



Department for
Communities and
Local Government



English Housing Survey

Future home owners, 2015-16



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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 examines the buying aspirations and expectations of households who do not currently own their home. The first chapter analyses the demographic and economic characteristics of households who expect to buy a home at some point in the future. Reasons for not expecting to buy are also explored.
3. Chapter two examines households' planned future tenure: the tenure households expect to live in long term. This includes a wide range of tenure options, and is asked of all households in order to provide a broader picture of the housing expectations of all households in England.
4. Chapter three analyses the characteristics of a particular subgroup of people: adults living in households who would like to buy or rent their own home but cannot afford to do so.
5. Chapter four covers mortgage applications either made or considered by current renters. For those that considered applying but chose not to, reasons for not applying are presented, as well as the acceptance rates for those that did apply.

Main findings

Between 2014-15 and 2015-16, there was no change in the proportion of private renters who expected to buy. However, the proportion of social renters who expected to buy increased.

- In 2015-16, 59% of private renters expected to buy at some point in the future (2.6 million households), unchanged from 2014-15.
- Among social renters, 27% (1.0 million households) expected to buy. Between 2014-15 and 2015-16, the proportion of social renters who expected to buy increased from 24% to 27%.
- The proportion expecting to buy within the next two years was higher among private renters (25%) than among social renters (18%).

Among renters not expecting to buy, affordability was cited as the main barrier to home ownership.

- In 2015-16, about two thirds (65%) of all renters said that affordability was the main barrier to home ownership.

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- The proportion of private renters who said affordability was the main barrier increased from 56% in 2008-09 to 70% in 2015-16. No such increase was observed among social renters.
 - Some renters did not expect to purchase a home because they preferred their current housing circumstances: they liked it where they were (10%) and/or preferred the flexibility of renting (3%).

Almost all owner occupiers expect to stay in owner occupation; three quarters of social renters expect to stay in the social rented sector and about a third of private renters expect to remain in the private rented sector.

- The overwhelming majority (97%) of owner occupiers expected to remain in their current tenure in the longer term. Among renters, social renters were more likely to expect to remain in their current tenure: 75% of social renters expected to continue to rent in the social sector in the long term, compared with 31% of private renters expecting to remain in the private rented sector.
- Private renters were more likely to expect to move into home ownership than social renters. In 2015-16, 52% of all private renters expected to be owner occupiers in the long term, compared with 21% of all social renters, broadly comparable to the buying proportion of private and social renters who expect to buy.
- Unsurprisingly, future housing intentions vary widely by household and individual circumstances (e.g. age, economic and family circumstances, and geography).

There were approximately 1.5 million households containing at least one adult who would like to buy or rent their own accommodation, but could not afford to do so.

- This equates to 7% of all households. Across these 1.5 million households there were 1.9 million adults living in such circumstances.
- Of those adults who wanted to move out but could not afford to do so, 66% were living as part of households in the owner occupied sector. A further 20% were living as part of households in the social rented sector, and 14% in the private rented sector.

Most of these 'additional adults' were aged under 35 years and in full or part-time work

- The majority of these additional adults were working full-time (67%) with a further 13% working part-time.
- Of those households where there was just one additional person looking to buy or rent but could not afford to, 54% were aged 16-24 years; 35% were aged 25-34.

Most households that applied for a mortgage had it approved.

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- 70% of households that applied for a mortgage had it approved. Unchanged from 2010-11.

The main reason households did not apply for a mortgage was because they did not think their deposit was large enough.

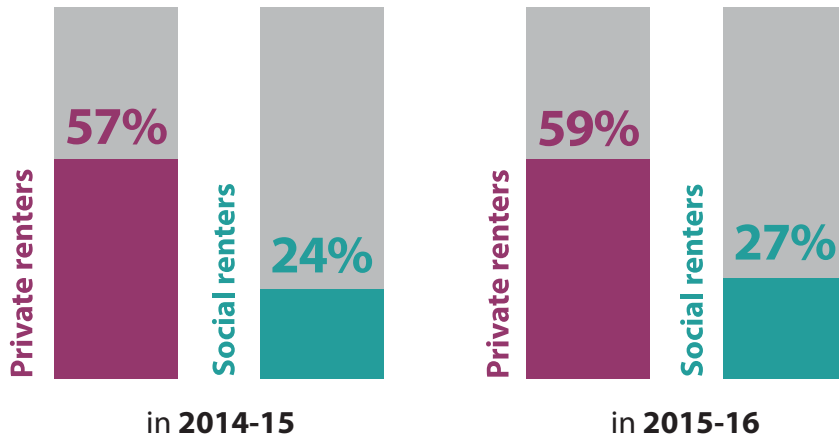
- This was mentioned by 47% of renters who considered applying for a mortgage. This pattern has also remained consistent since 2010-11.

Acknowledgements and further queries

6. 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 2015-16 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 and Aimee Huchet-Bodet at NatCen in collaboration with DCLG.
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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Future Home Owners

There are around 3.6 million households that are currently renting, that expect to buy their own home at some point in the future



Of those



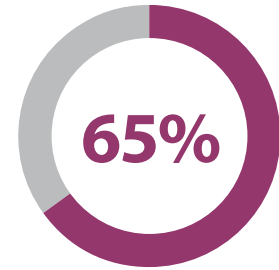
25%
of **private**
renters



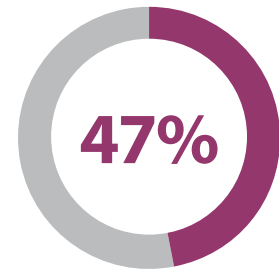
18%
of **social**
renters

expect to buy in the next **2 years**

Barriers



of renters cite **affordability** as the main barrier to home ownership



of renters who had considered applying for a mortgage (but didn't) said they don't think their **deposit is large enough**

Mortgages



70%

of households that applied for a mortgage had it approved

There are approximately

1.5 million households

containing at least one adult who would like to buy or rent their own accommodation, but **cannot afford to do so**

Of those adults:

Proportion of these adults under 35

89%

Proportion of these adults working

80%

Chapter 1

Profile of future home owners

1.1 As part of the household interview, all renters were asked whether they expected to eventually buy a home or share of a home in the UK at some point in the future, followed by follow-up questions as to how far in the future they were planning to do so. This chapter presents the demographic and economic characteristics of renting households who expect to buy their own home at some point in the future¹.

