



Department for  
Communities and  
Local Government



# English Housing Survey HOUSEHOLDS 2013-14



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Department for  
Communities and  
Local Government



# English Housing Survey: HOUSEHOLDS

Annual report on England's households, 2013-14

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Any enquiries regarding this document/publication should be sent to us at:

English Housing Survey team  
Department for Communities and Local Government  
2 Marsham Street  
London  
SW1P 4DF  
Telephone: 030 3444 0000  
Email: [EHS@communities.gsi.gov.uk](mailto:EHS@communities.gsi.gov.uk)

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# Acknowledgements

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Each year the English Housing Survey relies on the contributions of a large number of people and organisations. The Department for Communities and Local Government (DCLG) would particularly like to thank the following people and organisations, without whom the 2013-14 survey and this report, would not have been possible:

- All the households who gave up their time to take part in the survey.
- NatCen who managed the English Housing Survey on behalf of the department and led the production of the 2013-14 Households report.
- The Building Research Establishment (BRE) who managed the physical survey of properties and led the production of the 2013 Profile of English housing report, the 2013 Energy efficiency of English housing report and the 2013-14 Fire and fire safety report.
- The NatCen interviewers who conducted the household interviews and the CADS Housing Surveys surveyors who carried out the visual inspections of properties.
- And finally, the team at DCLG who worked on the survey and who were involved in the production of this report.



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# Introduction

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1. The English Housing Survey is a national survey of people's housing circumstances and the condition and energy efficiency of housing in England. In its current form, it was first run in 2008-09. Prior to then, the survey was run as two standalone surveys: the English House Condition Survey and the Survey of English Housing. This report provides the findings from the 2013-14 survey. Additional annex tables provide further detail to that covered in the main body of the report.
2. The report begins with a chapter on tenure trends. Firstly an overview of each of the three main tenure groups is provided; owner occupation, and the social and private rented sectors. A second section describes how the relative size of the tenures changed over the course of the last century. Chapter 2 of the report makes comparisons between the main tenure groups. It provides a description and comparison of the demographic composition of each group and provides analysis of their economic characteristics, living conditions and their levels of satisfaction and wellbeing.
3. Chapter 3 of the report focuses on owner occupiers. It looks at the characteristics of different groups of owners. The profile of mortgagors (first time buyers and previous owners), recent first time buyers resident for less than three years, and outright owners in 2013-14 are described and compared with 2003-04. These groups are described on a number of key measures – their financial circumstances including how they initially financed buying their property and mortgage costs, their wellbeing and some key features of their accommodation.
4. Chapter 4 of the report focuses on the private rented sector. It provides an in-depth analysis of different types of private renters, recognising the considerable variation among this group depending on their social and demographic and housing characteristics. Comparisons are made in the profile of private sector renters in 2003-04 compared with 2013-14. The chapter then describes private renters on a number of key measures – their financial status including housing costs, their wellbeing, their expectations of buying and length of residence and some key characteristics of their accommodation.
5. Chapter 5 of the report details differences in the profile of social renters between 2003-04 and 2013-14. It goes on to look at measures of the affordability of social rented accommodation, the satisfaction and wellbeing of residents, movements into and out of the social rented

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sector, and the suitability of accommodation, for a range of different types of social renter.

6. This final chapter of the report focuses on households that moved into their current home in the preceding 12 months. The first section 'Recent movers' includes the prevalence of moving, demographic characteristics of recent movers, how many miles away their previous property was and reasons for moving. The chapter then looks at movement between sectors, and in particular those who left the owner occupied sector to become private renters. It focuses on the reasons why households' previous tenancies had ended and factors restricting movement between sectors. The chapter concludes by considering aspirations to buy among renters.
7. The results in the report using the interview questionnaire are presented for '2013-14' and are based on fieldwork carried out between April 2013 and March 2014 on a sample of 13,276 households. Throughout the report, this is referred to as the 'full household sample'.
8. The results in the report relating to the physical dwelling are presented for '2013' and are based on fieldwork carried out between April 2012 and March 2014 (a mid-point of April 2013). The sample comprises 12,498 occupied or vacant dwellings where a physical inspection was carried out and includes 12,008 cases where an interview with the household was also secured. Throughout the report, these are referred to as the 'dwelling sample' and the 'household sub-sample' respectively.
9. In tables, where the numbers of cases in the sample are too small for any inference to be drawn about the national picture, the cell contents are replaced with a u. This happens when the cell is based on sample of less than five cases. Where cell contents are in italics this indicates a total sample size of less than 30, and the results should be treated as indicative only.
10. Where comparative statements have been made in the text, these have been significance tested to a 95% confidence level. This means we are 95% confident that the statements we are making are true.
11. Additional annex tables, including the data underlying the figures and charts, are published on the DCLG website: <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/english-housing-survey> alongside many supplementary tables, which are updated each year but are too numerous to include in our reports. Further information on the technical details of the survey, and information and past reports on

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the Survey of English Housing and the English House Condition Survey can also be accessed via this link.

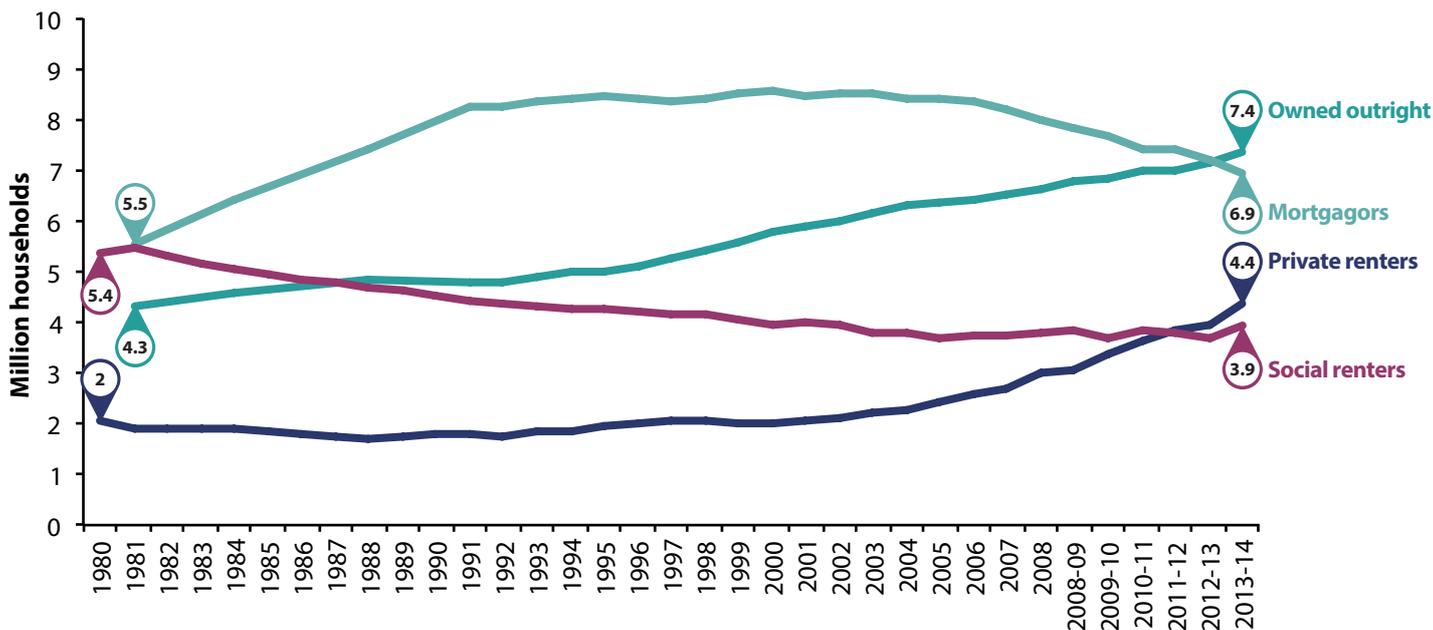
12. If you have any queries about this report, would like any further information or have suggestions for analyses you would like to see included in future EHS reports, please contact [ehs@communities.gsi.gov.uk](mailto:ehs@communities.gsi.gov.uk)
13. The responsible analyst for this report is: Jeremy Barton, English Housing Survey Team, Strategic Statistics Division, DCLG. Contact via [ehs@communities.gsi.gov.uk](mailto:ehs@communities.gsi.gov.uk)



# English Housing Survey 2013-14 – Household Report

**In 2013-14, the proportion of households who owned outright was larger than the proportion who owned with a mortgage**

## Trends in tenure, 1980 to 2013-14



**+5.5 million households** Between 1980 and 2013-14, the number of households in England increased from 17.1 million to 22.6 million.

## Tenure in 2013-14

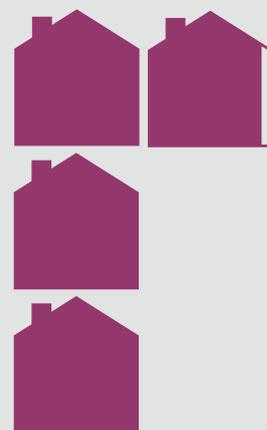
Total: 100% 22.6 million



**Owner occupiers**  
63%  
**14.3 million**



**Private renters**  
19%  
**4.4 million**



**Social renters**  
17%  
**3.9 million**

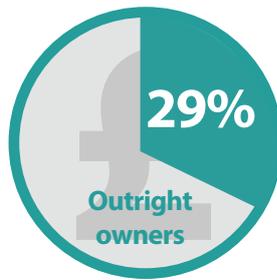
**Please see main reports for more information:**

[www.gov.uk/government/publications/english-housing-survey-2013-to-2014-household-report](http://www.gov.uk/government/publications/english-housing-survey-2013-to-2014-household-report)

[www.gov.uk/government/publications/english-housing-survey-2013-to-2014-headline-report](http://www.gov.uk/government/publications/english-housing-survey-2013-to-2014-headline-report)

## Household income\*

Households buying with the help of a **mortgage** had the highest incomes. **3 in 5** (60%) had an income of **£700** or more per week



## Social rented housing



In 2003-04, **31%** of social rented housing was rented to someone who was in employment, a **fifth** of whom were in receipt of housing benefit



By 2013-14, **37%** were in employment, and a **third** of these were in receipt of housing benefit

## Private rented households



16-24 year olds

2003-04 **16%**

2013-14 **12%**



Aged between 25 and 44

2003-04 **56%**

2013-14 **58%**



45-54 year olds

2003-04 **10%**

2013-14 **15%**

In 2013-14, almost **1 in 4** private rented households were located in London



In private rented sector



couple or lone parent households with dependent children

**23%**

2003-04

**35%**

2013-14

\* Income of household reference person and partner

**Please see main reports for more information:**

[www.gov.uk/government/publications/english-housing-survey-2012-to-2013-household-report](http://www.gov.uk/government/publications/english-housing-survey-2012-to-2013-household-report)

[www.gov.uk/government/publications/english-housing-survey-2012-to-2013-headline-report](http://www.gov.uk/government/publications/english-housing-survey-2012-to-2013-headline-report)

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# Main findings

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## Tenure trends

- As reported in the EHS Headline Report published in February, in 2013-14 the proportion of households who owned outright was larger than the proportion who owned with a mortgage, the first time since Government records began in the early 1960s.
- In 2013-14, of the 14.3 million households (63%) that were owner occupiers, of which 6.9 million (31%) were mortgagors and 7.4 million households (33%) who owned outright. This was a change from 2012-13, when equal proportions were owned outright and with a mortgage.
- There were 4.4 million households in the private rented sector and 3.9 million households in the social rented sector, of which 2.3 million households (10%) were renting from a housing association and 1.6 million (7%) were renting from a local authority.

## Profile of households

- In 2003-04, 31% of social rented housing was rented to someone who was in employment, a fifth of whom were in receipt of housing benefit. By 2013-14, 37% were in employment, and a third of these were in receipt of housing benefit.
- The majority (58%) of private sector renters were aged between 25 and 44, a similar proportion to the 2003-04 figure (56%). Between 2003-04 and 2013-4 there was an increase in the proportion of 45-54 year olds (from 10% to 15%), and a decrease in the proportion of 16-24 year olds (from 16% to 12%).
- In the private rented sector, couple or lone parent households with dependent children increased from 23% in 2003-04 to 35% in 2013-14. In other tenure groups the proportion of households with children remained unchanged for across this period.
- In 2013-14, almost 1 in 4 private rented households were located in London, and there was an increase in private renters living in urban areas from 2003-04 (from 57% to 63%).

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- In 2013-14, most (63%) recent first time buyers<sup>1</sup> were aged 25-34. A further 9% were aged 16-24, a fifth were aged 35-44 and 8% were 45 or over.
  - Households buying with the help of a mortgage had the highest incomes. Three in five (60%) had an income of £700 or more per week, compared with 29% among outright owners, 24% among private renters and just 5% of social renters. Over half (58%) of social renters had incomes of less than £300 per week.

## Housing costs

- Private renters had the highest weekly housing costs, paying on average £176 per week in rent. Mortgagors paid an average of £153 per week in mortgage payments while mean weekly rents in the social housing sector were £98 for housing association renters and £89 for local authority renters.
- When considering the gross weekly income including benefits of *all* household members, the proportion of income spent on housing costs was 18% for mortgagors, 29% for social renters, and 34% for private renters.
- Of mortgagor households, 7% of lone parents, 5% of registered disabled people and 4% of mortgagors with a youngest child aged 12 or over were behind on their mortgage payments.
- Around two thirds of private renters said they found it easy to pay their rent after benefits, whilst a third said that this had been difficult. Most (96%) said they were currently up to date with rent payments. Only a small proportion of those who were up-to-date (5%) had fallen behind on payments in the last 12 months.
- Of the social renters *who did not have their rent paid directly by housing benefit*, 15% were in arrears with their rent payments in 2013-14. A further 17% of households who were up to date with their rent payments had fallen behind with their payments at some point in the previous 12 months.

## Under-occupation and overcrowding

- In 2013-14, the overall proportion of outright owners in under-occupied accommodation was 61%, while 39% of all mortgagors lived in under-occupied properties.
- Under-occupation was less common amongst renters with 15% of private renters and 10% of social renters under-occupying their homes. Social renters were more likely to be at the bedroom standard<sup>2</sup> (55%) than either owner occupiers (13%) or private renters (44%).

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<sup>1</sup> those who had bought for the first time within the last three years

<sup>2</sup> As defined in the Housing (Overcrowding) Bill of 2003, see Glossary for further details.

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- Overall, 6% of social renters lived in overcrowded dwellings. There were 18% of single parents with a child aged under 5, 24% of couples with a child aged under 5, and 15% of couples with a child aged 5 to 11 living in overcrowded housing.

## **Satisfaction**

- Most people agreed that their form of tenure was ‘a good way of occupying their home’. Owner occupiers were the most likely to agree with this (94%) and both owner occupiers and social renters (80%) were far more likely to agree than private renters (53%). However, agreement that current tenure is a good way of occupying a home increased for private renters from 46% in 2003-04.
- Over two thirds of private rented sector tenants (68%) were satisfied with the repairs carried out by their landlords, and a similar proportion (69%) were satisfied with the housing services their landlord provided.

## **First time buyers**

- Of first time buyers who have been living in their property for less than 5 years, the proportion who financed the purchase of their home with help from a gift or loan from family or friends increased from 20% to 27% between 2003-04 and 2013-14. The proportion of first time buyers who bought their first house with inheritance more than doubled over this 10 year period from 3% to 8%.
- Over half (56%) of recent first time buyers in 2013-14 had 20-29 years to run on their mortgage when they took it out. Over a third (38%) took out a mortgage with 30 or more years to run<sup>3</sup>.

## **Older households and vulnerable groups**

- Over half (54%) of owners aged 55 to pension age owned their property outright compared with 89% of those over pension age. So 46% of those from 55 to pension age were still paying off a mortgage.
- Around a fifth (21%) of owners aged over pension age lived in non-decent homes. This is greater than the proportion aged 55 to pension age (17%).
- A third of a million (334,000) households in social rented housing in 2013-14 were in sheltered accommodation for older people, 9% of all social rented households.
- In almost a quarter of a million social rented homes (236,000), regular overnight care was provided for someone in the household by someone who did not live there.

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<sup>3</sup> figures not available for 2003-04

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## Aspirations to buy

- When asked what type of accommodation they expected to be living in longer term, over half (56%) of private renters said they expected to be an owner-occupier.
- One in four (25%) social tenants said they expected ever to buy a home in the UK. Social tenants living in London were more likely than those in other parts of the country to expect to buy (37% compared with 23% in other urban areas and 18% in rural areas).
- Of those local authority tenants with the right to buy in 2013-14, 16% expected to become an owner occupier in the longer term and 22% expected ever to buy a property in the UK.
- Just over 800,000 renting households (10%) had considered applying for a mortgage. Of these, only around 28% reported that they had actually applied for a mortgage. The main factor in people not applying for a mortgage was financial: 34% thought they did not have a large enough deposit and 16% felt the overall cost of taking out a mortgage was too high.

## Waiting lists

- In 2013-14, 39% of social renters had been on the waiting list for less than 3 months prior to being housed. Short waits were more common among those in housing association accommodation (44%) than local authority (33%).
- One in five social renting households (20%, or 417,000) had been on the waiting list for more than two years and 7% (142,000) were on the waiting list for at least five years.

## Recent movers

- In 2013-14, there were 2.6 million households who were recent movers<sup>4</sup>, the highest number since our records began in 1984. This was 11% of all households, the highest proportion since 2007-08.
- Around three-fifths (59%) of recent movers moved into private rented properties and 14% moved into social housing. Over a quarter (27%) of movers entered owner occupation in 2013-14, which represents an increase from 20% in 2009-10.

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<sup>4</sup> moved in the last year

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# Chapter 1

## Trends in Tenure

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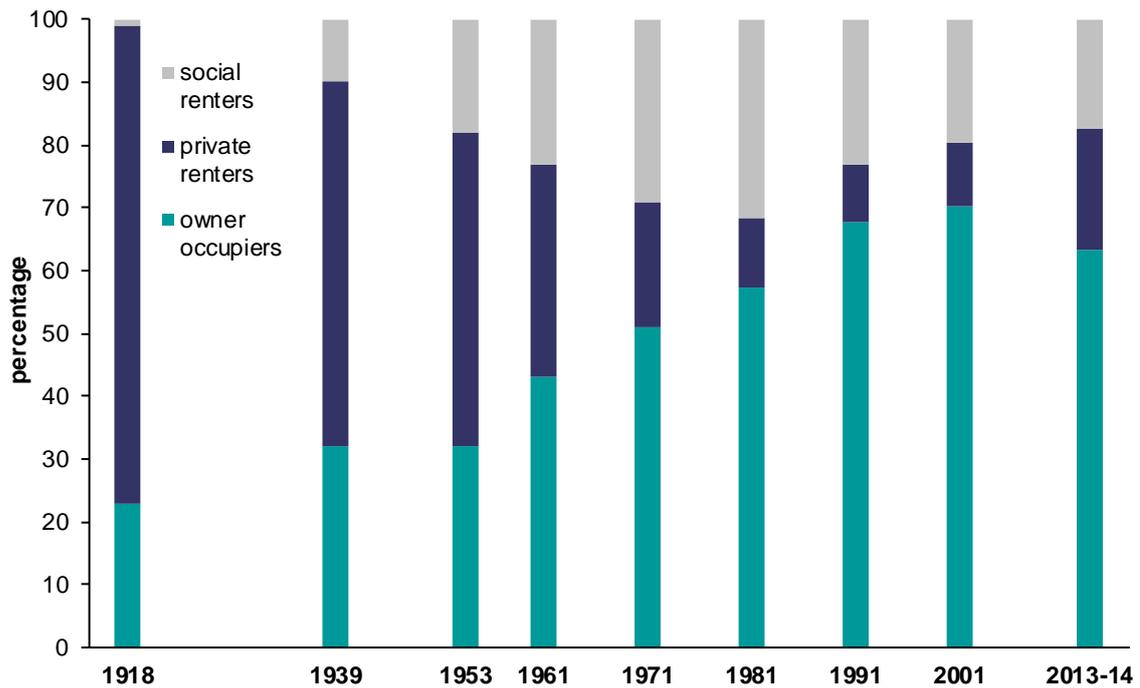
- 1.1 In England there are three main tenure groups: owner occupiers, private renters and social renters. In 2013-14, owner occupation was the largest of the three, with 14.3 million households. There were 4.4 million households in the private rented sector and 3.9 million households in the social rented sector<sup>1</sup>.
- 1.2 As shown in Figure 1.1, this is very different from the early part of the 20th century. At the end of the First World War in 1918, when there was little by way of state welfare provision, three quarters of households in England were private renters, a quarter were in owner occupation and less than 1% were in social rented accommodation<sup>2</sup>.
- 1.3 This chapter explores these changes in the tenure profile in more detail, highlighting where appropriate some of the main historical context against which they have occurred. However, it starts by briefly describing the three main tenure types.

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<sup>1</sup> This breakdown concerns main homes only, excluding accommodation that would count as a second or holiday home.

<sup>2</sup> DCLG. 'Housing in England 2007-08' (2009).  
<http://webarchive.nationalarchives.gov.uk/20121108165934/http://www.communities.gov.uk/publications/corporate/statistics/housingengland200708>

**Figure 1.1: Trends in tenure, 1918 to 2013-14**



Base: all households

Note: underlying data are presented in Annex Table 1

Sources:

1918: Estimates by Alan Holmans of Cambridge University Department of Land Economy

1939 to 1971: "Housing Policy in Britain", Alan Holmans, Table V1.

1981, 1991: ONS Labour Force Survey;

2013-14: English Housing Survey, full household sample

## Owner occupiers

1.4 Households that live in a home they own are said to be owner occupiers. Chapter 3 of this report includes detailed findings on owner occupiers from the 2013-14 English Housing Survey. The owner occupied tenure is composed of two distinct groups:

- **mortgagors** have taken out a loan or mortgage to help purchase their home, typically repaid over a period of 20 years or more, and are still in the process of repaying the debt;
- **outright owners** have paid off their mortgage<sup>3</sup> and own their home without qualification or limitation.

1.5 In 2013-14, of the 14.3 million households that were owner occupiers, there were 6.9 million mortgagors and 7.4 million households who owned outright. A loan or mortgage is usually required to help make

<sup>3</sup> Some outright owners will have inherited their current home or bought it solely with savings or equity released from the sale of a previous home. They will therefore not have needed a mortgage to help with the purchase.

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the purchase of a home. The lender (a bank or mortgage provider) will require evidence of a household income sufficient to repay the loan, while the borrower will still have to fund a substantial down payment or deposit.

- 1.6 As at April 2015, the average home in England cost £284,000<sup>4</sup>. The cost of buying a home is typically several times the household income, and the home is often the highest value item many people will ever own. The loan is secured on the accommodation meaning that if the borrower defaults on repayment of the loan, the lender can sell the home to recover the cost of the initial loan (known as 'repossession').
- 1.7 Owner occupiers typically live in houses, with relatively more households in detached and semi-detached accommodation than the other tenures. Less than one in ten owner occupiers lived in a flat<sup>5</sup>. Owners are generally responsible for the upkeep and maintenance of their homes (for private and social renters this is normally arranged by the landlord).

## Freehold and leasehold ownership

- 1.8 The majority of owners own the freehold to their home, that is, they own both the building and the land on which it is built. By contrast, leaseholders have a contract with the freeholder, which gives them the right to live in the property for a fixed period of time. This 'lease' is usually long-term, typically lasting 90 or 120 years. Leaseholders normally pay ground rent, an annual service charge and maintenance fees to the freeholder.
- 1.9 In some cases, the leaseholders own a share of freehold of the whole building. This may be a share in the company that owns the freehold or the freehold may be held by up to four individuals. The responsibilities involved in having a share in the freehold may include liability with others to repair and maintain the exterior of the building and the common parts<sup>6</sup>.
- 1.10 A property that is being sold where the lease does not have long to run is less attractive an option to a potential purchaser and can reduce the value of the property. Flats are more likely to be leasehold than houses.

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<sup>4</sup> Average mix-adjusted house price. ONS House price index: <http://www.ons.gov.uk/ons/rel/hpi/house-price-index/april-2015/index.html>

<sup>5</sup> In 2013-14, a third (34%) lived in semi-detached houses, 32% lived in detached housing or a bungalow and a quarter (25%) in terraced housing. The remaining 8% lived in flats.

<sup>6</sup> In 2004 a new type of ownership (Commonhold) was introduced, primarily affecting multi-occupancy buildings such as flats, whereby the freehold of the land is registered as Commonhold. The Commonhold is owned by the unit holders and it is governed by a Commonhold community statement. However, in practice only a very small number of such arrangements have been registered. <http://www.lease-advice.org/information/faqs/>

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1.11 In 2012-13, it was estimated that there was a total of 4.1 million private sector leaseholds (2.4 million owner occupied and 1.7 million in the private rented sector)<sup>7</sup>. These figures are based on dwellings rather than households and included those with a share of freehold.

## Private renters

- 1.12 A room or dwelling rented or 'let' in the private rented sector is typically owned by a private individual or a business and let as part of a commercial operation. The owner or landlord decides at what level to set the rent, guided by what potential tenants will be willing to pay given the size and quality of the accommodation and the local market conditions. Chapter 4 of this report includes detailed findings on private renters from the 2013-14 English Housing Survey. Private renters live mainly in flats and terraced housing, and compared with owner occupiers, are less likely to be in detached or semi-detached homes<sup>8</sup>.
- 1.13 Private landlords comprise a range of different types, from an organisation with a large portfolio of property through to 'accidental' landlords, for example, those renting their main home as a short-term measure or to family members<sup>9</sup>.
- 1.14 The tenant will enter into a contract or 'tenancy agreement' with the landlord. This will set out the conditions of the tenancy including the amount to be paid in rent, the length of time the tenant will be in occupation, and who has responsibility for various types of repair. In some cases the landlord will appoint a lettings agent or property management company to find tenants and oversee the property. Properties may be let furnished or unfurnished, with the majority (80%) being unfurnished.
- 1.15 A let in the private rented sector commonly has a fixed initial term of 6 or 12 months (although the tenant and landlord can agree a longer fixed term period). After the fixed term ends, if a new one is not agreed, the tenancy will 'roll on'. From this point on, the landlord typically has the right to terminate the tenancy with two months' notice, and the tenant with just one month's notice.

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<sup>7</sup> DCLG, 'Residential leasehold dwellings in England', 2014. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/342628/Residential\\_Leasehold\\_dwellings\\_in\\_England.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/342628/Residential_Leasehold_dwellings_in_England.pdf)

<sup>8</sup> In 2013-14 households in the private rented sector primarily occupied flats (35%) and terraced housing (34%). Semi-detached housing accounted for 20% of households and 9% were detached houses (including bungalows).

<sup>9</sup> 'Understanding Landlords A study of private landlords in the UK using the Wealth and Assets Survey', The Strategic Society Centre (2013). <http://strategicsociety.org.uk/wp-content/uploads/2013/07/Lord-C-Lloyd-J-and-Barnes-M-2013-Understanding-Landlords.pdf>

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1.16 Private renting is often characterised as the most flexible type of tenure, with moves both into and within the sector relatively easy to achieve. Less substantial funds are required up front than for purchasing a home, and there are fewer eligibility criteria than for social renting. The relatively short fixed-term of the tenancy is less of a commitment and maintenance and repairs are largely the responsibility of the landlord, not the tenant. This makes the sector attractive for people who need to move around, for example for job-related reasons. Private renting can also be important as an interim measure, for instance prior to moving into owner occupation.

## Social renters

1.17 Social rented housing refers to accommodation that is owned and managed by registered providers, either local authorities or housing associations. Housing associations, often referred to as Registered Social Landlords (RSLs), do not make a profit but instead invest any surplus into the maintenance of their homes or building new ones. Chapter 5 of this report includes detailed findings on social renters from the 2013-14 English Housing Survey.

1.18 Local authorities and housing associations are financially regulated and funded by the government through the Homes and Communities Agency and Greater London Authority, which is also responsible for the construction of new social homes.

1.19 Social rented housing is provided at a subsidised rent, on average around half of the market rent<sup>10</sup>. A new 'intermediate' or 'affordable' rent tenure was introduced as part of the October 2010 Spending Review. Under this scheme rents are set at approximately 80% of the market level<sup>11</sup>.

1.20 The main route into social housing is through a waiting list which is operated by the local authority. An individual or household must apply for social housing. Applicants are then assessed against rules set individually by each local authority but which by law must give priority to certain types of people. These rules decide whether they qualify to go onto the waiting list and their level of priority. After assessment it can take six months or more to be housed<sup>12</sup>.

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<sup>10</sup> Market rent is the level that is paid in the private rented sector, where rent levels are determined by local market conditions. Where there is a high demand for rented accommodation and limited supply, landlords will be able to ask for higher rents.

<sup>11</sup> House of Commons Library. Rent setting for social housing tenants (England), 2015.

<http://researchbriefings.files.parliament.uk/documents/SN01090/SN01090.pdf>

<sup>12</sup> Of all social renters who had lived in their current home for less than 10 years, a half (47%) had waited six months or more before being allocated their current home.

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- 1.21 Historically homes in the social rental sector were offered with a 'secure' or life-time tenancy. More recently a broader range of tenancies have been offered, including fixed-term tenancies, generally of five years or more.
- 1.22 Tenants of local authorities have broadly the same conditions on their tenancy as those who rent from housing associations. However, secure tenants of local authorities, resident for five years or more are offered the opportunity to buy the home they rent at a substantial discount under the 'Right to Buy' scheme<sup>13</sup>.

## Trends in tenure 1918 to 2013-14

- 1.23 In 2013-14, there were a total of 22.6 million households, of which 63% were owner occupiers, 19% were private renters and 17% were social renters. However, the relative size of these tenures changed radically over the last hundred years.

### The inter-war years

- 1.24 After the war, concern about poor standards of housing led to a national campaign for 'homes for heroes'. The following year the Housing, Town Planning, &c. Act 1919 was passed, obligating local authorities to provide social housing<sup>14</sup>. Rent subsidies meant social housing was more affordable than private renting and therefore more desirable, especially among low income earners.
- 1.25 Mass urbanisation in the Industrial Revolution had given rise to the construction of large numbers of back-to-back terraced housing with poor sanitary facilities and which, by the early 20th century, were deteriorating.<sup>15</sup> These areas were characterised by high levels of social deprivation. 'Slum clearance' therefore became a priority for local authorities encouraged by the Housing Act of 1930<sup>16</sup>. By 1939, the

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<sup>13</sup> Assured tenants of a housing association who were previously secure tenants of a local authority and were transferred with their homes as part of a stock transfer keep their right to buy under a scheme known as 'Preserved Right to Buy'. The Queen's Speech May 2015 included an announcement on a Housing Bill to enable the extension of Right to Buy levels of discount to housing association tenants. <https://www.gov.uk/government/publications/queens-speech-2015-what-it-means-for-you/queens-speech-2015-what-it-means-for-you>

<sup>14</sup> UK Parliament, 'Improving Towns: Council housing'. <http://www.parliament.uk/about/living-heritage/transformingsociety/towncountry/towns/overview/councilhousing/>

<sup>15</sup> British Library, 'Victorian Britain: The built environment'. <http://www.bl.uk/victorian-britain/articles/the-built-environment>

<sup>16</sup> The Cabinet Papers 1915-1986, 'Wartime housing'. <http://www.nationalarchives.gov.uk/cabinetpapers/themes/wartime-housing.htm>

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social rented sector had grown and housed 10% of all households, with private renting declining to 58%<sup>17</sup>.

- 1.26 The 1930s also saw a boom in private sector housebuilding<sup>18</sup>. A prolonged period of low interest rates and the availability of land and labour saw significant expansion of cities into the suburbs.

### Rebuilding after the war

- 1.27 At the close of the Second World War, widespread damage had been inflicted on housing in urban areas. Slum clearance once again became a focus and the Labour government made housing its welfare priority. The shift towards the social rented sector and away from private renting continued with large scale rebuilding programmes delivering significant numbers of social homes. Much of this development took place beyond the newly-created greenbelt around London in new towns such as Stevenage, Hemel Hempstead, Harlow and Crawley.<sup>19</sup>
- 1.28 Between 1939 and 1953 an additional 1.3 million homes were added to the social housing stock<sup>20</sup>, and a further 1.0 million by 1961. Around a quarter (23%) of all households were socially renting by this time and the proportion of households renting privately had declined to 34%.

### The 1950s to 1970s

- 1.29 Growth in owner occupancy also picked up in the 1950s, as wages grew at a faster rate than the increase in house prices. This made houses relatively more affordable, and the percentage of home owners increased from 32% in 1953 to 43% in 1961<sup>21</sup>.
- 1.30 The 1960s saw the highest post-war levels of house building, which peaked at just under 400,000 homes per year<sup>22</sup>. A particular feature of this time being the construction of large tower blocks, most of which were concrete frame and built for local authorities<sup>23</sup>. The growth in home ownership continued and by 1971, the proportion of owner occupiers (51%) was approximately equal to the combined rented

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<sup>17</sup> 'A Century of Home Ownership', ONS. <http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/a-centuryof-home-ownership-and-renting-in-england-and-wales/short-story-on-housing.html>

<sup>18</sup> Holman AE. 'Historical Statistics of Housing in Britain', University of Cambridge (2005): Table B6 'Tenure of New Dwellings Built in England and Wales 1919/20 to 1944/45', p47.

<sup>19</sup> UK Parliament, 'Improving Towns: New towns'. <http://www.parliament.uk/about/living-heritage/transformingsociety/towncountry/towns/overview/newtowns/>

<sup>20</sup> Holman AE. 'Historical Statistics of Housing in Britain', University of Cambridge (2005): Table E.4 'Tenure of the Housing Stock in England and Wales 1939-2001', p 143.

