



Ministry of Housing,
Communities &
Local Government



English Housing Survey

Home ownership, 2019-20



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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. It is one of the longest standing government surveys, and was first run in 1967.
2. This report focuses on home owners, both those who own their home outright and those who are buying their home with a mortgage, referred to throughout this report as 'mortgagors'.
3. The first chapter presents an overview of the demographic characteristics of home owners. The second presents findings on the income of owner occupiers, whether owners have savings, as well as mortgagors costs and arrears. The third chapter analyses housing flows, including length of time in accommodation, reasons for recent moves and expectation to move home in the near future. This chapter also examines the characteristics of recent first-time buyers. The fourth and final chapter examines the dwelling condition and energy efficiency of owner occupied homes, including the characteristics of households living in the least energy efficient homes and the estimated costs of improving the energy efficiency of these homes.

Main findings

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

- In 2019-20, there were an estimated 15.4 million owner occupied households. Of these, 8.3 million (54%) owned their home outright, 6.9 million (45%) were buying their home with a mortgage and 202,000 (1%) were in shared ownership.

Owners are, on average, older than renters. Among owner occupiers, outright owners are older than mortgagors.

- In 2019-20, home owners were, on average, 58 years of age, older than both social renters at 53 years of age and private renters at 41 years of age.
- Outright owners tend to be older than mortgagors. The average age of outright owners was 68 years, with 63% of outright owners aged 65 or over. Among mortgagors, the average age was 46, with 27% aged 35-44 and 48% aged 45-64.

Outright owners and mortgagors have different profiles in terms of household type: mortgagors are more likely to be couples with dependent children; outright owners are more likely to be couples without children or live alone.

- In 2019-20, 40% of mortgagors were couples with dependent children (compared with 6% of outright owners). Meanwhile, 45% of outright owners were couples with no children, compared to 27% of mortgagors.
- Mortgagors were the least likely of all tenures to live alone, with only 15% of mortgagors living alone compared with 34% of outright owners, 26% of private renters and 41% of social renters.

While owners overall were most likely to be working full-time or be retired, there were differences between the employment status of outright owners and mortgagors.

- In 2019-20, the majority of owner occupiers were working, either full-time (52%) or part-time (10%). A further 35% were retired.
- Mortgagors (83%) were more likely to be in full time work than outright owners (25%), whilst outright owners were more likely to be retired (61%) than mortgagors (5%). Mortgagors were more likely to be in full time work than any other tenure group.

Over half of owner occupied homes are under-occupied (i.e. have two or more spare bedrooms), whilst very few owners live in overcrowded homes.

- Of the 9.1 million under-occupied homes in England in 2019-20, 8.0 million of these were owner occupied, accounting for 52% of all owner occupied households.
- In 2019-20, 1% of owner occupied homes were overcrowded compared to 7% of private rented and 9% of social rented homes. More mortgagors (2%) than outright owners (1%) lived in overcrowded homes.
- Overcrowding was more prevalent in ethnic minority households – 6% of ethnic minority owner occupiers lived in overcrowded accommodation compared with less than 1% of white households. Nearly half (45%) of owner occupiers living in overcrowded conditions were from an ethnic minority background.

Owner occupiers are more satisfied with their accommodation, tenure and local area than renters.

- The vast majority of owner occupiers were either very or fairly satisfied with their accommodation (95%), tenure (98%) or local area (90%). Owner occupiers were more likely to be satisfied with their accommodation, tenure and local area than private or social renters.

Mortgagors tended to say that their main reasons for moving were to buy their own home or to move to a larger home, while outright owners tended to say that their main reason for moving was to move to a smaller home.

- Those who were buying with a mortgage were more likely to say the reason they wanted to move was to buy their own home (31%) than outright owners (4%). Mortgagors were also more likely to say they moved because they wanted a larger house than outright owners (21% compared to 4%), and less likely to say they moved because they wanted a smaller house (1% compared to 20%).

Most renters had not considered applying for a mortgage in the past year, but of those who had applied, most had their mortgage application accepted.

- In 2019-20, more private renters (19%) than social renters (7%) had considered applying for a mortgage in the past year. However, most private (81%) and social renters (93%) had not considered applying for a mortgage.
- The majority of renters who applied for a mortgage (77%) in the past year had their application accepted. Just over three-quarters of private renters (78%) and just under three-quarters of social renters (73%) were accepted for a mortgage. The most common reason reported for their mortgage application to be refused was that their income was too low (42%).