Future buying expectations

1.2 In 2015-16, there were approximately 3.6 million renting households that expected to buy a home at some point in the future. This represents 44% of the total 8.2 million renting households, Annex Table 1.1.

1.3 Of private renters, 59% expected to buy at some point in the future (2.6 million households). Of social renters, 27% (1.0 million households) expected to buy. Between 2014-15 and 2015-16 there was no change in the proportion of private renters who expected to buy², though the proportion of social renters who expected to buy increased from 24% to 27%, Annex Table 1.2.

1.4 Renters who expected to buy a home were also asked how long they thought it would be before they did so. Of all renters who expected to buy, 23% said they expected to do so in the short-term, i.e. within two years.

1.5 The proportion expecting to buy in the short-term varied between social and private renters. Among private renters who expected to buy, a quarter (25%) expected to buy in the short-term. Among social renters who expect to buy, 18% expected to buy within the next two years, Annex Table 1.3.

1.6 As might be expected, a higher proportion of social renters who expected to buy, expected to buy their current home. Of social renters who expected to buy, 47% expected to buy their current home, compared with 11% of private renters.

1.7 Among social renters, a higher proportion of local authority tenants expected to buy their current property than housing association tenants (54% compared

¹ A small proportion of renters also owned another property. These households have been excluded from analysis of buying expectation.

² The apparent increase between 2014-15 and 2015-16 in the proportion of private renters who expect to buy (from 57% to 59%) is not statistically significant.

with 43%), though the proportion of housing association tenants who expected to buy their current home has increased over time. In 2014-15, 35% of housing association tenants who expected to buy expected to buy their current property. In 2015-16, this figure was 43%, Annex Table 1.4.

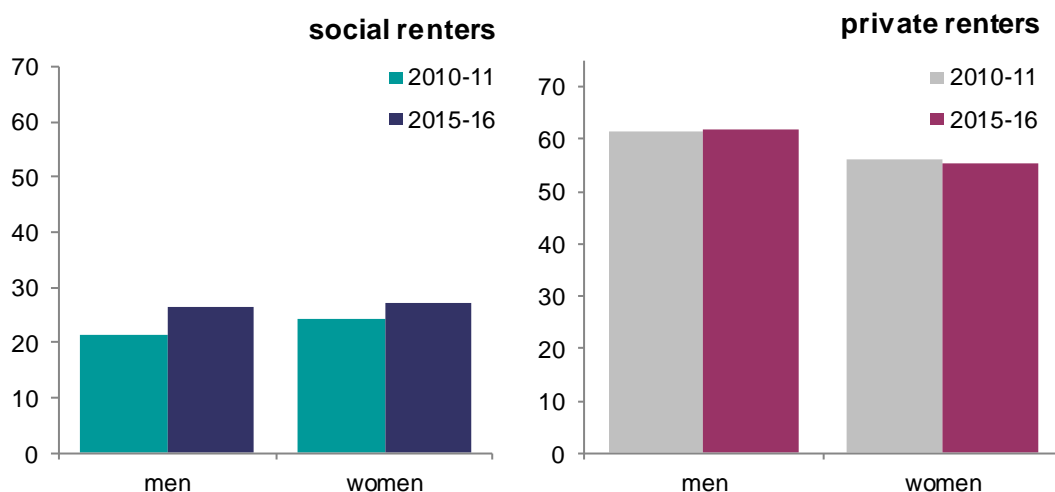
- 1.8 Among all renters who expected to buy their current property, 76% expected to do so in more than two years' time. There was no significant difference in the expected timescale of purchasing a home between those who expected to buy their current property and those who expected to buy another property, Annex Table 1.5.

Sex

- 1.9 In 2015-16, male household reference persons (HRPs) who were renting their home were more likely to expect to buy a home (48%) than female HRPs who were renters (40%)³. This was driven by differences between male and female private rented sector where 62% of male HRPs expected to buy a home compared with 56% of female HRPs. In contrast, male and Female HRPs in the social rented sector had similar buying expectations, Annex Table 1.6.
- 1.10 Differences between the two sexes were also apparent in the time male and female HRPs expected to wait before buying a home. In 2015-16, 25% of male HRPs who expected to buy expected to do so in the short-term, compared with 19% of female HRPs, Annex Table 1.7.
- 1.11 There has been little change in the difference between male and female renters' buying expectations over time. As the proportion of social renters who expected to buy increased between 2010-11 and 2015-16, the proportions of male and female HRPs who expected to buy have remained similar, Figure 1.1 and Annex Table 1.8.

³ In the rented sectors, the HRP is the 'householder' in whose name the accommodation is rented. See the glossary for further information.