<sup>21</sup> Holman AE. 'Historical Statistics of Housing in Britain', University of Cambridge (2005): Table E.4 'Tenure of Households in England and Wales 1939-1991', p 143.

<sup>22</sup> Holman AE. 'Historical Statistics of Housing in Britain', University of Cambridge (2005): Table B.5 'Dwellings Completed: England and Wales 1945-2001', p 46.

<sup>23</sup> 'The Age and Construction of English Housing' <http://www.brebookshop.com/samples/327440.pdf>

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sectors. From this point on home ownership has been the prevailing sector for households in England.

- 1.31 There were a series of legislation changes on private renting over this time, providing greater security to tenants: the 1965 Rent Act, 1974 Rent Act and 1977 Rent Act<sup>24</sup>. Sitting tenants could not be evicted and had the legal right to remain in the property for life, provided they paid their rent. Rent levels were assessed by the local authority and a 'Fair' or 'Regulated' Rent was set<sup>25</sup>. In 1982 Housing Benefit was introduced, effectively enabling social housing to be provided through the private rented sector.

### **The 1980s and 1990s**

- 1.32 The dominance of the owner occupied sector was reinforced throughout the 1980s. In 1981 there were 9.9 million households in the owner occupied sector, of which 5.5 million were buying with a mortgage. By 1988, this had gone up to 12.2 million, with 7.4 million buying with a mortgage, Figure 1.2.
- 1.33 The number of outright owners maintains a steady increasing trend through the 1980s. In contrast with the more rapid pace of growth in the number of households buying with a mortgage. The main contributing factors were the deregulation of mortgage markets and income growth in the 1980s, and encouragement from the Conservative government for those who traditionally rented to enter into home ownership<sup>26</sup>.
- 1.34 The Housing Act 1980<sup>27</sup> allowed local authorities to sell social housing to sitting tenants at a discount on the market value, known as the 'Right to Buy' scheme. From 1980 to 1990 there were on average 95,000 sales per year under the scheme<sup>28</sup>, helping to confirm owner occupancy as the prevailing tenure. In 1989, the Local Government and Housing Act removed the requirement for local authorities to keep housing stock.

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<sup>24</sup> House of Commons Library, 'The historical context of rent control in the private rented sector' (2013). <http://researchbriefings.files.parliament.uk/documents/SN06747/SN06747.pdf>

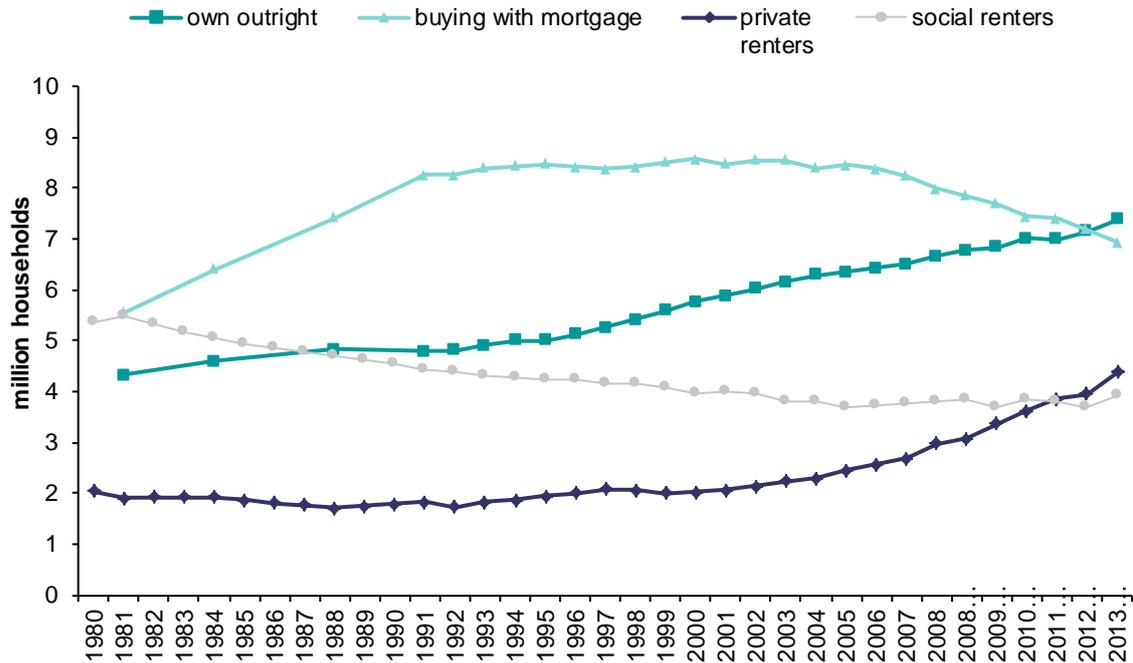
<sup>25</sup> Rent Act 1977. <http://www.legislation.gov.uk/ukpga/1977/42/contents>

<sup>26</sup> Christine Whitehead and Katrina Gaus. 'Policy: discussion paper At any cost? Access to housing in a changing financial marketplace Supplementary Information' LSE London (2007). [http://www.lse.ac.uk/geographyAndEnvironment/research/london/pdf/supplementary\\_support\\_At\\_any\\_cost.pdf](http://www.lse.ac.uk/geographyAndEnvironment/research/london/pdf/supplementary_support_At_any_cost.pdf)

<sup>27</sup> ONS study: A Century of Home Ownership. <http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/acentury-of-home-ownership-and-renting-in-england-and-wales/sty-home-ownership.html>

<sup>28</sup> DCLG, Live Table 671: 'annual Right to Buy sales for England'. <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>

**Figure 1.2: Trends in tenure, 1981 to 2013-14**



Base: all households

Note: underlying data are presented in Annex Table 1

Sources:

1980 to 2008: ONS Labour Force Survey;

2008-09 onwards: English Housing Survey, full household sample

1.35 There was a marked decline in the size of the social rented sector due to both low build rates<sup>29</sup> and the Right to Buy scheme; in 1981, the sector accounted for 5.5 million households (32%) but by 1991, this had dropped to 4.4 million households (23%). By the end of the century, the sector had seen a further decline to 4.0 million households, Figure 1.2.

1.36 Evidence suggests that the decline in the size of the social sector was accompanied by a change in the profile of tenants. The sector has moved from housing a wide spectrum of society in the 1970s to the tenure provided for those most in need of it. This concept is known as ‘residualisation’<sup>30</sup>.

1.37 In 1989, there was a crash in house prices, followed by a recession. Through the 1990s, the number of owner occupiers continued to increase but at a much slower rate, peaking in 2006 at 14.8 million

<sup>29</sup> DCLG, Live Table 208: ‘permanent dwellings started, by tenure and country’.

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building#live-tables>

<sup>30</sup> Edited by Kathleen Scanlon and Christine Whitehead. ‘Social Housing in Europe II A review of policies and outcomes’, LSE London (2008).

[http://www.lse.ac.uk/geographyAndEnvironment/research/london/pdf/Social%20Housing%20II/Social\\_Housing\\_in\\_Europe\\_II\\_A\\_review\\_of\\_policies\\_and\\_outcomes.pdf](http://www.lse.ac.uk/geographyAndEnvironment/research/london/pdf/Social%20Housing%20II/Social_Housing_in_Europe_II_A_review_of_policies_and_outcomes.pdf)

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households (71%) of which 8.4 million were buying with a mortgage. Throughout the 1980s and 1990s, the proportion of private sector households stayed steady at around 10% of the market.

## The new millennium and the economic downturn

- 1.38 The 2000s saw new trends emerging. An increasing population<sup>31</sup> led to a greater demand for housing. This demand combined with limited net housing supply, particularly in the second half of the decade<sup>32</sup> exerted upward pressure on house prices. Increasing house prices, relative to incomes<sup>33</sup>, made it more difficult for first time buyers to get onto the property ladder.
- 1.39 After the economic downturn in 2008 banks tightened conditions on mortgage lending. This contributed to a further decline in the number of new mortgagors, particularly first time buyers. The average first-time buyer deposit went up to around 25% from the long-term norm of around 10%<sup>34</sup>. This was despite many areas seeing a dip in house prices, and historically low interest rates.
- 1.40 Since 2006-07, the overall number of owner occupiers decreased slightly each year and in 2013-14 reached its lowest level since the 1980s, (14.3 million). However, within this, the decline in mortgagors was more marked, falling from 8.4 million in 2006 to 6.9 million in 2013-14, or from 40% of households to 31% across the same period. In 2013-14, for the first time in many decades<sup>35</sup>, the proportion of outright owners (33%) is now greater than that of those buying with a mortgage.
- 1.41 The fall in owner occupation coincided with a rise in privately rented households. There was sharp growth from the early 2000s and the private rented sector nearly doubled in size by 2013-14, with 19% of households now living in the private rented sector.
- 1.42 A number of factors contributed to an increase in supply of homes to the private rented sector. Rent controls were removed in the late 1980s (giving landlords more freedom to set rent levels), and assured shorthold tenancies became the standard, giving greater flexibility in

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<sup>31</sup> DCLG Live tables on household projections (2015). <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

<sup>32</sup> DCLG, Live Table 208: 'permanent dwellings started, by tenure and country'. <https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>

<sup>33</sup> DCLG, Live Table 577: 'ratio of median house price to median earnings by district, from 1997'. <https://www.gov.uk/government/statistical-data-sets/live-tables-on-housing-market-and-house-prices>

<sup>34</sup> Council of Mortgage Lenders, 'First-time buyers: the story behind the numbers' (2013). <http://www.cml.org.uk/news/546/>

<sup>35</sup> Holman AE. 'Historic Statistics of Housing in Britain', University of Cambridge (2005): Table J.1 'Census and Survey Series of Outright Owners and Owner-Occupiers with Mortgages 1960 to 2002/03', p 301.

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the length of tenancies. Lenders introduced the buy-to-let mortgage at around the same time, attracting many new investors into the private rented sector.

- 1.43 By 2013-14, the private rented sector accounted for 4.4 million households, exceeding the social rented sector in size at 3.9 million households.

### **Changes within the social rented sector**

- 1.44 Social rented sector households rent either from their local authority or from a housing association. In the 1980s, the majority of social housing was provided by local authorities with only a small proportion provided by housing associations<sup>36</sup>.
- 1.45 In 1988, the large scale voluntary transfer (LSVT) scheme was introduced<sup>37</sup>. This scheme enabled local authorities to transfer the ownership and management of council homes to housing associations, subject to the agreement of tenants through ballots.
- 1.46 These processes have driven a decline in the number of local authority households and a corresponding increase in housing association numbers. By 2013-14, 2.3 million households (10%) were renting from a housing association and 1.6 million (7%) were renting from a local authority.

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<sup>36</sup> DCLG, Live Table 104 'Dwelling stock: by tenure, England (historical series)'. <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

<sup>37</sup> 'A Century of Home Ownership', ONS. <http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/a-century-of-home-ownership-and-renting-in-england-and-wales/short-story-on-housing.html>



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# Chapter 2

## Comparison of tenure groups

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### Overview

- 2.1 This chapter makes comparisons between the main tenure groups. It provides a description and comparison of the demographic composition of each group and provides analysis of their economic characteristics, living conditions and their levels of satisfaction and well-being.
- 2.2 The largest tenure 'owner occupation' includes households that own their home outright and households that have a mortgage. The second tenure group is the private rented sector. The number of households in this tenure increased greatly in recent years, now exceeding that in the social rented sector. It offers rented accommodation without government subsidy and the tenancy is commonly only guaranteed for a duration of one year or less.
- 2.3 The social rented sector comprises local authority and housing association homes. Both offer accommodation at a subsidised rent and have typically been provided with a tenancy that guarantees the resident lifetime occupation.
- 2.4 The three subsequent chapters to this one provide more detailed analysis of each of these three main tenures, owner occupiers (Chapter 3), private renters (Chapter 4) and social renters (Chapter 5).

### Demographics

#### Age

- 2.5 There were marked differences between the tenure groups in terms of their age profile. The high costs associated with purchasing a home mean most households need to take out a loan from a bank or other lender to make the purchase. The loan is then typically repaid over a period of 15 years or more. As a result, many people do not own their home outright until later in life.
- 2.6 In 2013-14, the majority (85%) of outright owners had a HRP aged 55 or more. The household reference person (HRP) is defined as the 'householder' in whose name the accommodation is owned or rented

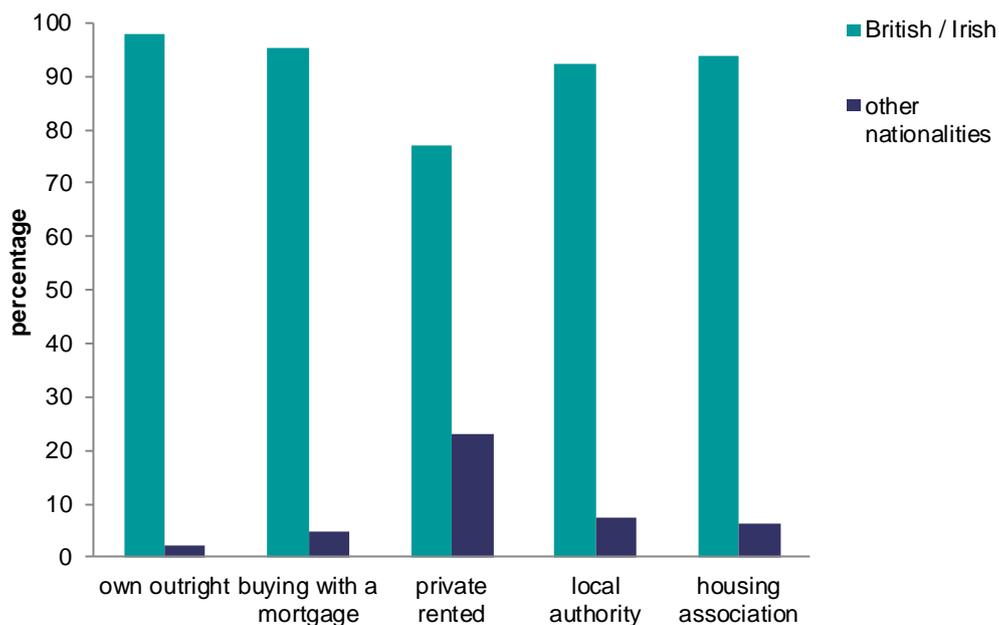
(further information is given in the glossary). As would be expected, mortgagors were younger, with nearly two thirds (63%) having a HRP between the ages of 35 and 54. The majority (82%) of first time buyers resident less than 3 years had a HRP aged between 25 and 44<sup>1</sup>.

2.7 Private renters had the youngest age profile, 71% had a HRP aged under 45. Social renters, both local authority and housing association tenants, tended to be spread more evenly across the age groups.

### Nationality

2.8 Private renters were more likely to have a HRP of a nationality other than British or Irish (23%) than social renters (local authority 8%, housing association 6%) or owner occupiers (own outright 2%, buying with mortgage 5%), Figure 2.1.

**Figure 2.1: Nationality of HRP by tenure, 2013-14**



**Base: all households**

**Note: underlying data are presented in Annex Table 2.1**

**Source: English Housing Survey, full household sample**

<sup>1</sup> Some of the demographics figures referred to in this section were published in English housing survey headline report 2013 to 2014 tables: <https://www.gov.uk/government/statistics/english-housing-survey-2013-to-2014-headline-report>

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## Ethnicity

- 2.9 As noted in the headline report, just over one tenth (11%) of all HRPs in England were from an ethnic minority background. In the social and private rented sectors, this proportion was higher than the national average (15% and 19% respectively), whereas the proportion of owner occupiers from an ethnic minority background was below the national average (7%).

## Economic status

- 2.10 Among those who owned outright, around two thirds (63%) contained a HRP who was retired, consistent with the older age profile of this group. Around one third (33%) were working, either full-time or part-time. By contrast, 91% of households buying with the help of a mortgage had a HRP who was working, rising to 96% amongst recent first time buyers who had been resident for less than 3 years, Annex Table 2.2.
- 2.11 The majority (72%) of private renting households contained a HRP who was in employment, 10% were economically inactive (this category includes those who have a long-term illness or disability and those looking after the family or home). Just 5% were unemployed.
- 2.12 Social renting households were more likely than other tenures to contain a HRP who was economically inactive (24%). Thirty-seven per cent were working and, with the exception of outright owners, they were most likely group to be retired (30%).
- 2.13 The economic status of partners follows similar patterns to economic status of HRP as described in the Headline report.
- 2.14 The partner of the HRP was retired in 60% of homes owned outright, compared with just 5% of mortgagors and 4% of private renters, and 21% of social renters. The partner of the HRP was working in most households being bought with a mortgage (80%) and households privately rented (63%), Annex Table 2.1.
- 2.15 The partner of the HRP was unemployed in 8% of households in social rented accommodation and 6% of households in private rented accommodation, compared with just 1% of owner occupied households. The proportion of households where the partner was 'other inactive' (including long-term sick and carers) was lower amongst owner occupiers (10%) than social (30%) or private (23%) renters.

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## Household type and household size

- 2.16 Outright owners (61%), mortgagors (67%) and private renters (59%) were more likely to have a male HRP, however, for social renters the HRP was more likely to be female (57%). This higher proportion of female HRPs amongst social renters can be attributed to these households being more likely than other groups to have lone parent households (17%) households with one person over 60 (23%), Annex Table 2.2.
- 2.17 The composition of households in each tenure group was discussed in detail in the headline report<sup>2</sup>. The main findings were:
- In 2013-14, the majority (82%) of outright owners were one or two person households, with the predominant household types being couples with no dependent children (53%) and single aged 60 or over (29%).
  - The private rented sector had a higher proportion of households with one person under 60 (20%) than mortgagors (13%) and fewer couples with no dependent children (24% compared to 34% of mortgagors). Only 3% of mortgagors and 6% of private renters were a household of single person aged 60 or over.
  - Other multi-person households, including flat sharers, lone parents with non-dependent children only and households containing more than one couple or lone parent family, were most often found in the private rented sector (15%). For the other tenures, other multi-person households were 10% of social renters and 6% of owner occupiers.
  - In 2013-14, 46% of households buying with a mortgage and 8% of outright owners had dependent children, similar to 2003-04 figures.
  - In the private rented sector, households with dependent children increased from 29% in 2003-04 to 36% in 2013-14, while this proportion remained similar for other tenure groups across this period.
  - In 2013-14, the proportion of lone parent households was higher in the rented sectors; 17% of social renters and 12% of private renters were lone parents compared with 3% of owner occupiers.
- 2.18 Households with recent first time buyers (buying their first home in the last 3 years) were generally couples, either with dependent children (27%) or without (44%) or single people under 60 (21%). First time buyers were more likely to be couples (71%) compared with private

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<sup>2</sup> This section reports on mortgagors including first time buyers and previous owners. Other sections of this report include mortgagors excluding recent first time buyers. See footnotes in Annex Tables for this report and Headline Report for details on what is included in each analysis.

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renters (47%), and private renters were more likely to be lone parents (12%), single people over 60 (6%) and other multi-person households (15%), Annex Table 2.2.

## Economic characteristics

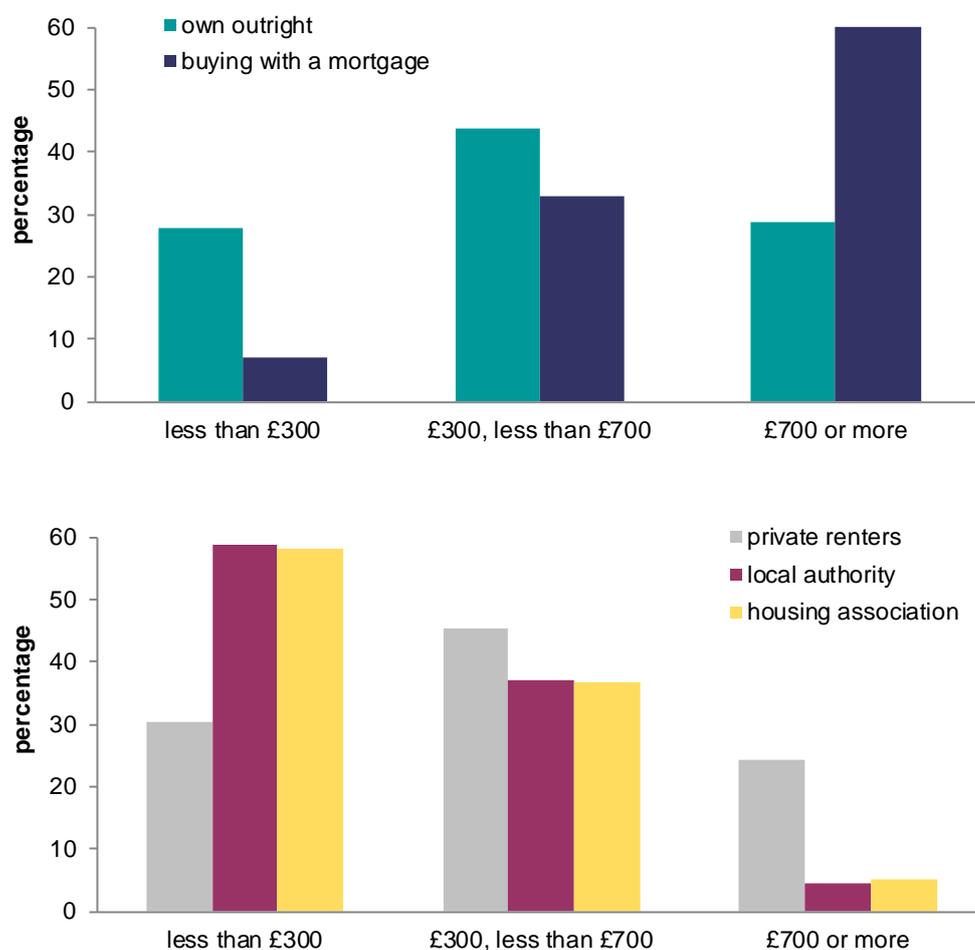
### Income

- 2.19 Income levels varied across tenures. The mean gross weekly income in 2013-14 of the HRP and their partner<sup>3</sup> was £798 for owner occupiers and £580 for private renters. Social rented sector accommodation is offered at a subsidised level and tenants tend to have lower incomes; mean gross weekly income was £315 for households in social rented accommodation, Annex Table 2.1.
- 2.20 Households buying with the help of a mortgage had the highest incomes. Three in five (60%) were in the highest income band of £700 plus per week, this compares with 29% among outright owners, 24% among private renters and just 5% of social renters. Over half (58%) of social renters had incomes of less than £300 per week.

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<sup>3</sup> This includes income from private sources and state benefits/allowances and tax credits (including housing benefit/Local Housing Allowance but excluding council tax benefit and Support for Mortgage Interest) and interest from savings, before deductions for Income Tax or National Insurance.

**Figure 2.2: Gross weekly income of HRP and partner, by tenure, 2013-14**



Base: all households

Note: underlying data are presented in Annex Table 2.1

Source: English Housing Survey, full household sample

## Housing costs

2.21 Private renters had the highest weekly housing costs, paying on average £176 per week in rent. Mortgagors paid an average of £153 per week in mortgage payments while mean weekly rents in the social housing sector were £98 for HA renters and £89 for LA renters, Annex Table 3.2. There was greater variability in the amounts paid by mortgagors and private renters than for either of the social renter groups<sup>4</sup>.

<sup>4</sup> See Headline Report Annex Table 1.7 for mean weekly rents. The standard deviations for the amounts paid in housing costs for each tenure group are as follows: mortgagors =122.7, private renters=114.8, local authority=33.9, housing association=32.4.

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## Housing costs: income ratio

- 2.22 Affordability of housing is becoming an increasingly important issue. Rising housing costs in the form of increased house prices and the associated mortgage costs, or higher rent levels can exert pressure on household finances. This can potentially lead to a household defaulting on their mortgage payments or being unable to pay their rent.
- 2.23 A simple measure of housing affordability has been derived by calculating the average proportion of income spent on housing. The proportion of income spent on mortgage payments (both the repayment element and the interest element) is compared with the proportion spent on rents in the social and private rented sectors. Housing-related costs, such as water and fuel bills, insurance, maintenance costs and council tax are not included in calculation. Income is taken to be the gross weekly household income of the HRP and their partner, including benefits. Outright owners are excluded from this analysis as they have no mortgage costs.
- 2.24 Rent payments took up a larger proportion of household income for all renters than did mortgage payment for mortgagors. On average, those buying their home with a mortgage spent 19% of their income on mortgage payments whereas rent payments were 31% of income for social renters and 43% of income for private renters. Excluding housing benefit, the average proportion of income spent on rent was 42% for social renters and 52% for private renters, Figure 2.3.

**Figure 2.3: Ratio of housing costs: income (including and excluding housing benefit) by tenure, 2013-14**



**Base: all households that reported paying rent or mortgage payments**

**Note: underlying data are presented in Annex Table 2.4**

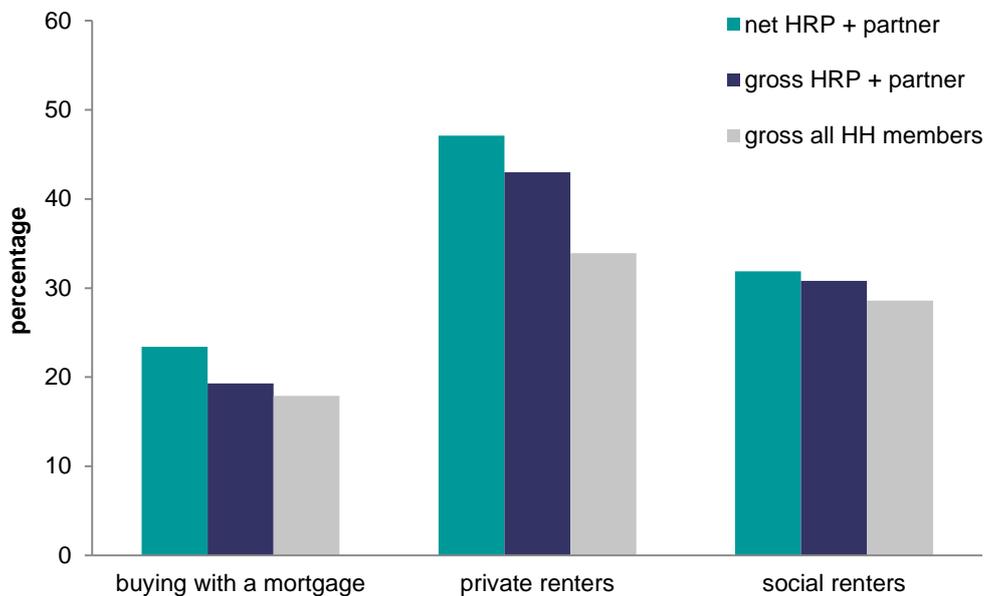
**Source: English Housing Survey, full household sample**

- 2.25 For all renters and those buying with a mortgage, rent and mortgage costs accounted for a higher proportion of income of households in London compared with those outside London.
- 2.26 Alternatively affordability of housing can be looked at by calculating mortgage and rent payments as a proportion of gross weekly income of all household members including benefits.
- 2.27 Using this calculation the proportion of income spent on housing costs remains similar for mortgagors (19% including HRP and partner, 18% including all household members) and social renters (31% including HRP and partner, 29% including all household members). However, for private renters the proportion of income spent on rent decreases from 43% when considering income from HRP and partner only to 34% when considering income from all household members, Annex Table 2.4.
- 2.28 The proportion of income spent on housing costs is naturally lower when income from all household members is included as opposed to only HRP and partner. Where the HRP is in full-time education, the difference between ratios is particularly large (mortgagors 28% to 19%

respectively, social renters 54% to 40%, private renters 146% to 67%), Annex Table 2.5.

- 2.29 A further way of looking at affordability is to calculate mortgage and rent payments as a proportion of net (after tax) weekly income of the HRP and partner including benefits. This gives an indication of the amount of disposable income that is spent on housing costs. As net income will be lower than gross income, mortgage and rent payments are higher as a proportion of net income of HRP and partner than they are as a proportion of gross income of HRP and partner for all tenure groups.
- 2.30 Amongst mortgagors and private renters housing costs as a proportion of net income including state assistance (mortgagors 23%, private renters 47%) was on average 4 percentage points higher than housing costs as a proportion of gross income of HRP and partner (mortgagors 19%, private renters 43%).
- 2.31 Amongst social renters housing costs as a proportion of net income was on average 32%, and 31% as a proportion of gross income, Annex Table 2.4.

**Figure 2.4: Housing costs as a proportion of different measures of income, by tenure, 2013-14**



**Base:** all households that reported paying rent or mortgage payments

**Note:** underlying data are presented in Annex Table 2.4

**Source:** English Housing Survey, full household sample

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## Living conditions

### Usable floor area

- 2.32 Usable floor area and information on outside space for dwellings was calculated using measurements taken by surveyors as part of the physical survey of dwellings. Because of the smaller sample size, figures presented here are for data from the 2012-13 and 2013-14 surveys combined, presented throughout as 2013 (a mid-point of April 2013).
- 2.33 Usable floor area was largest for owner occupiers (109 m<sup>2</sup>) followed by private renters (77 m<sup>2</sup>) and then social renters (66 m<sup>2</sup>), with the same pattern being followed for usable floor area per person (owner occupiers 55 m<sup>2</sup>, private renters 39 m<sup>2</sup> and social renters 38 m<sup>2</sup>), Annex Table 2.7.
- 2.34 All tenure groups showed similar patterns by age of HRP. Middle-aged people tended to have larger homes, highest at 45-54 years for outright owners (138 m<sup>2</sup>), 55-64 years for mortgagors (122 m<sup>2</sup>), 35-54 years for social renters (72 m<sup>2</sup>) and 35-64 years for private renters (80-82 m<sup>2</sup>).
- 2.35 Older age groups generally had smaller homes than the under 65s, probably as a result of downsizing. Amongst the over 65 age group average floor area was 105 m<sup>2</sup> amongst outright owners, 102 m<sup>2</sup> amongst mortgagors, 75 m<sup>2</sup> amongst private renters and 59 m<sup>2</sup> amongst social renters.
- 2.36 However, usable floor space *per person* showed a slightly different pattern by age. It was relatively stable across the younger age groups (16-44 years 35-37 m<sup>2</sup>) but then higher for ages 45 to 54 upwards (45-54 46 m<sup>2</sup>, 55-64 57 m<sup>2</sup>, 65 and over 64 m<sup>2</sup>), likely due to children growing up and moving out. The smaller overall usable floor area in older age groups does not correspond to less floor area per person.
- 2.37 This pattern of results is reflected in floor area and floor area per person in different household types and employment status of the HRP with single person households and retired people having the smaller accommodation but more space per person, and those with dependent children having less space per person.

### Outside space

- 2.38 Almost all (99%) of households had access to either a private or shared plot. Having a private plot, as opposed to shared, was more common among owners (93%) followed by private renters (69%) then social renters (63%).

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- 2.39 Older age groups were more likely to have a private plot. The proportion with a private plot increased with age from 16-24 years to 25-34 years and from 25-34 years to 35-44 years where it reached 85% and remained stable across older age groups.
- 2.40 Whilst overall almost all (98%) of properties had some parking (either on or off street), owner occupied properties were more likely to have parking (99%) than either social or private rented properties (both 97%). Owner occupiers were the most likely to have off street parking (82%) followed by private renters (52%) then social renters (31%).

### **Length of residence**

- 2.41 Owner occupiers had been resident in their current property for an average of 17.1 years; social renters had been resident for a shorter period at 11.5 years. The private rented sector is typified by comparatively shorter tenancies and private renters had the shortest average length of residence at 3.5 years<sup>5</sup>.
- 2.42 Outright owners had generally been resident in their property for longer than other tenure groups with over half (56%) having been in their properties over 20 years. Only 14% of those still buying with the help of a mortgage had been resident for more than 20 years.
- 2.43 Social renting households were more evenly distributed across differing residency lengths. A third (35%) of private renters had been resident at their current property for a less than one year, with a diminishing number of households resident for each successive longer period.

### **Overcrowding and under-occupation**

- 2.44 Overcrowding and under-occupation are discussed in the following paragraphs in relation to the “bedroom standard”, Box 1. Data are presented for the three years, 2011-12 to 2013-14 combined because of small sample sizes, as with previous reports.

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<sup>5</sup> See Headline Report Table 1.1 for mean length of residence.

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### **Box 1: Bedroom standard**

The bedroom standard is the difference between the number of bedrooms needed to avoid undesirable sharing and the number of bedrooms available to the household.

