



Ministry of Housing,
Communities &
Local Government



English Housing Survey

Home ownership, 2016-17



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Introduction and main findings

1. The English Housing Survey (EHS) 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. It is one of the longest standing surveys in government, with 2017 marking the 50th anniversary since the first survey in 1967.
2. This report focuses on home owners – both those who own their home outright and those who have a mortgage. The report is split into four chapters. The first chapter presents a demographic profile of home owners, how these characteristics have changed over time, and how this tenure compares to others.
3. The second chapter presents findings on housing costs of owner occupiers, and focuses on mortgagors, comparing this group to social and private renters.
4. The third chapter analyses housing flows, including length of time in current accommodation and any expectations to move in the near future.
5. Finally, the fourth chapter looks more closely at the satisfaction of home owners, as well as any housing modifications. As with other sections, it makes comparisons both between tenures and within home owners over time.

Main findings

Owner occupation is the most prevalent tenure in England. Within this tenure, there are more households who own their home outright than who own with a mortgage.

- In 2016-17, there were 14.4 million households that either owned their home outright or were buying with a mortgage. This represented 63% of all households.
- Outright owners made up 34% of households while 28% were mortgagors. Outright owners have made up a greater proportion of households than mortgagors since 2013-14.

Home owners are older now than they were 20 years ago.

- In 2016-17, the proportion of home owners under 35 was 9%; two decades ago, this figure was 18%. This difference is largely explained by fewer mortgagors under 35. In 1996-97, 28% of mortgagors had a household reference person (HRP) under 35. In 2016-17, this figure was 18%.
- Mortgagors and outright owners have different age profiles. Outright owners tend to be older, with 61% of such households having a HRP over 65. Only 5% of mortgagors are aged 65 or over.

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- Many of the other differences observed in this report are associated with the changing age profile of home owners.

Partly explained by their differing age profiles, outright owners and mortgagors also have different profiles in terms of household type.

- Mortgagors are more likely to be young families with dependent children. In 2016-17, 40% of mortgagors were couples with dependent children. This figure was 6% for those who owned their homes outright. Of outright owners, 44% were couples with no children.
- Lone parents with dependent children made up only 2% of home owners and this group was more likely to be found among mortgagors – 4% of mortgagors compared to 1% of outright owners.

Home owners are more likely to be in higher income groups than renting households; they are also slightly more likely to be in work now than 20 years ago.

- In 2016-17, 49% of all home owners were in the top two quintiles for household income. For mortgagors only, this figure was 66%. More than a third of private renters and 12% of social renters were among the top two household income quintiles.
- Between 1996-97 and 2016-17, the proportion of mortgagors with a HRP in work rose from 88% to 91%; for outright owners, the level rose from 30% to 36%.

Mortgagors spend a smaller proportion of their income on housing costs than do those in other tenures. The proportion has remained relatively consistent over the past 10 years, save for some household types.

- On average, mortgagors spent a much smaller proportion of joint income on their mortgage (19%) than privately renting households spent on their rent (46%).
- Lone parents with dependent children spent an average of 24% of their income on mortgage. This proportion decreased over the last 10 years – in 2006-07 this figure was 34%. Couples with dependent children spent an average of 17% on mortgage in 2016-17, a decrease from 20% in 2006-07.

The proportion of recent movers across all homeowners has not significantly changed over the past 20 years; however, there was an increase in moves among outright owners.

- In 2016-17, 24% of recent movers were from a home owned outright. This figure was 12% in 1996-97. Note that this is not necessarily a tenure change – the majority of these movers relocated to another home they owned outright.

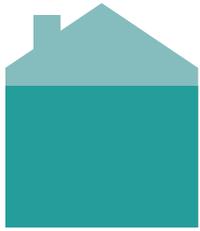
Homeowners were less likely to be planning a move in the next six months than those in other tenures.

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- Of all owner occupiers, 4% expected to move in the next six months – this is compared to 7% of social renters and 18% of private renters.
 - Stated reasons for wanting to move home were consistent with the age profiles and household composition of mortgagors and outright owners, with 41% of moving mortgagors wanting to relocate to a larger house or flat, and 31% of outright owners planning to move to a smaller house or flat.

Acknowledgements and further queries

6. Each year the English Housing Survey relies on the contributions of a large number of people and organisations. The Ministry of Housing, Communities and Local Government (MHCLG) would particularly like to thank the following people and organisations, without whom the 2016-17 survey and this report, would not have been possible: all the households who gave up their time to take part in the survey, NatCen Social Research, the Building Research Establishment (BRE) and CADS Housing Surveys.
7. This report was produced by Sarah Frankenburg at NatCen Social Research, in partnership with researchers at MHCLG.
8. 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.
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Home ownership



63%
of households are
owner occupiers

The composition of the owner occupier group has changed in the last the 20 years



Income

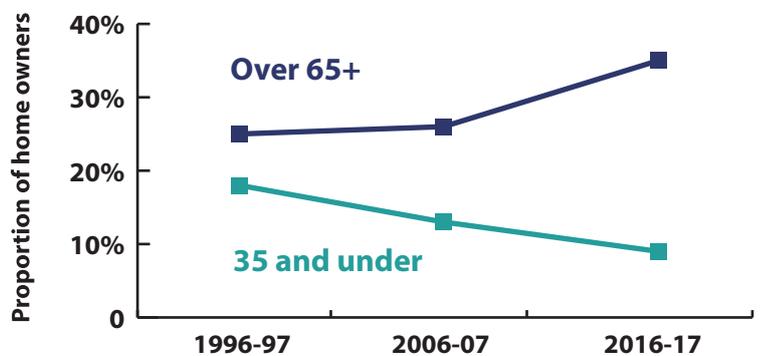
Home owners are more likely to be in higher income groups



51%
of all home owners were in the top two
income quintiles, compared to **35% of
private renters** and **12% of social renters**

Age of home owners

Home owners are older now than they were 20 years ago



Household type

Outright owners and **mortgagors** have different profiles in terms of household type



Couples with
dependent
children



Couples with
no dependent
children



Moving house



4%
of owner occupiers **expected
to move** in the next 6 months

31%
of outright owners
wanted to move to a
smaller house or flat

41%
of mortgagors
wanted to move to a
larger house or flat

Chapter 1

Profile of owner occupiers

- 1.1 In 2016-17, there were 14.4 million households who either owned their home outright or were buying with a mortgage. This accounted for 63% of all households, making the owner occupied sector the largest tenure in England. The proportion of households in owner occupation increased steadily from the 1980s to 2003 when it reached its peak of 71%. Since then, owner occupation gradually declined to its current level. However, the rate of owner occupation has not changed since 2013-14.
- 1.2 This chapter presents an overview of the demographic characteristics of owner occupiers, and compares those who own their home outright and those who are buying their home with a mortgage, referred to throughout this report as ‘mortgagors’. It also explores the extent to which the profile of owner occupiers has changed over the last 20 years, and makes comparisons to other tenure groups.
- 1.3 In 2016-17, more owner occupiers owned their home outright than were buying with a mortgage – 34% of all households were outright owners while 28% were mortgagors¹. There have been more outright owners than mortgagors since 2013-14. Prior to that, mortgagors outnumbered outright owners².
- 1.4 The increase in the number and proportion of outright owners can be partly explained by the population ageing, with large numbers of baby boomers reaching retirement age, paying off their mortgages and moving into outright ownership. At the same time, rising costs has meant fewer new mortgagor households coming into the sector. This is reflected in the different demographic profiles of outright owners and mortgagors, and how this has changed over time.
- 1.5 Owner occupation also includes shared ownership – where home owners pay a mortgage on a share of their home and rent the remaining share. There are comparatively few shared owners (less than 1% of all owner occupiers, around 136,000 households) and as such they are not covered in detail in this report. For the most part, shared owners are either excluded or grouped together with mortgagors.