Figure 1.1: Sex of renters who expect to buy, by tenure, 2010-11 and 2015-16



Base: all renting households

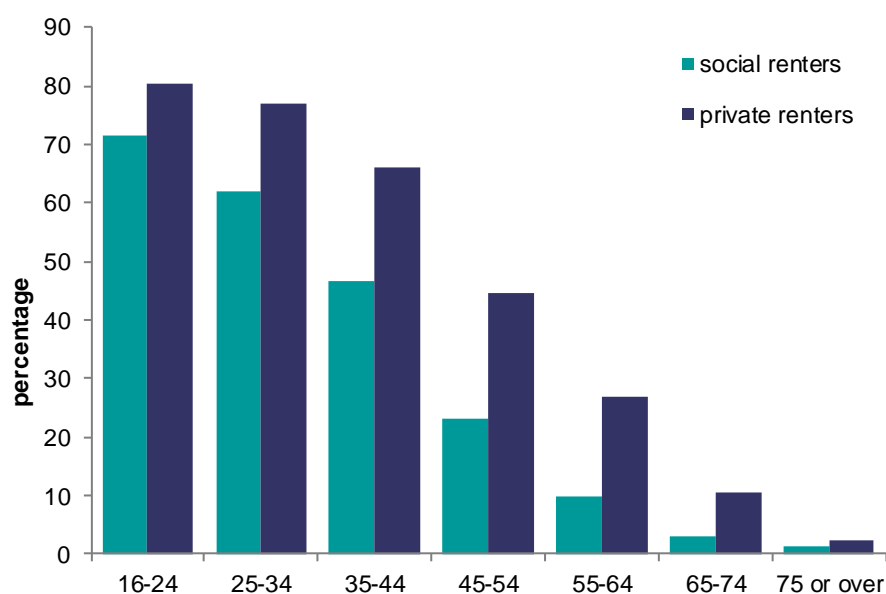
Note: underlying data are presented in Annex Table 1.8

Source: English Housing Survey, full household sample

Age

- 1.12 The mean average age of renters who expected to buy was slightly higher for social renters than it was for private renters. In 2015-16, the average age of social renters who expected to buy was 38, compared with 34 among private renters, Annex Table 1.9.
- 1.13 As might be expected, older renters were less likely than younger renters to expect to buy. This was true of both social and private renters. Among social renters, 72% of those aged 16-24 expected to buy a home at some point in the future. For those aged 25-34 this proportion was 62%, and for those 45-54, 23%. A very small proportion of older groups expected to buy: 1% of those aged 75 or over, and 3% of those aged 65-74.
- 1.14 There was a similar pattern among private renters. Among those aged 16-24, 80% expected to buy. For those aged 35-44 this proportion was 66% and among those aged 65-74, 11%, Figure 1.2 and Annex Table 1.10.

Figure 1.2: Expectation to buy, by age group and tenure, 2015-16



Base: all renting households

Note: underlying data are presented in Annex Table 1.10

Source: English Housing Survey, full household sample

Ethnicity and nationality

1.15 Among all renters, 57% of HRP from an ethnic minority expected to buy a home at some point. In comparison, 41% of white HRP expected to buy, Annex Table 1.11.

1.16 UK or Irish national renters were less likely to expect to buy a home at some point in the future than renters of other nationalities (41% compared with 60%). However, analysis of buying expectations based on ethnicity and nationality might be confounded by factors such as geography and age, Annex Table 1.12.

Household size and type

1.17 Expectations to buy a home were also influenced by household size and type. Couples with dependent children were more likely to expect to buy a home than other household types: 66% of couples with dependent children expected to buy, compared with 46% of couples without dependent children and 28% of single person households, Annex Table 1.13.

1.18 This was most apparent among social renters. Of all couples with dependent children in the social rented sector, 54% expected to buy. This was 35

percentage points higher than among social renting couples without dependent children (20%)⁴.

- 1.19 In the private rented sector, the difference in buying expectation between different household types was slightly less. However, the proportion of couples with dependent children expecting to buy a home was relatively high (73%).
- 1.20 Meanwhile, buying expectations of single person households were significantly higher in the private rented sector (46%) than in the social rented sector (15%). However, single person households in the social rented sector are typically older than in the private sector and, as older HRP's are less likely to expect to buy, age might be the main factor behind the difference, Annex Table 1.13.
- 1.21 Buying expectations generally increased with household size before levelling off at roughly four members. The average size of renting households who expected to buy was slightly higher than that of households who did not expect to buy (2.7 members compared with 2.1 members), Annex Table 1.14.
- 1.22 However, members of the same household are not necessarily members of the same family. Unrelated people living as a single household and larger households are increasingly common in the rented sector and the private rented sector in particular. It is perhaps not surprising to note that a higher proportion of larger households expect to buy in the future than smaller households. Age may also be a confounding factor here.

Health and disability

- 1.23 Renting households in which either the HRP or their partner was registered as a disabled person with their local authority were less likely to expect to buy a home than other households. This contributed to the overall difference in buying expectations between social and private renters, as the social rented sector has a higher prevalence of households containing someone with a disability or long term illness than the private rented sector.⁵
- 1.24 Among private renting households, those in which the HRP or their partner was registered as disabled were four times less likely to expect to buy a home than other households (15% compared with 61%). In the social rented sector, this was even more apparent: households in which the HRP or their partner was registered as disabled were five times less likely to expect to buy a home (6% compared with 31%), Annex Table 1.15.

⁴ figures are rounded

⁵ See English Housing Survey Social Rented Sector Report 2015-16 Chapter 1 or Annex Table 1.7

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- 1.25 The effect of the prevalence of long term illness or disability was also apparent when all household members were considered. In the private rented sector, 36% of households in which at least one member had a long term illness or disability expected to buy a home. This proportion was only 17% in the social renting sector, Annex Table 1.16.
- 1.26 Over time, the proportion of households who expected to buy in which either the HRP or their partner, or anyone in the household, had a long term illness or disability has remained fairly consistent, Annex Tables 1.17 and 1.18.

Geography

- 1.27 Renting households in London were more likely to expect to buy a home than households elsewhere in England. Half (50%) of renters in London expected to buy at some point in the future, compared with 43% of households living elsewhere in England, Annex Table 1.19.
- 1.28 This difference was explained by a greater number of social renters in London expecting to buy. Social renting households in London were 1.3 times more likely than households elsewhere in England to expect to buy a home. There was no significant difference among private renting households in London and elsewhere in England.