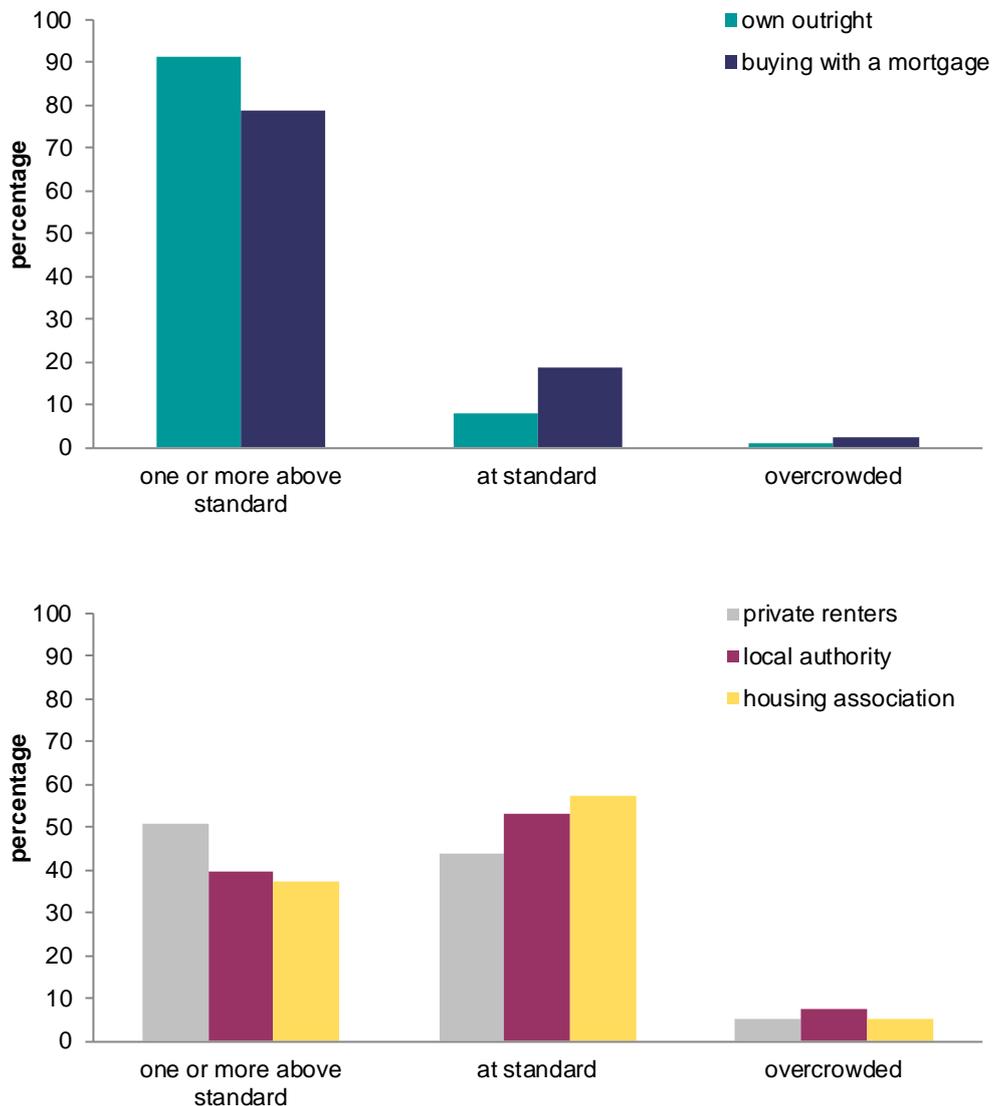
- A dwelling is considered to be “under-occupied” if it has two or more bedrooms that are not required, taking into account the age, sex, and relationships of the household members.
- It is said to be “overcrowded” if it has fewer bedrooms than needed.

The figures discussed in this chapter relate to the 2006 definition of the bedroom standard, as defined in the Housing (Overcrowding) Bill of 2003. This differs from the size criteria used for the purposes of Local Housing Allowance and the Removal of the Spare Room Subsidy, under which an adult is considered to be a person 16 or over, rather than 21 or over.

See Glossary for further details.

- 2.45 There were 61% of outright owners and 39% of mortgagors who were under-occupied (i.e. two or more spare bedrooms). This compared with 15% of private renters and 10% of social renters under-occupying.
- 2.46 The majority of owner occupied homes were one or more above standard, with rates of 92% amongst outright owners and 79% amongst mortgagors. Homes with one or more spare bedrooms were less common amongst renters with 51% of private renters and 38% of social renters.
- 2.47 Social renters were more likely to be at the bedroom standard (55%) than either owner occupiers (13%) or private renters (44%).
- 2.48 Overcrowding was uncommon in all tenures, but was more prevalent amongst private renters (5%) and social renters (6%) than amongst owner occupiers (1%).

**Figure 2.5: Bedroom standard, by tenure, 2011-14**



**Base: all households**

**Note:**

1) underlying data are presented in Annex Table 2.7

2) figures relate to the 2006 definition of the bedroom standard

Source: English Housing Survey, full household sample

## Attitudes and satisfaction

2.49 In addition to factual or demographic questions, the English Housing Survey also includes questions on people's attitudes. This section examines responses to questions assessing respondents' satisfaction with their accommodation and local area, and attitude toward their current tenure.

- 
- 2.50 Subjective questions like this are important for revealing how people feel about their living conditions, as well as their housing needs. Households were asked to rate their levels of satisfaction using a five-point scale from 'very satisfied' through to 'very dissatisfied'.

### **Satisfaction with tenure**

- 2.51 Most people agreed that their form of tenure was 'a good way of occupying their home'. Owner occupiers were the most likely to agree with this (94%) and both owner occupiers and social renters (80%) were far more likely to agree than private renters (53%), Figure 2.6.
- 2.52 Nearly a quarter (23%) of private renters disagreed with this statement compared to only 2% of owners and 7% of social renters.
- 2.53 Outright owners were more likely to strongly agree that owning was a good way of occupying their home (78%) than those buying with a mortgage (72%). However the overall level of agreement was similar for outright owners (95%) and mortgagors (93%).
- 2.54 Local authority tenants were slightly more likely to strongly agree (40%) than housing association tenants (37%), while overall levels of agreement were similar for the two groups (82% and 80%).
- 2.55 Agreement that current tenure is a good way of occupying a home has grown over the last ten years amongst both social renters (76% 2003-04, 80% 2013-14) and private renters (46% 2003-04, 53% 2013-2014).

**Figure 2.6: Satisfaction with tenure, by tenure, 2003-04 and 2013-14**



**Base:** all households where HRP or partner completed survey  
**Note:** underlying data are presented in Annex Tables 2.8 and 2.9  
**Source:** English Housing Survey, full household sample

2.56 Owner occupiers who agreed their form of tenure was a good way of occupying a home had larger homes (110 m<sup>2</sup> on average) than those who disagreed (90 m<sup>2</sup>). There was no relationship between property size and satisfaction with tenure for social or private renters, Annex Table 2.10.

### Satisfaction with accommodation

2.57 In 2013-14 owner occupiers were more likely to be satisfied with their accommodation (94%) than either social renters (81%) or private renters (82%). Mortgagees were slightly less likely to be satisfied with their accommodation (92%) than outright owners (95%), Annex Table 2.8.

2.58 Satisfaction with accommodation has fallen very slightly over the last ten years amongst outright owners (97% 2003-04, 95% 2013-14) and mortgagees (94% 2003-04, 92% 2013-14) while remaining similar for all other tenure types, Annex Table 2.9.

- 
- 2.59 As a whole, those who were satisfied with their accommodation had a greater average area of floor space per person (51 m<sup>2</sup>) than those who were dissatisfied (37 m<sup>2</sup>), Annex Table 2.10.
- 2.60 Amongst owner occupiers and social renters, those who are satisfied with their accommodation were more likely to have a garden than those who are dissatisfied.

### **Satisfaction with local area**

- 2.61 Satisfaction with the local area was higher among owners (90%) than private renters (86%) and higher amongst private renters than social renters (82%), Annex Table 2.8.
- 2.62 Outright owners were more likely to be very satisfied with the local area (62%) than any other tenure group, however the proportion that were either very or quite satisfied was similar for outright owners and mortgagors (91% and 89%).

### **Well-being**

- 2.63 Four questions designed to measure levels of personal well-being among individuals were included in the survey in 2013-14. These were: life satisfaction; the extent to which the things they do in their life are worthwhile; how happy they felt yesterday; and how anxious they felt yesterday. Each was assessed on a 10 point scale, with higher scores for the first three, and a lower score on the last, indicating greater well-being. Questions were only asked of HRPs, Annex Table 2.8.
- 2.64 As outlined in the headline report, the mean score on life satisfaction among HRPs living in all types of tenure was 7.4 with outright owners having an average life satisfaction score of nearly one point higher than social renters. Personal characteristics such as economic status, health, marital status and income were all associated with levels of life satisfaction.
- 2.65 The mean score for feeling that the things done in life are worthwhile was 7.7 overall with owner occupiers having higher average scores (7.9) than social renters (7.3).
- 2.66 The mean score for happiness on the previous day was 7.4 for people overall, again with owner occupiers having higher average scores (7.6) than social renters (6.9).
- 2.67 Average scores for feeling anxious yesterday were low for all tenure groups with an average of 3.0. Owners had an average score of 2.8, social renters 3.6 and private renters 3.1.

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# Chapter 3

## Owner occupiers

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### Overview

- 3.1 This section focuses on owner occupiers. It looks at the characteristics of different groups of owners. The profile of mortgagors (first time buyers and previous owners), recent first time buyers resident for less than three years, and outright owners in 2013-14 are described and compared with 2003-04. These groups are described on a number of key measures – their financial circumstances including how they initially financed buying their property and mortgage costs, their well-being and some key features of their accommodation.
- 3.2 Headline findings from the English Housing Survey showed that the proportion of mortgagors decreased over a ten year period from 41% of all households in England in 2003-04 to 31% in 2013-14. In contrast, the proportion of outright owners increased from 30% to 33% in the same period.

### Profile of mortgagors

#### **Economic activity**

- 3.3 In 2013-14, the majority (84%) of mortgagors were in full-time employment, with a further 7% in part-time employment. Only 5% of owners with a mortgage were retired.
- 3.4 The proportion of mortgagors in full-time employment was lower than it was in 2003-04 (84% compared to 87%). The proportion of mortgagors in other economic activity groups did not change significantly in the same period.

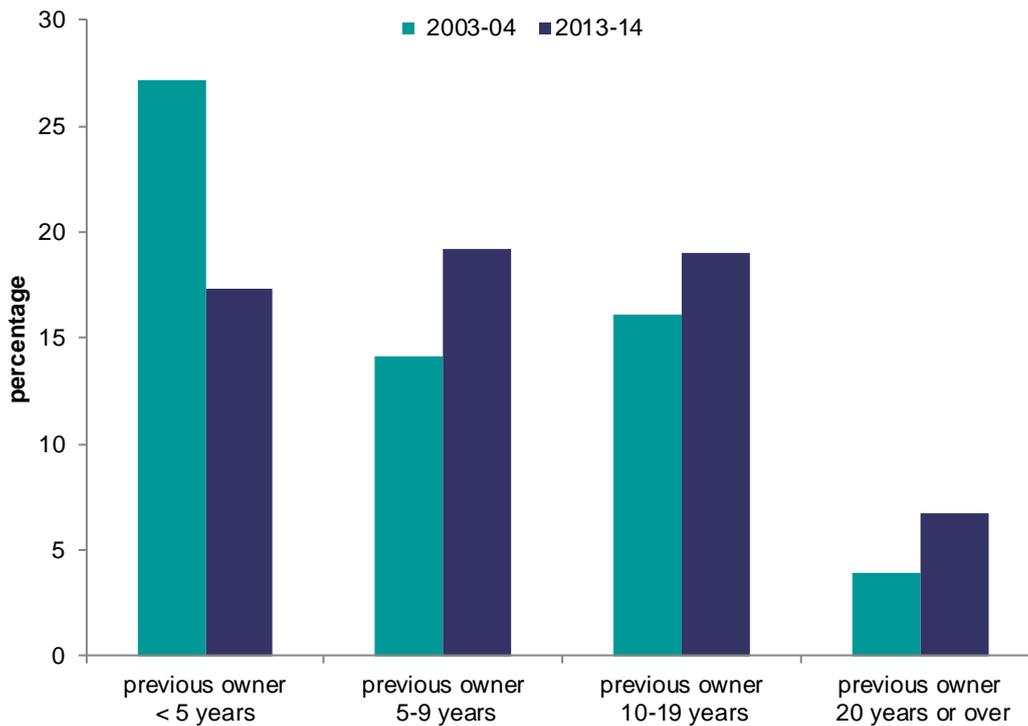
#### **Whether first time buyers and length of residence**

- 3.5 This section compares mortgagors who were first time buyers with those who had bought previously, and amongst these two groups how long they have lived at their current residence. For first time buyers this includes those who bought their residence in the last five years; it's worth noting that those households that bought their first property in the last five years but have moved since will be classified as having owned

previously. Therefore, the group of first time buyers resident for less than five years does not reflect the total number of first time buyers over that five year period.

- 3.6 The majority (62%) of mortgagors in 2013-14 had owned another property before: 17% had owned their current property for less than 5 years, 19% for 5-9 years, 19% for 10-19 years and 7% for 20 years and over.
- 3.7 In terms of the households with a mortgage who had owned previously, there was a decrease in the proportion who had lived in their property for less than 5 years: from 27% in 2003-04 to 17% in 2013-14. Over the same decade, the proportion who had lived in their property for more than 5 years rose. For example, households resident for 5-9 years increased from 14% to 19%, Figure 3.1, Annex Table 3.1.

**Figure 3.1: Whether owned previously and length of residence of mortgagors, 2003-04 and 2013-14**



**Base: all buying with mortgage**  
**Note: underlying data are presented in Annex Table 3.1**  
**Source: English Housing Survey, full household sample**

- 3.8 The proportion of mortgagors who were first time buyers in 2013-14 was 38%, which is similar to what it was in 2003-04 (39%). However, over the same period there was a decrease in the proportion of first time buyer mortgagors who had lived in their property for less than 5 years (from 14% to 12%).

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## Children

3.9 In 2013-14, 43% of households with a mortgage had no children (dependent or non-dependent). Of households with children, the youngest child was under 5 in 17% of all households buying with a mortgage, aged 5-11 in 16% of households and over 12 in 12% of households. There were non-dependent children in a further 12% of homes. These figures were similar to 2003-04.

## Vulnerable groups

3.10 In 2013-14, a fifth (20%) of mortgagors had someone in the household with a long-standing illness or disability/infirmity. This was 12% in 2003-04, though this change is partly due to the wording of the question, having changed substantially between these two survey years<sup>1</sup>.

## Income

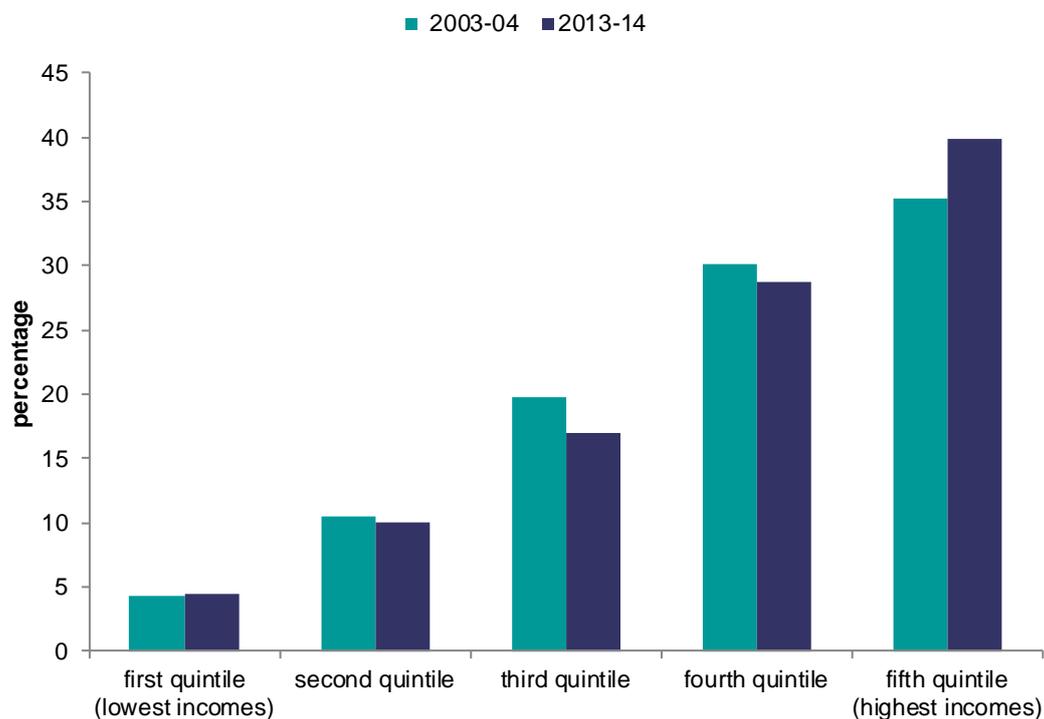
3.11 In 2013-14, the higher the weekly gross income quintile (for the HRP and partner) the greater the proportion of mortgagors: increasing from 4% in the first quintile (lowest incomes) to 40% in the fifth quintile (highest incomes).

3.12 The proportion of mortgagors in the first and second quintiles was similar to what it was in 2003-04. However, the proportion in the middle quintile decreased from 19% to 17% in this decade, and the proportion in the fifth quintile increased from 36% to 40%, Figure 3.2.

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<sup>1</sup> In 2013-14, the following question was asked individually about each household member "Do you/[Name] have any physical or mental health conditions or illnesses lasting or expected to last for 12 months or more?" whereas in 2003-04 there was only one question "Can I check, do you (or anyone in this household) have a serious medical condition or disability?"

**Figure 3.2: Weekly gross income for HRP and partner of mortgagors, 2003-04 and 2013-14**



**Base: all buying with mortgage**

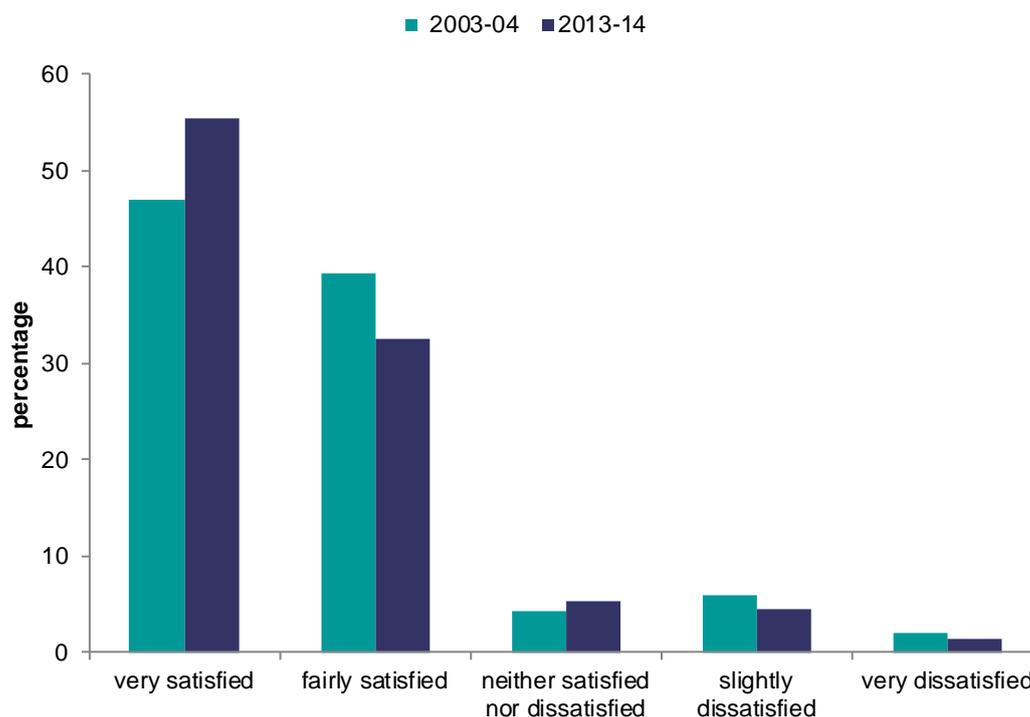
**Note: underlying data are presented in Annex Table 3.1**

**Source: English Housing Survey, full household sample**

## Area

- 3.13 In 2013-14, 13% of mortgagors lived in London, 65% lived in another urban area and 22% were in a small town or rural location. This has not changed significantly since 2003-04.
- 3.14 Over half (56%) the mortgagors in 2013-14 were very satisfied with their area, and a further third were fairly satisfied. Only 6% were slightly or very dissatisfied with their area. Between 2003-04 and 2013-14, mortgagors as a group, became more satisfied with their area. The proportion that were very satisfied rose by 8 percentage points, whereas the proportion that were fairly satisfied or slightly/very dissatisfied decreased by 7 percentage points and 2 percentage points respectively, Figure 3.3.

**Figure 3.3: Satisfaction with area of mortgagors, 2003-04 and 2013-14**



**Base:** all buying with mortgage

**Note:** underlying data are presented in Annex Table 3.1

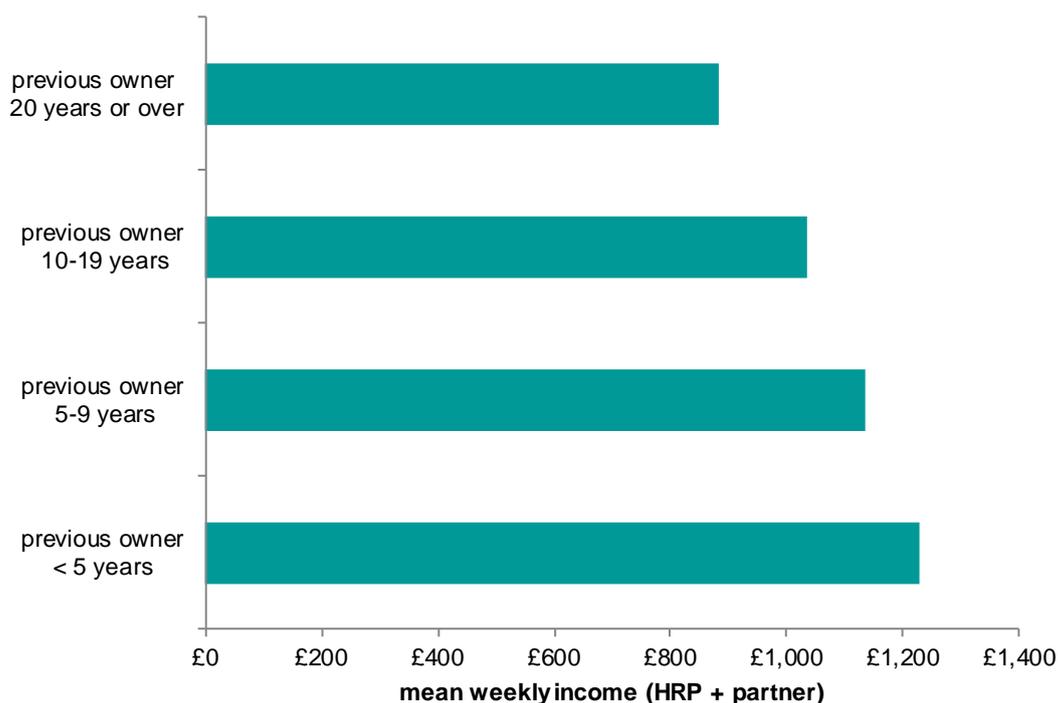
**Source:** English Housing Survey, full household sample

## Financial circumstances of mortgagors

### Income

3.15 The mean weekly gross income for the HRP and partner was highest for mortgagors who were not first time buyers and had been a resident for less than 5 years, at £1,227. Amongst previous owners, income decreased the longer they had been in residence, Figure 3.4 and Annex Table 3.2. This may be because households earning lower incomes were less able to move (due to the expense of moving – stamp duty, fees etc), and therefore will have been resident for longer, perhaps extending their home as an alternative to moving to a larger property.

**Figure 3.4: Weekly gross income for HRP and partner of mortgagors who have owned previously, 2013-14**



**Base: previous owners buying with mortgage**  
**Note: underlying data are presented in Annex Table 3.2**  
**Source: English Housing Survey, full household sample**

3.16 Mean weekly income for the HRP and partner amongst mortgagors who were first time buyers, was higher for those who had been a resident for less than 5 years at £914 compared with a mean of £770 for residents of over 5 years. This could be for the same reason outlined above, or perhaps because people needed more money to buy their house than they did 5 years earlier.

3.17 Mean weekly income was highest for those in a detached dwelling at £1,264; generally these are the highest priced type of property and would require a higher income to purchase<sup>2</sup>. The second highest was flat conversions at £1,030. The lowest mean income was amongst those living in terraced housing at £848, generally a lower priced type of property.

### Housing costs: income ratio

3.18 On average, mortgagors spent 19% of their income on their mortgage payments. However, this varied widely between income quintiles. The first quintile (lowest incomes) spent 54% of their income on their

<sup>2</sup> ONS, Table 26 'Housing market: simple average house prices, by dwelling type and region, United Kingdom, from 1986 1, 2, 3, 4 (DCLG table 511)'.  
<http://www.ons.gov.uk/ons/taxonomy/index.html?nscl=House+Price+Indices>

mortgage compared with the fifth quintile (highest incomes) who spent 14%, Annex Table 3.2.

3.19 Households in London spent a quarter (25%) of their income on housing costs which is higher than those in other urban areas (19%) and in rural areas/other towns (17%).

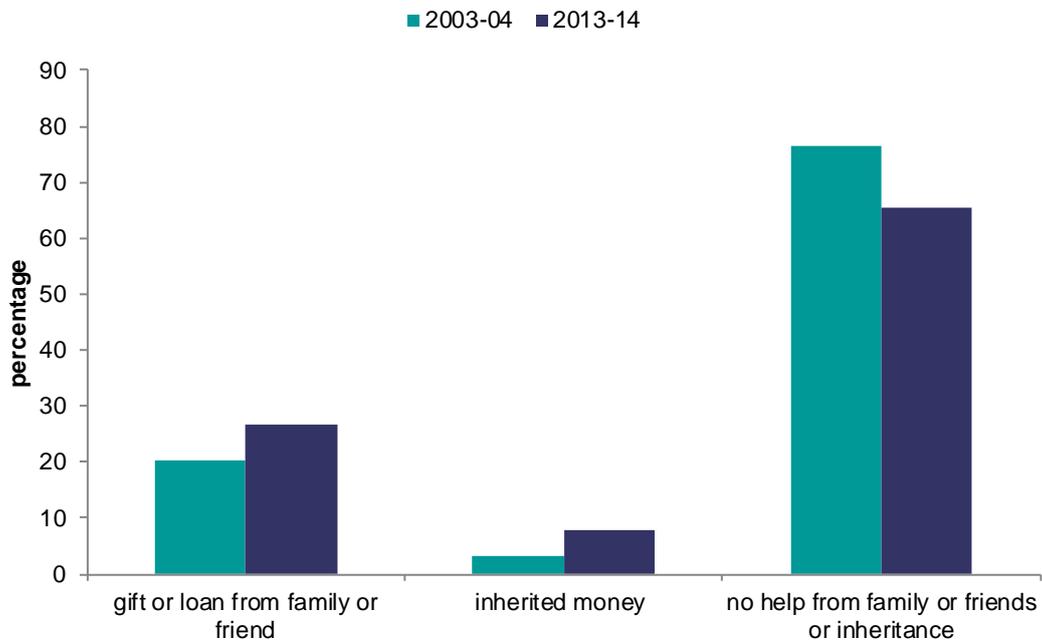
3.20 There was no difference in housing costs to income ratio in relation to satisfaction with the area.

### Source of deposit for first time buyers

3.21 Looking at first time buyers who have been living in their property for less than 5 years, the proportion who financed the purchase of their home with help from a gift or loan from family or friends increased from 20% to 27% between 2003-04 and 2013-14, Figure 3.5 and Annex Table 3.1.

3.22 The proportion of mortgagors who bought their first house with inheritance also increased, in fact it more than doubled over this period (from 3% to 8%). This could be due to older people having more money to bequeath because they owned a property which increased in worth.

**Figure 3.5: Source of deposit for first time buyers in residence for less than 5 years, 2003-04 and 2013-14.**



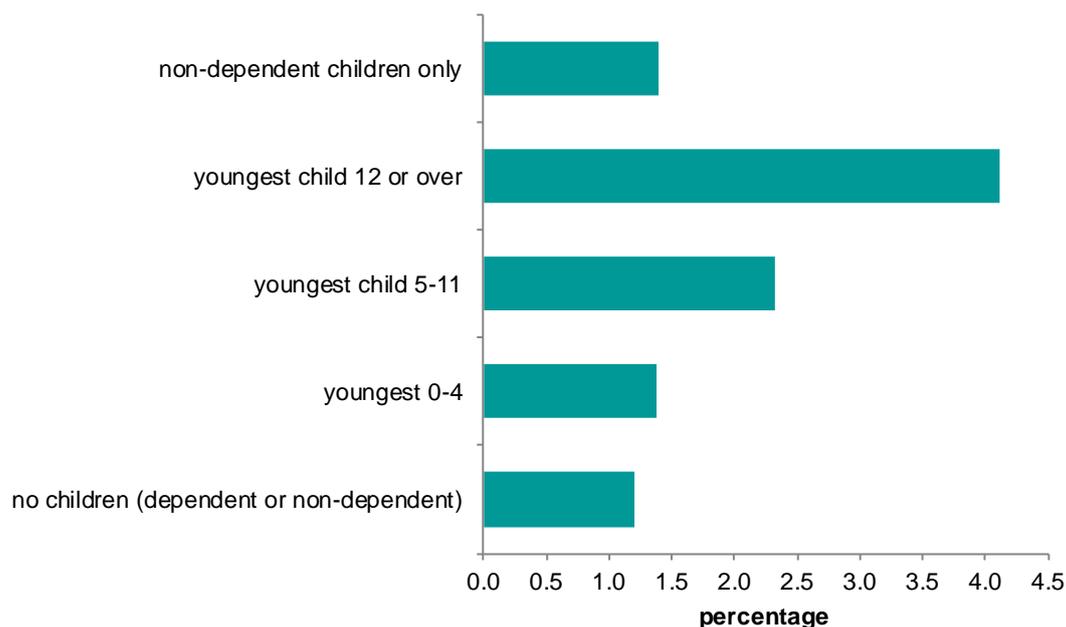
**Base: first time buyers resident for less than five years**  
**Note: underlying data are presented in Annex Table 3.1**  
**Source: English Housing Survey, full household sample**

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## Mortgage payments

- 3.23 Mortgagors who were not first time buyers and had been a resident for less than 5 years had the highest amount of mean weekly mortgage payments at £207. In addition this group had the most left to pay on their mortgage with a mean amount of £159,000, Annex Table 3.2.
- 3.24 The results show a negative relationship between years of residence and amount of mortgage payments for both first time buyers and previous owners. This may be because people who bought longer ago paid less to buy their house so had a smaller mortgage, or were able to get a better interest rate when re-mortgaging as they had a higher amount of equity.
- 3.25 As one would expect, the longer the length of residence the smaller the amount people had left to pay on their mortgage, as all those with repayment mortgages would have paid off more of their mortgage.
- 3.26 Amongst first time buyers who had been residents for 5 or more years 4% were behind on their mortgage payments. These households had lower household incomes on average than other mortgagor groups. In contrast, the survey found that there were no households that had been in residence for under 5 years which were behind on the payments.
- 3.27 Less than 1% of previous owners resident under 5 years were behind on their mortgage payments. For those who had been resident for over 5 years, the proportion behind on payments was 2%.
- 3.28 In addition, being behind on payments was particularly common amongst vulnerable groups with 7% of lone parents and 5% of registered disabled people being so.
- 3.29 Analysis of those with dependent children shows that 4% of mortgagors with a youngest child aged 12 or over were behind on their mortgage payments. This is higher than those with children aged under 4 (1%). Only 1% of mortgagors without children were behind on their mortgage payments, Figure 3.6.

**Figure 3.6: If behind on mortgage payments, by whether have children, 2013-14**



**Base: all buying with mortgage**

**Note: underlying data are presented in Annex Table 3.2**

**Source: English Housing Survey, full household sample**

3.30 Furthermore, these results show an expected relationship with income. In general the higher the weekly income the lower the proportion behind on the mortgage payments with 9% in the first income quintile (lowest incomes) being behind on their mortgage payments compared with less than 1% of the fifth quintile (highest incomes).

## Overcrowding and under-occupation of mortgagors

3.31 Overcrowding and under-occupation are discussed in the following paragraphs in relation to the “bedroom standard”, Box 1. Data are presented for the three years, 2011-12 to 2013-14 combined because of small sample sizes, as with previous reports.

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### **Box 1: Bedroom standard**

The bedroom standard is the difference between the number of bedrooms needed to avoid undesirable sharing and the number of bedrooms available to the household.

- A dwelling is considered to be “under-occupied” if it has two or more bedrooms that are not required, taking into account the age, sex, and relationships of the household members.
- It is said to be “overcrowded” if it has fewer bedrooms than needed.

The figures discussed in this chapter relate to the 2006 definition of the bedroom standard, as defined in the Housing (Overcrowding) Bill of 2003. This differs from the size criteria used for the purposes of Local Housing Allowance and the Removal of the Spare Room Subsidy, under which an adult is considered to be a person 16 or over, rather than 21 or over.

See Glossary for further details.

### **Number of bedrooms**

3.32 In 2013-14, the average number of bedrooms among those households with mortgages was 3.1. Households with an HRP and partner in the fifth income quintile (highest incomes) had more bedrooms than those in the first quintile (lowest incomes). Similarly, those living in the least deprived areas had more bedrooms than those in the most deprived areas, where more people live in terrace houses, Annex Table 3.3.

### **Overcrowding**

3.33 The mean proportion of mortgagors in overcrowded accommodation was low at 2%. Overcrowding was lowest (1%) amongst households that had owned previously and had been resident for less than 5 years.

3.34 Amongst those mortgagors who had lived at their property for more than 5 years, overcrowding was higher for first time buyers (5%) than for those who had bought previously (1 to 2%). This suggests there could be a small group of mortgagors who could not afford to move to a larger property (and could not extend their current property) to meet their household’s needs.

3.35 Results for vulnerable groups of mortgagors show that overcrowding was present in 4% of lone parent mortgagor households, 3% for those households with a person registered disabled and 4% with someone with a long standing illness or disability/infirmity. These figures are not

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significantly different from the proportion of all mortgagors living in overcrowded properties (2%).