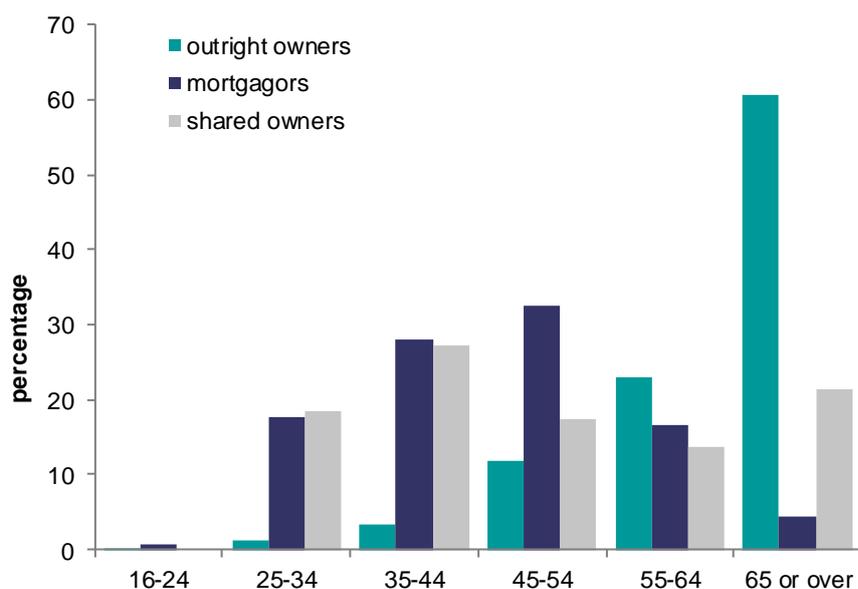
¹ does not sum to 63% due to rounding.

² English Housing Survey, 2016-17 Headline report, Annex Table 1.1.

Age

1.6 Mortgagors and outright owners had very different age profiles. Outright owners were, as might be expected, older – 61% of all outright owning households had a HRP (household reference person³) aged 65 or over, compared with 4% of mortgagors. Meanwhile, 18% of mortgagor households had a HRP aged under 35, compared with 1% of outright owners, Annex Table 1.2 and Figure 1.1.

Figure 1.1: Age of HRP, all owner occupiers, 2016-17



Base: all owner occupiers

Notes:

1) underlying data are presented in Annex Table 1.2

2) number of shared owners with a HRP aged 16-24 too small for reliable estimate

3) 0.2% of outright owners have a HRP aged 16-24.

Source: English Housing Survey, full household sample

1.7 Over the last 20 years the age profile of owner occupiers shifted towards older groups, and the proportion of owner occupiers under 35 halved from 18% in 1996-97 to 9% in 2016-17. This change is largely explained by a decrease in the proportion of mortgagors in these younger age bands. In 1996-97, for example, 28% of mortgagors had a HRP aged under 35. In 2016-17 this figure was 18%. In 2016-17, fewer than half (46%) of all households with a mortgage had a HRP aged under 45, Annex Table 1.3.

1.8 Many of the other demographic differences between outright owners and mortgagors, such as household type and economic status, are strongly associated with the two groups' different age profiles.

³ In the owner occupied sector, the HRP is the 'householder' in whose name the accommodation is owned. See the glossary for further information.

Disability and long-term illness

- 1.9 Households who owned their home outright were more likely than those buying with a mortgage to include somebody with a long-term illness or disability. This is most likely due to the different age profiles of the two groups, and the prevalence of older households among outright owners. Among outright owner households 36% included someone with a long-term illness or disability, compared to 21% of mortgagors, Annex Table 1.4.

Household type and size

- 1.10 Outright owners and mortgagors also had different profiles in terms of household type and size. Again, this can be at least partly explained by the different age profiles of these two groups. Mortgagors were more likely to be newer households – those that had either formed as a new household or moved into home ownership relatively recently – and younger families, while outright owners were more likely to have reached retirement age, with grown up children who no longer live in the family home.
- 1.11 In 2016-17, home owners had a higher proportion of couples without children than any other tenure. This was largely explained by a prevalence of this household type within outright owners – 44% of outright owners were couples without children, compared with 26% of mortgagors, Annex Table 1.5.
- 1.12 Conversely, there were a higher proportion of couples with dependent children among mortgagors than outright owners or any other tenure group. In 2016-17, 40% of mortgagor households were couples with dependent children, compared to 6% of outright owners, 24% of private renters and 17% of social renters⁴.
- 1.13 Lone parents with dependent children were a comparatively small group among all owner occupiers at 2%, but were more common among mortgagors than those who owned outright (4% and 1% of households respectively).
- 1.14 Over the last 20 years, there was a slight decrease in the proportion of owner occupying households with dependent children (whether couples or lone parents) from 28% in 1996-97 to 24% in 2016-17. Over the same period, the proportion of households in the private rented sector that were couples or lone parents with children increased from 23% in 1996-97 to 37% in 2016-17⁵.
- 1.15 In 2016-17, 48% of all outright owners were two person households, compared to 30% of mortgagors. A third (33%) of all mortgagor households contained four or more people, compared to 8% of outright owners.

⁴ English Housing Survey, 2016-17 Headline report, Annex Table 1.4.

⁵ English Housing Survey, 2016-17 Private rented sector report, Annex Table 1.3.

Ethnicity

- 1.16 While still the overwhelming majority, the proportion of owner occupying households with a white HRP has decreased over the last 20 years, from 96% in 1996-97 to 92% in 2016-17. Outright owners have a higher proportion of households with a white HRP than mortgagors (94% compared with 89%), Annex Table 1.6.

