*** (0.01)	0.04*** (0.01)	0.04*** (0.01)	0.04*** (0.01)	0.05*** (0.01)	0.05*** (0.01)	0.04*** (0.01)	0.04*** (0.01)
Age sq.	-0.00** (0.00)	-0.00** (0.00)	-0.00** (0.00)	-0.00** (0.00)	-0.00*** (0.00)	-0.00*** (0.00)	-0.00*** (0.00)	-0.00*** (0.00)
Education	-0.38*** (0.02)	-0.38*** (0.02)	-0.37*** (0.02)	-0.37*** (0.02)	-0.39*** (0.02)	-0.39*** (0.02)	-0.39*** (0.02)	-0.39*** (0.02)
Homeowner	0.12** (0.06)	3.17** (1.39)	0.11* (0.06)	3.60*** (1.40)	0.03 (0.06)	3.37** (1.44)	0.02 (0.06)	3.90*** (1.45)
Log median house price	-0.39*** (0.12)	-0.21 (0.14)	-0.34** (0.16)	-0.14 (0.18)	-0.43*** (0.12)	-0.24* (0.14)	-0.40** (0.16)	-0.18 (0.18)
Homeowner X price		-0.25** (0.11)		-0.29** (0.11)		-0.27** (0.12)		-0.32*** (0.12)
JSA rate			0.05 (0.05)	0.04 (0.05)			0.05 (0.05)	0.04 (0.05)
Weekly pay			0.00 (0.00)	0.00 (0.00)			0.00* (0.00)	0.00* (0.00)
Over 65			5.33*** (1.11)	5.44*** (1.12)			6.00*** (1.11)	6.12*** (1.11)
Under 15			6.33*** (1.88)	6.68*** (1.89)			6.05*** (1.87)	6.46*** (1.88)
% non-UK			0.05 (0.67)	0.04 (0.67)			-0.29 (0.67)	-0.32 (0.67)
Change non-UK			-0.11 (1.08)	-0.04 (1.08)			0.71 (1.08)	0.81 (1.08)
Constant	5.07*** (1.47)	2.92* (1.77)	2.01 (2.08)	-0.49 (2.30)	5.66*** (1.49)	3.27* (1.81)	2.48 (2.08)	-0.34 (2.32)
Observations	9547	9547	9495	9495	9289	9289	9235	9235

Standard errors in parentheses.

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

and LAD-level components, with the former slightly larger than the latter. Model 3, netting out all LAD-level differences, finds the effect of a log-point increase in ward prices – *within a LAD* – to be associated with an 11.5% difference in Brexit support. House price changes at the ward level are also negatively associated with Brexit support in Models 4 and 5, though here introducing LAD dummies does reduce the size substantially. Finally Models 6 and 7 show that moving from a ward at the 5th percentile in house prices in its LAD to one at the 95th percentile is associated with a predicted decline in Brexit support of around 9–10%.

We now turn to corroborate this aggregate data with individual survey data drawn from the 2016 British Election Study, which permits us to geocode people by their local authority and ascertain their housing status. Table 3 presents a series of analyses of respondents' Brexit preferences with zero coded as Remain and one coded as Leave, for respondents in England and Wales (our analyses exclude Scotland and Northern Ireland

as in [Table 1](#)). We use Waves 8 and 9 of the BES, taken at the time of the Brexit referendum and just afterwards, allowing us to examine both vote intention and self-reported vote choice. While many pre-referendum surveys showed overly optimistic leads for Remain, the samples examined in these models have very similar levels of aggregate support for Leave as that which obtained in the actual election – with vote intention for Brexit at 52.4% and reported vote at 51.3% (England and Wales had around 53% support for Brexit).

At the individual level, we control for age, age squared, gender, household income, and education level. At the local authority level, we include controls for unemployment (JSA rate), average weekly pay, demographics (population over 65 and under 15), and ethnic composition (percentage non-UK born and its decadal change). We also include dummies for each geographic region of England and Wales. Our core variables of interest are a dummy for whether the respondent is a homeowner, the log median house price in their LAD, and the interaction of the two. [Table 2](#) uses a multilevel logit model, with random effects at the LAD level. [Table A1](#) in the online appendix provides descriptive information about each of these variables.