- 3.36 The type of dwelling with the highest proportion of overcrowding (5%) was purpose built flats, which are likely to be smaller and harder to extend. This compares to 4% of terraced houses which were overcrowded, 2% of semi-detached houses and flat conversions and just 1% of detached properties, generally the largest type of dwelling.
- 3.37 Analysis of income quintiles shows that the higher the income quintile the lower the proportion of overcrowding, with the first, second and third quintiles (lower incomes) being higher than the fifth quintile (higher incomes).
- 3.38 In 2013-14, 5% of mortgagors who lived in London were in overcrowded residences compared with 2% in other urban and 1% in rural/small town. This may be because in London larger properties are less affordable.

### **Under-occupation**

- 3.39 In 2013-14, 39% of all mortgagors lived in under-occupied properties. Under-occupation was less common amongst mortgagors who were first time buyers (25% to 29%) than those who had owned previously (43% to 57%). Mortgagors of residence longer than 20 years had the highest proportion of under-occupation at 57%.
- 3.40 Almost half (49%) of residences in rural/small towns were under-occupied, which compares with 37% in other urban and 29% in London.

## **Satisfaction and well-being of mortgagors**

### **Satisfaction with accommodation**

- 3.41 On average 92% of mortgagors were satisfied with their accommodation. Mortgagors who were first time buyers and had been a resident for 5 or more years were below the average at 87%.
- 3.42 Amongst vulnerable groups, lone parents and households including someone with a long-standing illness or disability/infirmity were all below the average. In particular, only 81% of registered disabled were satisfied with their accommodation.
- 3.43 The analysis of income quintiles shows 82% were satisfied with their accommodation in the first quintile (lowest incomes) but this rose to

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91% in the second quintile. Interestingly only the fifth income quintile (highest incomes) had a higher proportion of those satisfied with their accommodation compared to the average (96% compared with 92%), Annex Table 3.4.

## Well-being

- 3.44 For all mortgagors, mean life satisfaction and mean perception of how worthwhile life was, was found to be correlated with level of satisfaction with the area. The more satisfied (on a scale from very dissatisfied to very satisfied) with the area the higher the mean score for life satisfaction and perception of how worthwhile life is.
- 3.45 First time buyers who had bought in the past five years had higher anxiety if they had received a gift or loan from their relatives or friends compared with those who had bought their home without help or inheritance, Annex Table 3.4.

## Recent first time buyers

- 3.46 This section provides details of the demographic, economic and housing characteristics of recent first time buyers, defined as those who had bought for the first time within the last three years.
- 3.47 In 2013-14, there were 617,000 recent first time buyers. This was less than the number there were in 2003-04, when there were 844,000, Annex Table 3.5.

## Age

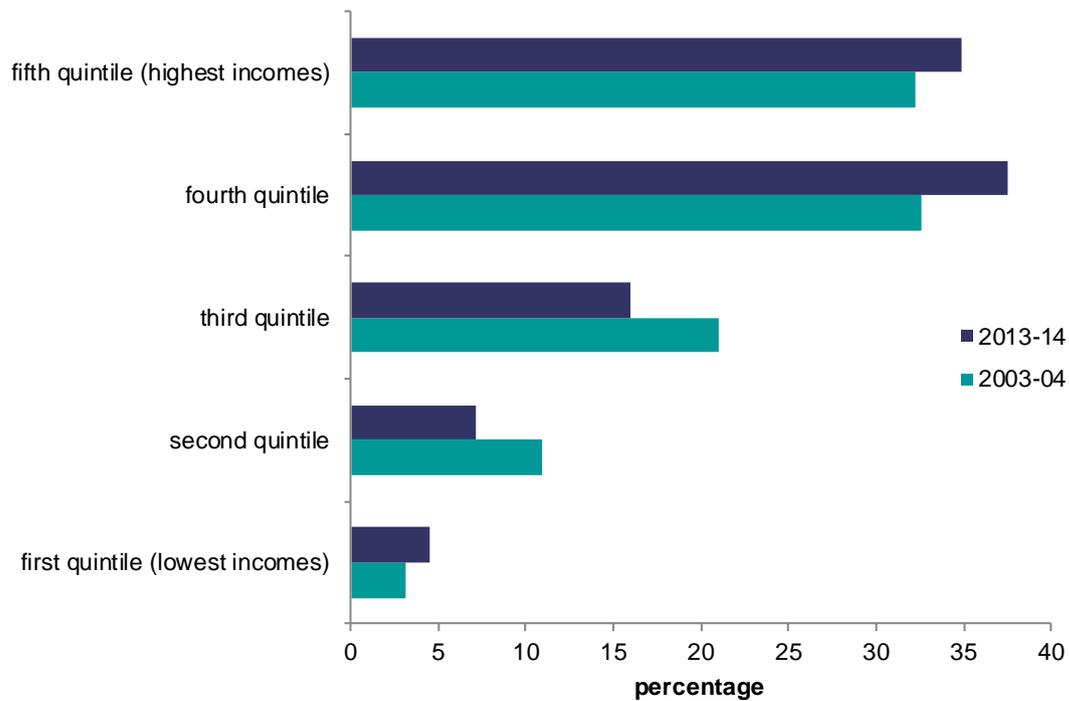
- 3.48 In 2013-14, most (63%) recent first time buyers were aged 25-34. A further 9% were aged 16-24, a fifth (20%) were aged 35-44 and 8% were 45 or over.
- 3.49 Between 2003-04 and 2013-04 there was a decrease in the proportion of 16-24 year old recent first time buyers from 14% to 9%. This is likely because the increase in house prices has made it difficult for younger people to afford to buy, as they have lower incomes on average and may take longer to save for the larger deposit that is generally required. The percentage of those in the other age groups did not change significantly.

## Income

- 3.50 As one might expect, households with a higher income were more likely to be a first time buyer than households on a low income. Almost

three-quarters (72%) of recent first time buyers in 2013-14 were in the fourth and fifth quintiles (high incomes) for gross weekly income of the HRP and partner, with 35% in the fifth quintile. There were 16%, 7% and 5% in the middle, second and first quintiles, Figure 3.7.

**Figure 3.7: Gross weekly income of the HRP and partner of recent first time buyers, 2003-04 and 2013-14**



**Base: all recent first time buyers (within three years)**  
**Note: underlying data are presented in Annex Table 3.5**  
**Source: English Housing Survey, full household sample**

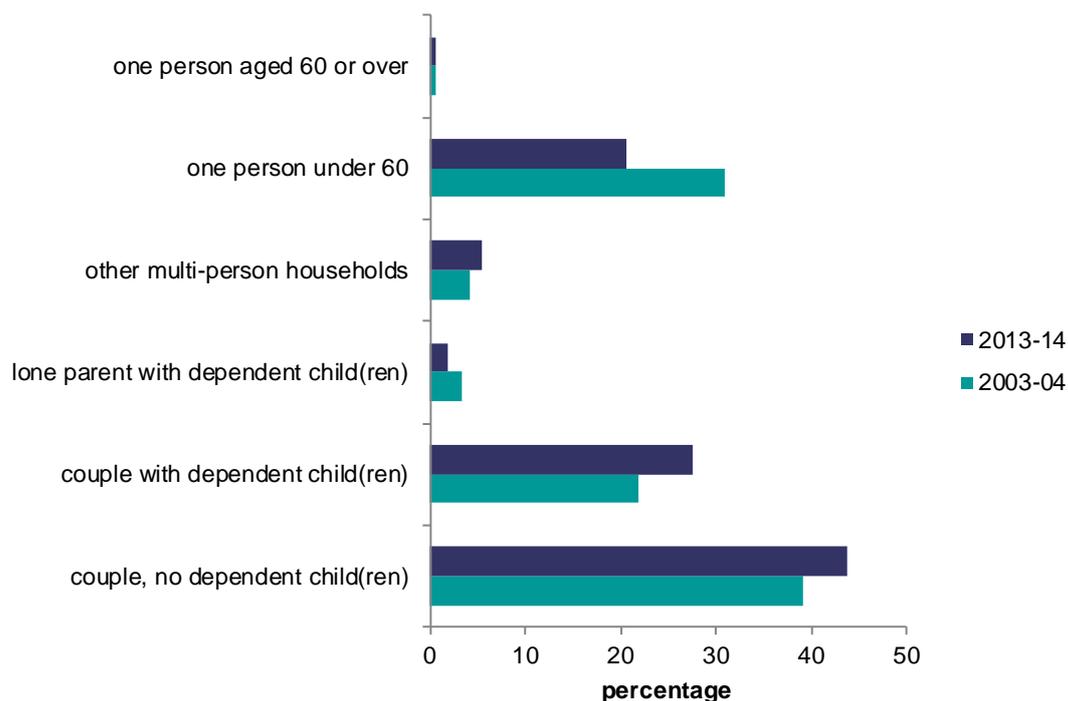
3.51 In 2003-04, 65% of first time buyers were in the fourth and fifth quintiles (higher incomes) whereas by 2013-14 this had risen to 72%.

### Household type

3.52 The most common type of recent first time buyers in 2013-14 were couples with no dependent children, at 44%. Around a quarter (27%) were couples with dependent children and around a fifth (21%) were one person households.

3.53 The main change in household type for recent first time buyers between 2003-04 and 2013-14 was the decrease in the proportion of one person households. In 2003-04, this group was 31% of first time buyers but 10 years later it was only 21%. This may be because the increase in house prices meant that people are finding it harder to afford to buy a house by themselves, Figure 3.18.

**Figure 3.8: Household type of recent first time buyers, 2003-04 and 2013-14**



**Base:** all recent first time buyers (within three years)  
**Note:** underlying data are presented in Annex Table 3.5  
**Source:** English Housing Survey, full household sample

### Overcrowding and under-occupation

3.54 In 2013-14, only 1% of recent first time buyers lived in overcrowded accommodation. A third (34%) were under-occupied and another 46% had one bedroom above standard. These figures were not significantly different to 10 years earlier, Annex Table 3.6.

### Type of dwelling

3.55 Over three quarters (77%) of recent first time buyers in 2013-14 bought houses: 37% bought terraced houses, 30% semi-detached and 10% detached. These figures were similar to what they were a decade earlier.

3.56 In 2013-14, nearly a fifth (19%) of recent first time buyers bought purpose built flats, which increased from 11% in 2003-04. This may be because they are more likely to buy newly built properties, more of which are purpose built flats.

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3.57 Only 4% of recent first time buyers in 2013-14 said they had bought flat conversions, which is less than half the proportion who bought them in 2003-04 (9%), Annex Table 3.7.

### **Age of dwelling**

3.58 Over half (52%) of recent first time buyers in 2013-14 bought properties that were built after 1964, 15% were built in 1945-1964, 15% in 1919-1944 and 18% before 1919.

3.59 In 2003-04, a higher proportion (30%) of recent first time buyers bought properties built before 1919 compared with those who bought 10 years later (18%). The proportion of recent first time buyers who bought properties built after 1964 increased from 42% to 52% in the same period. This is likely partly due to there being more properties to buy in 2013-14 that were built after 1965, due to the properties which were built in the intervening 10 years.

### **Deposit**

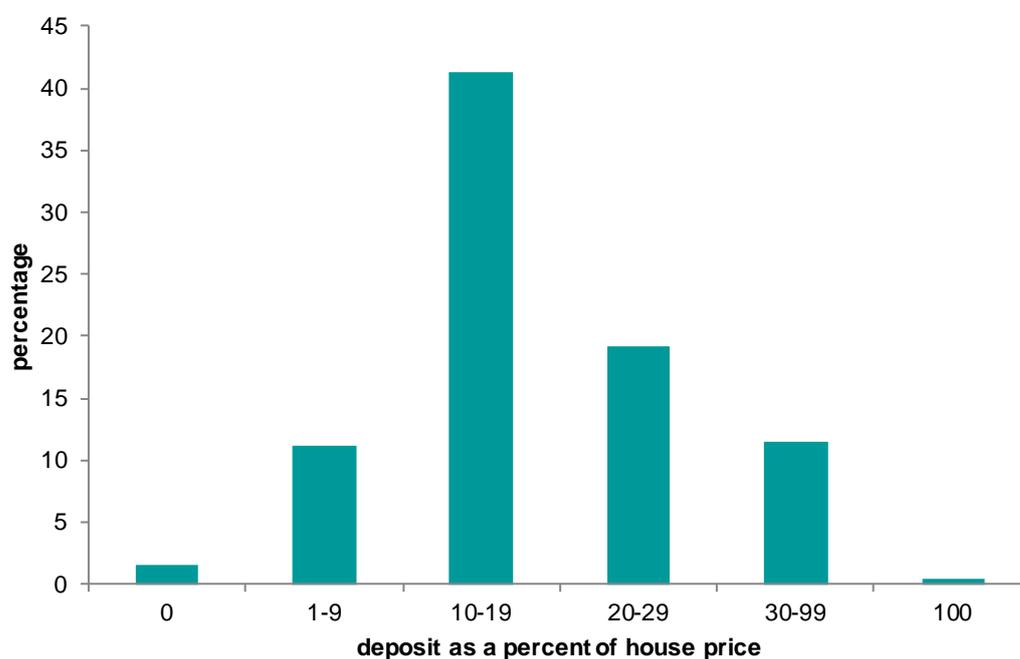
3.60 The mean deposit paid by recent first time buyers in 2013-14 was £36,225, whilst the median was £17,745. The difference is due to a minority of people paying a much higher amount. The mean deposit in 2013-14 is over double what it was in 2003-04 and the median deposit is triple what it was 10 years previously.

3.61 In 2013-14, 2% of first time buyers paid no deposit, and 16% paid between 1% and 9%. The most common percentage of deposit paid was between 10% and 19%, with 45% of recent first time buyers paying this. A further 21% paid between 20% and 29%<sup>3</sup>, Figure 3.9 and Annex Table 3.8.

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<sup>3</sup> Deposit paid as a percent of house price was measured in 2003-04, but there were significant differences in the way this was done. So the 2003-04 figures were excluded, as they are not comparable to those in 2013-14.

**Figure 3.9: Deposit paid as a percent of house price, recent first time buyers, 2003-04 and 2013-14**



**Base:** all recent first time buyers (within three years)  
**Note:** underlying data are presented in Annex Table 3.8  
**Source:** English Housing Survey, full household sample

### Type of mortgage and years left to run

3.62 The vast majority (93%) of recent first time buyers who bought with a mortgage had a repayment mortgage in 2013-14. This was a greater proportion than 10 years earlier (86%).

3.63 Over half (56%) of recent first time buyers in 2013-14 had 20-29 years to run on their mortgage when they took it out. Over a third (38%) took out a mortgage with 30 or more years to run<sup>4</sup>.

### Decent homes

3.64 In 2013-14, around one in six (17%) homes bought by recent first time buyers were found to be non-decent. It is possible that this is due to some first time buyers deliberately buying homes that were in need of renovation, Annex Table 3.9.

<sup>4</sup> The 2003-04 survey did not ask respondents how many years their mortgage was for when they took it out.

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## Outside space

3.65 Most (71%) of first homes bought in the past five years in 2013-14 had both a private front and back garden. A further 7% had either a private front or back garden. Around a fifth (19%) had only a shared garden and 2% owned no outside area at all.

## Profile of outright owners

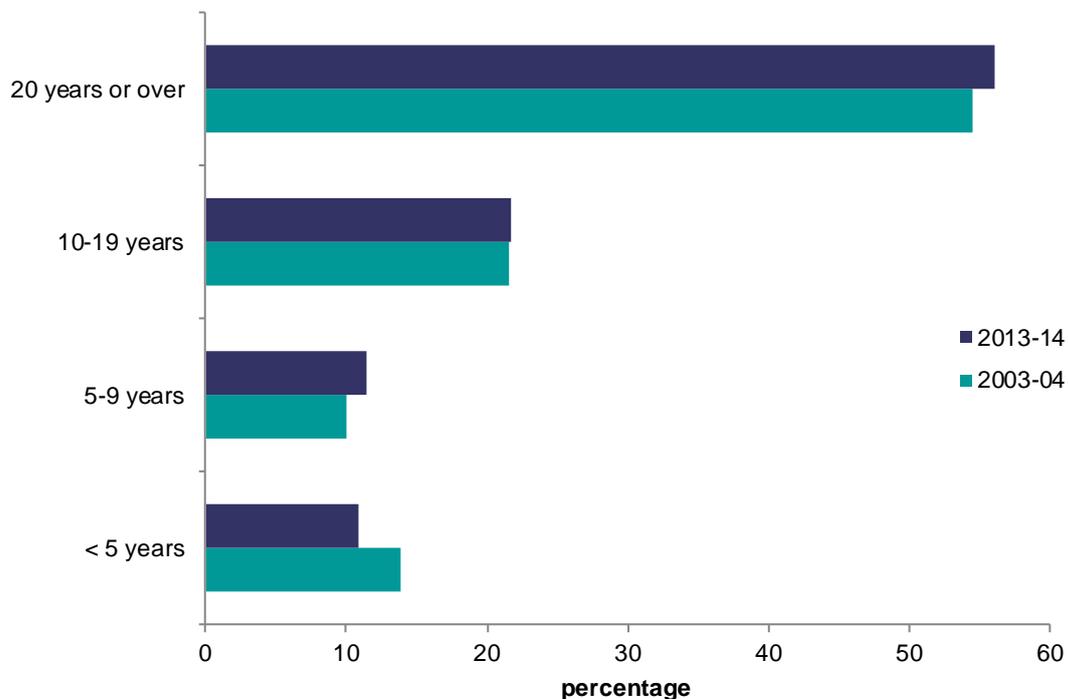
### Economic activity

3.66 In 2013-14, the majority (63%) of outright owners were retired. A quarter (25%) were in full-time work, 8% were in part-time work and 1% were unemployed. There was little change in the economic profile of the sector between 2003-04 and 2013-14, Annex Table 3.10.

### Length of residence

3.67 In 2013-14, over half (56%) of outright owners had lived in their current property for over 20 years. Around a fifth (22%) had lived there for 10-19 years, 11% for 5-9 years and 11% for less than 5 years, Figure 3.10.

**Figure 3.10: Length of residence, outright owners, 2003-04 and 2013-14**



Base: all outright owners

Note: underlying data are presented in Annex Table 3.10

Source: English Housing Survey, full household sample

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3.68 In 2003-04, there was a greater proportion of outright owners who had lived in their property for less than 5 years than in 2013-14 (14% compared with 11%).

### **Dwelling type**

3.69 In 2013-14, 92% of outright owners owned houses. Only 7% owned flats, which is lower than the proportion of mortgagors who owned flats (9%). The types of properties owned by outright owners were similar to ten years previously.

### **Income**

3.70 There was a fairly even spread of outright owners over the income quintiles in 2013-14, from 19% in the first quintile (lowest incomes) to 15% in the fifth (highest incomes). Since 10 years earlier, there were significantly fewer people in the first and second quintiles, and significantly more people in the fourth and fifth quintiles.

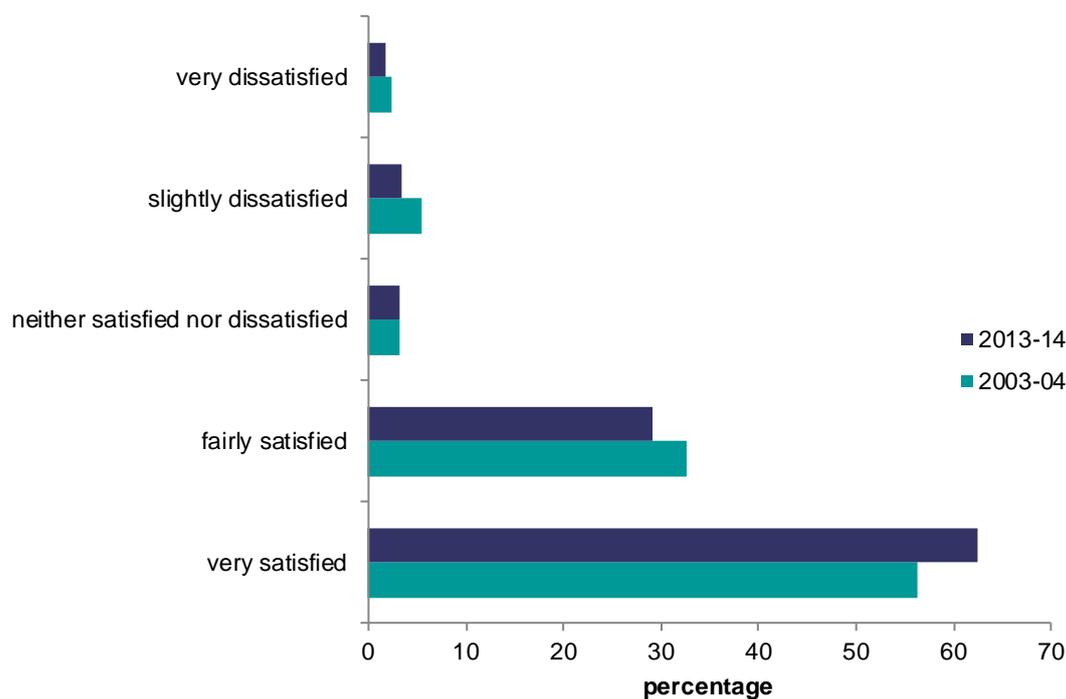
### **Area**

3.71 In 2013-14, 10% of outright owners lived in London, 63% lived in another urban area and 27% were in a small town or rural locations. This was similar to the figures in 2003-04.

3.72 In 2013-14, 62% of outright owners were very satisfied with the area they lived in. A further 29% were fairly satisfied, whereas 4% were slightly dissatisfied and 2% were very dissatisfied.

3.73 The proportion of outright owners who were slightly or very dissatisfied went down between 2003-04 and 2013-14 from 8% to 5%. In contrast the proportion of outright owners who were very satisfied increased from 56% to 62%, Figure 3.11.

**Figure 3.11: Satisfaction with area, outright owners, 2003-04 and 2013-14**



Base: all outright owners

Note: underlying data are presented in Annex Table 3.10

Source: English Housing Survey, full household sample

## Overcrowding and under-occupation of outright owners

### Number of bedrooms

3.74 In 2013-14, the average number of bedrooms among those households who owned their home outright was 3.0. People living in flats had fewer bedrooms than those living in houses, Annex Table 3.11.

### Overcrowding

3.75 The overall proportion of outright owners in overcrowded accommodation was 1%. Overcrowding affected those outright owners in the highly deprived areas. Overcrowding was higher amongst those living in the first quintile (most deprived areas, 3%) compared with the two less deprived quintiles (less than 1%).

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## Under-occupation

- 3.76 In 2013-14, the overall proportion of outright owners in under-occupied accommodation was 61%. The longer households had been in residence in their home, the higher the proportion that were under-occupied. This ranged from 43% for people living in their home for less than 5 years to 69% of those who had lived in the property for 20 or more years. Under-occupation being higher in households with longer residences is likely due to grown up children leaving the family home.

## Satisfaction and well-being of outright owners

### Satisfaction with accommodation

- 3.77 The vast majority (95%) of outright owners were satisfied with their accommodation in 2013-14.
- 3.78 The level of satisfaction with accommodation varied for people living in different properties. Owners of detached houses (97%) were more satisfied with their accommodation than people in terraced houses (92%).
- 3.79 Outright owners who lived in the most deprived areas (based on Index of Multiple Deprivation (IMD) scores) were less satisfied with their accommodation than people living the least deprived areas, Annex Table 3.12.

### Well-being

- 3.80 Similarly, outright owners who lived in the most deprived areas had higher anxiety levels than people living the least deprived areas. On the other well-being measures (life satisfaction, how worthwhile life is, and happiness), these also generally increased i.e. better well-being, in the least deprived areas.
- 3.81 People's level of satisfaction with their area was associated with all aspects of well-being. Outright owners who were very satisfied with their area had better scores on all four measures than those who were very dissatisfied with their area.

## Home ownership for older households

- 3.82 The following analysis examines the characteristics and housing needs of households that owned their home and contained someone aged 55 and over in the 2013-14 data. Within this group we have compared

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those households where the oldest person is aged 55 up to pension age, with those containing someone over pension age.

- 3.83 As part of Housing Strategy there is a focus on housing for older and vulnerable people<sup>5</sup>. House builders have also started to target new properties at this age group.

### **Tenure**

- 3.84 Over half (54%) of owner occupier households where the oldest person was aged 55 to pension age owned their property outright compared with 89% of those over pension age. So 46% of those from 55 to pension age were still paying off a mortgage, Annex Table 3.13.

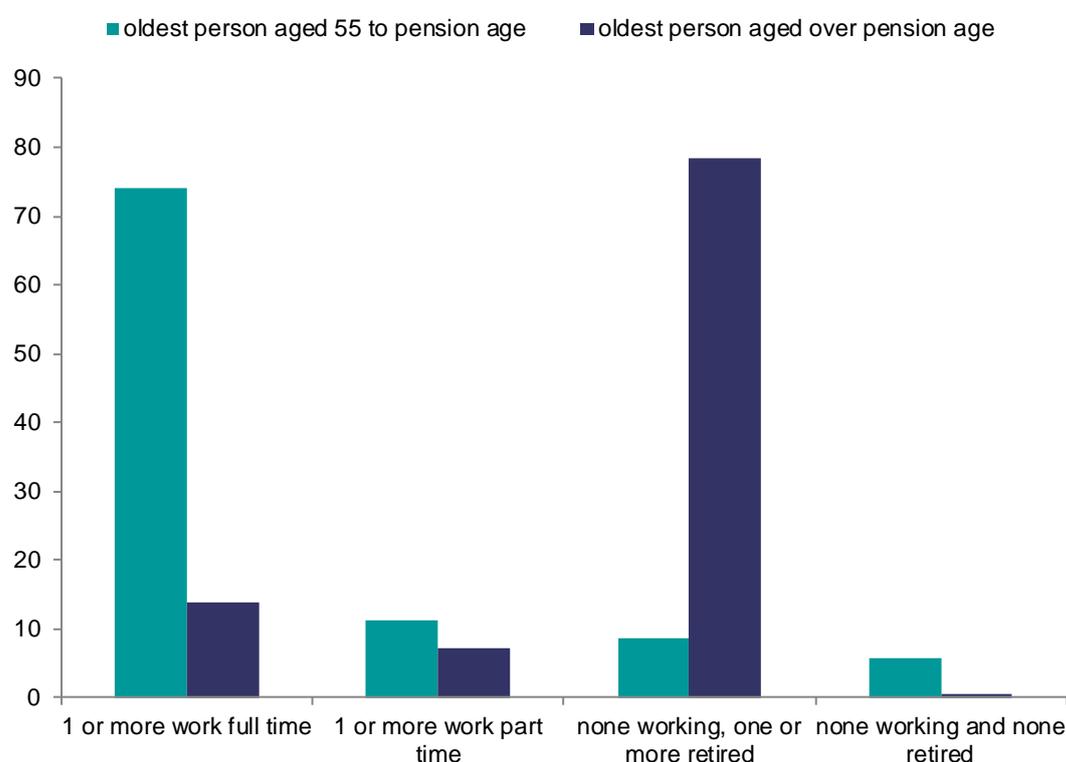
### **Economic activity**

- 3.85 The vast majority (85%) of owning households where the oldest person was aged 55 to pension age contained someone who worked. A fifth (21%) of households where the oldest person was aged over pension age had someone working in them, Figure 3.12, Annex Table 3.14.

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<sup>5</sup> <https://www.gov.uk/government/publications/2010-to-2015-government-policy-housing-for-older-and-vulnerable-people/2010-to-2015-government-policy-housing-for-older-and-vulnerable-people#appendix-4-helping-older-and-disabled-people-live-at-home-for-longer>

**Figure 3.12: Employment status of HRP in owner occupier households where the oldest person was aged 55 or over, 2013-14**



**Base: all owning households where oldest person was aged 55 or over**

**Note: underlying data are presented in Annex Table 3.14**

**Source: English Housing Survey, full household sample**

## Income

3.86 In owner occupier households where the oldest person was aged 55 to pension age, 58% had an income of more than £700 per week, 23% had an income of between £400 and £700 and 19% had an income below £400 per week. In comparison, 26% of owner occupier households where the oldest person was over pension age had an income of more than £700 per week, 30% had an income of between £400 and £700 and 44% had an income of below £400 per week, Annex Table 3.15.

## Care received

3.87 Only a very small proportion of owner occupier households where the oldest person was aged 55 or over lived in sheltered accommodation (i.e. where a warden or manager is available to help residents if needed). As one might expect, a greater proportion of owner occupier households where the oldest person was aged over pension age (1%) were in sheltered accommodation than of people under pension age (less than 1%), Annex Table 3.16.

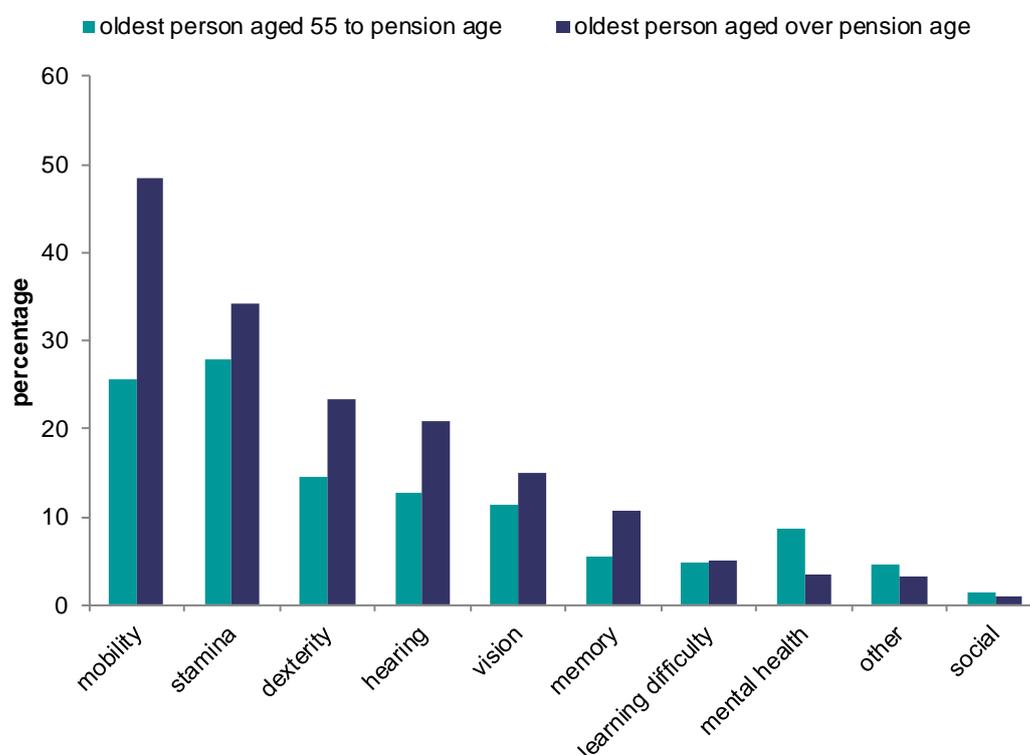
3.88 Similarly only a small percentage of older owner occupier households had overnight carers. This was higher amongst owner occupier households where the oldest person was over pension age (2%) than those where the oldest person was aged 55 to pension age (less than 1%), Annex Table 3.17.

## Health

3.89 Almost half (46%) of owner occupier households where the oldest person was aged over pension age contained someone with a long term illness or disability. Among owner occupier households where the oldest person was over 55 to pension age, 29% included someone with a long term illness or disability, Annex Table 3.18.

3.90 The most common health conditions affecting owner occupier households where the oldest person was aged 55 or over were mobility (48% pension age or over, 26% under pension age) and stamina (34% pension age or over, 28% under pension age), Figure 3.13 and Annex Table 3.19.

**Figure 3.13: Health condition of HRP in owner occupier households where the oldest person was aged 55 or over, 2013-14**



Base: all owning households where oldest person was aged 55 or over

Note: underlying data are presented in Annex Table 3.19

Source: English Housing Survey, full household sample

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## **Decent homes and energy efficiency**

- 3.91 Around a fifth (21%) of owner occupier households where the oldest person was aged over pension age lived in non-decent homes. This is greater than the proportion where the oldest person was aged 55 to pension age (17%). This may be because older people are less able to carry out repairs on their homes (or arrange for someone else to do them), Annex Table 3.20.
- 3.92 The two age groups lived in properties which had similar energy efficiency ratings. Overall, 4% had a SAP score of less than 30, 18% had 30-50, 68% had 51 to 70 and 10% had more than 70, Annex Table 3.21.

## **Under-occupation**

- 3.93 Overall, 61% of owner occupier households where the oldest person was aged 55 or more were under-occupied, i.e. had two or more bedrooms above the standard. Plus, another 30% had one bedroom above the standard, Annex Table 3.22.

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# Chapter 4

## Private renters

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### Overview

- 4.1 This section focuses on the private rented sector. It provides an in-depth analysis of different types of private renters, recognising the considerable variation among this group depending on their social and demographic and housing characteristics.
- 4.2 Comparisons are made in the profile of private sector renters in 2003-04 compared with 2013-14. The chapter then describes private renters on a number of key measures – their financial status including housing costs, their well-being, their expectations of buying and length of residence and some key characteristics of their accommodation.
- 4.3 Headline findings on the English Housing Survey highlighted an increase in the size of the private rented sector, which increased over a ten year period from 11% of all households in England in 2003-04 to 19% in 2013-14. This is in contrast to the social rented sector, which remained stable over this time.