Owner occupied homes were less likely to have poor housing conditions than homes in the private rented sector. The social rented sector had the lowest prevalence of poor housing conditions.

- In 2019, around 2.4 million (16%) owner occupied homes failed to meet the Decent Homes Standard. Owner occupied homes were more likely to be non-decent than those in the social rented sector (12%), but less likely to be non-decent than homes in the private rented sector (23%).
- The average cost to make decent for owner occupiers was £7,832, a similar average cost to non-decent private rented households (£7,912). The average cost to make decent was lowest for social renters (£5,077).

Over 10 million owner occupied dwellings have an energy efficiency rating of band D or below, with older home owners more likely to live in energy inefficient homes. Most homes currently below band C could be improved to a C or higher, with an average cost of £8,579 per home.

- In 2019, 5.6 million owner occupied dwellings (36%) were in the highest Energy Efficiency Rating (EER) bands A to C, with the remaining 10.1 million or 64% in EER bands D to G. Of these, 554,000, or 4%, were in EER band F or G, the most energy inefficient.

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- Older home owners were less likely to have a home rated band C or above – 29% of households aged 65 to 74 and 24% households aged 75 or over lived in A-C homes compared to 52% households aged 25 to 34, 47% aged 35 to 44 and 37% aged 45 to 64.
 - Of the 10.1 million owner occupied dwellings below EER band C, 9.7 million (96%) were able to be improved to at least EER band C. The total cost to improve all owner occupied dwellings was £83 billion, with an average cost of £8,579 per home.
 - When considering occupied households, the most common improvement costs were estimated to fall between £5,000 and £9,999 (4.0 million owners or 42%). As many as 24% of owner occupied homes could be improved for under £5,000. At the other end of the scale 3.2 million homes (34%) would cost £10,000 or more to improve to at least Band C, including 1.1 million homes that would require £15,000 or more.

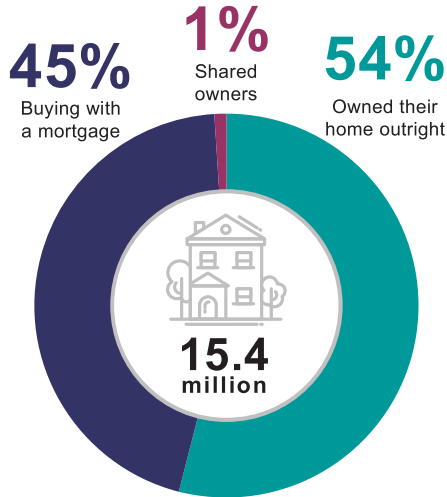
Acknowledgements and further queries

4. 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 2019-20 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.
5. This report was produced by Charlie Ridley-Johnson at NatCen Social Research and Justin Allen at BRE in collaboration with MHCLG.
6. 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.gov.uk.
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Home ownership

In 2019-20, there were an estimated 15.4 million owner occupied households

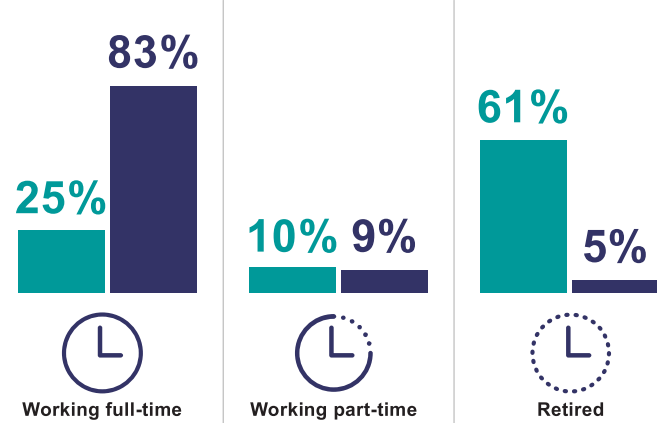


Despite property prices being higher in London, first time buyers in the capital were less likely to purchase their home with a deposit of less than 10% than first time buyers elsewhere in England