Economic status and income

- 1.17 In 2016-17, 61% of owner occupiers were in work, either full-time or part-time. This is lower than the proportion of private renters in either full or part-time work (74%), Annex Table 1.1.
- 1.18 In line with their differing age profiles, the economic profile of mortgagors and outright owners was also quite different. Of mortgagor households, 83% of HRPs were in full-time work, compared to 26% of outright owners.
- 1.19 There was no significant difference in the proportions of outright owners and mortgagors in part-time work, unemployed, in full-time education or otherwise economically inactive. In contrast, 61% of outright owners were retired compared to 4% of mortgagors.
- 1.20 The proportion of owner occupiers in either full or part-time work increased over the last 20 years. Between 1996-97 and 2016-17, the proportion of mortgagors in work increased from 88% to 91%. Over the same period, the proportion of outright owners in work increased from 30% to 36%, Annex Table 1.7.

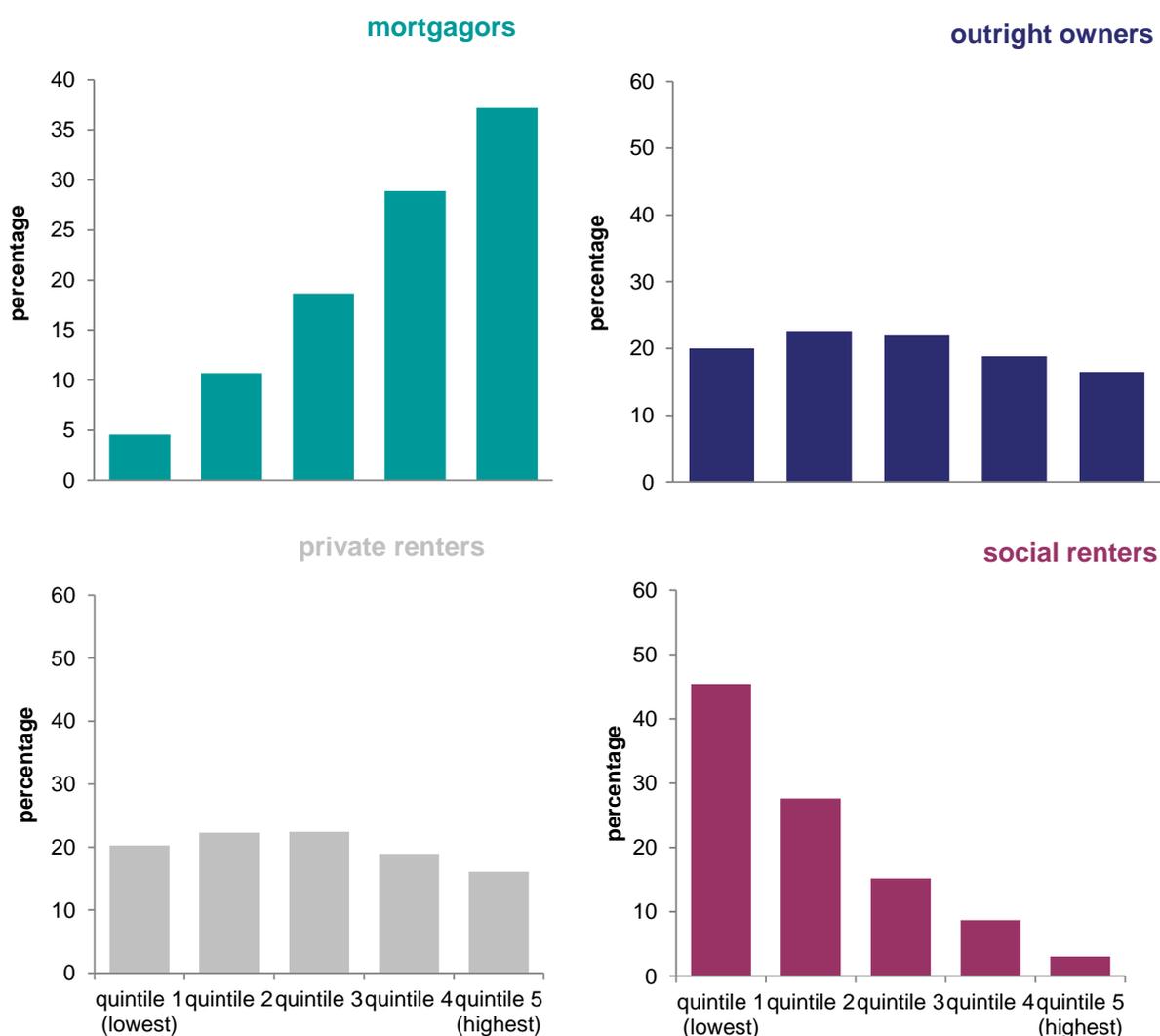
Income

- 1.21 All households in the EHS sample are divided into five equal groups based on their income (i.e. those in the bottom 20%, the next 20% and so on). These groups are known as quintiles. This division more easily allows us to compare the relationship between income and other characteristics of home owners.
- 1.22 There are two income measures used in the EHS – joint HRP and partner income, which considers the income of the HRP and their partner, and household income, which takes into account the income of all adults in the household.
- 1.23 When looking at either joint income or household income, home owners were more likely to be in higher income quintiles than renting households. In 2016-17, 49% of owner occupiers were in the top two income quintiles for

household income, compared to 35% of private renters and 12% of social renters, Annex Table 1.1.

1.24 Mortgagors were more likely to be in the top two income quintiles than outright owners. This is in part a reflection of the higher proportion of retirees among outright owners. Two thirds (66%) of mortgagors were in the top two household income quintiles and 5% were in the lowest. By comparison, 35% of all outright owners were in the top two income quintiles, and a fifth in lowest – possibly reflecting a relatively large retired proportion, Figure 1.2.

Figure 1.2: Household income quintiles, by tenure, 2016-17



Base: all households

Notes:

1) Mortgagors includes shared owners

2) Underlying data are presented in Annex Table 1.1

Sources: English Housing Survey, full household sample



Chapter 2

Housing costs

- 2.1 This chapter examines the relative affordability of home ownership, including the extent to which affordability varies across groups and whether it has changed over time.
- 2.2 This chapter uses a simple measure of housing affordability, created by calculating the average proportion of gross weekly income spent on mortgage payments (both repayment and the interest elements). Housing-related costs such as energy bills, house insurance and maintenance costs are not included in the calculation. Outright owners are not included in this chapter as they do not have mortgage costs.
- 2.3 The affordability measure presented in this chapter looks at housing costs as a proportion of gross income to give an indication of relative affordability across tenures. Housing costs as a proportion of households' net income will differ from the figures presented here, and the proportion would be higher. In addition, this measure includes any housing benefit received by households in the social or private rented sector. However, as housing benefit is often paid directly to landlords, the affordability measure will include an amount specifically designated for housing costs in the case of recipients of housing benefit. Therefore, the income measure presented in this chapter should not be interpreted as how much actual income households have to spend, but rather as an indicative measure of the average affordability.
- 2.4 There are two income measures from which the proportion of income spent on housing costs can be calculated – joint HRP and partner income (i.e. joint income) and the income of all adult members of the household (i.e. household income). For both measures it is not known which members of the household actually contribute to the mortgage or rent. For the household measure, it is assumed that all household members contribute; for the HRP and partner measure, it is assumed that only the HRP and partner contribute.