Economic status

- 1.29 Buying expectations varied by economic status, though this was largely influenced by age. For example, households in which the HRP was in full-time education were the most likely to expect to buy. People in full-time education are more likely to be younger, and younger people are more likely to expect to buy, Annex Table 1.20.
- 1.30 Meanwhile, the proportion of all retired renters who expected to buy a home was very low (4%) and in line with the proportion of all renters aged 65-74 who expected to buy, Annex Tables 1.20 and 1.10.
- 1.31 Households in which the HRP was working (either full or part-time) were the second most likely to expect to buy a home, though this differed across the social and the private sectors. Among private renters with an HRP in full-time work, 70% expected to buy. Among those with an HRP in part-time work, this figure was 56%.
- 1.32 In the social sector, less than half of the households with a working HRP expected to buy (47% of households in which the HRP worked full-time and 39% of those where they worked part-time). However, the proportion of social

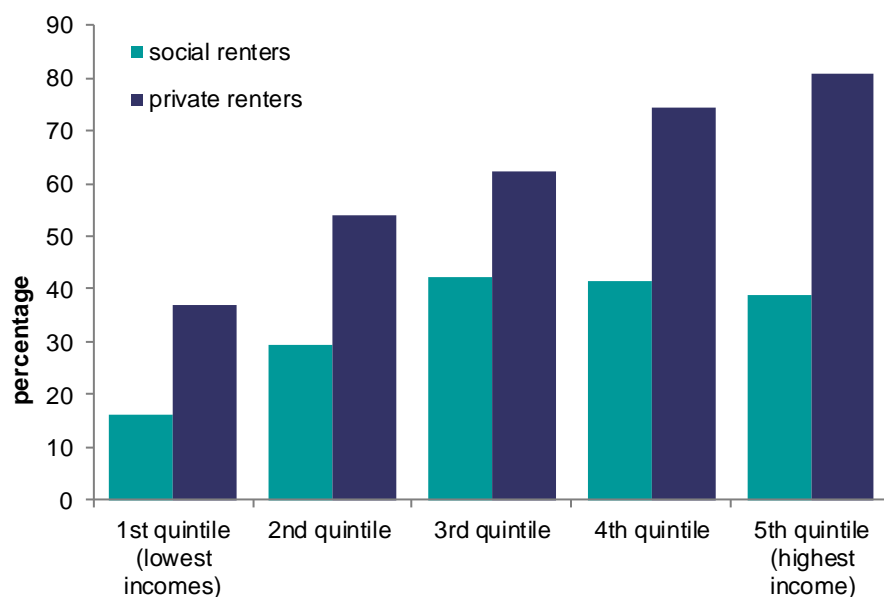
renting households with a HRP working full-time who expect to buy has increased from 40% in 2010-11 to 47% in 2015-16.

- 1.33 Buying expectations among households in which the HRP was not in work have decreased over time. In 2010-11, 46% of all renting households in which the HRP was unemployed expected to buy, compared with 32% in 2015-16, Annex Table 1.21.

Income and savings

- 1.34 Not surprisingly, households expecting to buy a home eventually tended to have a higher income than those that did not expect to buy. The median income of households that expected to buy was 1.7 times higher than those that did not expect to buy. Differences in median income between those households who were expecting to buy a home and those who were not were found in both the private and social rented sector, Annex Table 1.22.
- 1.35 Households who were expecting to buy a home in the next two years tended to have a higher income than those who were expecting to buy in the longer term. The median income of households expecting to buy a home in the next two years was 1.4 times higher than the median income of those that were expecting to buy in the longer term. Differences in median income between those expecting to buy a home within two years and those expecting to buy in the longer term were observed in both the private and social rented sectors, Annex Table 1.23.
- 1.36 The impact of income on renters' buying expectations differed across the social and private sectors, with private renters more likely to expect to buy a home across the income spectrum. Among private renters, 81% of households in the highest income quintile and 37% of those in the lowest quintile expected to buy a home. Among social renters, these figures were 39% of those in the highest income quintile, and 16% of those in the lowest, Figure 1.3 and Annex Table 1.24.
- 1.37 Among private renters, the difference in buying expectations between those in the highest and lowest income quintiles has widened since 2010-11. In 2010-11, 75% of the households in the highest income quintile and 42% of households in the lowest quintile expected to buy a home, Annex Table 1.25.
- 1.38 Private renters in the second income quintile had a higher proportion expecting to buy than social renters in any other income quintile. However, any analysis of the impact of income on buying expectations may be confounded by such factors as household type and other key characteristics such as long term health, economic status and age.