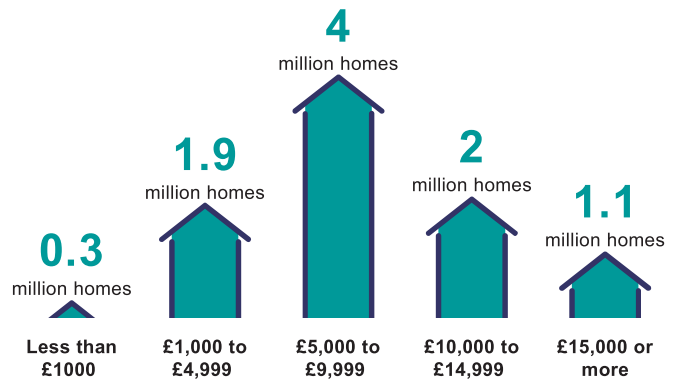
Had a deposit less than 10%



Outright owners were much less likely to be working full-time than **mortgagors**



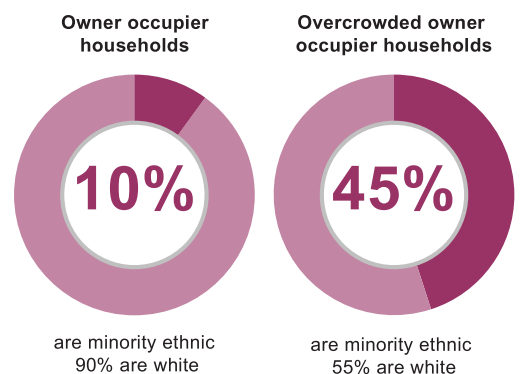
Most owner occupied homes below Energy Efficiency Rating band C could be improved to band C. Costs varied across households, with most costing between £5,000 to £9,999



When asked their main reason for moving home in the last 3 years, **mortgagors** said they moved to buy a home or increase the size of their home, **outright owners** moved to downsize



While making up one in 10 owners, minority ethnic households account for nearly half of all overcrowded owner occupied homes



Chapter 1

Profile of home owners

- 1.1 This chapter provides a demographic profile of home owners. It also explores overcrowding and under-occupation, and levels of satisfaction with current tenure, accommodation and local area. Finally, it provides a brief summary of tenure and well-being. For more detail on well-being, please refer to the Well-being and Neighbourhoods report.
- 1.2 In 2019-20, there were approximately 15.4 million households in the owner occupied sector. Of these, 8.3 million (54%) owned their home outright, 6.9 million (45%) were buying their home with a mortgage and 202,000 (1%) were in shared ownership, Annex Table 1.1.
- 1.3 In the last 5 years, there has been an increase of over 1 million owner occupied households, from approximately 14.3 million household in 2014-15 to 15.4 million in 2019-20¹.

Age

- 1.4 In 2019-20, owner occupiers had an average age of 58 years old, older than both private renters (41 years) and social renters (53 years), Annex Table 1.2.
- 1.5 Outright owners were, on average, 68 years old, older than mortgagors (46 years) and shared owners (44 years), Annex Table 1.3.
- 1.6 Two in five (40%) owner occupying households had a HRP aged between 45 and 64. A further 18% were aged 65 to 74 and 18% were aged 75 or over. Less than 1% were aged 16 to 24, whilst 9% were aged 25 to 34 and 14% were aged 35 to 44, Annex Table 1.4.
- 1.7 Mortgagors were younger than outright owners. More mortgagors were aged 25 to 34 (18%), 35 to 44 (28%) and 45 to 64 (48%) than outright owners (1%, 3% and 33% respectively), similarly, more outright owners were aged 65 to 74 (31%), 75 to 84 (22%) and 85 or older (10%) than mortgagors.