Models 1–4 use the vote intention recorded during Wave 8, just before the Referendum occurred, whereas Models 5 through 9 use the reported Brexit referendum vote of the participant, taken from Wave 9. Odd numbered models include only the separate measures of homeownership and LAD logged median house prices, whereas even-numbered models include the interaction of these terms. Finally, Models 3, 4, 7, and 8 include the various LAD-level economic, demographic, and ethnic composition indicators. In the online appendix ([Table A2](#)) we show that results are extremely similar if we replace these LAD controls with dummies for each LAD.

Our core finding is that in all models the level of house prices in the respondent's local authority is negatively associated with their supporting leaving the European Union. In Model 1 (vote intention), a log-point increase in local house prices is associated with an 8% lower probability of voting for Brexit, and in Model 5 (vote report) this amounts to 9%. These predicted effects are comparable to, though a little smaller than, the 13% aggregate effect from [Table 1](#).

Harking back to our earlier discussion of whether this effect is individual or sociotropic, we find evidence is stronger for the former. The interaction term between homeownership and house prices is negative, and the coefficient on house prices remains negative but in most analyses is not significant at conventional levels. Accordingly, most of the effect of local house prices on Brexit attitudes appears to be being driven by

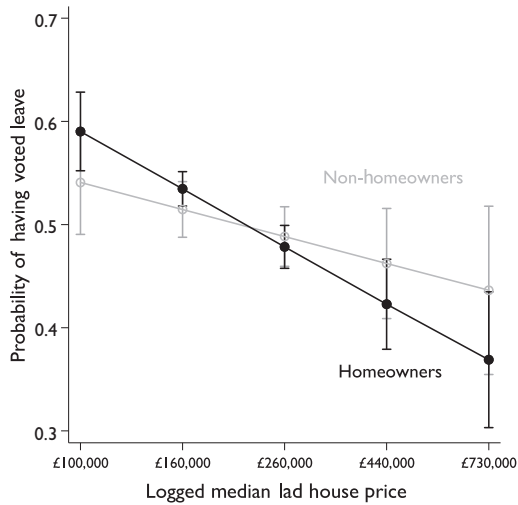


Figure 3. Predicted probability of voting for Brexit by homeownership and house prices.

homeowners (a majority in most LADs). In Model 6 the estimated effect of a log-point increase in house prices on Brexit support is about twice as large for homeowners as non-homeowners. One way to think about this is where house prices are low (£100,000) owners have a 59% probability of voting for Brexit and non-owners around 54%, whereas where prices are high (£750,000) homeowners have dropped to just 37% probability whereas non-owners have dropped only to 44%. Figure 3 provides predicted probabilities of voting Leave at various house price levels for homeowners and non-homeowners, using coefficients drawn from the same model.¹ Both individual and geotropic effects of housing appeared to be at play in the British vote on leaving the European Union but the former appear to have been stronger.

Housing and the 2017 French presidential election

We now turn to a similar analysis conducted for the French presidential election of 2017. We begin as before with aggregate results – this time at the *département* level in the first and second rounds – before turning to individual data from the French Election Survey focusing on the second round. Although the comparison between support for Emmanuel Macron and for Marine Le Pen is very similar in terms of the first round of the French presidential election, the comparison between populist and non-populist voting options is especially clear in the second round, particularly given Macron's identification with a new form of politics, which makes