### Profile of private renters

#### Age

- 4.4 Recently published headline findings reported almost half (48%) of all 25-34 year olds rented privately. Indeed, the majority (58%) of private sector renters were aged between 25 and 44, a similar proportion to the 2003-04 figure (56%). There have been some shifts in the age profile of this group between 2003-04 and 2013-4. There was an increase in the proportion of 45-54 year olds (from 10% to 15%), and a decrease in the proportion of 16-24 year olds (from 16% to 12%) and those aged 65 and above (from 11% to 7%), Annex Table 4.1.

#### Economic activity

- 4.5 In 2013-14, the majority (62%) of private renters were in full-time employment, with a further 10% accounted for by those in part-time employment. Those who were retired, unemployed and in full-time

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education accounted for a much smaller proportion of this sector (7%, 5% and 5% respectively).

- 4.6 There has been little change in the economic profile of the sector, although there has been a slight but significant increase in the unemployed (from 3% in 2003-04 to 5% in 2013-14). This coincides with the increase reported for the social rented sector in the proportion who were unemployed (see Chapter 5), as well as the overall increase in unemployment during this period of around one million people. There was also a decrease over this period in the proportion of private renters who were retired (from 12% to 7%), Annex Table 4.1.

### **Income and deprivation**

- 4.7 In 2013-14, private renters were fairly evenly spread across income quintile groups, with the exception of those in the highest income quintile, which accounted for a relatively lower proportion of the sector (13% compared with between 18% and 25% for the other income quintiles). This is similar to the income profile of private renters in 2003.
- 4.8 One in ten (10%) private renters were working and receiving housing benefit in 2013-14, Annex Table 4.1.

### **Length of residence**

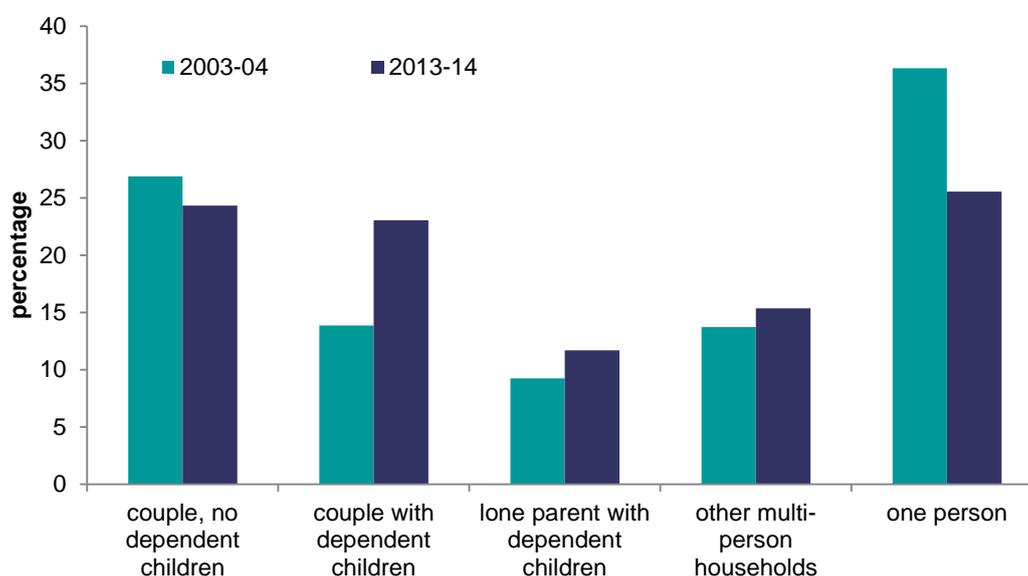
- 4.9 The majority of private renters (55%) had resided in their current address for less than two years, whilst a quarter (25%) had been there for between 2 and 4 years. Some shift in length of residence occurred between 2003-04 and 2013-14, with an increased proportion of households residing for a period of 2 to 4 years (from 20% to 25%) and for a period of 5 to 9 years (from 9% to 12%). However there was a drop in the proportion of households residing at their current address for ten years or more (from 13% to 8%), Annex Table 4.1.

### **Household type**

- 4.10 The private rented sector comprised a mix of household types, with couples accounting for around half of the sector (24% with no dependent children and 23% with dependent children), a further quarter (26%) made up of one person households, and 12% lone-parent households.
- 4.11 Comparisons with 2003-04 show an increase in the proportion of couple or lone parent households with dependent children (up from 23% in 2003-04 to 35% in 2013-14). There was a corresponding decrease in the proportion of one person households over this period from 36% to 25%, Figure 4.1. Of households with dependent children

in 2013-14, the majority of these were children aged under 5, Annex Table 4.1.

**Figure 4.1: Household type, private renters, 2003-04 and 2013-14**



**Base:** all households in private rented sector 2003-04 and in 2013-14

**Note:** underlying data are presented in Annex Table 4.1

**Source:** English Housing Survey, full household sample

## Average household size

4.12 On average the number of people living in a private rented household was 2.5. This tended to be higher for certain groups of private renters: those where the head of household was younger, a student, a part-time worker, or unemployed. It was also higher among those who had resided in their current accommodation for a relatively shorter time and those living in London, Annex Table 4.2.

## Dwelling type and area

4.13 The majority (62%) of private renters were living in houses, whilst 35% were in flats, a pattern similar to 2003-04.

4.14 In 2013-14, almost 1 in 4 (23%) private rented households were located in London, a figure which has remained stable since 2003-04. Whilst the proportion of private sector households living outside of London has remained at around 77%, there has been a shift in the balance between urban and rural, with an increase in private renters living in urban areas (from 57% to 63%) and a corresponding decrease in renters living in rural locations (from 19% to 14%), Annex Table 4.1.

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## Financial circumstances

### Income

- 4.15 In 2013-14, the average gross weekly income (of the HRP and their partner) among those living in private rented accommodation was £580. This figure varied depending on the characteristics of these private rented households. Income varied considerably by age of HRP, with those in the 25 to 34 age group having the highest average income (£661), and those in the youngest and oldest age groups having relatively lower incomes (£343 in those aged 16-24 and £319 in those aged 65 and above). Not surprisingly, there was a wide disparity in average weekly income between those who worked full-time (£748) and those who were unemployed (£183).
- 4.16 Higher than average incomes were seen for households with couples compared with other types of household. Couples who had no dependent children had higher incomes than those with dependent children (£847 and £717 respectively). By comparison, lone parent households had an average weekly income of £359.
- 4.17 Incomes were generally higher in London compared with elsewhere (£763 compared with £524) and higher among those who have only resided in their accommodation for a short period of time (£633 compared with £381 among those who have resided for 10 years or more), Annex Table 4.3.

### Housing costs

- 4.18 The average rent in the private rented sector was £176 per week in 2013-14, an increase from £115 in 2003-04.
- 4.19 Rents varied with a number of key characteristics. They were relatively higher for HRPs who were aged 16-24 (£191), those in full-time education (£268), those in multi-person households (£262), those in the highest income quintile (£248), and those living in London (£281). Below average rents were found among those aged 65 and above (£133), those who were retired (£139), those in one person households (£130) and those outside of London (£145), Annex Table 4.3.

### Housing costs: income ratio

- 4.20 Once housing benefit had been accounted for, private renters in 2013-14 spent, on average, 43% of their income<sup>1</sup> on rent<sup>2</sup>. This increased to

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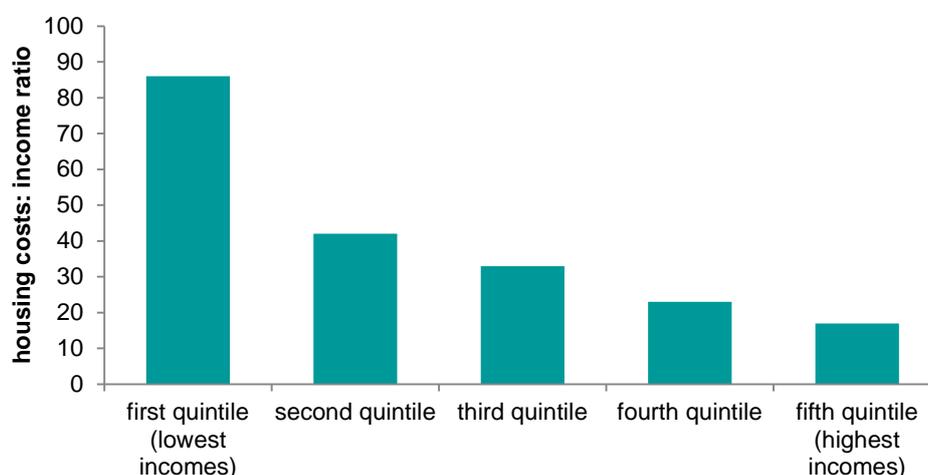
<sup>1</sup> 'Income' refers to gross income and includes HRP+partner income only – these households may also receive income from another household member which is not included.

<sup>2</sup> 'Rent' excludes charges for services.

just over half (52%) when housing benefit was not accounted for. The equivalent figures for 2003-04 were 44% and 48%. The increase between these years in the proportion of income (excluding housing benefit) spent on rent is consistent with the recent increase in housing benefit receipt among private renters in work (see English Housing Survey Headline Report 2013-14).

- 4.21 Some groups of private renters had spent over half of their income (once housing benefit is accounted for) on rent – these included those where the HRP was aged 16-24, unemployed, or in full-time education<sup>3</sup>. Multi-person households, households with non-dependent children, and those in the lowest income quintile had also spent this level of their income on rent, Figure 4.2. Although renters in London had much higher incomes, they nevertheless spent a much higher proportion of their income on rent, as illustrated in Figure 4.3.
- 4.22 By contrast those who had spent a third or less of their income on rent included households where the HRP was in full-time work, households with couples, and households in the two highest income quintiles, Annex Table 4.3.

**Figure 4.2: Ratio of housing costs: income (including housing benefit), by income quintile, private renters, 2013-14**



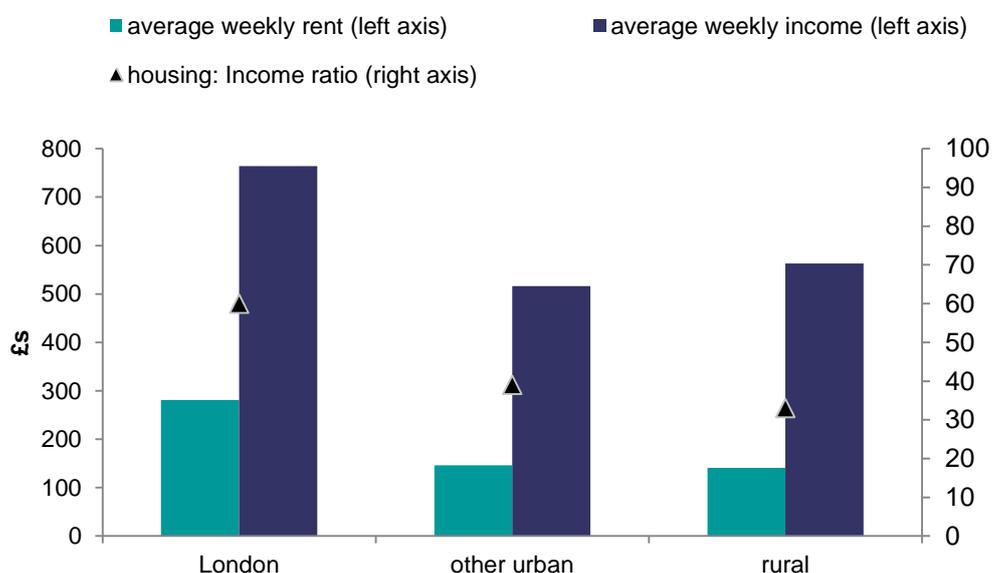
**Base: all households in private rented sector 2013-14, excluding those who reported paying no rent**

**Note: underlying data are presented in Annex Table 4.3**

**Source: English Housing Survey, full household sample**

<sup>3</sup> Chapter 2 of this report finds that the proportion of income spent on rent decreases when including income from all household members, with a particular impact on households more likely to have multiple incomes, such as those in full-time education.

**Figure 4.3: Housing costs and income (including housing benefit), by area, private renters, 2013-14**



**Base:** all households in private rented sector 2013-14, excluding those who reported paying no rent)

**Note:** underlying data are presented in Annex Table 4.3

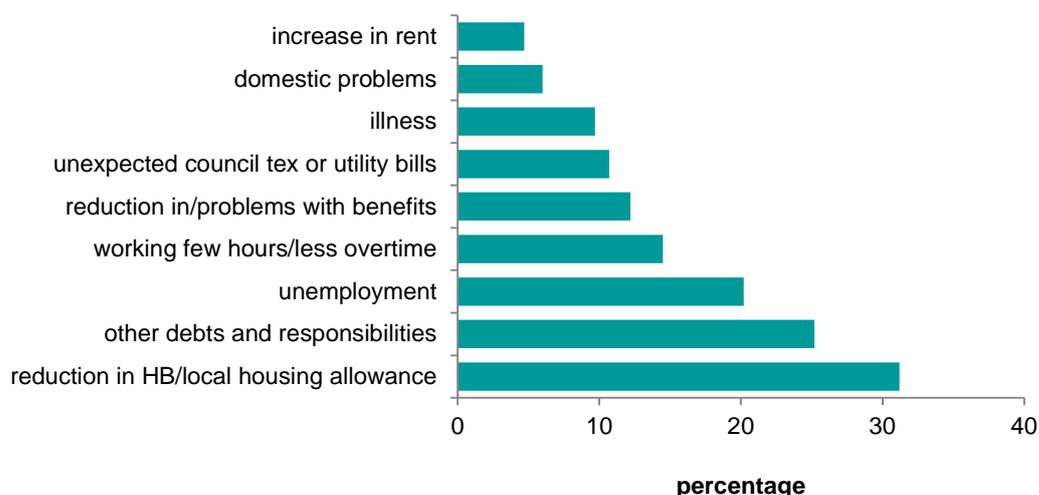
**Source:** English Housing Survey, full household sample

## Difficulties in paying rent

4.23 Around two thirds (67%) of private renters said they found it easy to pay their rent after benefits, whilst a third (33%) said that this had been difficult. Most (96%) said they were currently up to date with rent payments, with only 4% saying they were not up to date. Of those who were up to date, only a small proportion (5%) had fallen behind on payments in the last 12 months.

4.24 Where difficulties had been experienced (either with current or previous payments), a variety of reasons were put forward. However the most commonly mentioned reasons included a decrease in housing benefit or local housing allowance (mentioned by 31% who had experienced difficulties), other debts and responsibilities (mentioned by 25%) and unemployment (mentioned by 20%), Figure 4.4 and Annex Table 4.4.

**Figure 4.4: Reasons for difficulties in paying rent on time, private renters, 2013-14**



**Base: all households in the private rented sector who have had difficulties paying rent or fallen behind in last 12 months**

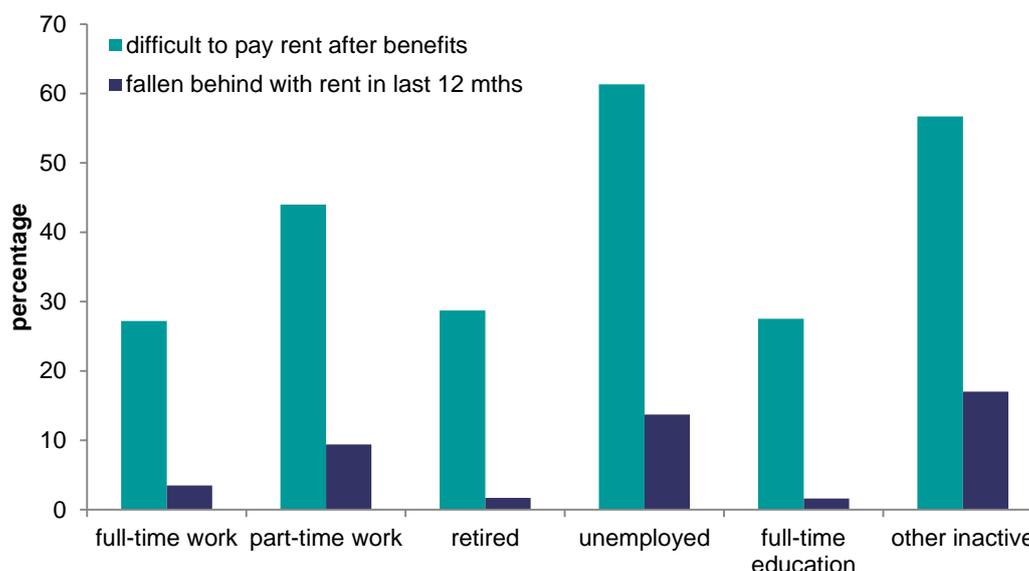
**Note: underlying data are presented in Annex Table 4.4**

**Source: English Housing Survey, full household sample**

4.25 Certain groups of private renters were more likely to have experienced difficulties in paying their rent. More than half of households classed as unemployed, as 'other inactive', or lone parents with dependent children said they had found it difficult to pay their rent. High levels of difficulty were also expressed by households in the lowest income quintile (47%).

4.26 The groups most likely to be behind with their current rent payment were those where the HRP was unemployed (15%) and classed as 'other inactive' (13%). Those who were most likely to have fallen behind with payment in the previous 12 months included those where the HRP was unemployed (14%), or 'other inactive' (17%), lone parents (13%), those in the lowest income quintile (10%), and those who were working but in receipt of housing benefit (11%), Figure 4.5 and Annex Table 4.5.

**Figure 4.5: Difficulties in paying rent, by economic status, private renters, 2013-14**



**Base:** all private renters (for difficult to pay rent) and private renters who indicated they were up to date with current rent payments (for fallen behind with payments in last 12 months)

**Note:** underlying data are presented in Annex Table 4.5

**Source:** English Housing Survey, full household sample

## Satisfaction and well-being

### Satisfaction with accommodation

4.27 Most private renters (82%) were satisfied with their accommodation. Levels of satisfaction were particularly high among older people, those who were retired, and those living in rural areas (90% or above). In contrast, satisfaction was lower (75% or less) among those who were unemployed, in full-time education, classed as 'other inactive', and where the HRP was working and in receipt of housing benefit. Similarly low levels were evident in households with dependent children (especially those aged 16-18) and those who disagreed that private renting is a good way to occupy a home, Annex Table 4.6.

### Satisfaction with tenure

4.28 Overall 53% of private renters thought that renting in the private sector was a good way of occupying a home, up from 46% in 2003-04. Almost a quarter (23%) disagreed with this, down from 29% in 2003-04. Some groups were more likely to hold this view. These included those at either end of the age spectrum (61% of 16-24s and 64% of those aged 65 and above), retired people (64%), those in full-time education (68%) and those in the lowest income quintile (61%). Those least likely to

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hold this view include those with non-dependent children (40%) and those in the highest income quintile (43%), Annex Tables 4.1 and 4.6.

## **Satisfaction with repairs and housing services**

4.29 Over two thirds of private rented sector tenants (68%) were satisfied with the repairs carried out by their landlords, and a similar proportion (69%) were satisfied with the housing services their landlord provided. Satisfaction with their landlord was higher among older renters, those who were retired, those with dependent children aged 16-18, those living outside London and those who agreed that renting in the private sector is a good way to occupy a home, Annex Table 4.6.

## **Well-being**

4.30 Four questions designed to measure levels of personal well-being among individuals were included in the survey in 2013-14. These were: life satisfaction; the extent to which the things they do in their life are worthwhile; how happy they felt yesterday; and how anxious they felt yesterday. For each, respondents were asked to rate themselves on a scale of 0 to 10, allowing mean scores to be calculated for different types of private renter.

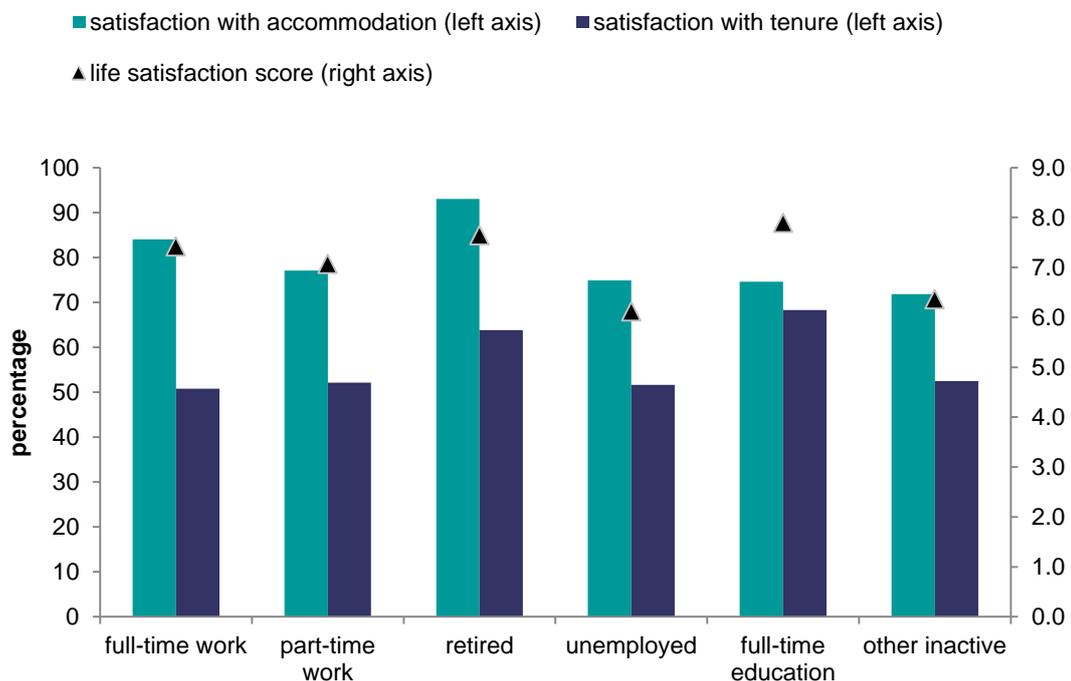
4.31 As mentioned in the headline report, the mean score on life satisfaction among people living in all types of tenure was 7.4. For those living in the private rented sector it was 7.2, moderately lower than for those not living in this sector (7.5).

4.32 The headline report also commented that personal characteristics such as economic status, health, marital status and income were all associated with levels of life satisfaction. Although it reported that housing and area characteristics were also predictive of life satisfaction, this was to a lesser extent.

4.33 Looking solely at those living in private rented accommodation, life satisfaction scores were relatively higher than average for older or retired people, those in full-time education, and those on higher incomes. Households comprising couples and those with young children scored higher on well-being measures, as did those who were satisfied with their tenure. Very similar patterns were evident for the other well-being measures, suggesting that personal characteristics and circumstances may be associated with well-being. On some housing factors this can also be seen. For example, well-being was generally higher among groups who were satisfied with their tenure. However, the extent to which satisfaction with accommodation is driving well-being measures is not known.

4.34 In contrast, some groups of private renters with similar levels of satisfaction with their accommodation differed in their well-being scores. Although equal proportions (75%) of those in full-time education and those who were unemployed were satisfied with their accommodation, it was the full-time students who scored better in terms of well-being (for example 7.9 compared with 6.1 for the unemployed group for life satisfaction), Figure 4.6 and Annex Table 4.6.

**Figure 4.6: Satisfaction with accommodation, tenure, and life satisfaction by economic status, private renters, 2013-14**



**Base:** all households in private rented sector  
**Note:** underlying data are presented in Annex Table 4.6  
**Source:** English Housing Survey, full household sample

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## Expectations of buying and average length of residence

### Expectations of buying

- 4.35 When asked what type of accommodation they expected to be living in, longer term, over half (56%) of private renters said they expected to be an owner occupier. A similar question asked if they thought they would ever buy a home in the UK, for which 61% of private renters thought that they would<sup>4</sup>. Of those cases who did not expect to ever buy a home in the UK, 55% expected to stay in the private rented sector in the long term, 24% expected to move to social housing, and 14% said they expected to buy (presumably outside of the UK). Not surprisingly, expectations of owner occupation or buying varied across different types of renter, and were relatively lower for older renters, those who were retired and those who had lived for a longer time in their current accommodation, Annex Table 4.7.
- 4.36 Affluence also appears to play a key role in expectations of owner occupation or buying. These were lower among the lowest income quintile group, the unemployed, and those who were working but receiving housing benefit. Expectations also differed with type of household, with one person households, lone parent households, and those with older children (16 or older) less likely to expect to buy. Those living outside London were also less likely to expect to buy, perhaps reflecting the lower average incomes in this group compared with Londoners, Annex Table 4.7.

### Average length of residence

- 4.37 In 2013-14, the average length of residence for private renters was 3.5 years. This fluctuated considerably with age, from less than a year among those aged 16-24 to 14 years among those aged 65 and above. Unemployed renters resided for longer on average compared with those who were working full time (4.1 years compared with 2.5 years), whilst those in the lowest income quintile resided for longer than higher income group (5.5 years compared with 2.4 years in the highest income group).
- 4.38 Length of residence also varied depending on household composition. The average length of residence among single person households was

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<sup>4</sup> The discrepancy between these two figures is likely due to differences in the way each question has been asked. The first question asked respondents to select only one from a range of tenure options: 'In the longer term, which of these, if any, is the type of housing you expect to live in?'. The second question asked respondents to say either 'Yes' or 'No' to the following: 'Do you think you will eventually buy a home in the UK or not?'. It is possible that people may be thinking of different timescales when they are answering these questions.

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5.2 years, compared with between 2.2 to 3.8 years among other types of household. Those in households with older children had longer periods of residence (around 5 years compared with 2 to 3 years in households with younger children). Length of residence was also higher in rural households (5.7 compared with 3.1 to 3.5 in urban areas), those living in houses compared with flats (4.2 compared with 2.6), and for those satisfied with their tenure (3.7 compared with 2.9), Annex Table 4.7.

## Accommodation type and characteristics

### Dwelling type

4.39 Close to two thirds (62%) of private sector renters lived in houses, with just over a third (35%) living in flats. Residing in flats was more common among certain types of private renter. For example, those under 35 were more likely to do so (38-40% compared with 30-32% of those aged 35-54 and 35% of those aged 65 and above). This was similarly the case for short-term residents (38% up to 1 year, 37% 2-4 years compared with 29% or less among those residing for longer periods of time) and one person households (48% compared with 40% or less among other household types). Residing in flats was also more common in London (57%) compared with other areas (33% among other urban and 12% among rural areas), Annex Table 4.8.

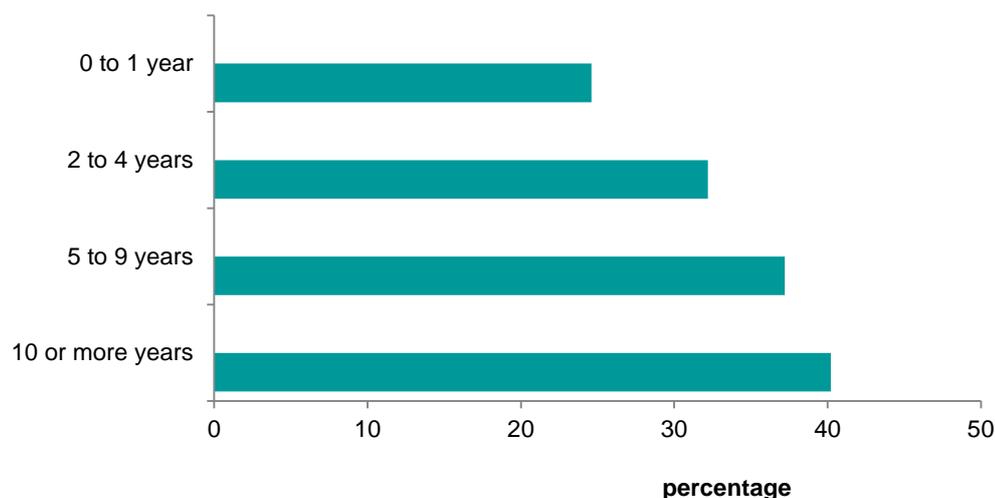
### Decent homes

4.40 Decent homes data were derived from assessments by surveyors as part of the physical survey of dwellings. Because of the smaller sample size, figures presented here are for data from the 2012-13 and 2013-14 surveys combined, presented throughout as 2013 (a mid-point of April 2013). Just under a third (29%) of homes in the private rented sector were classified as non-decent according to the decent homes standard.

4.41 This was considerably higher among particular sub-groups of private renters. For example, 43% of households where the HRP was unemployed were classified as non-decent compared with 27% of those where the HRP was in full-time employment. Similarly those in the lowest income group were more likely to be living in non-decent accommodation (35% compared with 24% of the highest income group). Older renters, those living alone, and those who have been resident for ten or more years were also relatively more likely to be living in non-decent homes, Figure 4.7 and Annex Table 4.8.

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**Figure 4.7: Proportion of non-decent homes, by length of residence, private renters, 2013-14**



**Base:** all households in private rented sector

**Note:** underlying data are presented in Annex Table 4.8

**Source:** English Housing Survey, dwelling sample

### Usable floor area

4.42 The average usable floor area in private rented accommodation in 2013 was 77 m<sup>2</sup>. Floor space was larger for houses compared with flats (87 m<sup>2</sup> compared with 60 m<sup>2</sup>). It was also larger for accommodation outside of London and in rural areas, reflecting the higher proportion of houses in these areas. Accommodation size was generally smaller among particular sub-groups of private renters including single person households, households with no children, and households on the lowest incomes, Annex Table 4.8.



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# Chapter 5

## Social renters

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### Overview

- 5.1 The social rented sector declined throughout the 1980s and 1990s, from 5.5 million households in 1981 (32% of all households) to 4.1 million in 1999 (20% of all households). This period coincided with the introduction of the Right to Buy scheme, and the rise in owner occupation. Since then, the number of households in the social rented sector remained fairly constant, at around 3.9 million, but as a proportion of all households, the decline continued, albeit much less rapidly, throughout the 2000s. By 2013-14, 17% of households were social renters.<sup>1</sup>
- 5.2 Within the social rented sector, there were further changes in recent years. A proportion of local authority stock was transferred to housing associations, and more new stock was constructed on behalf of housing associations than local authorities. Of the 3.9 million households in the social rented sector in 2003-04, 2.5 million were in local authority accommodation. In 2013-14, this figure was 1.6 million, and the remainder were in housing association accommodation.
- 5.3 This chapter details differences in the profile of social renters between 2003-04 and 2013-14. It goes on to look at measures of the affordability of social rented accommodation, the satisfaction and well-being of residents, movements into and out of the social rented sector, and the suitability of accommodation, for a range of different types of social renter.

### Profile of social renters

#### Economic activity

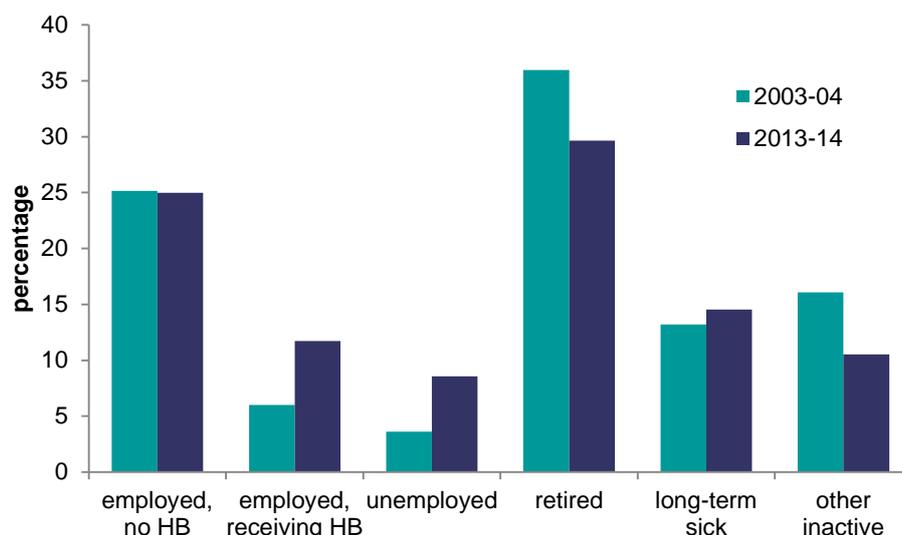
- 5.4 Between 2003-04 and 2013-14, there was a change in the economic profile of social renters. In 2003-04, 31% of social rented housing was rented to someone who was in employment, a fifth of whom were in

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<sup>1</sup> See Chapter 1 for more information on long term tenure trends.

receipt of housing benefit, and the remainder were not<sup>2</sup>. By 2013-14, 37% were in employment, and a third of these were in receipt of housing benefit. There was also a rise in those in unemployment using the social rented sector over the same period, from 4% to 9%, and a fall in those who were economically inactive (from 16% to 11%), Figure 5.1, Annex Table 5.1.

**Figure 5.1: HRP economic activity, social renters, 2003-04 and 2013-14**



Base: all households in social rented sector

Note: underlying data are presented in Annex Table 5.1

Source: English Housing Survey, full household sample

## Income and deprivation

5.5 Nearly half (46%) of social renters lived in the most deprived 20% of areas in 2013-14<sup>3</sup>. A similar proportion (45%) had an income in the lowest 20%. Households living in local authority accommodation were more likely to be in the most deprived areas, 56%, compared with 39% of those living in housing association homes.

5.6 The income profile of social renters actually shifted a little in the 10 years since 2003-04. There was a fall in the proportion of social renters in the lowest income quintile, and a rise of those with larger relative incomes. This appears to be due to a combination of factors, including the rise in the proportion in employment, and the relative rise in incomes of social renters in employment, Annex Table 5.1.

<sup>2</sup> Figures refer to the economic status of the household reference person (HRP), the person in whose name the accommodation is rented. See glossary for further details.