Figure 1.3: Expectation to buy, by tenure and income quintiles, 2015-16



Base: all renting households

Note: underlying data are presented in Annex Table 1.24

Source: English Housing Survey, full household sample

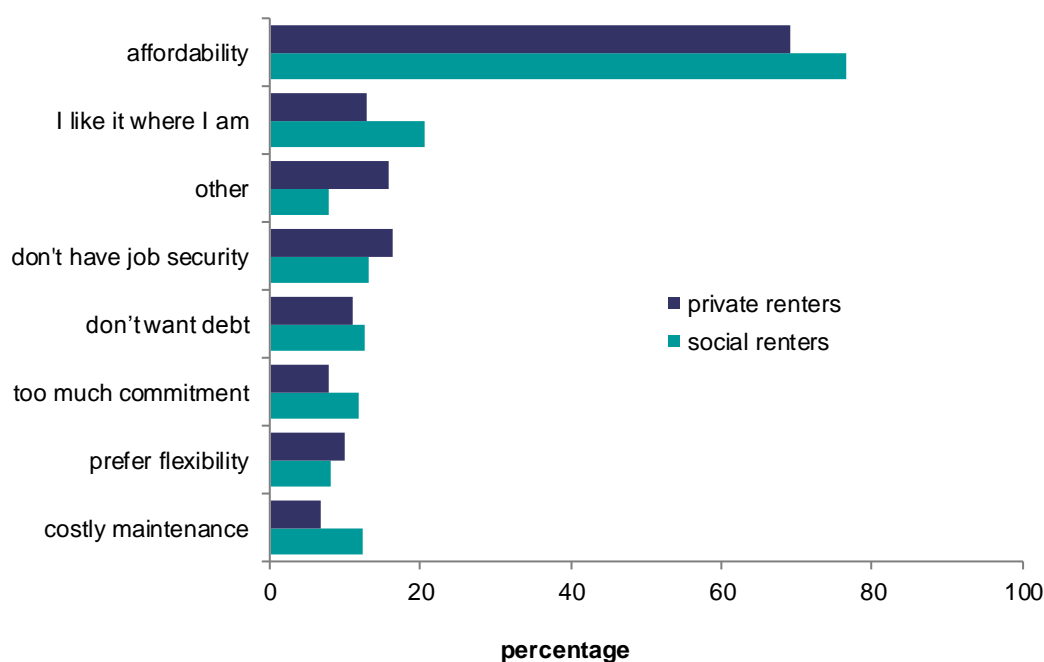
- 1.39 Among private renters, households with savings were more likely to expect to buy a home (69%) than those who did not have savings (54%). For social renters, having savings or money invested did not necessarily correspond to higher buying expectations. As above, whether or not having savings or investments influences buying expectations is likely to be confounded by other household and individual characteristics, Annex Table 1.26.
- 1.40 The perceived impact of Help to Buy on renters' buying expectations has not changed since 2014-15. In 2015-16, among social renters who expected to buy, 56% said that Help to Buy made no difference to their buying expectations and 39% said it made them more likely to buy. The same proportion of private renters who expect to buy, 39%, said that Help to Buy made them more likely to buy, Annex Table 1.27.

Reasons for not expecting to buy

- 1.41 Those renters who did not expect to buy their own home in the future were asked why this was the case. They could provide more than one answer to this question. In 2015-16, by far the most common reason among all renters for not expecting to buy was perceived affordability.
- 1.42 Of all renters who did not expect to buy, 74% gave 'it is unlikely I will ever be able to afford it' as their main reason. A further 14% said they do not have a sufficiently secure job, and 12% said they would not like to be in debt. In addition, 10% felt that repairs and maintenance would be too costly, Annex table 1.28.

- 1.43 However, some 37% also gave ‘positive’ reasons for not expecting to buy – 9% preferred the flexibility of renting, 18% said ‘I like it where I am’ (the second most common reason overall) and another 10% said they would not like the commitment of buying.
- 1.44 Renters who gave more than one reason for not expecting to buy were then asked to select their main reason. Of main reasons given, perceived affordability was still the most common reason for not expecting to buy, of those renters that had more than one reason for not expecting to buy, 65% selected ‘it is unlikely I will ever be able to afford it’ as their main reason. A further 6% said they would not like to be in debt, and 5% felt they did not have a sufficiently secure job, Annex Table 1.29.
- 1.45 The proportion of renters who gave ‘positive’ main reasons for not expecting to buy was 18%; 3% preferred the flexibility of renting, 10% said ‘I like it where I am’ and 5% said they would not like the commitment of buying. Social and private renters had similar main reasons for not expecting to buy, Figure 1.4.

Figure 1.4: Reasons renters don’t expect to buy a home, by tenure, 2015-16



Base: all renting households

Note: underlying data are presented in Annex Table 1.29

Source: English Housing Survey, full household sample

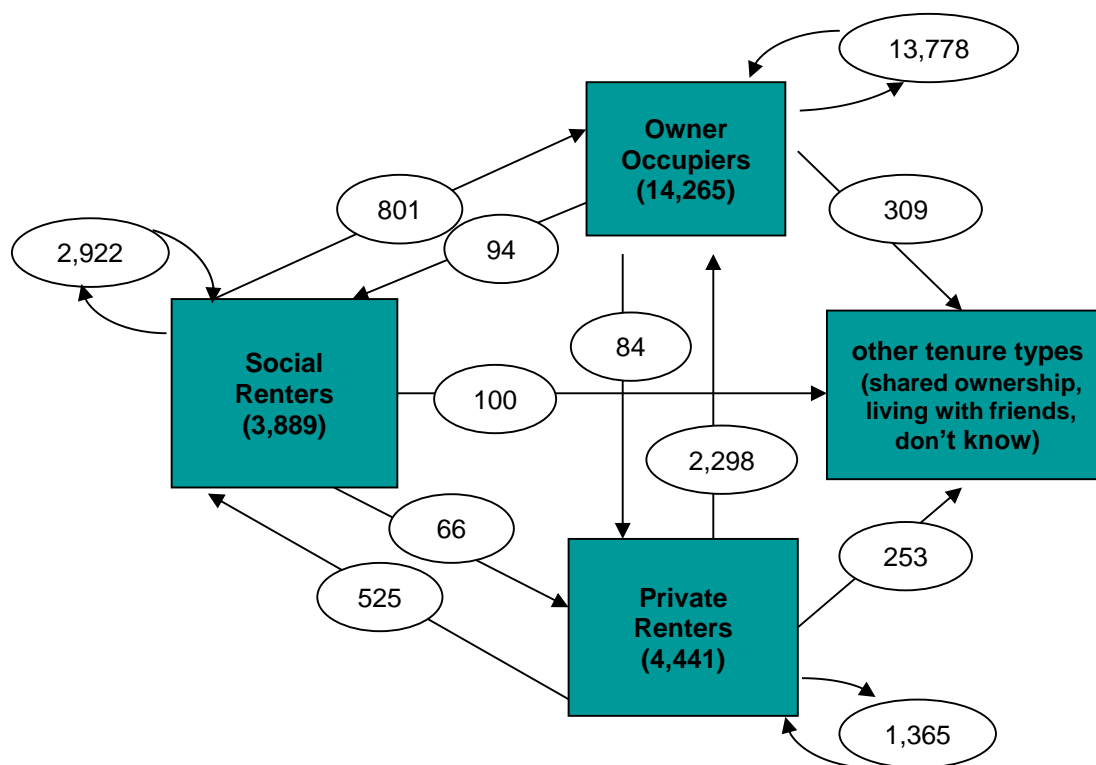
- 1.46 The proportion of private renters who gave being unlikely to be able to afford to buy as their main reason increased since 2008-09. In 2008-09, the proportion of private renters who thought they would not be able to afford to buy was 56%. This increased to 70% in 2015-16. In the social rented sector, there was no significant change in the proportion of renters who felt they were unlikely to be able to afford to buy.