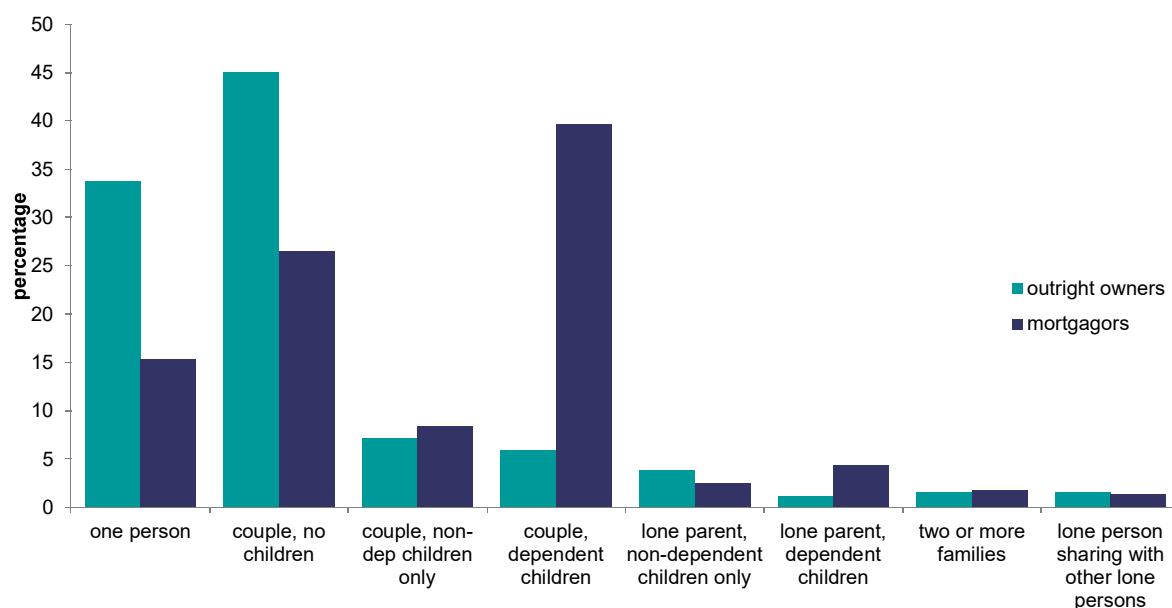
¹ English Housing Survey, 2019-20 Headline Report, Annex Table 1.1, <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-headline-report>

Household size and composition

- 1.8 In 2019-20, there were an average of 2.4 people per owner occupying household². Looking at household size in more detail, 41% of owner occupiers lived as two person households, 25% lived alone, 15% lived in three person and 13% lived in four person households, Annex Table 1.7.
- 1.9 More outright owners lived alone (34%) or as two person households (50%) than mortgagors (15% and 31% respectively). Mortgagors were the least likely of all tenures to live alone (private renters 26%, social renters 41%).
- 1.10 Overall, the most common household composition for owner occupiers was couples with no children (37%), followed by one person households (25%) and couples with dependent children (21%), Annex Table 1.8.
- 1.11 However, household composition was different between outright owners and mortgagors. Among outright owners, the most common household composition was couple with no children (45%) followed by one person households (34%). Meanwhile, the most common household type for mortgagors was couples living with dependent children (40%), followed by couples with no children (27%) and one-person households (15%), Figure 1.1.
- 1.12 Mortgagors were less likely to be lone parents with dependent children (4%) than private renters (11%) and more likely to be couples with dependent children (mortgagors 40%, private renters 24%).
- 1.13 A quarter (25%) of owner occupying households contain dependent children. This was a lower proportion than the private rented or social rented sectors. There were marked differences between outright owners, where 8% of households contain dependent children, and mortgagors who have the highest proportion of households containing dependent children at 45% of any tenure, Annex Table 1.9.

² English Housing Survey, 2019-20 Headline Report, Annex Table 1.3, <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-headline-report>

Figure 1.1: Household composition of owner occupiers, 2019-20



Base: all owner occupiers

Notes:

1) mortgagors includes shared owners

2) underlying data are presented in Annex Table 1.8

Source: English Housing Survey, full household sample

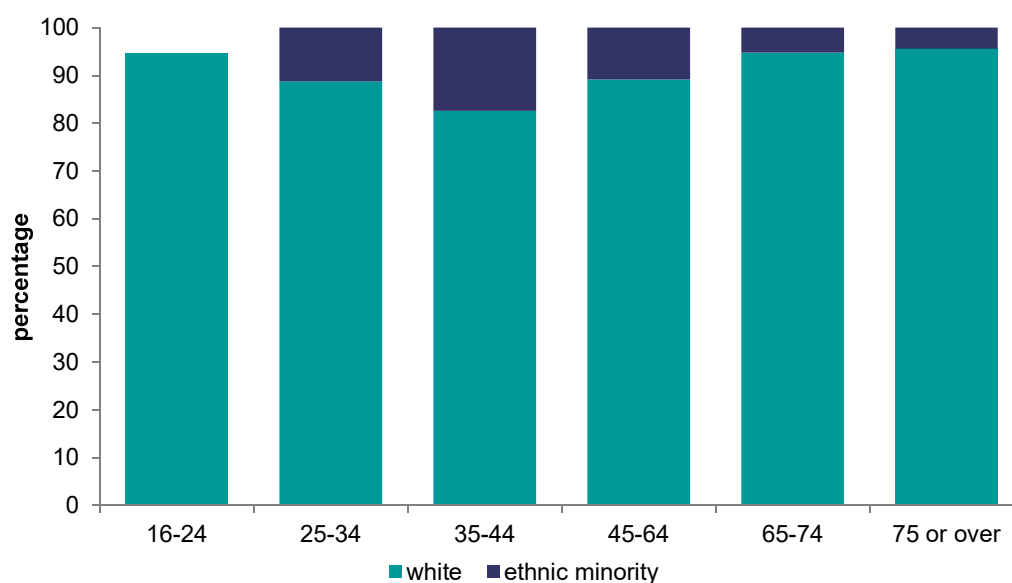
Ethnicity and nationality

- 1.14 Owner occupied households had predominantly white HRP's (90%), higher than both private rented (82%) and social rented households (81%). Households with an Indian HRP accounted for 3% of owner occupiers, whilst households with a Bangladeshi or Pakistani HRP and households with a black HRP accounted for 2% each³.
- 1.15 In general, a smaller proportion of each minority ethnic group own their home outright, for example 4% of households who were buying their home with a mortgage have an Indian HRP, compared to 2% who own their home outright.
- 1.16 In comparison, owner occupiers with a white HRP were more likely to own their home outright (94%) than they were to be buying with a mortgage (87%).
- 1.17 The vast majority of the youngest and oldest owner occupiers aged 16 to 24 (95%), 65 to 74 (95%) and 75 or over (96%) were white. The age group with the most ethnic minority owner occupiers was 35 to 44, where 17% were from an ethnic minority background, Annex Table 1.5, Figure 1.2.

³ English Housing Survey, 2019-20 Headline Report, Annex Table 1.3

<https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-headline-report>

Figure 1.2: Owner occupiers, by age and ethnicity, 2019-20



Base: all owner occupiers

Notes:

1) ethnic minority owners aged 16 to 24 are not presented due to sample size being too small for a reliable estimate

2) underlying data are presented in Annex Table 1.5

Source: English Housing Survey, full household sample

1.18 A higher proportion (96%) of owner occupiers were from the UK or Ireland than either private (72%) or social renters (92%). Among outright owners, 98% were from the UK or Ireland, whilst 94% of mortgagors were from the same two countries, Annex Table 1.10.

Sexual orientation

1.19 Most (98%) owner occupiers were heterosexual. This is a similar proportion to social renters (97%) and private renters (97%). Around 1% of owner occupiers identified as gay or lesbian and less than 1% each identified as bisexual or in another way, Annex Table 1.11.

Religion

1.20 The majority of owner occupiers identified as Christian (57%). Over a third (36%) said they had no religion, whilst 4% were Muslim and 2% were Hindu, Annex Table 1.12.

1.21 Likely reflecting shifting patterns of religious belief with age, two thirds (66%) of outright owners identified as Christian. In comparison, similar proportions of mortgagors said they were Christian (46%) as said they had no religion (44%).

Long-term illness or disability

- 1.22 In total, about 4.7 million (31%) owner occupied households contained someone who had a long-term illness or disability. This was less than social renters but more than private renters, Annex Table 1.13.
- 1.23 More outright owners (39%) than mortgagors (21%) had a long-term illness or disability.
- 1.24 The prevalence of long-term illness or disability among owner occupiers increased with age, from around 11,000 (11%) households aged 16 to 24 to 1.4 million (52%) households aged 75 or over, Annex Table 1.5.

Economic activity

- 1.25 In 2019-20, the majority of owner occupiers were working, either full-time (52%) or part-time (10%). A further 35% were retired, Annex Table 1.14.
- 1.26 Mortgagors (83%) were more likely to be in full-time work than outright owners (25%), whilst outright owners were more likely to be retired (61%) than mortgagors (5%). Mortgagors were more likely to be in full-time work than any other tenure group.

National Statistics Socio-economic classification

- 1.27 The National Statistics Socio-economic classification (NS-SEC) measures employment relations of the HRP. It is designed to cover the whole adult population, by asking about either the HRP's current main job, or if they are not currently working their previous main job.
- 1.28 Owner occupiers were unevenly spread across NS-SEC categories. Over half (54%) of owner occupiers were in the two highest socio-economic groups (lower managerial or professional 31%, higher managerial or professional 23%). Owner occupiers were more likely to be in these two groups and less likely to be in either semi-routine or routine occupations than any other group, Annex Table 1.15.
- 1.29 When compared to outright owners (higher 19%, lower 29%), a greater proportion of mortgagors were in higher and lower managerial and professional occupations (higher 28%, lower 34%).