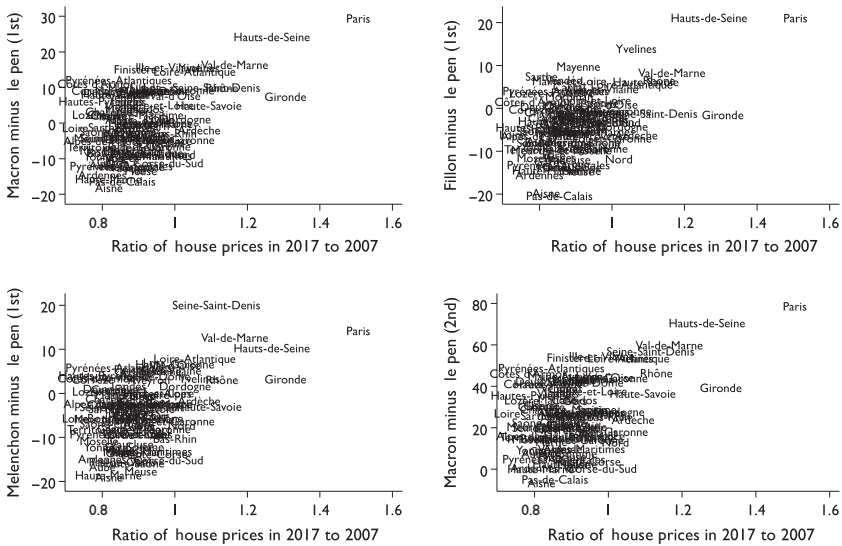


Figure 4. Macron's margin over Le Pen in the second round of French presidential election of 2017 and house price changes 2007–2017.

deciding who is more populist between Macron and, say, Francois Fillon in the first round more difficult.

We take house price data from the estimates produced by the French real estate firm *Meilleurs Agents*, who have calculated average price per square metre for houses in each French *département* along with an index at the department level for prices dating back several years. We use the logged per square metre price for 2017 as a level variable and an estimate of the ratio of house prices in 2017 to that in 2007, using the index as a change variable. **Figure 4** displays the aggregate relationship between the house price change variable and the vote margin between Emmanuel Macron and Marine Le Pen in the first and second rounds (the top-left and bottom-right figures) as well as the margins between conservative candidate François Fillon and Le Pen (top-right) and far-left candidate Jean-Luc Mélenchon and Le Pen (bottom-left).

In all four cases, a strong positive relationship between house price changes at the *département* level and voting for candidates other than Le Pen is evident. This result is partly driven by Paris and its environs but it is also apparent in a number of *départements* in the wealthy West of France and the relationships between voting and house price changes are significant at conventional levels even when we remove those Parisian *départements* where prices rose most. The comparisons between Macron and Le Pen and Fillon and Le Pen in the first round show the expected positive relationship between house prices and voting against the more obviously populist candidate (Le Pen). However, when we compare vote margins for Mélenchon versus Le Pen

Table 4. Regional house prices and voting in the French presidential election second round of 2017.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Macron	Macron	Macron	Macron	Le Pen	Le Pen	Le Pen	Le Pen
Log price	0.46** (0.19)	0.40** (0.20)			-0.57** (0.22)	-0.49** (0.23)		
10 year change			1.65*** (0.38)	1.44*** (0.44)			-0.93*** (0.62)	-0.74** (0.73)
Age	0.02*** (0.00)	0.02*** (0.00)	0.02*** (0.00)	0.02*** (0.00)	-0.02*** (0.01)	-0.03*** (0.01)	-0.02*** (0.01)	-0.03*** (0.01)
Gender	0.23** (0.11)	0.27** (0.11)	0.23** (0.11)	0.27** (0.11)	-0.04 (0.15)	-0.11 (0.16)	-0.04 (0.15)	-0.12 (0.16)
Income	-0.01 (0.04)	0.01 (0.04)	-0.01 (0.03)	0.01 (0.04)	-0.02 (0.04)	-0.06 (0.05)	-0.02 (0.04)	-0.06 (0.05)
Education	0.15*** (0.06)	0.13** (0.06)	0.16*** (0.06)	0.13** (0.06)	-0.27*** (0.07)	-0.27*** (0.07)	-0.28*** (0.07)	-0.28*** (0.07)
Homeowner	0.28* (0.17)	0.37** (0.17)	0.26 (0.17)	0.36** (0.18)	-0.20 (0.20)	-0.22 (0.21)	-0.16 (0.21)	-0.20 (0.22)
Religiosity	0.06 (0.07)	0.09 (0.07)	0.05 (0.07)	0.08 (0.07)	-0.07 (0.09)	-0.13 (0.11)	-0.06 (0.09)	-0.12 (0.11)
Left-right		-0.26*** (0.03)		-0.26*** (0.03)		0.41*** (0.05)		0.41*** (0.05)
N	1290	1222	1290	1222	1290	1222	1290	1222

Département – clustered standard errors in parentheses.