Chapter 2

Planned future tenure

- 2.1 In addition to asking renters whether or not they expected to eventually buy a home in the UK, respondents are also asked about the tenure they expect to live in in the longer term. This question is asked of people in all tenures, and includes a range of tenure options.
- 2.2 The overwhelming majority (97%) of owner occupiers expected to remain in their current tenure in the longer term. Among renters, social renters were more likely to expect to remain in their current tenure: 75% of social renters expected to continue to rent in the social sector in the long term, compared with 31% of private renters expecting to remain in the private rented sector, Annex Table 2.1.
- 2.3 Private renters were more likely to expect to move into home ownership than social renters. In 2015-16, 52% of all private renters expected to be owner occupiers in the long term, compared with 21% of all social renters, Figure 2.1.

Figure 2.1: Expected long term tenure, 2015-16⁶



Base: all households

Notes:

1) underlying data are presented in Annex Table 2.1.

2) excludes a small number of households who chose not to answer

Source: English Housing Survey, full household sample

Sex

2.4 Of those currently renting in the private sector, male HRPs were slightly more likely to expect to own in the longer term than female HRPs; 56% of male HRPs and 45% of female HRPs expected to own in the long term, whereas 28% of male HRPs and 35% of female HRPs expected to still be privately renting, Annex Table 2.2.

2.5 Among those currently renting in the social sector, there was no difference in the proportion of male and female HRPs who expected to be owner occupiers in the long term.

Nationality and ethnicity

2.6 British and Irish social renters were more likely to expect to remain in their current tenure, and less likely to expect to move into home ownership than

⁶ Figures and arrows indicate the expected long term tenure type for households in each tenure. Figures in the tenure boxes indicate the total number of households (thousands) in the tenure in 2015-16.

HRPs of other nationalities. Of British or Irish social renters, 77% expected to continue to rent in the social sector in the longer term, compared with 55% of social renters of other nationalities, Annex Table 2.3.

- 2.7 At the same time, 19% of British and Irish social renters expected to move into home ownership in the long term, compared with 38% of social renters of other nationalities. HRP of other nationalities tended to be younger than British and Irish HRPs. Chapter 1 has revealed that the younger HRPs living in the rented sector were more likely to expect to buy their own home. The higher tendency to expect to move into home ownership among social renters of other nationality may reflect, at least in part, the difference in the age profile of HRPs from different nationalities.
- 2.8 In the private rented sector, no significant difference was observed between the planned tenures of British or Irish HRPs and HRPs of other nationalities. HRPs in the private rented sector tended to be younger than those in the social rented sector.⁷ The similarity in the expectations to move into home ownership among British/Irish and HRPs of other nationalities may be because HRP in the private rented sector tended to be younger relative to their counterparts in the social rented or owner occupied sectors.
- 2.9 There was a similar pattern for ethnicity. Among social renters, 80% of white HRPs expected to remain social renters in the long term, and 17% expected to be owner occupiers. Among social renters of other ethnic groups, 54% expected to remain social renters, and 39% expected to be owner occupiers, Annex Table 2.4.
- 2.10 There was no significant difference in the proportion of white private renters expecting to own in the long term and the proportion from other ethnic groups. However, 33% of white private renters expected to remain private renters, compared with 20% of those from other ethnic groups.

Disability and long term illness

- 2.11 Generally, renting households in which the HRP or their partner was registered disabled were less likely to expect to be owner occupiers in the long term than households in which neither the HRP nor their partner was registered disabled.
- 2.12 Among social renting households in which the HRP or their partner was registered disabled, 95% expected to remain social renters in the long term, compared with 71% of social renting households in which the HRP or partner was not registered disabled, Annex Table 2.5.

⁷ See English Housing Survey Social Rented Sector Report, 2015-16 Annex Table 1.1

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- 2.13 A quarter (25%) of privately renting households in which the HRP or their partner was registered disabled expected to be social renters in the longer term. A further 12% expected to be home owners (compared with 53% of households in which the HRP or their partner was not registered disabled).
- 2.14 In 2015-16, 60% of privately renting households in which the HRP or their partner was registered disabled expected to remain private renters in the long term, compared with 29% of those households where the HRP or partner was not registered disabled.

Geography

- 2.15 Social renters in London were more likely to expect to move into home ownership in the long term, compared with those living elsewhere in England. Of social renters in London, 26% expected to own in the long term, compared with 19% elsewhere in England. Similarly, 70% of social renters in London expected to remain social renters, compared with 76% elsewhere in England, Annex Table 2.6.
- 2.16 There was no difference in the proportion of private renters in London who expected to buy in the long term, compared with those in the rest of England. However, 24% of private renters in London expected to remain private renters, compared with a third of those in the rest of England.