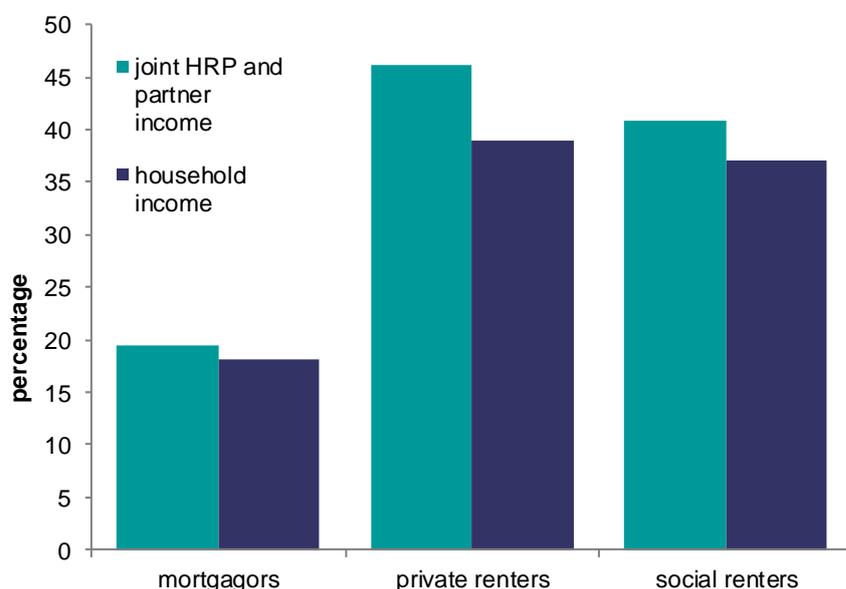
Mortgage costs as a proportion of income

- 2.5 In 2016-17, the average mortgage payment across all mortgage types was £159 per week, though 24% of households paid £200 or more a week and

22% paid £79 a week or less⁶. This equated to an average of 19% of gross weekly joint income spent on mortgage costs, and 18% of gross weekly household income, Annex Table 2.1.

2.6 When comparing household and joint HRP and partner income, the differences between the measures was very slight. This reflects the comparatively low proportion of mortgagor households with independent children or additional adults who might contribute to housing costs, compared to the private rented sector, for example, where groups of adult sharers make up a sizeable proportion of households, Figure 2.1. As a result, the balance of this chapter will focus on joint HRP and partner income, except where there is a relevant difference with comparator tenures or household types.

Figure 2.1: Mortgage/rent as a proportion of income, by tenure, 2016-17



Base: all households with mortgage or rental costs, excluding shared owners

Notes:

- 1) rental figures exclude housing benefit
- 2) underlying data are presented in Annex Table 2.1
- 3) ratio is calculated using gross income excluding housing benefit, and rent before housing benefit deducted

Source: English Housing Survey, full household sample

2.7 On average, households who were buying with a mortgage spent a much smaller proportion of their joint income (19%) on their mortgage than private renting households spent on their rent (46%). The same was true when considering household income, of which mortgagors spent an average of 18% on mortgage costs, and private renters an average of 39% on rent, Annex Table 2.1.

⁶ See Live Table FA2501 for mortgage payment (£ per week) by type of mortgage, <https://www.gov.uk/government/statistical-data-sets/owner-occupiers-recent-first-time-buyers-and-second-homes>

2.8 The average proportion of joint income spent on mortgage costs by all mortgagors has not changed significantly in the last 10 years. However, there was some change for particular sub groups over the same period. These are described in the following sections.

Region

2.9 Mortgagors in London spent a higher proportion of their income on housing costs than mortgagors elsewhere in England; those in London spent an average of 24% of joint income on their mortgage, compared to 19% spent by those outside of London.

2.10 There was a slight decrease in the average proportion of joint income spent on mortgage costs by households outside London over the last 10 years, from 20% in 2006-07 to 19% in 2016-17. However, housing costs within London remain higher, with no such decrease in the proportion of income spent on mortgage costs since 2006-07.

Household type

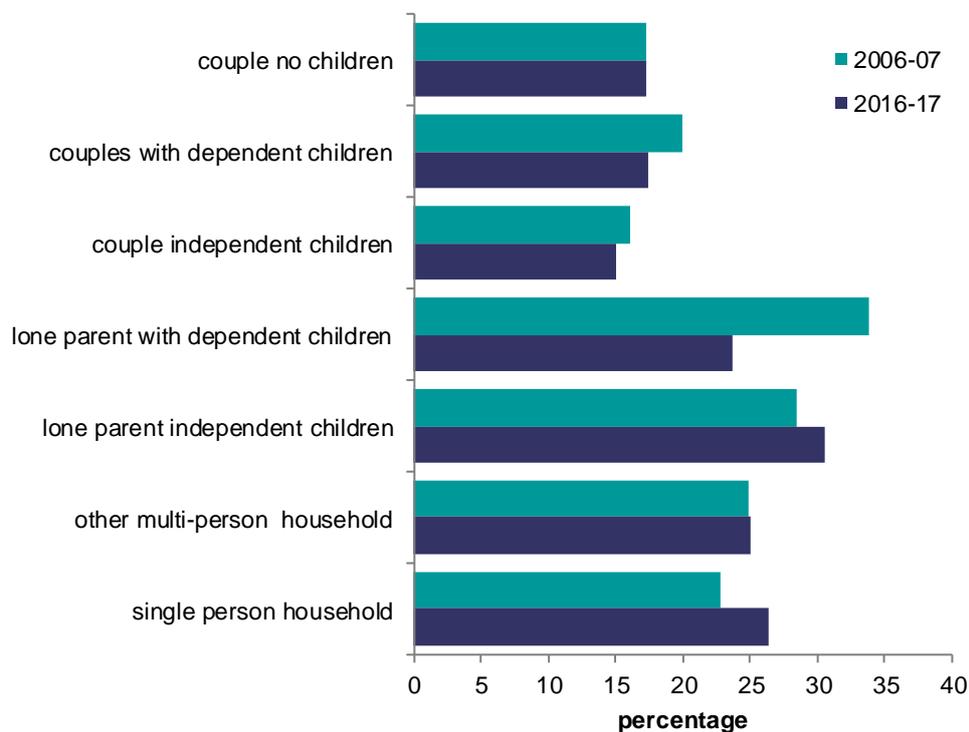
2.11 There was some variation in the proportion of income spent on mortgage costs across household types. Couples with independent children spent the lowest proportion of their joint income on housing costs, at 15%. This might be due to dwelling size, or that couples with independent children are likely to be older and on higher incomes than younger households whose children are still under 18.