<sup>3</sup> This apparently high figure is a construct of the way in which the Index of Multiple Deprivation (IMD) was created. The most deprived areas are classed as deprived because the people that live there tend to be on lower incomes, or are deprived in other ways. As social housing, and particularly local authority housing, tends to be clustered, the areas in which social housing is clustered are characterised by the residents of social housing estates.

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## Household types

- 5.7 A third (33%) of households in the social rented sector in 2013-14 included dependent children (1.3 million). Around two fifths (41%) consisted of single people without children (1.6 million). These figures have not changed significantly since 2003-04, Annex Table 5.1.

## Vulnerable groups

- 5.8 Some vulnerable groups need support to live independently in their own homes, which can be provided for in the social rented sector. A third of a million (334,000) households in social rented housing in 2013-14 were in sheltered accommodation for older people, 9% of all social rented households. In almost a quarter of a million homes (236,000), regular overnight care was provided for someone in the household by someone who did not live there, Annex Table 5.1.

## Satisfaction with accommodation

- 5.9 In 2013-14, the vast majority of social renters were satisfied with their accommodation; 81% said that they were either very satisfied or fairly satisfied with their current accommodation. Those in local authority accommodation were more likely than those in housing association accommodation to be slightly or very dissatisfied (15%, compared with 12%), Annex Table 5.1.

## Financial circumstances

### Income

- 5.10 In 2013-14, the mean gross weekly income of the HRP and their partner of households living in social rented accommodation was £315 (£16,400 p.a.)<sup>4</sup>. This varied considerably according to the type of household and the employment status of the HRP.
- 5.11 Working households in social rented accommodation not in receipt of housing benefit had an average joint gross weekly income of around £500 (£513 where the HRP was employed full-time, and £492 where she or he was employed part-time). Working households in receipt of housing benefit had an average income around two thirds of that (£327). The lowest average incomes of those in the social rented sector were for unemployed adults (£149 where the HRP was aged 40

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<sup>4</sup> Excluding the cost of services. Only the income of the household reference person (HRP) and their partner, if living in the same household, was taken into account.

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and above, and £190 where she or he was younger and more likely to be in receipt of child-related benefits).

- 5.12 Couples with dependent children had relatively high incomes, averages of between £490 and £531, depending on the age of the children. Couples without children had an average income of £425. Single parents tended to have lower incomes, with averages varying between £273 and £333 depending on age of youngest child.
- 5.13 Older people in social rented accommodation had lower average incomes than those of working age. This is reflected in the average incomes of retired households (£250 for those aged 70 and above, and £254 for younger retired households). Similar levels of income were observed for other groups with a high proportion of older people. These included those who had lived in the accommodation for 20 years or longer, single people, those in sheltered accommodation, and those receiving overnight care, Annex Table 5.2.

## Housing costs

- 5.14 Average rents in the social rented sector were £94 a week across England in 2013-14<sup>5</sup>. Rents varied according to the type of accommodation and the area. Detached houses were the most expensive, at an average of £113. Below average rents were paid in sheltered housing (£87). Rents in London were more than those in other parts of the country, as were those in the least deprived areas.
- 5.15 Single adults paid the least for their accommodation, an average of £85. Couples with no children paid an average of £92, while larger households paid an average of £100-£106.
- 5.16 Working people tended to pay above average rents (£96-£104 on average, depending on whether they were employed full- or part-time and whether they were in receipt of housing benefit). Retired people paid lower average rents (£84-£87, depending on age), as did the unemployed (£88-£91), reflecting the smaller typical household size and dwelling size for these groups.
- 5.17 Average rents also increased with income, from £90 for those in the lowest income quintile, to £115 for those in the highest quintile. Again this was a reflection of household composition and accommodation size.
- 5.18 Those who were dissatisfied with their accommodation tended to pay more for it, suggesting the cost of accommodation is a potential cause of dissatisfaction. Average rents among those who were very

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<sup>5</sup> Excluding the cost of services, and excluding those who reported paying no rent.

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dissatisfied with their accommodation were £103 per week, more than £10 higher than among those who were very satisfied with their accommodation, Annex Table 5.2.

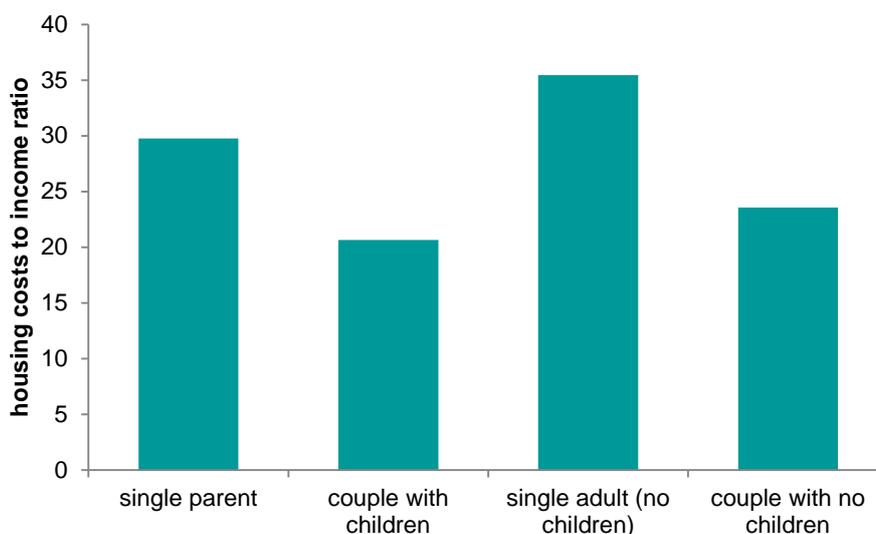
### **Housing costs to income ratio**

- 5.19 On average, those in the social rented sector spent 31% of their income (including housing benefit) on rent in 2013-14.<sup>6</sup> Excluding housing benefit from the household's income, this figure was 42%.
- 5.20 Working people not in receipt of housing benefit spent around a quarter (23-25%) of their income on average on rent. Working households in receipt of housing benefit, and retired households both spent an average of 30% of their income on housing costs, after housing benefit was taken into account. Unemployed people spent the largest proportion of their income on housing costs (39% for those aged under 40 and 46% for those aged 40 and above), despite below average rents.
- 5.21 Households on the lowest incomes spent the largest proportion of their income on rent, an average of 41% for those in the lowest income quintile. This compared with 26% in the next lowest, decreasing to 10% in the highest income quintile.
- 5.22 Couples with dependent children spent the smallest proportion of their income on rent (20-21%). Single parents spent 29-30% of their income on rent, while single people (with no children) spent 35% of theirs, Annex Table 5.2 and Figure 5.2.

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<sup>6</sup> i.e. rent, excluding the cost of services, divided by the sum of the HRP and their partner's income plus housing benefit.

**Figure 5.2: Ratio of housing costs to income (including housing benefit), by household type, social renters, 2013-14**



**Base:** all households in social rented sector, excluding those who reported paying no rent  
**Notes:**

1) Income of HRP and partner, including housing benefit. Housing costs exclude cost of services.

2) underlying data are presented in Annex Table 5.2

**Source:** English Housing Survey, full household sample

## Arrears

5.23 Around one third of social renters had their rent paid directly by housing benefit. Of those who did not have their rent paid by housing benefit, 85% were up to date with their rent payments in 2013-14, at the time of interview. The remaining 15% (390,000 households) were in arrears. A further 364,000 (17%) households had fallen behind with their rent payments at some point in the previous 12 months, Annex Table 5.3.

## Satisfaction and well-being

### Satisfaction with accommodation

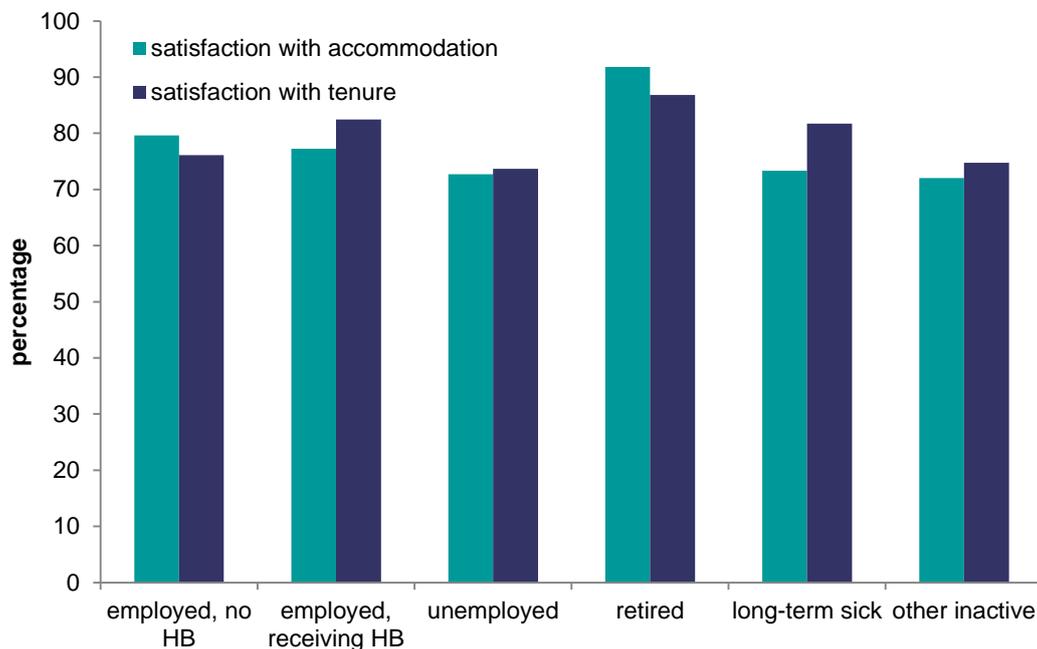
5.24 The large majority of social renters were satisfied with their accommodation in 2013-14 (81%). Those in houses were slightly more likely to be satisfied (83-85%) than those in flats (77-80%). Those living in London were also less likely to be satisfied (75%, compared with 81% in other urban areas and 84% in rural areas).

5.25 Older people tended to be more satisfied with their accommodation than those of working age. This was illustrated by high levels of satisfaction among retired people (90-92%, compared with 77-80% of working people, 65% of unemployed people aged under 40, and 72-

73% who were economically inactive due to long-term ill health or other reasons<sup>7</sup>).

5.26 Similarly, those living in sheltered housing for older people were more likely to be satisfied (90%, compared with 80% of those not living in sheltered accommodation). The same was true for those who had been living in their current home for 20 years or longer (88%, compared with 76-79% of those who had been living in their home for less than 10 years), Figure 5.3 and Annex Table 5.4.

**Figure 5.3: Satisfaction with accommodation and tenure, by economic activity, social renters, 2013-14**



Base: all households in social rented sector where HRP or partner interviewed in person

Note: underlying data are presented in Annex Table 5.4

Source: English Housing Survey, full household sample

5.27 Single parents had the lowest levels of satisfaction with their accommodation of all the household types (69-71%). Single adults (84%) and couples with no dependent children (88%) had the highest levels of satisfaction, Annex Table 5.4.

### Satisfaction with tenure

5.28 Satisfaction with tenure followed similar patterns to satisfaction with accommodation. Overall, 80% of households in the social rented sector felt that renting from a council or housing association was a good way of occupying a home. Those living in houses were slightly more likely to be satisfied than those living in flats (83% in semi-detached /

<sup>7</sup> Other reasons include being a student, looking after the home or family, and any other reason not listed in Annex Table 5.4.

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terraced houses and 84% in detached, compared with 77% in low-rise flats and 78% in high-rise). Those living in London were less likely to be satisfied than those living in other areas (73%, compared with 82% in other urban or rural areas).

- 5.29 As with satisfaction with accommodation, older people were more likely to feel social renting was a good way to occupy a home. This held true for the retired (88% aged 70+ and 84% younger retired), those living in sheltered accommodation (88%), and those who had been living in their home for 20 years or more (85%).
- 5.30 On the whole, those who were satisfied with their accommodation were also satisfied with their tenure. However, some groups who were satisfied with their tenure had below average satisfaction with their accommodation. For example, single parents of children under the age of 12 had lower than average satisfaction with accommodation (69% where the youngest child was under 5, and 71% where the youngest was aged 5-11, compared to the average of 81%), but had an average level of satisfaction with tenure (79% and 77% respectively). Similarly, the long-term sick had 73% satisfaction with accommodation, but 82% satisfaction with tenure. This suggests there are a significant minority of people in these groups who are happy to rent from a council or housing association, but do not feel their property is suitable for their needs, Figure 5.3 and Annex Table 5.4.

## Well-being

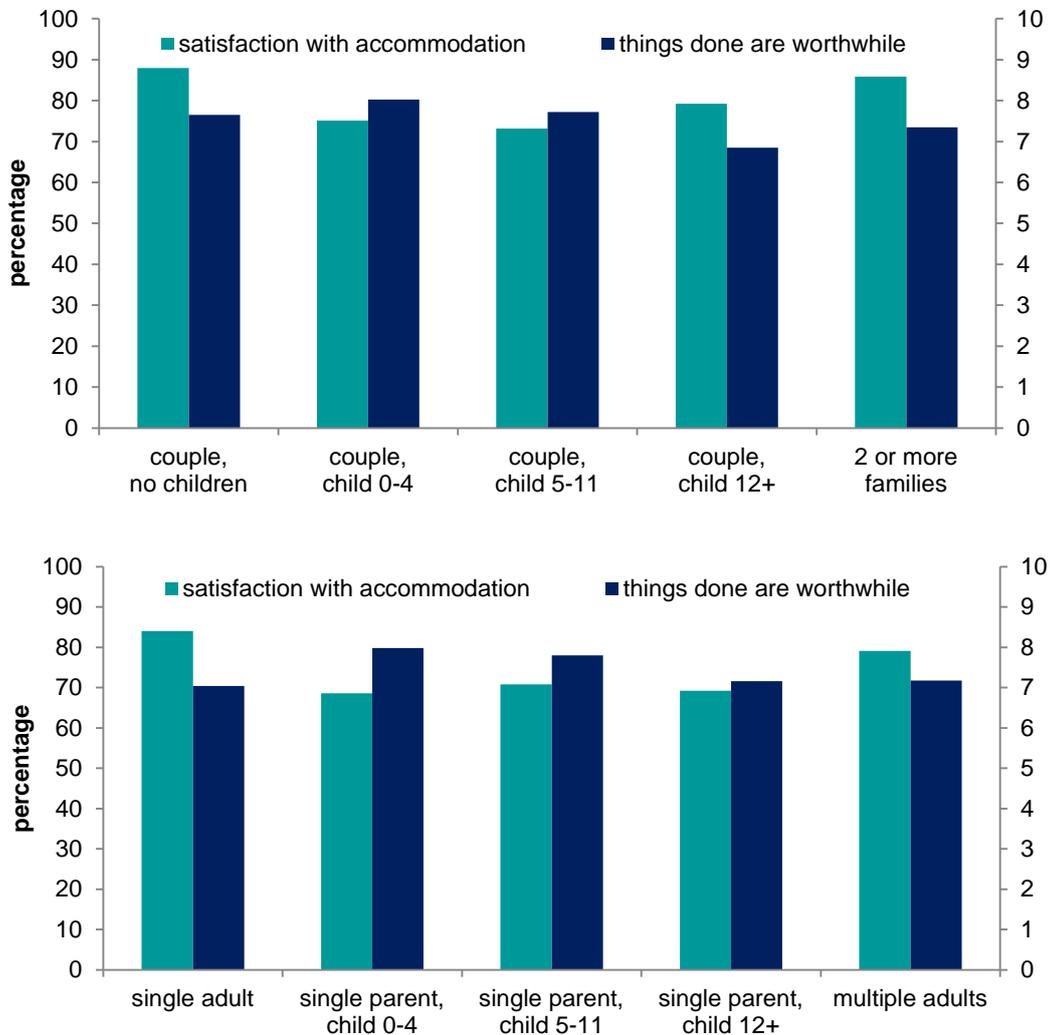
- 5.31 Four measures of well-being were included in the survey, satisfaction with life, the extent to which one feels the things one does are worthwhile, how happy one is, and how anxious. Each was assessed on a 10 point scale, with higher scores for the first three, and a lower score on the last, indicating greater well-being.
- 5.32 The four measures were highly correlated with each other, and also with satisfaction with accommodation and tenure. Therefore, some of what has been said in the previous sections is perhaps more indicative of overall life satisfaction than specifically satisfaction with accommodation and tenure.
- 5.33 However, for some subgroups satisfaction was less related to well-being. Parents of young children were one obvious example, as having children tends to be associated with feelings of worth.<sup>8</sup> Single parents of children under the age of 12 had above average well-being, but relatively low satisfaction with their accommodation. Couples with

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<sup>8</sup> Baumeister RF, Vohs KD, Aaker JL and Garbinsky EN (2013). 'Some key differences between a happy life and a meaningful life'. *The Journal of Positive Psychology*: volume 8(6), pages 505-516, <http://dx.doi.org/10.1080/17439760.2013.830764>

children under the age of 12 also had high levels of well-being, as did couples with no children, Figure 5.3 and Annex Table 5.4.

**Figure 5.4: Satisfaction with accommodation and feeling that things done in life are worthwhile, by household type, social renters, 2013-14**



**Base: all households in social rented sector where HRP interviewed in person**  
**Left axis: percent fairly satisfied or very satisfied with accommodation**  
**Right axis: average score, on a scale of 0-10, of feeling that the things done in life are worthwhile**  
**Note: underlying data are presented in Annex Table 5.4**  
**Source: English Housing Survey, full household sample**

5.34 The long-term sick, not surprisingly, had relatively low levels of well-being, but as was seen above, were as satisfied with their tenure as other groups (see paragraph 5.30). Similarly, those in the lowest income quintile had relatively low levels of well-being, but were no different from the average in terms of satisfaction with accommodation or tenure.

5.35 Working adults had similar, above average, levels of well-being to retired people, but had lower levels of satisfaction with their accommodation and tenure. Those living in London, who had lower

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than average levels of satisfaction with their accommodation and tenure, did not have low levels of personal well-being. On the whole, though, those who were very satisfied with their accommodation had the highest levels of well-being, Annex Table 5.4.

## Housing moves

### Reasons for moving into social rented accommodation

- 5.36 The HRP or partner of all households who had been resident in their current home for less than three years was asked the reason they moved. The most common reasons given in 2013-14 were wanting a larger house or flat (20%), the previous accommodation not being suitable (20%), family reasons other than separation or beginning to live with a partner (19%), and wanting to move to a better neighbourhood (16%). Wanting to move to a smaller house or flat was also mentioned by 9%, and 10% mentioned wanting to live independently. Only 5% said that they could not afford the rent or mortgage on their previous property.
- 5.37 These 5% were additionally asked why they could not afford the rent or mortgage. Around one in five of them, or 1% of all social renters who had moved in the previous three years, said this was because their benefits had been reduced. Similar proportions said it was because someone in the household had lost a job, because wages or work hours had been reduced, and / or because rent payments had increased, Annex Table 5.5.
- 5.38 Respondents whose previous accommodation had been in the private rented sector, whose tenancy had ended, and who had moved into the social rented sector in the last three years were asked why the tenancy had ended. Three quarters (74%) of the 235,000 households in this situation said it was because they wanted to move, Annex Table 5.6.

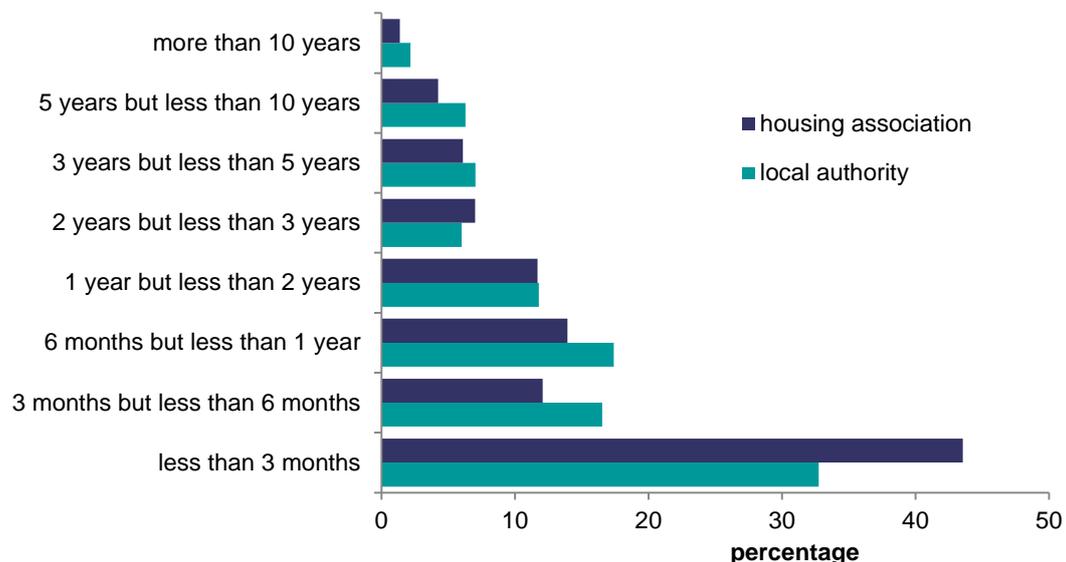
### Homelessness

- 5.39 One route into the social rented sector is to be accepted as homeless. All those living in social rented accommodation who did not take on the tenancy from someone they were living with were asked if they had been accepted as homeless prior to moving into the accommodation. Some 644,000 households, 18% of those in the social rented sector, had been accepted as homeless. Those currently living in local authority housing (23%) were more likely to have been accepted as homeless than those currently living in housing association accommodation (15%), Annex Table 5.7.

## Waiting lists

5.40 Those who had been living in their current home for less than ten years, and had not inherited the tenancy from someone they lived with, were asked how long they had been on the waiting list before being housed in their current accommodation. Of the 2.1 million households in this situation in 2013-14, 39% were on the waiting list for less than 3 months prior to being housed. Short waits were more common among those in housing association accommodation (44%) than local authority (33%). One in five households (20%, or 417,000) were on the waiting list for more than two years; 7% (142,000) were on the waiting list for at least five years, Figure 5.5 and Annex Table 5.7.

**Figure 5.5: Time on waiting list prior to being housed, social renters, 2013-14**



**Base:** all households in social rented sector resident less than ten years and who did not take on tenancy from someone they were living with or were living at their current home before they took on the tenancy

**Note:** underlying data are presented in Annex Table 5.7

**Source:** English Housing Survey, full household sample

## People who might otherwise have their own accommodation

5.41 Many households living in social rented accommodation contain adults who may go on to form their own household at some point in the future. Some of these individuals, under different circumstances, might have already done so. In total, 1.3 million adults in 2013-14 were identified as people who might otherwise have their own accommodation.

5.42 Most of these adults were not planning to move out in the immediate future. Reasons given were because they did not want to (45%), because they were being cared for by their parent (14%), or because

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they could not afford to (25%). A further 8% planned to move out shortly, to rent or buy their own accommodation, to go to college or on an extended holiday, or were only staying temporarily while looking for work. The remaining 8% gave other reasons, Annex Table 5.8.

### **Average length of residence**

- 5.43 As has already been discussed in this chapter, the vast majority of social renters were satisfied with their current accommodation and tenure. Consequently a large number of them have no aspirations to buy property. Others may see the social rented sector as serving their present needs, but plan to move on in the future.
- 5.44 The average length of residence of households in the social rented sector was 11.5 years in 2013-14. This varied considerably for different subgroups. Retired people aged over 70 had lived in their accommodation for an average of 20 years. By comparison, unemployed people aged under 40 had lived in theirs for an average of less than 4 years.
- 5.45 People living in houses tended to have been resident for longer than those in flats (an average of 13.6 years for those in terraced or semi-detached houses, compared with 9.2 years for low-rise flats).
- 5.46 Families tended to have lived in their present accommodation for less time than those without children, particularly those with young children, as they are likely to have been offered accommodation to suit the changing size of the family.
- 5.47 Those who were very satisfied with their accommodation tended to have resided there for longer than average. This may be, at least in part, due to the associations between satisfaction and age previously mentioned, Annex Table 5.9.

### **Aspirations to buy**

- 5.48 Respondents were asked about the type of housing they expected to live in in the longer term, and also whether they expected they would ever buy a home in the UK. In response to the first question, 20% of social renters in 2013-14 said they expected to become an owner occupier, whereas in answer to the second, 25% said they expected ever to buy.
- 5.49 This apparent discrepancy is due to respondents only being allowed to select one from a range of tenure options in the first question, when some may have expected to rent before buying. Patterns of responses with respect to buying were very similar for both questions, and the

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subsequent discussion only considers responses to the second question.

- 5.50 Between a third and a half of people in employment, unemployed and under the age of 40, and those classed as economically inactive, but neither retired nor long-term sick<sup>9</sup>, expected to eventually buy a home in the UK, compared with just 1-2% of retired people.
- 5.51 In general, the longer someone had been resident in their current home, the less likely they were to expect to buy in the UK. Only 9% of those who had been resident for 20 years or more expected to buy, compared with 36% of those who had been resident for less than 5 years. This is perhaps as much a reflection of the age of long-term residents as it is their satisfaction with their current accommodation and tenure.
- 5.52 Residents of London were more likely than those in other parts of the country to expect to buy (37%, compared with 23% in other urban areas and 18% in rural areas).
- 5.53 Expectations of buying increased with income, from 19% of those in the lowest income quintile, to 60% in the highest quintile. However, very few respondents living in social rented accommodation actually fell into the highest income bracket.
- 5.54 Families, with children under the age of 12 (headed by both single parents and couples) were more likely to expect to buy than other types of household. 45-54% of such families expected to buy, compared with 32-35% where the youngest child was aged 12 or above. Only 13% of single people and 16% of couples without children expected to buy, although much of this difference may be due to age.
- 5.55 Those who were very satisfied with their accommodation were less likely to expect to buy than others (18%, compared with 28-35% of other groups), Annex Table 5.9.

## Right to buy

- 5.56 Secure tenants of local authorities who have been resident in their home for at least five years are provided with the right to buy their home at a discount<sup>10</sup>. Approximately 1 million tenants<sup>11</sup> of local

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<sup>9</sup> including students, and those looking after the home or family

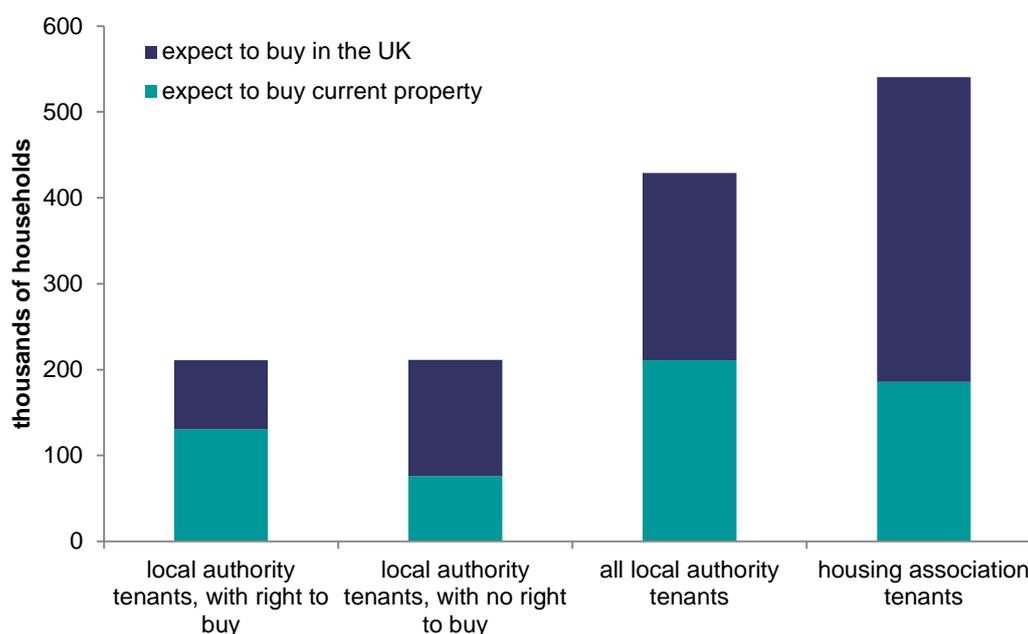
<sup>10</sup> Assured tenants of a housing association who were previously secure tenants of a local authority and were transferred with their homes as part of a stock transfer keep their right to buy under a scheme known as 'Preserved Right to Buy'. The Queen's Speech May 2015 included an announcement on a Housing Bill to enable the extension of Right to Buy levels of discount to housing association tenants. <https://www.gov.uk/government/publications/queens-speech-2015-what-it-means-for-you/queens-speech-2015-what-it-means-for-you>

authorities had the right to buy their current home in 2013-14, Annex Table 5.10.

5.57 Of those local authority tenants with the right to buy in 2013-14, 16% expected to become an owner occupier in the longer term and 22% expected ever to buy a property in the UK (see paragraphs 5.48 and 5.49 for discussion of the distinction). Those without the right to buy, who were likely to have been resident for a shorter period of time, and younger on average, were more likely to expect to become an owner occupier (24%) and buy in the UK (36%). Housing association tenants had similar expectations to local authority tenants as a whole.

5.58 Of those local authority tenants with the right to buy and who expected to buy in the UK, two thirds (130,000 households<sup>12</sup>) expected to buy their current property. More than a third (76,000 households) of those who did not have the right to buy, but may get the right with time, expected to buy their current property. A third (186,000) of housing association tenants who expected to buy a home in the UK expected to buy their current home, Figure 5.6 and Annex Table 5.11.

**Figure 5.6: Expectations of buying in the UK and expectations of buying current home, social renters, 2013-14**



**Base: all households in social rented sector who answered questions on expectations of buying**

**Note: underlying data are presented in Annex Table 5.11**

**Source: English Housing Survey, full household sample**

<sup>11</sup> This figure could be a slight underestimate, as the right to buy was not calculated for around 2.5% of local authority tenants who did not provide sufficient information on the details of their tenancy.

<sup>12</sup> This figure could be a slight underestimate, as 7% of those with the right to buy who expected to buy in the UK did not say whether they planned to buy their current property.

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## Ability to buy

- 5.59 As a rough indication of the likelihood of getting a mortgage and being able to afford to buy a property in the UK, 15% of social renters, 590,000 households, earned above the median income in 2013-14. This proportion was similar for both local authority and housing association tenants, and for those with the right to buy or not. Just over 160,000 households with the right to buy earned above the median income, Annex Table 5.12.

## Accommodation characteristics

### Dwelling type

- 5.60 In 2013-14, 55% of social renters lived in houses, with nearly all the rest living in flats<sup>13</sup>. Those who had been resident for longer were more likely to live in houses (72% of those resident for 20 or more years, decreasing to 48% of those resident for less than 5 years).
- 5.61 Social rented houses were rare in London compared with other parts of England. Only 27% of social renters in London lived in houses, compared with 60% in other urban areas and 76% in rural areas. Sheltered accommodation was also predominantly flats, with only 32% houses, although 63% of households in which someone receives overnight care lived in houses.
- 5.62 Single people were less likely to live in a house (37%), suggesting that larger properties were generally made available to meet the needs of larger households. Between two thirds and three quarters (67-74%) of most other household types lived in houses. The exceptions to this were single parents with a child aged under 5 (52%), and households consisting of multiple families (84%), Annex Table 5.13.

### Overcrowding and under-occupation

- 5.63 Overcrowding and under-occupation are discussed in the following paragraphs in relation to the “bedroom standard”, Box 1. Data are presented for the three years, 2011-12 to 2013-14 combined because of small sample sizes, as with previous reports.

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<sup>13</sup> Less than 0.5% were recorded as living in “other” types of accommodation, such as bedsits.

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- 5.64 Overall, 10% of social renters were under-occupying their accommodation i.e. two or more spare bedrooms, and a further 28% of households were living in accommodation with one spare bedroom.

**Box 1: Bedroom standard**

The bedroom standard is the difference between the number of bedrooms needed to avoid undesirable sharing and the number of bedrooms available to the household.

- A dwelling is considered to be “under-occupied” if it has two or more bedrooms that are not required, taking into account the age, sex, and relationships of the household members.
- It is said to be “overcrowded” if it has fewer bedrooms than needed.

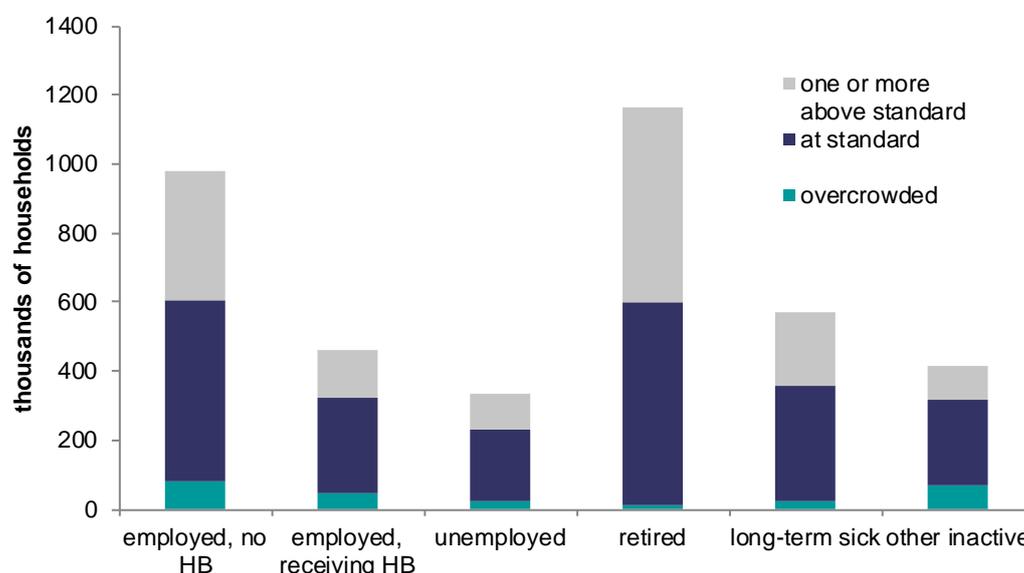
The figures discussed in this chapter relate to the 2006 definition of the bedroom standard, as defined in the Housing (Overcrowding) Bill of 2003. This differs from the size criteria used for the purposes of Local Housing Allowance and the Removal of the Spare Room Subsidy, under which an adult is considered to be a person 16 or over, rather than 21 or over.