Economic status

- 2.17 Differences in expected tenure across different economic activity groups suggest that other factors, such as tenure, age, household composition, income and health influence households' future expectations alongside their economic activity. For example, 40% of HRPs in the social rented sector who were employed full-time expected to own their own home in the long term, compared with 63% of HRPs in the private rented sector who were employed full-time, Annex Table 2.7.
- 2.18 Similarly, 55% of social renters employed full-time expected to remain social renters in the longer term, whereas a quarter of private renters working full-time expected to remain private renters in the long term. Just over a quarter (26%) of social renters in part-time work expected to own in the long term, compared with 42% of private renters in part-time work.

Chapter 3

Additional adults

- 3.1 As part of the EHS interview, households are asked some questions about all members of the household, including the circumstances of additional adults in the household such as grown-up children, nieces and nephews, adult siblings, or parents or grandparents who might otherwise be living elsewhere.
- 3.2 There are many possible reasons that additional adults might be living as part of a household, including caring responsibilities, being cared for by another household member, waiting to move into their own property, and simply preferring to live as part of the household. This chapter focuses on those additional adults who wanted to rent or buy elsewhere, but could not afford to do so. They are referred to throughout the chapter as 'additional adults'.
- 3.3 In 2015-16, there were approximately 1.5 million households including at least one additional adult who wanted to buy or rent but who couldn't afford to do so⁸. This equates to 7% of all households. Across these 1.5 million households there were 1.9 million adults living in such circumstances, Annex Table 3.1.
- 3.4 Of those adults who wanted to move out but couldn't afford to do so, 66% were living as part of households in the owner occupied sector. A further 20% were living as part of households in the social rented sector, and 14% in the private rented sector, Annex Tables 3.2.

Age

- 3.5 Across all tenures, over half (54%) of all additional adults who wanted to move out but could not afford to do so were aged 16-24, and 35% were aged 25-34, Annex Table 3.3.
- 3.6 There was a higher proportion of additional adults aged 25-34 in owner occupied sectors, compared with the social sector. Among those in the social rented sector, 60% were aged 16-24, and 29% 25-34; compared with 51% aged 16-24 and 37% aged 25-34 in the owner occupied sector.

⁸ non-dependents aged 16 or over, excluding partners of the HRP or their partner.

Economic status of additional adults

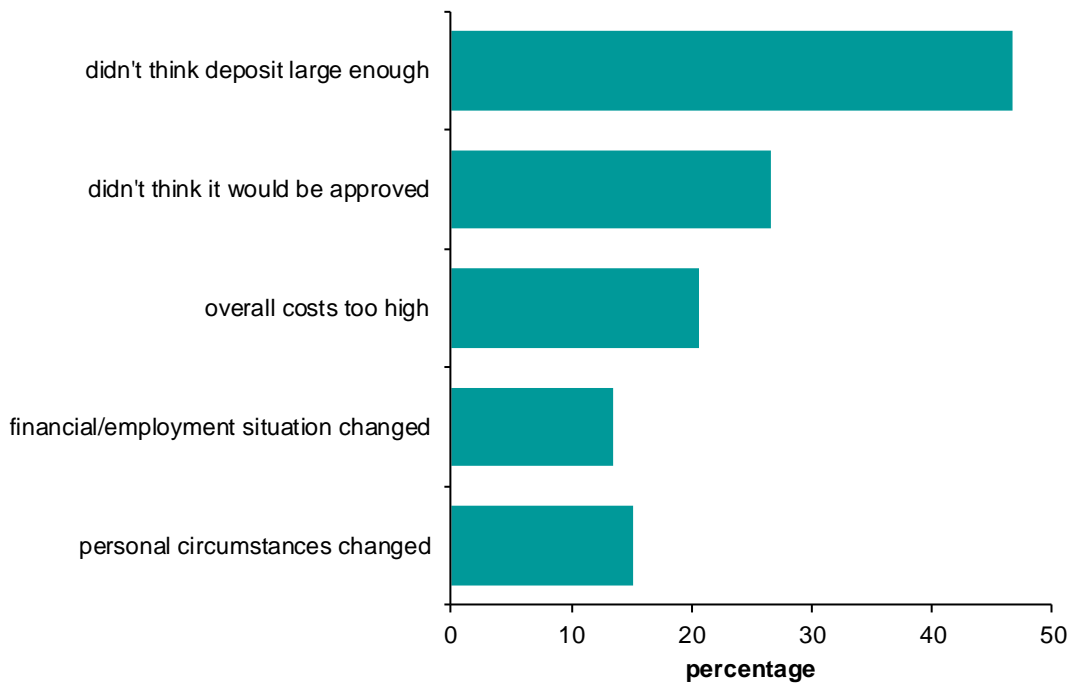
- 3.7 The majority (80%) of additional adults who wanted to buy or rent but could not afford to do so were in work. About two thirds (67%) were in full-time work, whereas 13% were in part-time work, Annex Table 3.4.
- 3.8 A higher proportion of additional adults in the owner occupied and private rented sectors were in full-time work compared with those in the social sector – perhaps reflecting the slightly different age profile of this group between the two tenures. Of additional adults in the owner occupied sector, 71% were in full-time work compared with 55% of those in the social rented sector.

Chapter 4

Mortgage applications

- 4.1 This chapter presents analysis of mortgage applications either made or considered by renters in the year preceding their EHS interview. All renters who did not also own were asked if they had considered applying for a mortgage in the last year, and then asked follow-up questions as to whether they went on to apply and the outcome of their application or, if relevant, why they decided against making an application.
- 4.2 In 2015-16, private renters were more likely to have considered applying for a mortgage than social renters. Of all private renters, 16% had considered applying for a mortgage in the last year, compared with 6% of social renters, Annex Table 4.1.
- 4.3 Of all renters who considered applying for a mortgage but did not do so, the most common reason for not applying was that they did not think their deposit was large enough (47% reported this). The next most common reason was that they did not think the mortgage would be approved (27%). This pattern of responses has remained consistent since 2010-11, Annex Table 4.2.
- 4.4 In 2015-16, of all households that applied for a mortgage, 70% were approved. The difference between 2010-11 or 2014-15 and 2015-16 in the proportion of mortgages approved was not significant, Annex Table 4.3.