2.12 Lone parents living with independent children spent the highest proportion of their income on their mortgage at 31%. However, when looking at household income (i.e. including the income of adult children), the proportion spent on mortgage costs was 18%⁷.

2.13 Lone parents with dependent children spent an average of 24% of their income on their mortgage. This has decreased in the last 10 years, from 34% in 2006-07. Couples with dependent children spent on average 17% on mortgage costs, down from 20% in 2006-07, Figure 2.2.

⁷ As noted previously, we are unable to determine specifically which members of the household contribute to housing costs.

Figure 2.2: Proportion of owners' joint income spent on housing costs, by household type, 2006-07 and 2016-17



Base: all mortgagors, excluding shared owners

Note: underlying data are presented in Annex Table 2.2

Sources:

2006-07: Survey of English Housing

2016-17: English Housing Survey, full household sample

Age of HRP

2.14 Generally, the proportion of joint income spent on housing costs was similar across age groups 25 to 64, and reflected the overall average of between 18% and 20%. Households with a HRP aged 65-74 spent on average a higher proportion of their joint income on housing costs than other age groups, at 26%, likely a reflection of the larger proportion of retired HRPs.

2.15 Among households with a HRP aged 25-34, the average proportion of joint income spent on mortgage costs decreased slightly from 22% in 2006-07 to 18% in 2016-17. Otherwise, there was no significant change in the proportion of joint income spent on housing within other age groups over this time, Annex Table 2.2.

Arrears

- 2.16 This section explores the extent to which households found it easy or difficult to keep up with their housing costs, whether they had fallen behind with payments at any point and how this differs across groups and over time.
- 2.17 Nearly all mortgagors were up to date with their mortgage payments, and mortgagors were less likely than any tenure with housing costs to be in arrears, or to have been in arrears over the past year. Less than 1% of mortgagors were either in arrears or had been the last 12 months (compared with 25% of social renters and 9% of private renters), Annex Table 2.3⁸.

⁸ English Housing Survey, 2016-17 Social rented sector report, Annex Table 2.8

Chapter 3

Housing flows

3.1. This chapter explores the length of time that owner occupiers typically live in their accommodation. It also covers housing flows – the extent to which households move between and within tenure, and whether these patterns might have changed over time. Finally, the chapter covers owner occupiers' expectations to move home within the next six months and reasons for this.

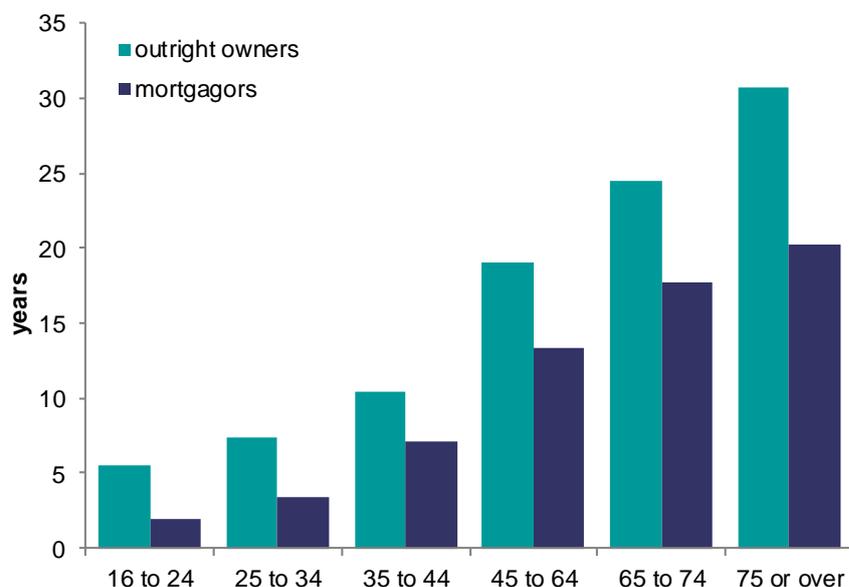
Length of time in current accommodation

3.2. In 2016-17, the mean length of residence in current accommodation for owner occupiers was 17.5 years. As might be expected, those who owned their homes outright lived at their current home for longer, on average, than those who were buying with a mortgage. Outright owners lived at their current home for an average of 23.8 years, compared to 10.0 years for mortgagors.

3.3. This pattern was generally consistent across the last 20 years though, during this time, the proportion of mortgagors resident in their current homes for 10-20 years increased, from 26% to 32%. Over the same period, the proportion of mortgagors resident for 5-9 years decreased from 26% to 20%. The proportion of mortgagor households resident for fewer than two years dropped from 17% in 1996-97 to 12% in 2016-17. This is perhaps a reflection of fewer new mortgagor households entering owner occupation, Annex Table 3.1.

3.4. When examined by age group of HRP this pattern was consistent: outright owners of all ages lived at their current accommodation for a longer average period of time than mortgagors of the same age, Figure 3.1 and Annex Table 3.2.

Figure 3.1: Average length of residence in current accommodation, by age of HRP, 2016-17



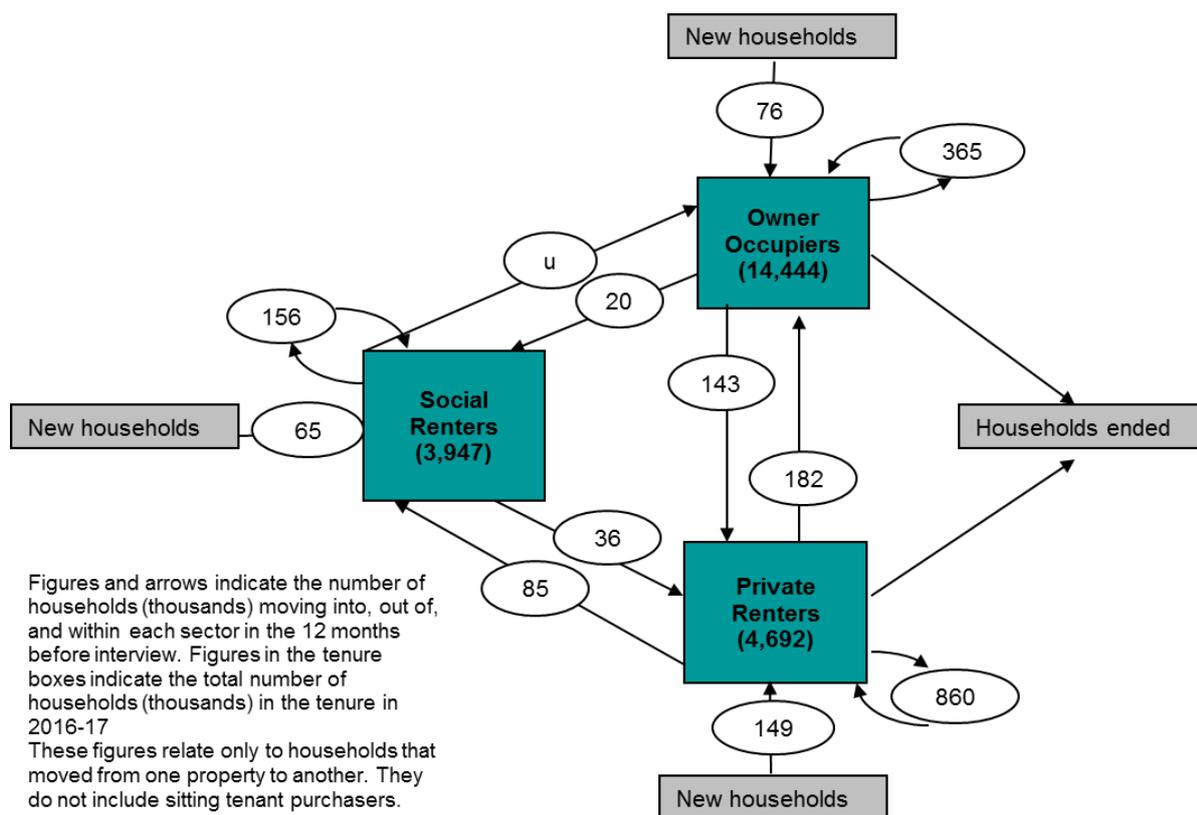
Base: all owner occupiers, including shared owners
Note: underlying data are presented in Annex Table 3.2
Source: English Housing Survey, full household sample