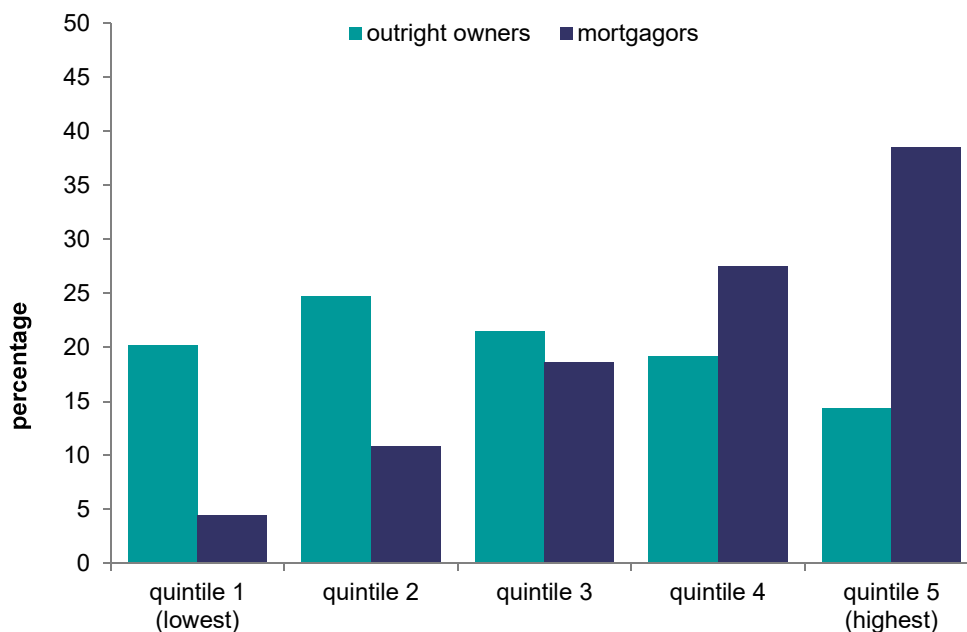
Income

- 1.30 Weekly gross household income among owner occupiers shows a relatively uneven spread between the five income quintiles. A quarter (25%) were in the

highest income quintile, whilst 13% were in the lowest income quintile, Annex Table 1.16.

- 1.31 This pattern was particularly pronounced for mortgagors, where a greater proportion (38%) than any other tenure was in the highest income quintile. Outright owners were more evenly spread between the quintiles, except for the highest quintile (14%), Figure 1.3.

Figure 1.3: Income quintiles, owner occupiers, 2019-20



Base: all owner occupiers

Notes:

1) mortgagors includes shared owners

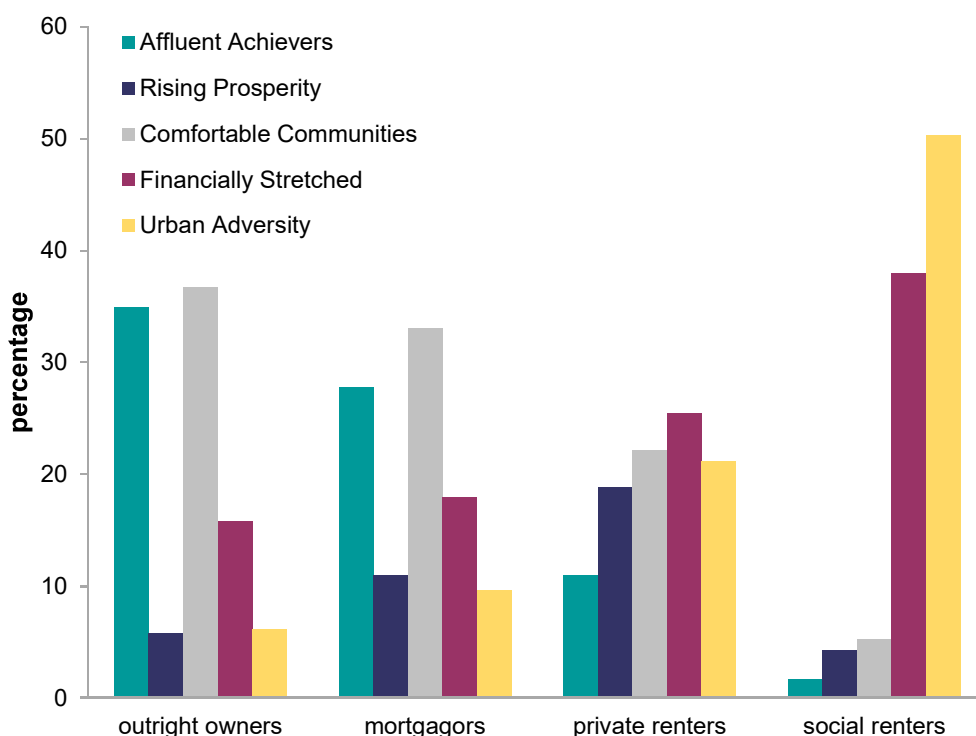
2) underlying data are presented in Annex Table 1.16