See Glossary for further details.

- 5.65 From 1<sup>st</sup> April 2013, the removal of the spare room subsidy meant that working age households would forego 14% of their eligible housing benefit if one spare bedroom, or 25% if two or more spare bedrooms. This change in the benefits system was intended to free up housing for those currently living in overcrowded circumstances and facilitate effective use of the stock. Exceptions were made for various groups, including pensioners and people requiring overnight care. As noted in Box 1, the figures in this report do not use the DWP definition of bedroom standard.
- 5.66 Three quarters (74%) of households who had been resident for 20 years or more had one or more spare bedrooms in their home. A quarter (25%) who had been resident for less than five years had one or more spare bedrooms.
- 5.67 Around half of all retired people had one or more spare bedrooms in their home. Two fifths (39%) of full-time employees and 34% of part-time employees not in receipt of housing benefit had one or more spare bedrooms. In comparison, 29% of workers who were in receipt of housing benefit had one or more spare bedrooms.

5.68 There were 40% of the unemployed aged 40 and above and 38% of the long-term sick with one or more spare bedrooms in their home, Figure 5.7 and Annex Table 5.14.

**Figure 5.7: Bedroom standard, by economic activity, social renters, 2011-12, 2012-13 and 2013-14 combined**



**Base: all households in social rented sector**

**Note: underlying data are presented in Annex Table 5.14, with numbers of households in each category in Annex Table 5.1**

**Source: English Housing Survey, full household sample**

5.69 Overall, 6% of social renters lived in overcrowded dwellings. The largest households were the ones most likely to be living in overcrowded housing. In particular, 36% of households consisting of multiple families (e.g. three generations) lived in overcrowded housing. Two fifths of these had at least two rooms below the standard.

5.70 Other social renting families were also more likely to be living in overcrowded housing, particularly when children were young. For example, 18% of single parents with a child aged under 5, 24% of couples with a child aged under 5, and 15% of couples with a child aged 5 to 11 lived in overcrowded housing.

5.71 Households renting in London were more likely to be overcrowded than in other parts of the country (12%, compared with 5% in other urban areas and 3% in rural areas).

5.72 One in five (22%) households who were very dissatisfied with their accommodation lived in overcrowded circumstances, compared with just 3% who were very satisfied. A quarter (24%) households who were

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very dissatisfied, and nearly half (46%) of those who were very satisfied, had one or more spare bedrooms, Annex Table 5.14.

## Usable floor area

- 5.73 Usable floor area for dwellings was calculated using measurements taken by surveyors as part of the physical survey of dwellings. Because of the smaller sample size, figures presented here are for data from the 2012-13 and 2013-14 surveys combined, presented throughout as 2013 (a mid-point of April 2013).
- 5.74 The average usable floor area in social rented accommodation was 66 m<sup>2</sup>. Floor areas were larger in houses than flats. They averaged 74 m<sup>2</sup> in terraced and semi-detached houses, and 78 m<sup>2</sup> in detached houses, compared with 55 m<sup>2</sup> in low-rise flats, and 61 m<sup>2</sup> in high-rise.
- 5.75 The average size of the accommodation for different subgroups was partly determined by the type of dwelling. It tended to follow the same patterns as described above for the proportion of houses and flats. For example, single people, who were the most likely to live in flats, tended to have the smallest properties, an average of 55 m<sup>2</sup>. Accommodation for two or more families, which was mostly houses, tended to be the largest, an average of 89 m<sup>2</sup>. One exception was with regard to location. London properties, despite being predominantly flats, were no smaller on average than properties elsewhere.
- 5.76 The homes of older people were smaller on average than those of working age, aligned with the smaller typical household size. Retired people aged 70 and above lived in homes with an average usable floor area of 59 m<sup>2</sup>. Sheltered housing for older people tended to be smaller than other types of dwelling, at an average of 48 m<sup>2</sup>. This is a reflection of the low rates of spare bedrooms in sheltered housing, compared with older people in general, Annex Table 5.15.

## Decent homes<sup>14</sup>

- 5.77 The social rented sector had a higher proportion of decent homes in 2013 than other housing sectors. In total, 85% of social rented accommodation met the standard. Non-decent homes were spread fairly evenly among the subgroups of the population, with few significant differences. Those who were dissatisfied with their accommodation were more likely to live in a home classed as non-decent (19%) than those who were very satisfied (12%), Annex Table 5.15.

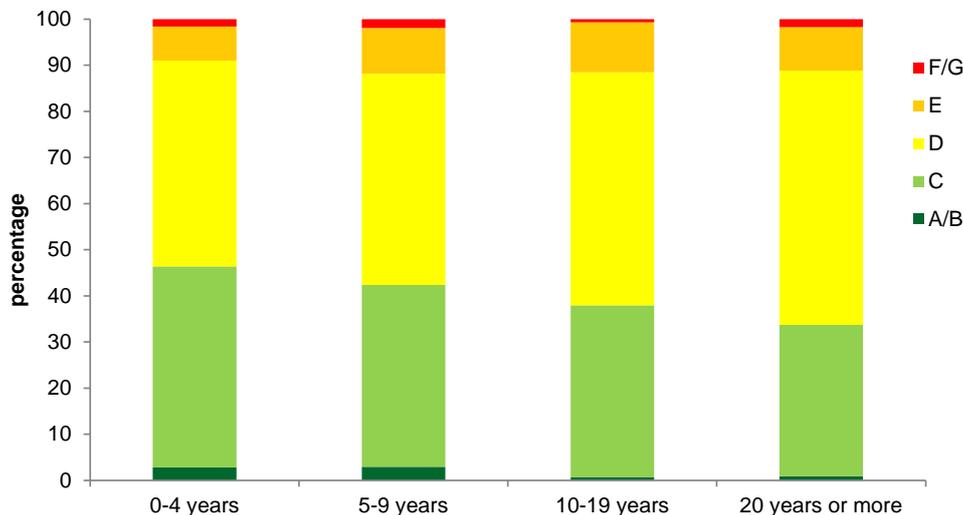
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<sup>14</sup> Assessment against the decent homes standard, assessment of energy efficiency, and assessment of accessibility were all calculated from physical survey data for the years 2012-13 and 2013-14 combined, presented here as 2013. Further information on the terms used is provided in the glossary.

## Energy efficiency

- 5.78 Only 2% of homes in the social rented sector were rated in the top energy efficiency bands, A and B. The majority were rated as either C (39%) or D (48%). Flats were naturally much more likely to be rated as more energy efficient than houses, due to having fewer external walls.
- 5.79 The likelihood of living in a home rated A, B or C fell the longer the home had been occupied, from 46% for those resident less than 5 years, to 34% for those resident more than 20. This reflects both the age of the property, and that significant upgrades were less disruptive, and possibly more likely to be carried out, when properties were vacant, Figure 5.8 and Annex Table 5.15.

**Figure 5.8: Energy efficiency of home, by length of residence, social renters, 2013**



**Base: all households in social rented sector**

**Note: underlying data are presented in Annex Table 5.15**

**Source: English Housing Survey, dwelling sample**

- 5.80 Properties in rural areas were more likely to be rated as E, F or G than in urban areas (17%, compared with 12% in London and 9% in other urban areas). This reflects the higher proportions of older properties and houses in rural areas.
- 5.81 Sheltered housing for older people tended to be more energy efficient than other types of accommodation. 52% were rated in bands A, B or C, compared with 41% for other types of housing, reflecting the fact that sheltered housing comprises mainly flats.

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5.82 Where someone in the household received overnight care, 55%<sup>15</sup> were rated in bands A, B or C. This is much higher than would be expected given that almost two thirds of these properties were houses, Annex Table 5.15.

### **Wheelchair accessibility**

5.83 Surveyors assessed the “visitability” of dwellings on four features making the home accessible to wheelchair users: level access through the main door from the pavement or driveway; flush thresholds within the home; a ground floor WC; and passage space throughout the home of at least 81cm wide. All four of these criteria were met in 12% of homes, while none of them were met in 20%.

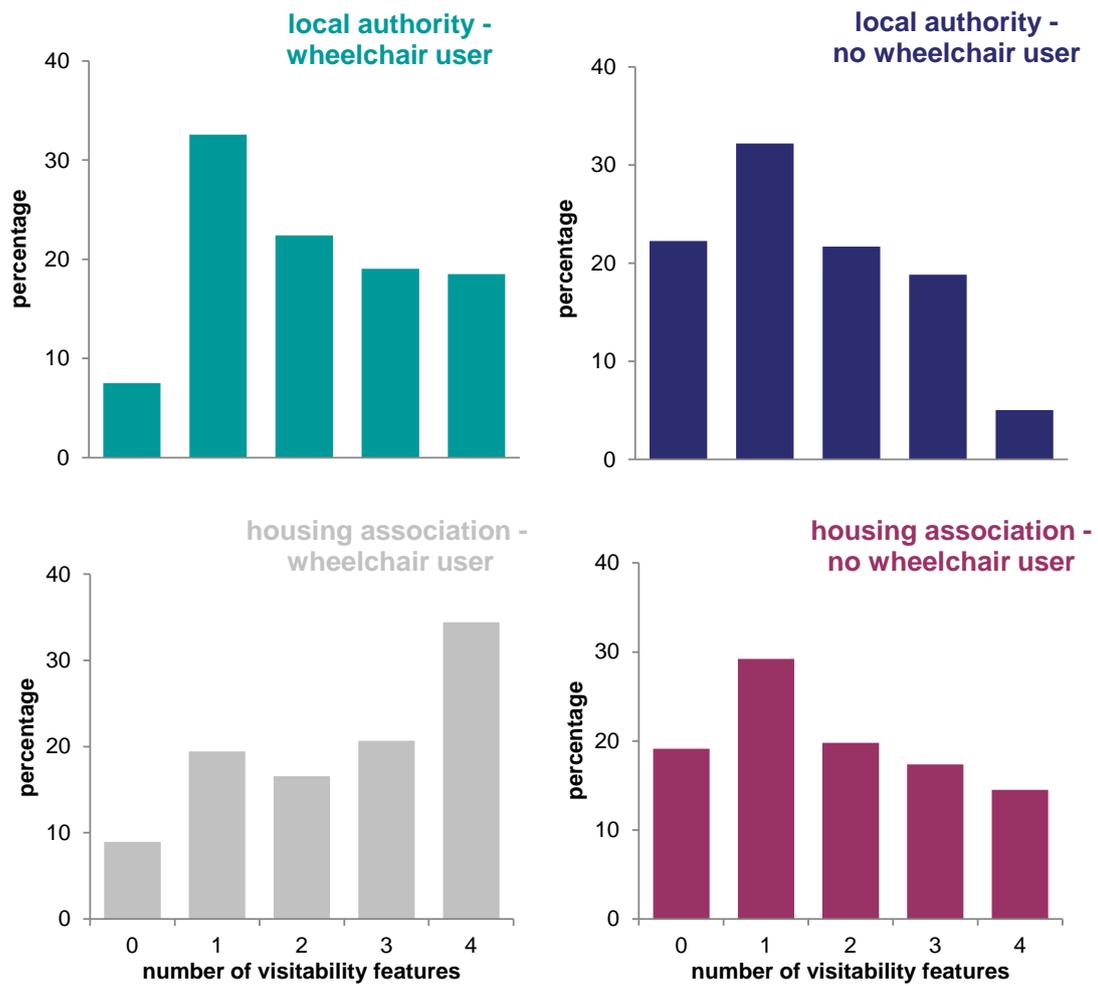
5.84 In 2013, a quarter of a million households in the social rented sector included someone who used a wheelchair, either inside or outside the home. Homes which were occupied by wheelchair users were more likely to meet the visitability criteria. 27% of homes occupied by wheelchair users were fully visitable, whereas 8% demonstrated none of the visitability features.

5.85 Housing association accommodation, which tended to have been built more recently than local authority, was more likely to meet the visitability standards. 16% of housing association accommodation met the full standards, including 34% of those occupied by wheelchair users, compared with 6% of local authority accommodation, and only 19% occupied by a wheelchair user, Figure 5.9 and Annex Table 5.16.

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<sup>15</sup> This figure is based on 2013-14 data only, and is not directly comparable to other figures presented here, as the data show a considerable improvement in the energy efficiency of dwellings in the social sector between 2012-13 and 2013-14, with 45% of properties rated in bands A, B or C in 2013-14, compared with 41% in the two-year combined data. The question about overnight care was not asked in the 2012-13 survey.

**Figure 5.9: Visitability features, by wheelchair use, social renters, 2013**



Base: all households in social rented sector  
 Note: underlying data are presented in Annex Table 5.16  
 Source: English Housing Survey, dwelling sample



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# Chapter 6

## Housing flows

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### Overview

This final chapter of the report focuses on households that moved into their current home in the preceding 12 months<sup>1</sup>. The first section 'Recent movers' includes the prevalence of moving, demographic characteristics of recent movers, how many miles away their previous property was and reasons for moving. The chapter then looks at movement between sectors, and in particular those who left the owner occupied sector to become private renters. It focuses on the reasons why households' previous tenancies had ended and factors restricting movement between sectors. The chapter concludes by considering aspirations to buy among renters (see also Chapters 3 and 4).

### Recent movers

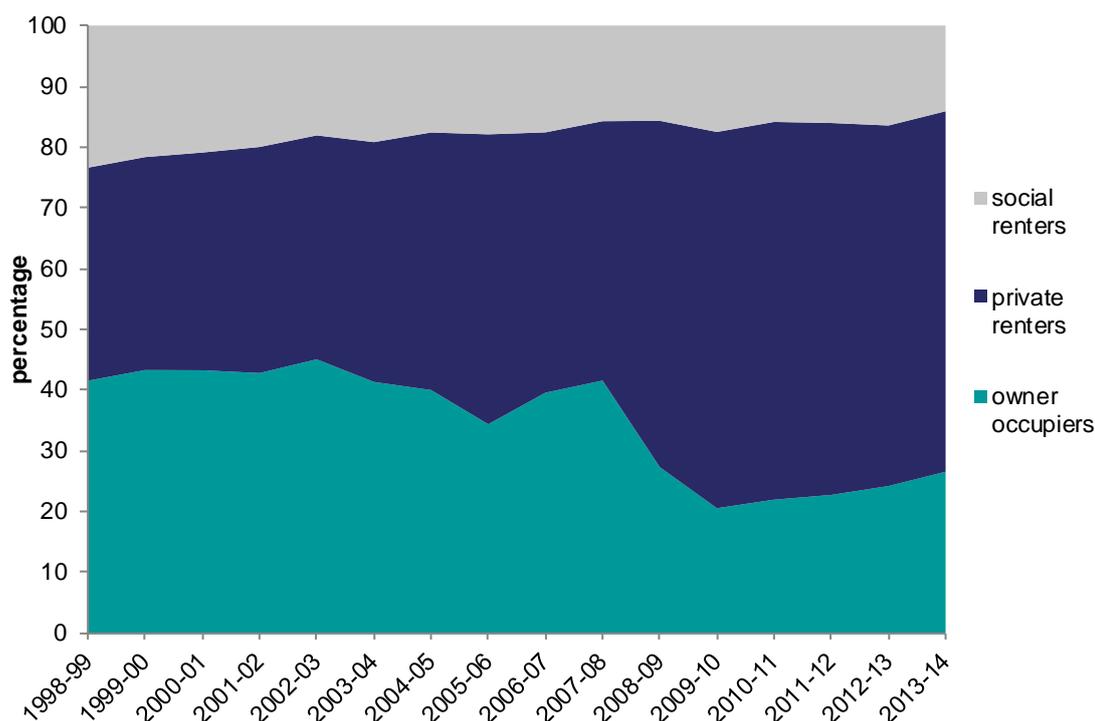
- 6.1 In 2013-14, there were 2.6 million households reporting that they were recent movers, which was the highest number since our records began in 1984<sup>2</sup>. Around three fifths (59%) of recent movers moved into private rented properties, 27% moved into owner occupied homes and 14% moved into social housing, Annex Table 6.2.
- 6.2 Moving households as a percentage of all households was 11%, the highest proportion since 2007-08. In 2008-09, the proportion of moving households as a percentage of all households was 9%. Between 2007-08 and 2008-09, the proportion of all movers who entered owner occupation dropped from 42% to 27%, which coincided with the banking crisis of 2007-08 and subsequent crash of the housing market. This proportion fell further to 20% in 2009-10. The 27% of movers who entered owner occupation in 2013-14 represents a slight increase since then, Figure 6.1.
- 6.3 In contrast to the owner occupied sector, an increasing proportion of households chose to move into the private rented sector, rising from 43% in 2007-08 to 62% in 2009-10. The percentage decreased slightly to 59% in 2013-14, Figure 6.1.

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<sup>1</sup> This includes both new and continuing households but excludes sitting tenant purchasers. For definitions of these terms, please refer to the glossary.

<sup>2</sup> 1984 to 1991: ONS Labour Force Survey Housing Trailer.

**Figure 6.1: Recent movers, by current tenure, 1998-99 to 2013-14**



**Base:** households resident less than a year

**Note:**

1) underlying data are presented in Annex Table 6.1

2) a small number of cases with inconsistent responses have been omitted

**Sources:**

up to 2007-08: Survey of English Housing;

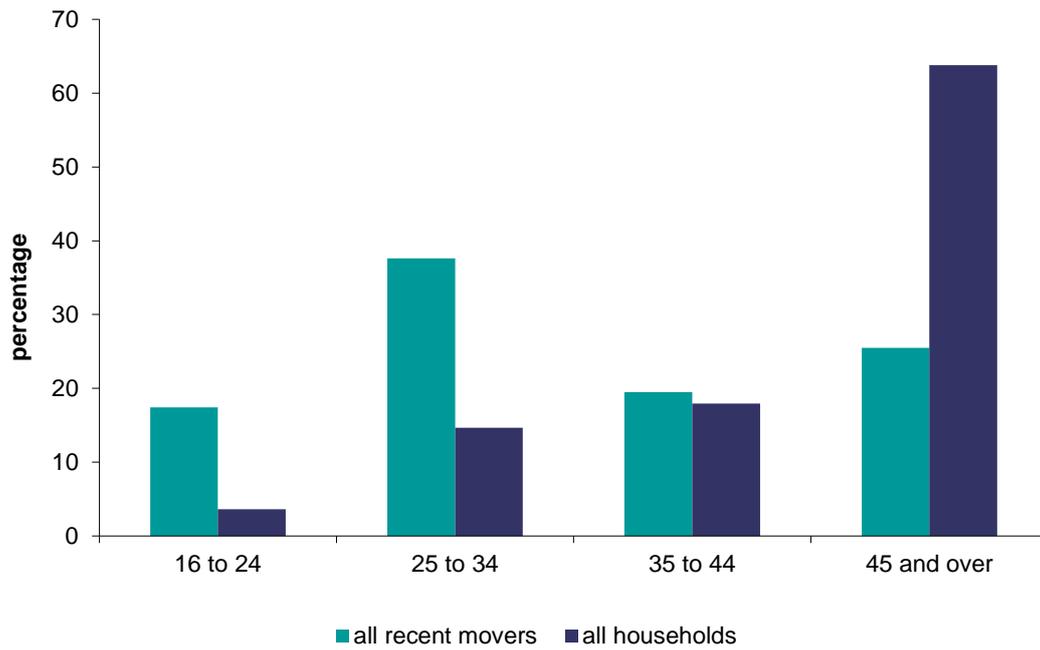
2008-9 onwards: English Housing Survey, full household sample

6.4 In 2013-14, recent movers tended to be comparatively young: 55% had a HRP aged less than 35 and 17% had a HRP aged less than 24 compared with 18% and 4% in the population as a whole, Figure 6.2.

6.5 Looking at all recent movers, there were more couples with no dependent children (28%) that had moved than couples with dependent child(ren) (22%), Annex Table 6.2. However, this is because there were more couples with no dependent children represented in the general population. When looking at all households, couples with dependent children (12%) were more likely to have moved in the past year than couples with no dependent children (9%).

6.6 There were 70% of recent movers working full or part-time (compared with 59% of all households). A further 7% were retired, much lower than the 28% among all households, suggesting that people are much more settled in their accommodation by retirement age, Figure 6.3.

**Figure 6.2: Age of HRP of recent movers, 2013-2014**

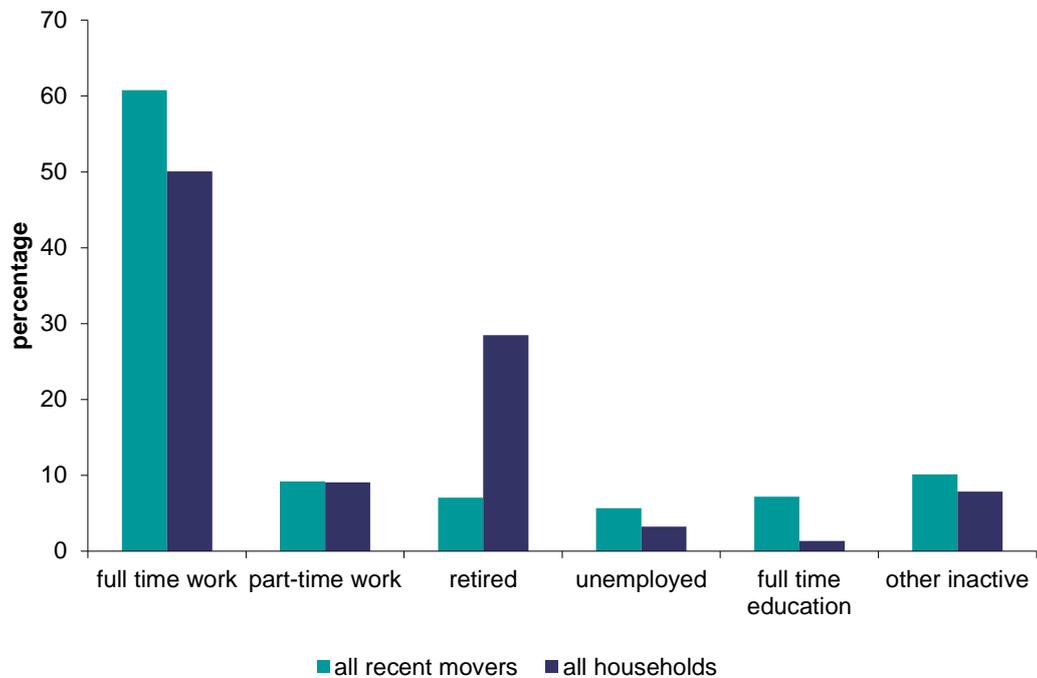


**Base: all households/households resident less than a year**

**Note: underlying data are presented in Annex Table 6.2**

**Source: English Housing Survey, full household sample**

**Figure 6.3: Economic status of recent movers, 2013-2014**



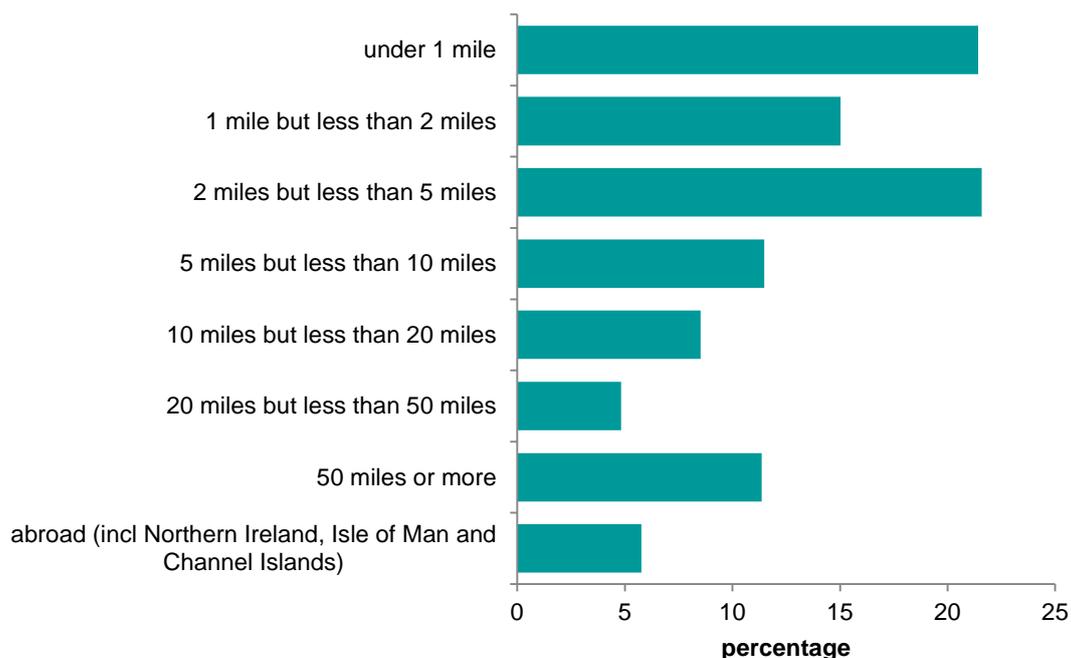
**Base: all households/households resident less than a year**

**Note: underlying data are presented in Annex Table 6.2**

**Source: English Housing Survey, full household sample**

6.7 Most recent movers (58%) had moved less than 5 miles from their previous home and 21% had moved less than 1 mile. A quarter (25%) had moved more than 5 miles but less than 50 miles. Only 11% had moved 50 miles or more within the country and 6% had moved from abroad, Figure 6.4.

**Figure 6.4: Number of miles moved from previous property, 2013-14**



**Base: households resident less than a year**

**Note: underlying data are presented in Annex Table 6.13**

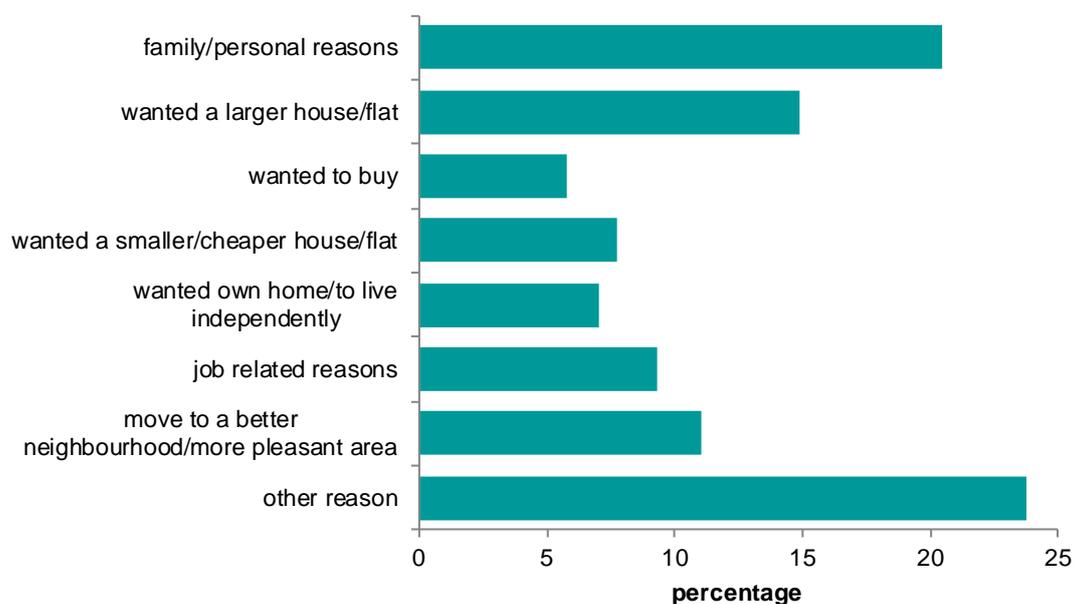
**Source: English Housing Survey, full household sample**

6.8 The most common reasons<sup>3</sup> for moving in the past three years were family or personal reasons (20%), wanting a larger home (15%), wanting to move to a better neighbourhood or a more pleasant area (11%) and job related reasons (9%), Figure 6.5<sup>4</sup>.

<sup>3</sup> This was a multi-code question so respondent could say more than one reason.

<sup>4</sup> For these analyses we have looked at people who have moved in the past three years as the sample size of cases who moved in just the previous year is too small for a reliable estimate.

**Figure 6.5: Reasons for moving home, 2013-14**



**Base:** households who have moved in the past three years

**Note:** underlying data are presented in Annex Table 6.3

**Source:** English Housing Survey, full household sample

## Movement between and within sectors

6.9 This section explores the number of household moves within and between tenures, and the number of new households created in the 12 months prior to interview, Box 1 and Figure 6.6.

6.10 In 2013-14, a total of 2.6 million households had moved home in the previous 12 months. Of these, 372,000 (15%) were new households, 1.7 million (65%) were moves within tenure and the remaining 528,000 (21%) were moves between tenures, Annex Table 6.4.

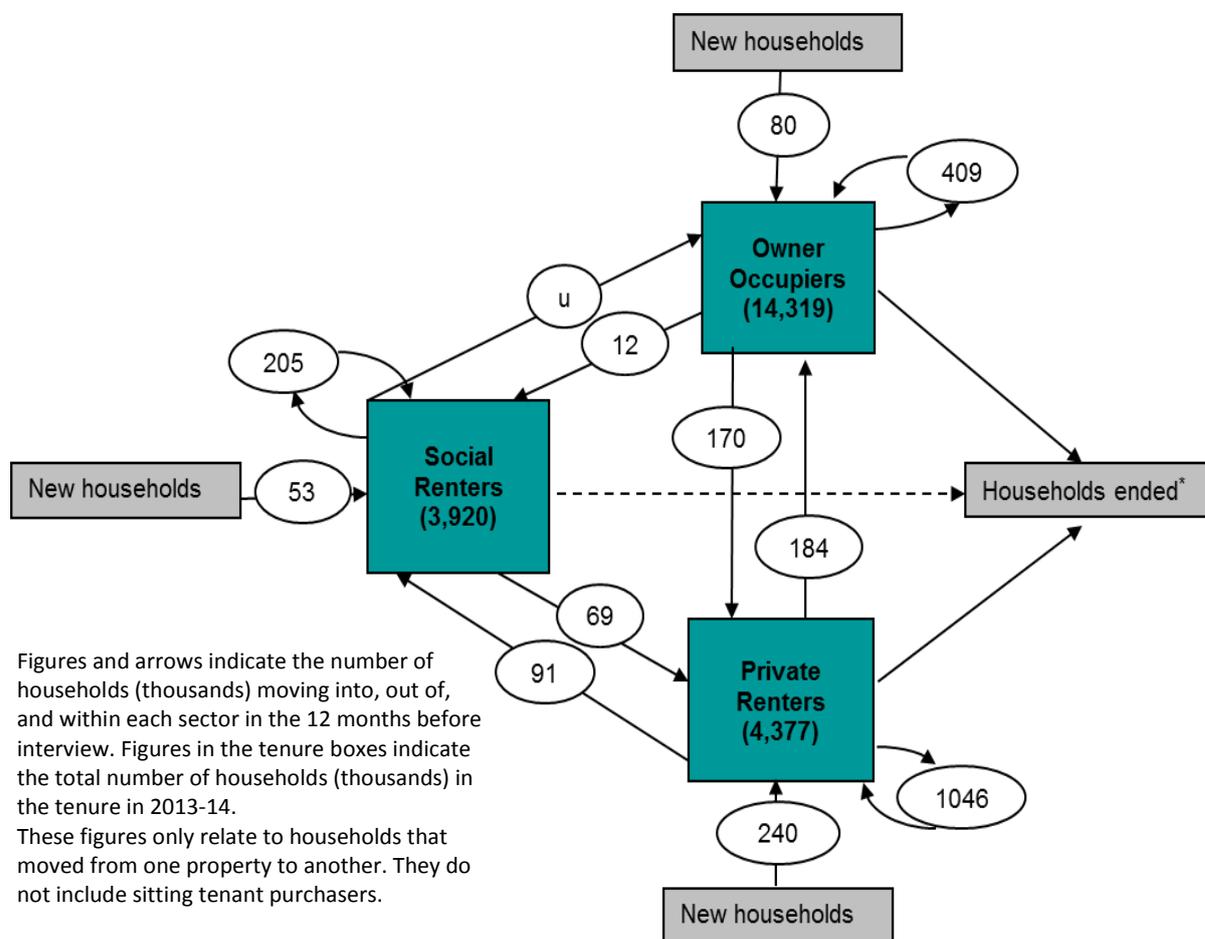
### **Box 1: New households**

A 'new household' is classified in this report as one where neither the household reference person (HRP), nor their spouse/partner, occupied the HRP's previous permanent accommodation in either of their names.

Previous accommodation refers to the HRP's previous permanent accommodation and does not include any accommodation considered by the HRP to be temporary. If someone had moved more than once, then information was collected only about the last move from permanent accommodation.