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$. Occupation dummies not reported.

we also see this positive relationship – *départements* with house prices rising faster were more likely to vote for Mélenchon. This suggests it is not simply anti-elite politics that drives the relationship between housing and populism – Mélenchon after all promised substantial redistribution from rich to poor. Rather it indicates that second-dimension politics – which structure populist voting beyond the first dimension of redistribution by emphasising group and local identity – are closely connected to changes in the residential wealth of different localities.

Using the French Election Survey for 2017 we now examine whether the *département* of residence shaped voting patterns in the second round. Table 4 examines vote choice for Macron or for Le Pen, with the remaining category being first-round voters who left their ballots blank or spoiled them in the second round. The estimation model is a logit with standard errors clustered at the *département* level. We see that both the level of house prices (logged) and the change since 2007 are positively associated with casting a vote for Macron and negatively associated with doing so for Le Pen. A log-point difference in house prices is associated with around a 10-point increase in the probability of voting for Macron and a 9-point decrease in the probability of voting for Le Pen. A *département* where house prices in 2017 were 20% higher than in 2007 compared to one where prices stagnated is associated with an increase of 7% in the probability of voting Macron and a decline of 6% in the probability of voting for Le Pen.

In terms of control variables there appears to be a slightly higher support for Macron among homeowners and older, female, more highly educated, and left-wing voters were all also more likely to vote for the eventual winner. Is there a similar effect as found for Brexit where homeowners are more likely to respond to house prices? Splitting the sample into homeowners and non-homeowners (Table A3) shows that the coefficient in change in house prices is greater for homeowners in both the Macron and Le Pen analyses but this difference is only statistically significant in the latter group. Thus, there is evidence once more for individual and geotropic effects of housing, though in this case the latter dominates.

In conclusion: housing and populism in Western Europe

In this article we explored the link between the housing market and populist voting in two recent elections: the 2016 Brexit referendum and France's 2017 presidential election. Across both, we found strong evidence at the aggregate and individual levels that housing markets shape voting for populist campaigns.

What are the broader theoretical lessons of these findings? One is that housing shapes preferences not only along the first dimension of politics, but also along the second. Recent studies have shed light on the relationship between housing markets and economic policy at the micro and the macro levels (Ansell 2014; Schwartz 2009, 2014; Schwartz and Seabrooke 2008). However, they have neglected the ways in which housing markets structure voter preferences over group membership and support for existing political parties and institutions – the key elements of populist politics. Our results suggest that the performance of the housing market not only informs voter preferences over welfare spending, but also shapes voters' views of the political 'establishment' and its overall validity. As housing markets continue to polarise between booming cities with knowledge industries and struggling cities suffering from industrial decline, we should expect the relationship between housing and politics to become even stronger. Future research can explore this evolving relationship, and examine whether our findings hold in country cases with low levels of overall house price inflation.

Another lesson concerns the origins of populism. There is now compelling evidence that voters' cultural values are closely associated with support for populism, which some authors use to discount economic explanations for the rise of new populist movements (Inglehart and Norris 2017). But culture is not created in a vacuum. Material factors create the context in which values form and cohere across a community (Gidron and Hall 2017). We have provided an example of one such

factor: the housing market. The rapid rise in housing costs in major cities has created barriers of entry for outsiders who may otherwise prefer to leave their communities to pursue new economic opportunities. In this way, housing markets harden geographical borders, creating cultural ecosystems in which a single worldview can become dominant (Cramer 2016). These are the economic roots of the politics of place, which are so fundamental to new populist movements.

Note

1. The confidence intervals of predicted probabilities include both estimation error reflected in coefficients' standard errors and prediction error reflecting the overall uncertainty surrounding predicted values. The estimated effect of homeownership on voting Brexit is positive at the lower end of the house price distribution and negative at the higher end, both significant at the 5% level.

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