Housing flows

- 3.5. This section explores housing flows between and within tenure. This analysis is based on households that were resident in their current home for less than a year, and so provides a snapshot of recent moves.
- 3.6. Of the 14.4 million owner occupying households in 2016-17, 625,000 moved within the last year. Of these, 182,000 (29%) were previously private renters. A further 12% were new households.
- 3.7. The largest proportion of recent movers within the owner occupied sector were those who had moved within tenure; 58% of recent movers were previously either buying with a mortgage or outright owners of their previous home⁹.

⁹ The EHS questionnaire asks about previous tenure for those households who have moved home within the last three years before interview. In addition, outright owners are not asked when they took full ownership of their home. For this reason, the EHS does not capture the proportion of households who have moved from being a mortgagor to being an outright owner without moving home – i.e., those who have paid off their mortgages.

Figure 3.2: Household moves, by tenure, 2016-17



Base: households resident less than a year

Notes:

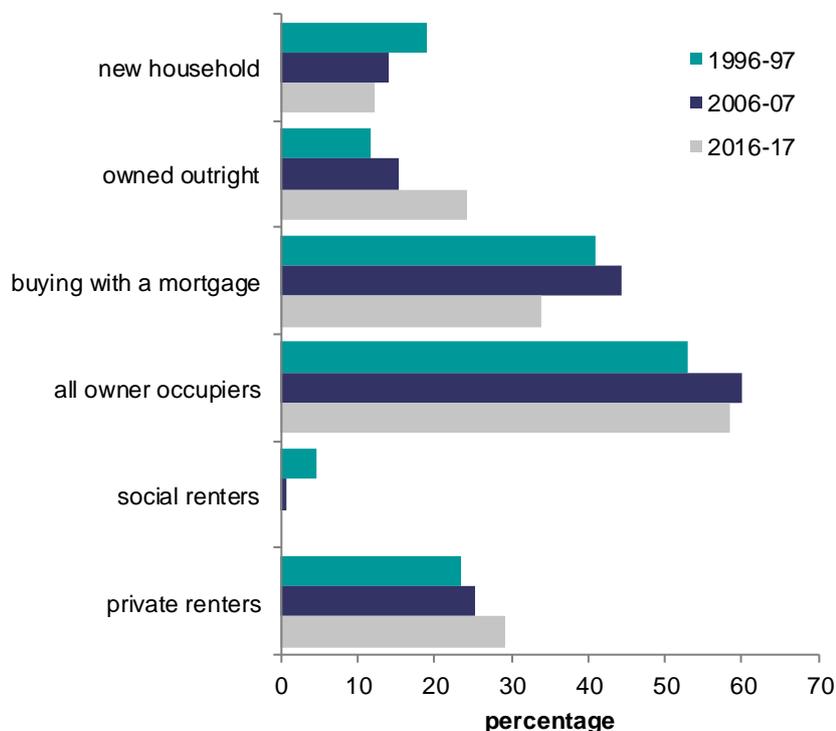
- 1) underlying data are presented in Annex Table 3.3 and Live Table FA4301
- 2) a small number of cases with inconsistent responses have been omitted
- 3) survey cannot identify the number of households which have ended
- 4) u indicates sample size too small for reliable estimate
- 5) These figures exclude Right to Buy sales. MHCLG records approximately 18,000 Right to Buy sales in this year, however these are too infrequent to be captured by the EHS sample. See MHCLG live tables on Social Housing, Table 671.

Source: English Housing Survey, full household sample

- 3.8. The proportion of recent movers in the owner occupied sector who formed new households has decreased over the last 20 years. In 1996-97, 19% of recent movers in home ownership were new households, compared to 12% in 2016-17.
- 3.9. Overall, the proportion of recent movers within the sector has not changed since 1996-97. However, there was an increase in the proportion of recent moves from a home owned outright (from 12% to 24% in 2016-17). The majority (61%) of these households moved into another home they owned outright, so this does not constitute a tenure change. There was no significant change in the proportion of recent movers who were buying their previous home with a mortgage between 1996-97 and 2006-07.

3.10. The apparent increase in the proportion of recent movers currently in home ownership who were previously private renters (23% to 29% between 1996-97 and 2016-17) was not statistically significant, Figure 3.3 and Annex Table 3.3.

Figure 3.3: Previous tenure of recent movers in the owner occupied sector, 1996-97, 2006-07 and 2016-17



Base: all home owners who have lived at their current home for less than a year

Notes:

1) underlying data are presented in Annex Table 3.3

2) the proportion of previous social renters moving into home ownership in 2016-17 has been suppressed due to small sample sizes

Sources:

1996-97 and 2006-07: Survey of English Housing;

2016-17: English Housing Survey, full household sample

Expectation to move within next six months

3.11. All households were asked whether they expected to move within the next six months and, if so, their reasons for this.

3.12. Among owner occupiers, 4% expected to move in the next six months, a lower proportion than both social (7%) and private renters (18%). Mortgagors were more likely to expect to move than outright owners (5% compared with 3%), Annex Table 3.4.

3.13. The most commonly mentioned reason for expecting to move was to move into a larger house or flat. This reason was mentioned by 30% of all owners

who expected to move, though was considerably more common among mortgagors than outright owners (41% compared with 15%).