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- 6.11 The greatest number of household moves occurred within, into or out of the private rented sector. In total, 1.0 million households moved within the tenure (i.e. from one privately rented home to another) and 240,000 new households were created. There were 239,000 moves into the sector, of which 71%, (170,000) were from owner occupation. There were 275,000 moves out of the sector, with 67% (184,000) of these moving to owner occupied accommodation. Across the private rented sector as a whole, one third (36%) of households had moved within the past year, Figure 6.6.
- 6.12 There was much less movement in the social rented sector. In 2013-14, 205,000 households moved from one social rented property to another and 53,000 new households were created. There were 103,000 households that moved into the sector, with 91,000 households moving from the private rented sector. Around 69,000 households left the social rented sector to move to the private rented sector, Figure 6.6.
- 6.13 In the owner occupier sector, 409,000 households moved within the tenure and 80,000 new households were created. There were 184,000 households that moved into the tenure from the private rented sector. Around 182,000 households moved out of the sector, with 93% of these (170,000) moving to the private rented sector, Figure 6.6.
- 6.14 Looking just at the 372,000 new households, most had an HRP aged under 35: 47% had an HRP aged under 25, and 39% were aged 25-34. Correspondingly, most new households consisted of one person (33%) or couples with no dependent children (33%), Annex Table 6.2.
- 6.15 The new households were most likely to enter the private rented sector (64%), which is expected given that the majority of the HRPs in these households are younger. Around a seventh (14%) of new households entered the social rented sector and a fifth (21%) became owner occupiers, Annex Table 6.2.

**Figure 6.6: Households moving into and out of sectors, 2013-14**



Figures and arrows indicate the number of households (thousands) moving into, out of, and within each sector in the 12 months before interview. Figures in the tenure boxes indicate the total number of households (thousands) in the tenure in 2013-14. These figures only relate to households that moved from one property to another. They do not include sitting tenant purchasers.

**Base: households resident less than a year**

**Notes:**

- 1) underlying data are presented in Annex Table 6.4
- 2) excludes a small number of cases where previous landlord type was unknown
- 3) u indicates sample size too small for reliable estimate
- 4) \* The survey cannot identify the number of households which have ended.

**Source: English Housing Survey, full household sample**

6.16 It is not possible to estimate the number of households that ended in the past year as changes to the weighting strategy means the figures are not comparable with the previous year.

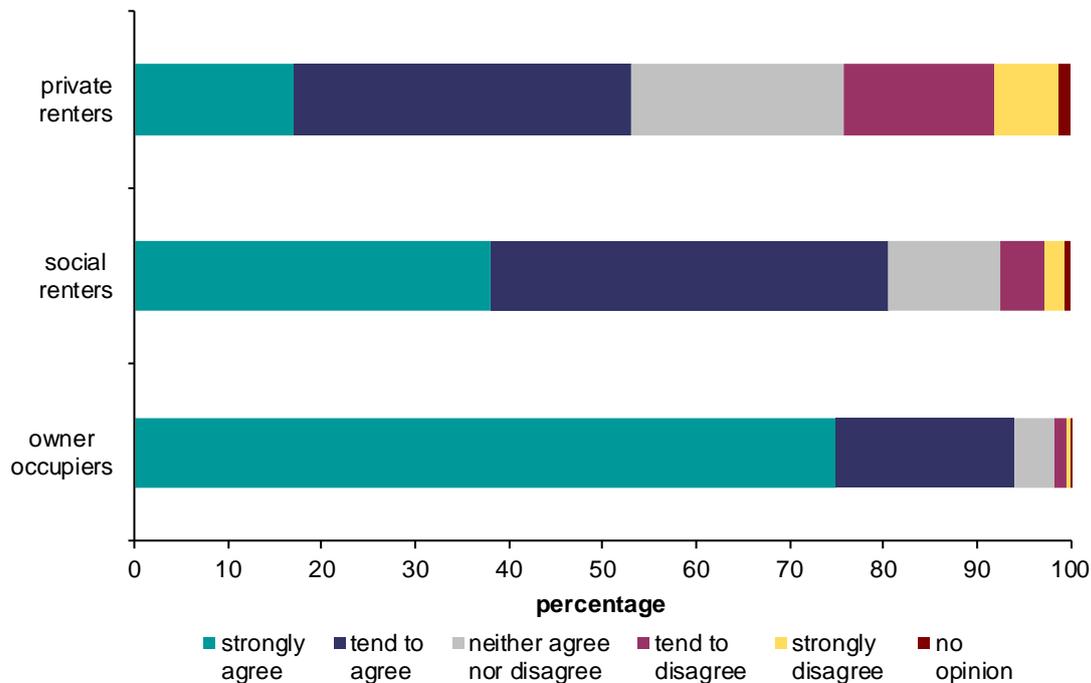
## Factors restricting movement between sectors

6.17 This section looks at factors which restrict movement between sectors. If households are dissatisfied with their current tenure, then this may be indicative of a desire to switch tenures.

6.18 All households were asked how satisfied they were with their current tenure status, e.g. being an owner occupier, social renter, or private

renter. Private renters (23%) were more likely to be dissatisfied with their tenure than owner occupiers (2%) or social renters (7%), Figure 6.7.

**Figure 6.7: Satisfaction with current tenure, 2013-14**



**Base: all households**

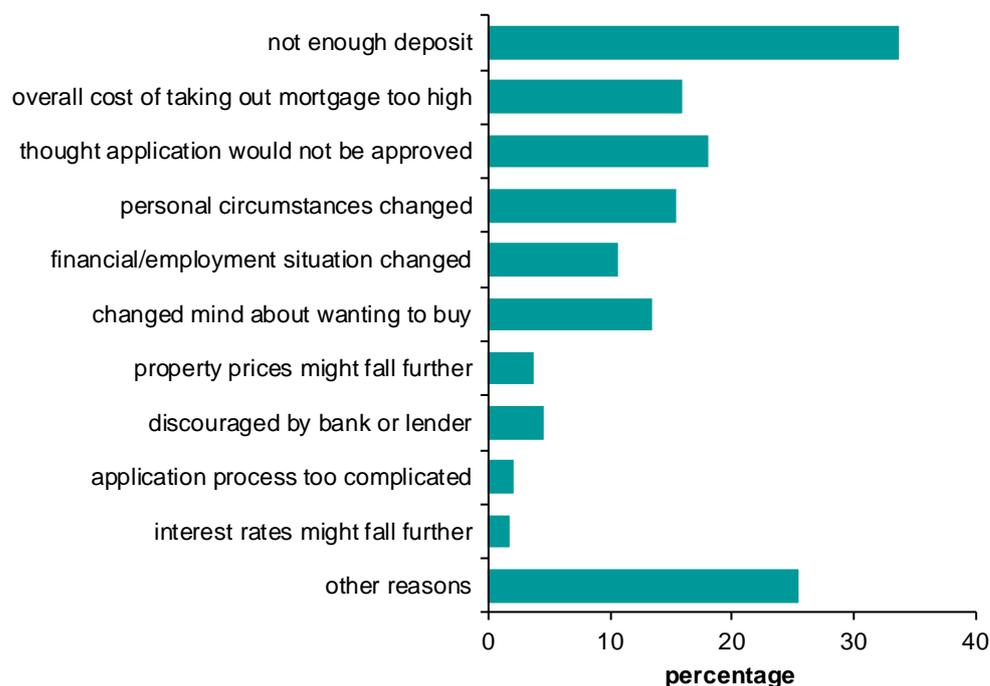
**Note: underlying data are presented in Annex Table 6.5**

**Source: English Housing Survey, full household sample**

6.19 Private and social renters were asked whether they had considered applying for a mortgage or loan to buy a property as their main home in the past year. Just over 800,000 renting households (10%) had considered applying for a mortgage, Annex Table 6.11. Of these, only around 28% reported that they had actually applied for a mortgage, Annex Table 6.12.

6.20 The remaining households who had considered applying for a mortgage but did not apply were asked the reasons why they did not apply. As might be expected, the main factor preventing people from applying for a mortgage was financial: 34% thought they did not have a large enough deposit and 16% felt the overall cost of taking out a mortgage was too high. Other commonly cited reasons for not applying were thinking that the application would not be approved (18%), a change in personal circumstances (15%), and changed mind about wanting to buy (14%), Figure 6.8.

**Figure 6.8: Reason why not applied for a mortgage, 2013-14**



**Base: social and private renters who had considered applying for a mortgage but had not done so**

**Note: underlying data are presented in Annex Table 6.6**

**Source: English Housing Survey, full household sample**

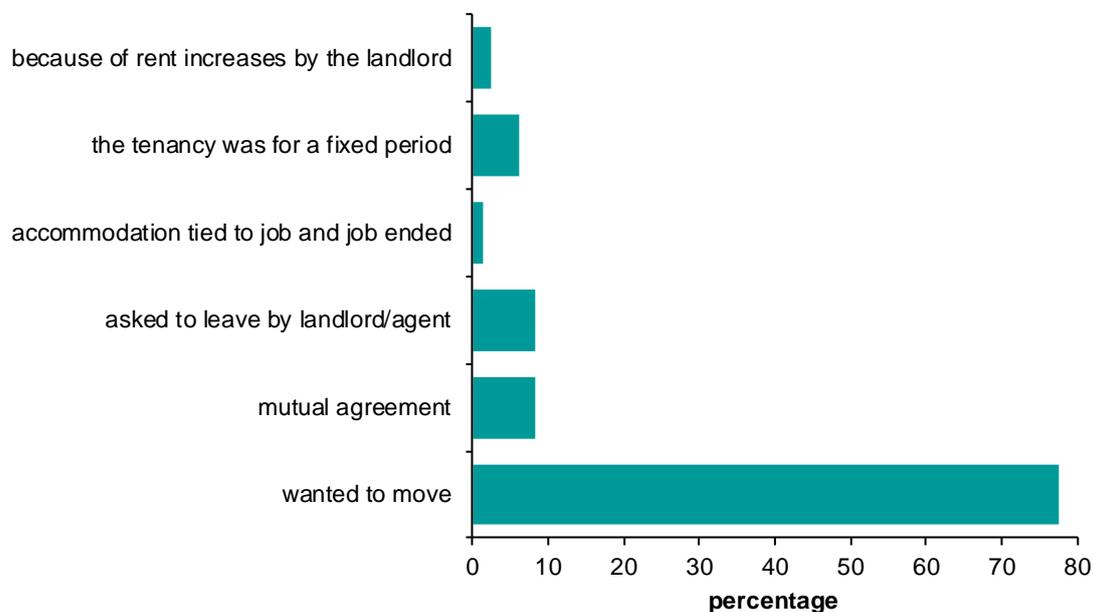
## Reasons for previous tenancy ending

6.21 Private renters who had moved in the last three years were asked why their last tenancy had ended<sup>5</sup>. Around three quarters (78%) said their tenancy ended because they had wanted to move, 8% said it was by mutual agreement and 8% because they had been asked to leave by their landlord or agent. Only a very small percentage moved because of rent increases by the landlord (2%). There were two new categories added to the questionnaire in 2013-14: because the tenancy was for a fixed period (6%) and because the accommodation was tied to a job and job had ended (2%), Figure 6.9.

6.22 Of those respondents who said they were asked to leave their previous accommodation by their landlord/agent, the majority (62%) said this was because the landlord wanted to sell or use the property, Annex Table 6.8.

<sup>5</sup> they were allowed to give multiple answers

**Figure 6.9: Reasons why previous tenancy ended, 2013-14**



**Base: private renters who had moved to current accommodation in the past 3 years**

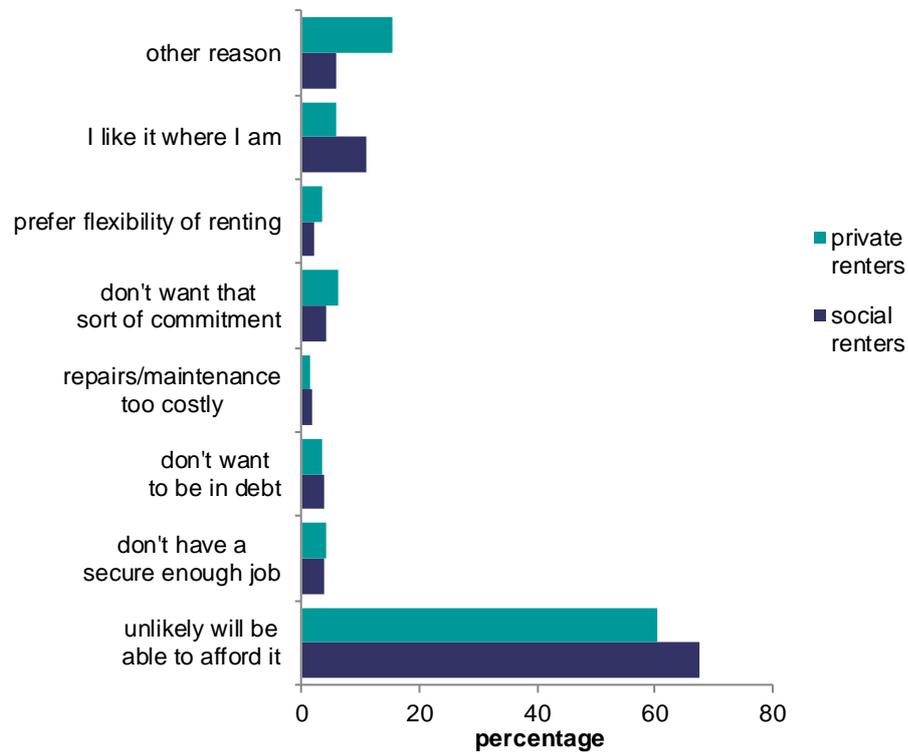
**Note: underlying data are presented in Annex Table 6.7**

**Source: English Housing Survey, full household sample**

## Aspirations to buy

- 6.23 As reported in Chapter 4, three fifths (61%) of private renters think they will eventually buy their own home in the UK. This compares to around a quarter (25%) of social renters who think they will eventually buy their own home in the UK, Annex Table 6.9.
- 6.24 Overall, the proportion of private renters expecting to buy a home in the future remained relatively constant between 2011-12 and 2013-14. Among social renters, the proportion expecting to buy increased from 20% in 2011-12 to 25% in 2013-14, Annex Table 6.9.
- 6.25 Respondents who did not think they would buy their own home were asked the reason why not. Around two thirds of social renters (68%) and three fifths (60%) of private renters stated that their main or only reason was that they could not afford to. A further 11% of social renters and 6% of private renters did not want to buy because they liked it where they were currently living, Figure 6.10.

**Figure 6.10: Reason for not expecting to buy own home, 2013-14**



**Base: all renters who do not think they will eventually buy a home in the UK**

**Note: underlying data are presented in Annex Table 6.10**

**Source: English Housing Survey, full household sample**



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# Glossary

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**Acceptance of homeless:** local authorities have a responsibility for securing accommodation for households who are in priority need, eligible (certain categories of persons from abroad are ineligible) and are homeless through no fault of their own. A household satisfying these criteria is said to be 'accepted as homeless', or more formally as 'accepted as owed a main homelessness duty'.

Families with children and households that include someone who is vulnerable, for example because of pregnancy, old age, or physical or mental disability, have a priority need for accommodation.

A more detailed explanation is available from page 7 onwards in the Homelessness Code of Guidance for Local Authorities [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7841/152056.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7841/152056.pdf)

**Accessibility features:** The four accessibility features reported on form the basis of the requirements in part M of the Building Regulations, although the EHS cannot exactly mirror the detailed requirements. The four features are:

- **level access:** there are no steps between the gate/pavement and the front door into the house or block of flats to negotiate. The path also has a gradient of less than 1 in 20.
- **flush threshold:** a wheelchair can be wheeled directly into the dwelling from outside the entrance door with no steps to negotiate and no obstruction higher than 15mm. For houses, this usually involves a specified adaptation. Flats on upper or basement levels can be regarded as having a flush threshold provided that there is a lift and there are no obstructions higher than 15mm on the route from outside the entrance door to the block into the flat itself.
- **sufficiently wide doors and circulation space:** the doors and circulation space serving habitable rooms, kitchen, bathroom and WC comply with the requirements of Part M listed in the table below. This means that doorways should be at least 750mm wide and corridors 900mm wide and that these minimum widths are higher where the person has to turn into the room from the corridor than when the corridor leads head on into the room.

- 
- **WC at entrance level:** there is an inside WC located on the entrance floor to the dwelling. For houses, this is usually the ground floor and for flats it will be the same level as the main entrance door into the flat. The WC does not have to be fully wheelchair accessible to be coded as 'at entry level'.

**Area type:** Areas within England have been divided into three different areas:

- **London:** refers to the Greater London Authority (GLA) area covering 32 London boroughs and the City of London
- **other urban areas:** includes areas outside of London within a built up area of greater than 10,000 people
- **rural:** includes town and fringe, village, hamlets and isolated dwellings

**Assured shorthold private tenancy:** This type of tenancy is where the landlord can regain possession of the property six months after the beginning of the tenancy, as long as they provide the tenant with two months' notice.

**Assured private tenancy:** This type of tenancy is where the tenant has the right to remain in the property unless the landlord can prove they have grounds for possession. The landlord does not have an automatic right to repossess the property when the tenancy comes to an end.

**Bedroom standard:** The 'bedroom standard' is used by government as an indicator of occupation density. A standard number of bedrooms are calculated for each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allowed for each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex, and each pair of children under 10. Any unpaired person aged 10-20 is notionally paired, if possible, with a child under 10 of the same sex, or, if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child under 10.

The bedroom standard discussed in this report relates to the 2006 definition of the bedroom standard, as defined in the Housing (Overcrowding) Bill of 2003. This differs from the size criteria used for the purposes of Local Housing Allowance and the Removal of the Spare Room Subsidy, under which an adult is considered to be a person 16 or over, rather than 21 or over.

This notional standard number of bedrooms is then compared with the actual number of bedrooms (including bed-sitters) available for the sole use of the household, and differences are tabulated. Bedrooms converted to other uses are not counted as available unless they have been denoted as bedrooms by the respondents; bedrooms not actually in use are counted unless uninhabitable.

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Households are said to be overcrowded if they have fewer bedrooms available than the notional number needed. Households are said to be under-occupying if they have two or more bedrooms more than the notional needed.

**Decent home:** A home that meets all of the following four criteria:

- it meets the current statutory minimum standard for housing as set out in the Housing Health and Safety Rating System (HHSRS – see below).
- it is in a reasonable state of repair (related to the age and condition of a range of building components including walls, roofs, windows, doors, chimneys, electrics and heating systems).
- it has reasonably modern facilities and services (related to the age, size and layout/location of the kitchen, bathroom and WC and any common areas for blocks of flats, and to noise insulation).
- it provides a reasonable degree of thermal comfort (related to insulation and heating efficiency).

The detailed definition for each of these criteria is included in *A Decent Home: Definition and guidance for implementation*, Communities and Local Government, June 2006<sup>1</sup>

**Dependent children:** Any person aged 0 to 15 in a household (whether or not in a family) or a person aged 16 to 18 in full-time education and living in a family with his or her parent(s) or grandparent(s). It does not include any people aged 16 to 18 who have a spouse, partner or child living in the household.

**Deprived local areas:** These are Lower Layer Super Output Areas (LSOAs) scored and ranked by the 2010 Index of Multiple Deprivation (IMD).

Seven domains of deprivation which can be experienced by people are combined to produce the overall IMD. These seven domains relate to:

- Income deprivation
- Employment deprivation
- Health deprivation and disability
- Education skills and training deprivation
- Barriers to housing and services
- Crime
- Living environment deprivation

LSOAs are statistical geography providing uniformity of size. There are 32,482 in England and on average each contains around 1500 people. These ranked areas have been placed into five groups of equal numbers of areas, from the 20% most deprived area on the index, to the 20% least deprived.

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<sup>1</sup> <https://www.gov.uk/government/publications/a-decent-home-definition-and-guidance>

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**Dwelling:** A unit of accommodation which may comprise one or more household spaces (a household space is the accommodation used or available for use by an individual household). A dwelling may be classified as shared or unshared. A dwelling is shared if:

- the household spaces it contains are ‘part of a converted or shared house’, or
- not all of the rooms (including kitchen, bathroom and toilet, if any) are behind a door that only that household can use, and
- there is at least one other such household space at the same address with which it can be combined to form the shared dwelling.

Dwellings that do not meet these conditions are unshared dwellings.

The EHS definition of dwelling is consistent with the Census 2011.

**Dwelling type:** Dwellings are classified, on the basis of the surveyor’s inspection, into the following categories:

- **small terraced house:** a house with a total floor area of less than 70m<sup>2</sup> forming part of a block where at least one house is attached to two or more other houses.
- **medium/large terraced house:** a house with a total floor area of 70m<sup>2</sup> or more forming part of a block where at least one house is attached to two or more other houses.
- **end terraced house:** a house attached to one other house only in a block where at least one house is attached to two or more other houses.
- **mid-terraced house:** a house attached to two other houses in a block.
- **semi-detached house:** a house that is attached to just one other in a block of two.
- **detached house:** a house where none of the habitable structure is joined to another building (other than garages, outhouses etc.).
- **bungalow:** a house with all of the habitable accommodation on one floor. This excludes chalet bungalows and bungalows with habitable loft conversions, which are treated as houses.
- **converted flat:** a flat resulting from the conversion of a house or former non-residential building. Includes buildings converted into a flat plus commercial premises (such as corner shops).
- **purpose built flat, low rise:** a flat in a purpose built block less than six storeys high. Includes cases where there is only one flat with independent access in a building which is also used for non-domestic purposes.

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- **purpose built flat, high rise:** a flat in a purpose built block of at least six storeys high.

**Economic status:** Respondents self-report their situation and can give more than one answer.

- **working full-time/part-time:** full-time work is defined as 30 or more hours per week. Part-time work is fewer than 30 hours per week. Where more than one answer is given, 'working' takes priority over other categories (with the exception that all those over State Pension Age (SPA) who regard themselves as retired are classified as such, regardless of what other answers they give).
- **unemployed:** this category covers people who were registered unemployed or not registered unemployed but seeking work.
- **retired:** this category includes all those over the state pension age who reported being retired as well as some other activity. For men the SPA is 65 and for women it is 60 if they were born before 6th April 1950. For women born on or after the 6th April 1950, the state pension age has increased incrementally since April 2010<sup>2</sup>.
- **full-time education:** education undertaken in pursuit of a course, where an average of more than 12 hours per week is spent during term time.
- **other inactive:** all others; they include people who were permanently sick or disabled, those looking after the family or home and any other activity.

On occasions, **full-time education** and **other inactive** are combined and described as **other economically inactive**.

**Energy efficiency rating:** A dwelling's energy costs per m<sup>2</sup> of floor area for standard occupancy of a dwelling and a standard heating regime and is calculated from the survey using a simplified form of SAP. The energy costs take into account the costs of space and water heating, ventilation and lighting, less cost savings from energy generation technologies. They do not take into account variation in geographical location. The rating is expressed on a scale of 1-100 where a dwelling with a rating of 1 has poor energy efficiency (high costs) and a dwelling with a rating of 100 represents zero net energy cost per year. It is possible for a dwelling to have a SAP rating of over 100 where it produces more energy than it consumes, although such dwellings will be rare within the English housing stock.

The detailed methodology for calculating SAP to monitor the energy efficiency of dwellings was updated in 2012 to reflect developments in the energy efficiency technologies and knowledge of dwelling energy performance. These changes in the SAP methodology were relatively minor compared with previous SAP methodology updates in 2005 and 2009. It means, however that a SAP rating using the 2009 method is not directly comparable to one

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<sup>2</sup> For further information see: [www.gov.uk/browse/working/state-pension](http://www.gov.uk/browse/working/state-pension)

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calculated under the 2012 methodology, and it would be incorrect to do so. All SAP statistics used in reporting from 2013 are based on the SAP 2012 methodology and this includes time series data from 1996 to the current reporting period (i.e. the SAP 2012 methodology has been retrospectively applied to 1996 and subsequent survey data to provide consistent results in the 2013 and following reports).

**Energy efficiency rating (EER) bands:** The 1-100 SAP energy efficiency rating is also presented in an A-G banding system for an Energy Performance Certificate, where Band A rating represents low energy costs (i.e. the most efficient band) and Band G rating represents high energy costs (the least efficient band). The break points in SAP (see below) used for the EER Bands are:

- Band A (92–100)
- Band B (81–91)
- Band C (69–80)
- Band D (55–68)
- Band E (39–54)
- Band F (21–38)
- Band G (1–20)

**Gross annual income:** The annual income of the household reference person and (any) partner. This includes income from private sources (regular employment, self-employment, government schemes, occupational pensions, private pensions and other private income), state benefits/allowances and tax credits, as collected on the EHS survey (this includes housing benefit/Local Housing Allowance but excludes council tax benefit and Support for Mortgage Interest) and interest from savings. It is a gross measure i.e. income before Income Tax or National Insurance deductions.

**Household:** One person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and a living room or sitting room or dining area. The EHS definition of household is consistent with the Census 2011.

**Household reference person (HRP):** The person in whose name the dwelling is owned or rented or who is otherwise responsible for the accommodation. In the case of joint owners and tenants, the person with the highest income is taken as the HRP. Where incomes are equal, the older is taken as the HRP. This procedure increases the likelihood that the HRP better characterises the household's social and economic position. The EHS definition of HRP is not consistent with the Census 2011, in which the HRP is chosen on basis of their economic activity. Where economic activity is the same, the older is taken as HRP, or if they are the same age, HRP is the first listed on the questionnaire.

**Household type:** The main classification of household type uses the following categories:

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- married/cohabiting couple with no dependent children or with non-dependent child(ren) only.
  - married/cohabiting couple with dependent child(ren) – may also include non-dependent child(ren).
  - lone parent family (one parent with dependent child(ren) – may also include non-dependent child(ren).
  - other multi-person household (includes flat sharers, lone parents with non-dependent children only and households containing more than one couple or lone parent family).
  - one person aged under 60.
  - one person aged 60 or over.

The married/cohabiting couple and lone parent household types (the first three categories above) may include one-person family units in addition to the couple/lone parent family.

**Housing Health and Safety Rating System (HHSRS):** A risk assessment tool used to assess potential risks to the health and safety of occupants in residential properties in England and Wales. It replaced the Fitness Standard in April 2006.

The purpose of the HHSRS assessment<sup>3</sup> is not to set a standard but to generate objective information in order to determine and inform enforcement decisions. There are 29 categories of hazard, each of which is separately rated, based on the risk to the potential occupant who is most vulnerable to that hazard. The individual hazard scores are grouped into 10 bands where the highest bands (A-C representing scores of 1,000 or more) are considered to pose Category 1 hazards. Local authorities have a duty to act where Category 1 hazards are present, and may take into account the vulnerability of the actual occupant in determining the best course of action.

For the purposes of the decent homes standard, homes posing a Category 1 hazard are non-decent on its criterion that a home must meet the statutory minimum requirements.

The EHS is not able to replicate the HHSRS assessment in full as part of a large scale survey. Its assessment employs a mix of hazards that are directly assessed by surveyors in the field and others that are indirectly assessed from detailed related information collected. For 2006 and 2007, the survey (the then English House Condition Survey) produced estimates based on 15 of the 29 hazards. From 2008, the survey is able to provide a more comprehensive assessment based on 26 of the 29 hazards. See the EHS Technical Note on Housing and Neighbourhood Conditions<sup>4</sup> for a list of the hazards covered.

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<sup>3</sup> <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/housing-health-and-safety-rating-system-hhsrs-guidance>

<sup>4</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/211302/Housing\\_and\\_Neighbourhood\\_Conditions.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/211302/Housing_and_Neighbourhood_Conditions.pdf)

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**Length of residence:** In 2012-13, rather than report the number of years at their current accommodation, respondents were asked to give their length of residence in banded intervals (i.e. 0 to less than 1 year, 1 to less than 2 years, 2 to less than 3 years, 3 to less than 5 years, etc.).

In order to report the mean length of residence in a way that was consistent with previous waves of the survey, some of the data in Table 4 of this report was modelled. Where respondents had been resident for 0, 1, or 2 years, no precision was lost as a result of the banding and modelling was not required. However for the bands covering multiple years (i.e. 3 years but less than 5 years, 5 years but less than 10 years etc) representative figures were needed for the calculation of a mean length of residence.

To identify representative figures, data was taken from the 2011-12 EHS (when the question did not use banded response options) and the average residence length within each of the multiple year bands was found. For example, for those who had been resident for 3 years but less than 5 years in 2011-12, the mean length of residence was 3.5 years. For those resident 5 years but less than 10 years, the mean length of residence was 6.7 years. These representative figures were then used in the calculation of the overall weighted mean residence length for each tenure in 2012-13.

From 2014-15, the length of residence question will revert back to its original format and respondents will be able to give a single number rather than to nominate an interval.

**New household:** Where neither the household reference person (HRP) nor their spouse/partner occupied the HRP's previous permanent accommodation, in either of their names. The EHS does not differentiate between previous accommodation within England and outside of England (including abroad).

**Non-dependent children:** any person aged over 18 or those aged 16-18 who are not in full-time education living in a family with his or her parent(s) or grandparent(s).

**Overcrowding:** Households are said to be overcrowded if they have fewer bedrooms available than the notional number needed according to the bedroom standard definition. See bedroom standard.

**Private accommodation:** The majority of homes in all three tenures, excluding hotels, bed and breakfast accommodation and institutional residences such as student halls, nurses homes, army barracks and care homes. The EHS only covers private accommodation.

**Recent movers:** Households which moved into their current home in the last 12 months. This includes both new and continuing households, but does not include sitting tenant purchasers.

**Right to Buy scheme:** The Right to Buy scheme gives secure tenants in a local authority home the opportunity to buy their home at a discount. In order

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to qualify for the scheme a social tenant must have lived for a total of at least five years in a public sector tenancy.

The scheme is also available to assured tenants of non-charitable housing associations who have transferred with their homes from a local authority as part of a stock transfer. In this case the tenants is said to have a 'preserved Right to Buy'.

**SAP:** The energy cost rating as determined by Government's Standard Assessment

Procedure (SAP) and is used to monitor the energy efficiency of dwellings. It is an index based on calculated energy costs for a standard heating regime and is expressed on a scale of 1 (highly inefficient) to 100 (highly efficient with 100 representing zero energy cost). It is possible for a dwelling to have a SAP rating of over 100 where it produces more energy than it consumes although such dwellings will be rare within the English housing stock.

The method for calculating SAP was comprehensively updated in 2005 and in 2009 with an update of a more minor nature in 2012. This new SAP 2012 methodology is used in the 2013 EHS report.

**Social housing rents:** Most social housing rents are calculated according to 'rent restructuring' policy, which was introduced in 2002 with the aim of converging housing association and local authority rents over a 10 year period. The overall effect of rent restructuring is that similar properties will have similar rents in similar areas.

In both sectors rents are moving towards a 'formula' rent. The formula calculates rents for each individual property based on 30% of the relative property values at 1999 levels, and 70% on relative local earnings. The rent is increased annually at the rate of Retail Price Index inflation at the previous September + 0.5%. Local authority rents move towards convergence at the maximum rate of RPI at the previous September + 0.5% + £2 per week. Housing association rents are subject to a maximum of September RPI + 0.5%, + £2 where the individual association's rents remain below the target. For various reasons the convergence date has slipped and is now scheduled to take place in 2015-16.

There are different arrangements for rents on Affordable Rent and intermediate rent properties (both of which fall within the statutory definition of social housing).

**Tenure:** In this report, households are typically grouped into three broad categories known as tenures: owner occupiers, social renters and private renters. The tenure defines the conditions under which the home is occupied, whether it is owned or rented, and if rented, who the landlord is and on what financial and legal terms the let is agreed.

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- **owner occupiers:** households in accommodation which they either own outright, are buying with a mortgage or are buying as part of a shared ownership scheme.
  - **social renters:** this category includes households renting from Local Authorities (including Arms Length Management Organisations (ALMOs) and Housing Action Trusts) and Housing Associations, Local Housing Companies, co-operatives and charitable trusts.

A significant number of Housing Association tenants wrongly report that they are Local Authority tenants. The most common reason for this is that their home used to be owned by the Local Authority, and although ownership was transferred to a Housing Association, the tenant still reports that their landlord is the Local Authority. There are also some Local Authority tenants who wrongly report that they are Housing Association tenants. Data from the EHS for 2008-09 onwards incorporate a correction for the great majority of such cases in order to provide a reasonably accurate split of the social rented category.

- **private renters:** this sector covers all other tenants including all whose accommodation is tied to their job. It also includes people living rent-free (for example, people living in a flat belonging to a relative).

**Under-occupation:** Households are said to be under-occupying their property if they have two or more bedrooms more than the notional number needed according to the bedroom standard definition. See bedroom standard.

**Usable floor area:** The total usable internal floor area of the dwelling as measured by the surveyor, rounded to the nearest square metre. A new modelling approach for the 2013 report uses assumptions aligned with the Nationally Described Space Standard which was published as part of the Housing Standards Review. It excludes integral garages, balconies, stores accessed from the outside only and the area under external walls. The area remaining represents the total of all room areas, hallways and circulation space including cupboards and stairs. The area under internal partition walls is also included. Loft space is not included unless the loft is habitable, with a fixed stair in place to access it. Dwellings are also grouped into the following five categories:

- less than 50m<sup>2</sup>
- 50 to 69m<sup>2</sup>
- 70 to 89m<sup>2</sup>
- 90 to 109m<sup>2</sup>
- 110m<sup>2</sup> or more.

**Vacant dwellings:** The assessment of whether or not a dwelling is vacant is made at the time of the interviewer's visit. Clarification of vacancy is sought from neighbours. Surveyors are required to gain access to vacant dwellings and undertake full inspections.

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**Visitability:** Four key accessibility features which are considered to be the most important for enabling people with mobility problems to visit someone else's home, see items 1-4 in 'Accessibility features'.

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