Figure 4.1: Reasons for not applying for a mortgage, 2015-16



Base: all renters who considered applying for a mortgage in the last 12 months, but did not

Note: underlying data are presented in Annex Table 4.2

Source: English Housing Survey, full household sample

Technical notes and glossary

Technical notes

1. Results on households for this report are presented for '2015-16' and are based on fieldwork carried out between April 2015 and March 2016 on a sample of 13,468 households. Throughout the report, this is referred to as the 'full household sample'.
2. 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 where the cell count is less than 5. When percentages are based on a row or column total with unweighted total sample size of less than 30, the figures are italicised. Figures in italics are therefore based on a small sample size and should be treated as indicative only.
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, are published on the website: <https://www.gov.uk/government/collections/english-housing-survey> alongside many supplementary 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.

Weighting methodology

5. The Department for Communities and Local Government (DCLG) revised the weighting process on the English Housing Survey (EHS) going forward from 2015-16. The aim of the revision was to improve the stability of year-on-year estimates including household numbers. This new approach to weighing was approved by 'external' experts on the EHS Technical Advisory Group.
6. The improved weighting methodology was necessary because the initial weighted household counts increased considerably between 2014-15 and 2015-16 (by 361,583 additional households, 344,921 of which were in the private rented sector). The provisional 'grossed' dwelling and household estimates showed that, between 2014-15 and 2015-16, there were two additional households for every one additional dwelling (the number of dwellings increased by 180,814).

This appeared implausible when compared with an expected household growth of up to 200,000 per year as indicated by the Household Projections⁹.

7. NatCen (the current EHS contractor) investigated and advised that some of the year-on-year variation in the initial weighted household counts was due to sampling variation in the data used in the weighting. The household weights are dependent on estimates of 'dwelling-to-household' ratios, which are subject to sampling variation. (This differs from the weighted dwelling counts that are controlled to 'external' DCLG estimates of dwellings by tenure and region.)
8. 'Dwelling-to-household' ratios vary by tenure and by year, Table T.1. In 2015-16, the average ratio increased from 1.0062 to 1.0129, resulting in a large increase in the grossed household counts between 2014-15 and 2015-16.

Table T.1: Dwelling-to-household ratio by tenure, 2013-14 to 2015-16

all households

	2013-14	2014-15	2015-16 (before revision)
owner occupiers	1.0039	1.0013	1.0013
private rented	1.0600	1.0239	1.0670
local authority	1.0092	1.0103	1.0053
housing association	1.0091	1.0033	1.0079
total	1.0139	1.0062	1.0129

Source: English Housing Survey, full household sample

9. To reduce the year-on-year variation, the dwelling-to-household ratio was re-calculated by smoothing across two years of the EHS (2015-16 and 2014-15). The revised (smoothed) weights were used for producing the published EHS findings¹⁰. Smoothing across two years was preferred to smoothing across more years because the EHS sample uses a two year cycle whereby England is divided into 1,808 primary sampling units (PSUs) and interviewing takes places in the same 904 PSUs every other year.
10. When smoothed across two survey years, the average dwelling-to-household ratio reduced from 1.0129 to 1.0096, Table T.2. To assess the stability of the new methodology in producing less variable ratios across years, the 2014-15 ratio was also re-calculated using the same methodology (i.e. smoothing over 2 years: 2013-14 and 2014-15). As can be seen in the table below, the ratio appears quite stable (1.0100 in 2014-15 compared with 1.0096 in 2015-16).

⁹ <https://www.gov.uk/government/collections/household-projections>

¹⁰ Both the household and the dwelling weights were revised because the dwelling-to-household ratio also has a minor role in the computation of the latter. The impact of the revision of the dwelling weights was very small.

Table T.2: Dwelling-to-household ratio by tenure, 2013-14 to 2015-16

<i>all households</i>	2014-15	2015-16
owner occupiers	1.0012	1.0022
private rented	1.0467	1.0425
local authority	1.0087	1.0102
housing association	1.0049	1.0059
total	1.0096	1.0100

Source: English Housing Survey, full household sample

11. This new approach to weighting was approved by external experts on the EHS Technical Advisory Group. It is considered to be the most robust and practical solution to the year-on-year inconsistencies observed in the household estimates. We expect to continue to smooth the weights in future waves of the EHS. The EHS team at DCLG, with NatCen and the EHS Technical Advisory Group, will review the further options to improve the weighting methodology. If you would like to share your views on the EHS weighting strategy, please contact: ehs@communities.gsi.gov.uk.

12. More detail on the EHS methodology can be found in the technical report¹¹.

Glossary

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.

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.

¹¹ <https://www.gov.uk/government/collections/english-housing-survey-technical-advice>

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- **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 2010¹².
 - **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.

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.

Full time education: Full time education is education undertaken in pursuit of a course, where an average of more than 12 hours per week is spent during term time.

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: One person or a group of people (not necessarily related) who have the accommodation as their only or main residence, and (for a group) share cooking facilities and share a living room or sitting room or dining area.

The EHS definition of household is slightly different from the definition used in the 2011 Census. Unlike the EHS, the 2011 Census did not limit household membership

¹² For further information see: www.gov.uk/browse/working/state-pension

to people who had the accommodation as their only or main residence. The EHS included that restriction because it asks respondents about their second homes, the unit of data collection on the EHS, therefore, needs to include only those people who have the accommodation as their only or main residence.

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

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.

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).

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.
- **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).

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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 Official 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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