- 3.14. Conversely, 31% of outright owners who expected to move mentioned moving into a smaller house/flat, compared to 19% of mortgagors. This chimes with the age profiles of these two tenures, with mortgagors more likely to be looking for larger homes to accommodate growing families, while outright owners are perhaps seeking smaller homes after their grown up children left to establish households of their own.
- 3.15. Of all owner occupiers who expected to move, 20% mentioned doing so to be closer to their family and friends. This group were more prevalent among outright owners than mortgagors – 28% of outright owners mentioned this reason, compared to 14% of mortgagors. Again, this perhaps reflects the different age profiles of the two groups, as older households might be inclined to move closer to grown up children.
- 3.16. Moving to a better neighbourhood or more pleasant area was mentioned by 21% of all owner occupiers who expected to move – 23% of mortgagors, and 19% of outright owners gave this answer.
- 3.17. Among those who expected to move, 7% said they wanted to move to cheaper accommodation. There was no significant difference between the proportion of mortgagors and the proportion of outright owners who gave this reason, Annex Table 3.5.

Chapter 4

Satisfaction and housing modifications

4.1 This chapter explores the extent to which owner occupiers were satisfied with their accommodation, area and tenure, how this compared to renters, and whether levels of satisfaction changed over time. It then examines the extent to which home owners' dwellings have been extended or converted.

Satisfaction

4.2 Compared with renters, owner occupiers were more likely to report they were satisfied with their accommodation: 95% of all owner occupiers were either very or fairly satisfied with their accommodation, compared with 81% of social renters and 84% of private renters.

4.3 Outright owners were more likely to say they were 'very satisfied' rather than 'fairly satisfied', and were less likely to express dissatisfaction than mortgagors. Nearly three quarters (73%) of outright owners said they were very satisfied with their accommodation, compared with 60% of mortgagors¹⁰.

4.4 Home owners were also asked the extent to which they were satisfied with the area in which they live. The response pattern across tenures for this question was very similar to satisfaction with accommodation.

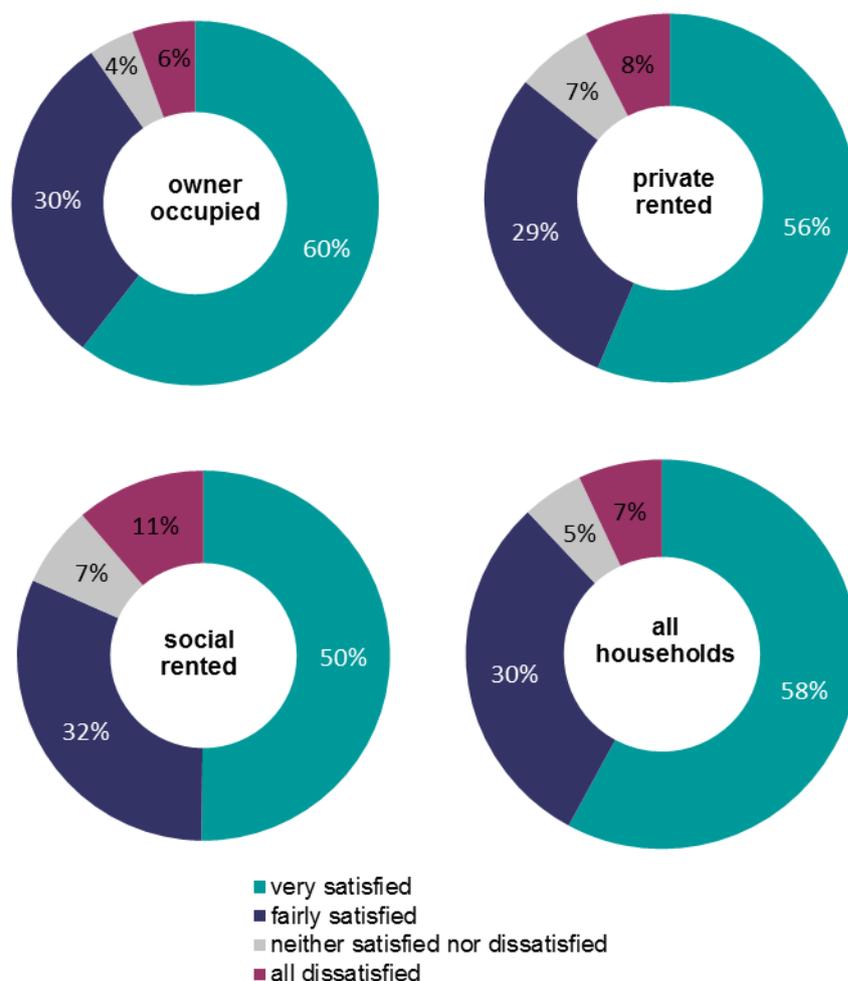
4.5 Owner occupiers were more likely to be satisfied with the area in which they lived than both private and social renters: 90% of owner occupiers were either very or fairly satisfied with their local area, compared to 82% of social renters and 86% of private renters, Figure 4.1.

4.6 As with satisfaction with accommodation, outright owners were more likely than mortgagors to say they were very satisfied with the area: 63% of outright owners said they were very satisfied with the local area, compared to 57% of mortgagors¹¹.

¹⁰ See Live Table FA5401 for satisfaction with accommodation, <https://www.gov.uk/government/statistical-data-sets/attitudes-and-satisfaction>

¹¹ See Live Table FA5212 for satisfaction with area by characteristics of the household, <https://www.gov.uk/government/statistical-data-sets/attitudes-and-satisfaction>

Figure 4.1: Satisfaction with local area, by tenure, 2016-17



Base: all households

Notes:

- 1) underlying data are presented in Live Table FA5212
- 2) Proportion of private renters very or fairly satisfied with their local area does not sum to 86% due to rounding

Source: English Housing Survey, full household sample

- 4.7 A higher proportion of owner occupiers were satisfied with their tenure than those in either of the rented sectors. Of all owner occupiers, 87% were very satisfied with their tenure, and 11% were fairly satisfied. Less than 1% of all owner occupiers were fairly or very dissatisfied with their tenure.
- 4.8 In contrast, 44% of social renters and 35% of private renters were very satisfied with their tenure. Looking at dissatisfaction, 9% of social renters and 10% of private renters were either fairly or very dissatisfied with their tenure.
- 4.9 Outright owners were slightly more likely to be satisfied with their tenure than those buying with a mortgage – 90% of outright owners were very satisfied with their tenure, compared to 82% of mortgagors, Annex Table 4.1.

Extensions and conversions

4.10 This section explores the extent to which owner occupiers live in dwellings that have been converted or extended¹².

4.11 In 2016-17, 41% of owner occupiers lived in a dwelling that had been converted or extended. This was considerably more than other tenures – 5% of social renters and 21% of private renters lived in dwellings with extensions or conversions. This might – at least in part – be due to the fact that owner occupiers were more likely to live in homes that can be converted, such as detached or semi-detached houses, as opposed to converted or purpose built flats. Owner occupiers are also more likely to have lived in their current home for longer, and to be able to undertake work themselves. There was no significant difference between the proportion of mortgagors and outright owners living in a dwelling that had been converted or extended, Figure 4.2 and Annex Table 4.2.

Figure 4.2: Whether dwelling has been extended or converted, by tenure of current household, 2016-17



Base: all dwellings

Note: underlying data are presented in Annex Table 4.2

Source: English Housing Survey, full dwelling sample

4.12 Among all households, there was a slight regional difference in the proportion of those living in a dwelling that was converted or extended. Households in London were slightly less likely to live in an extended or converted dwelling compared to those outside London (28% of those in London, 31% elsewhere in England), Annex Tables 4.3.

¹² It is not possible to say from the data whether it was the current occupants who converted or extended their home, only that they live in home that has – at some point – been converted or extended.

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- 4.13 However, when examining just owner occupiers, there was no statistically significant regional difference in the likelihood of the household living in a dwelling that had been extended or converted, Annex Table 4.4.
- 4.14 Of all dwellings that were extended or converted, 86% were houses, 8% were bungalows and 5% were flats¹³, Annex Table 4.5.

¹³ Does not sum to 100% due to rounding.

Technical notes and glossary

Technical notes

1. Results on households for this report are presented for '2016-17' and are based on fieldwork carried out between April 2016 and March 2017 on a sample of 12,970 households. Throughout the report, this is referred to as the 'full household sample'.
2. The reliability of the results of sample surveys, including the English Housing Survey, is positively related to the unweighted sample size. Results based on small sample sizes should therefore be treated as indicative only because inference about the national picture cannot be drawn. To alert readers to those results, percentages based on a row or column total with unweighted total sample size of less than 30 are italicised. To safeguard against data disclosure, the cell contents of cells where the cell count is less than 5 are replaced with a "u".
3. 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.
4. Additional annex tables, including the data underlying the figures and charts in this report are published on the website: <https://www.gov.uk/government/collections/english-housing-survey> alongside many supplementary live tables, which are updated each year (in the summer) but are too numerous to include in our reports. Further information on the technical details of the survey, and information and past reports on the Survey of English Housing and the English House Condition Survey, can also be accessed via this link.

Glossary

Arrears: If the HRP or partner are not up to date with rent or mortgage payments they are considered to be in arrears.

Conversion: An alteration to the original construction which affects the total number of dwellings in the housing stock, for example, conversion of a house into two or more flats.

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.

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 70m² forming part of a block where at least one house is attached to two or more other houses. The total floor area is measured using the original EHS definition of useable floor area, used in EHS reports up to and including the 2012 reports. That definition tends to yield a smaller floor area compared with the definition that is aligned with the Nationally Described Space Standard and used on the EHS since 2013. As a result of the difference between the two definitions, some small terraced houses are reported in the 2014 Housing Supply Report as having more than 70m².
- **medium/large terraced house:** a house with a total floor area of 70m² or more forming part of a block where at least one house is attached to two or more other houses. The total floor area is measured using the original EHS definition of useable floor area which tends to yield a small floor area compared with the definition used on the EHS since 2013.
- **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.).

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- **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.
 - **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 2010¹⁴.
- **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**.

Ethnicity: Classification according to respondents' own perceived ethnic group.

Ethnic minority background is used throughout the report to refer to those respondents who do not identify as White.

¹⁴ For further information see: www.gov.uk/browse/working/state-pension

The classification of ethnic group used in the EHS is consistent with the 2011 Census. Respondents are classified as White if they answer one of the following four options:

1. English / Welsh / Scottish / Northern Irish / British
2. Irish
3. Gypsy or Irish Traveller
4. Any Other White background

Otherwise, they are classified as being from an ethnic minority background.

Gross income of the HRP and partner: The gross annual income of the HRP and partner from wages, pensions, other private sources, savings and state benefits. This does not include any housing related benefits or allowances. This measure is divided by 52 to calculate weekly income. Income is presented in quintiles throughout this report (see income quintiles definition – below).

Gross household income: The gross annual income of all adults living in a household from wages, pensions, other private sources, savings and state benefits. This does not include any housing related benefits or allowances. This measure is divided by 52 to calculate weekly income. Income is presented in quintiles throughout this report (see income quintiles definition – below).

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; some categories may be split or combined in different tables:

- couple no dependent child(ren)
- couple with dependent child(ren)
- couple with dependent and independent child(ren)
- couple with independent child(ren)
- lone parent with dependent child(ren)
- lone parent with dependent and independent child(ren)
- lone parent with independent child(ren)
- two or more families
- lone person sharing with other lone persons
- one male
- one female

Housing Benefit: A benefit that is administered by local authorities, which is designed to assist people who rent their homes and have difficulty meeting their housing costs. Council tenants on Housing Benefit receive a rent rebate which means that their rent due is reduced by the amount of that rebate. Private and social housing tenants usually receive Housing Benefit (or rent allowance) personally, although sometimes it is paid direct to the landlord.

Income quintiles: All households are divided into five equal groups based on their income (i.e. those in the bottom 20%, the next 20% and so on). These groups are known as quintiles. These can be used to compare income levels of particular groups to the overall population.

Long-term limiting illness: This is consistent with the core definition of disability under the Equality Act 2010. A person is considered to have a disability if they have a long-standing illness, disability or impairment which causes substantial difficulty with day-to-day activities.

Mortgage type: these mortgage types are referred to in the EHS:

- **repayment:** a mortgage in which the borrower repays the capital and interest together in fixed instalments over a fixed period (usually 25 years). The most common and most widely available type of mortgage.
- **interest only (with no linked investments):** a mortgage in which the mortgagor is only required to pay off the interest that arises from the principal that is borrowed. Because only the interest is being paid off, the interest payments remain fairly constant throughout the term of the mortgage.
- **endowment:** a mortgage linked to an endowment insurance policy which is intended to repay the capital sum on maturity.
- **Other mortgages:** including interest only with linked investments and combined endowment and repayment mortgages.

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).

Older households: Households where the oldest person in the household is aged 55 or over.

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 to qualify for

the scheme a social tenant must have lived for a total of at least three 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'.

The Government has plans to extend Right to Buy to housing association tenants and are currently running a Voluntary Right to Buy pilot scheme amongst a small number of housing associations.

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.

Region: A three region classification is used to present geographical findings, as follows:

- **North: North East; North West; and Yorkshire and the Humber**
- **Midlands and East: East Midlands; West Midlands; and East**
- **London and South: London; South East; and South West**

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.

- **owner occupiers:** households in accommodation which they either own outright, are buying with a mortgage or 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.

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- **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).

Younger households: Households where the oldest person in the household is aged less than 55 years.

In accordance with the Statistics and Registration Service Act 2007 the United Kingdom Statistics Authority has designated these statistics as National Statistics, signifying that they are fully compliant with the Code of Practice for Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

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