Source: English Housing Survey, full household sample

ACORN

- 1.32 ACORN is a segmentation tool which categorises the UK's population into demographic types. Acorn provides a general understanding of the attributes of a neighbourhood by classifying postcodes into a category, group or type.
- 1.33 Owner occupiers were unevenly distributed across ACORN categories, with higher proportions classified as comfortable communities (35%) and affluent achievers (32%) than other tenures, Annex Table 1.17 and Figure 1.4.

Figure 1.4: ACORN classification, by tenure, 2019-20



Base: all households

Note: underlying data are presented in Annex Table 1.17

Source: English Housing Survey, full household sample

Sheltered accommodation

1.34 Respondents who were aged 55 or over or those who were aged under 55 and had a long-term illness or disability were asked if they were living in sheltered accommodation. Of owner occupiers, 1% were living in sheltered accommodation. This was a lower proportion than social renters (10%), but similar to private renters (2%), Annex Table 1.18.

Overcrowding and under-occupation

1.35 Levels of overcrowding and under-occupation are measured using the bedroom standard (see glossary). This is the difference between the number of bedrooms needed to avoid undesirable sharing (given the number, ages and relationship of the household members) and the number of bedrooms actually available to the household.

1.36 Overcrowding was less prevalent in owner occupied homes than in the rented sectors. In 2019-20, 1% of owner occupied homes were overcrowded compared to 7% of private rented and 9% of social rented homes. More

mortgagors than outright owners lived in overcrowded homes (2% compared to 1%), Annex Table 1.19.

- 1.37 For owner occupiers, the household type with the most overcrowding was two or more family households (14%) followed by lone parents with dependent children (4%).
- 1.38 Overcrowding was more prevalent in London and the West Midlands where 2% of owner occupiers lived in overcrowded accommodation.
- 1.39 Overcrowding was also more prevalent in ethnic minority households – 6% of owner occupiers from an ethnic minority background lived in overcrowded accommodation compared with less than 1% of white households. Ethnic minority households make up 10% of all owner occupiers⁴, but nearly half (45%) of owner occupied households living in overcrowded conditions were from an ethnic minority background, Annex Table 1.20.
- 1.40 On the other hand, 52% of owner occupiers were under-occupying their home (i.e. had two or more spare bedrooms). Among outright owners, this rises to 61%. Under-occupation was more prevalent among owner occupiers than private (15%) or social renters (10%).
- 1.41 Not surprisingly, smaller households were more likely to be under-occupying their home. Three-quarters (76%) of owner occupiers who were couples with no children were under-occupying, whilst over half (56%) of one person households were under-occupying their home.
- 1.42 Fewer owner occupiers in London (45%) under-occupy their home compared to the rest of England (53%).
- 1.43 Over half (54%) of owner occupiers with a white HRP were under-occupying their home, whilst 37% of those with a HRP from an ethnic minority background were under-occupied.

Well-being

- 1.44 In the EHS, well-being is measured using the following four measures of personal well-being:
 - Overall, how satisfied are you with your life nowadays? Referred to as 'life satisfaction'
 - Overall, how anxious did you feel yesterday? Referred to as 'anxiety'

⁴ English Housing Survey, 2019-20 Headline Report, Annex Table 1.3, <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-headline-report>

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- Overall, to what extent do you feel the things you do in your life are worthwhile? Referred to as 'life is worthwhile'
 - Overall, how happy did you feel yesterday? Referred to as 'happiness'

For all questions, respondents are asked to give their answers on a scale of 0 to 10 where 0 is 'not at all' and 10 is 'completely'.

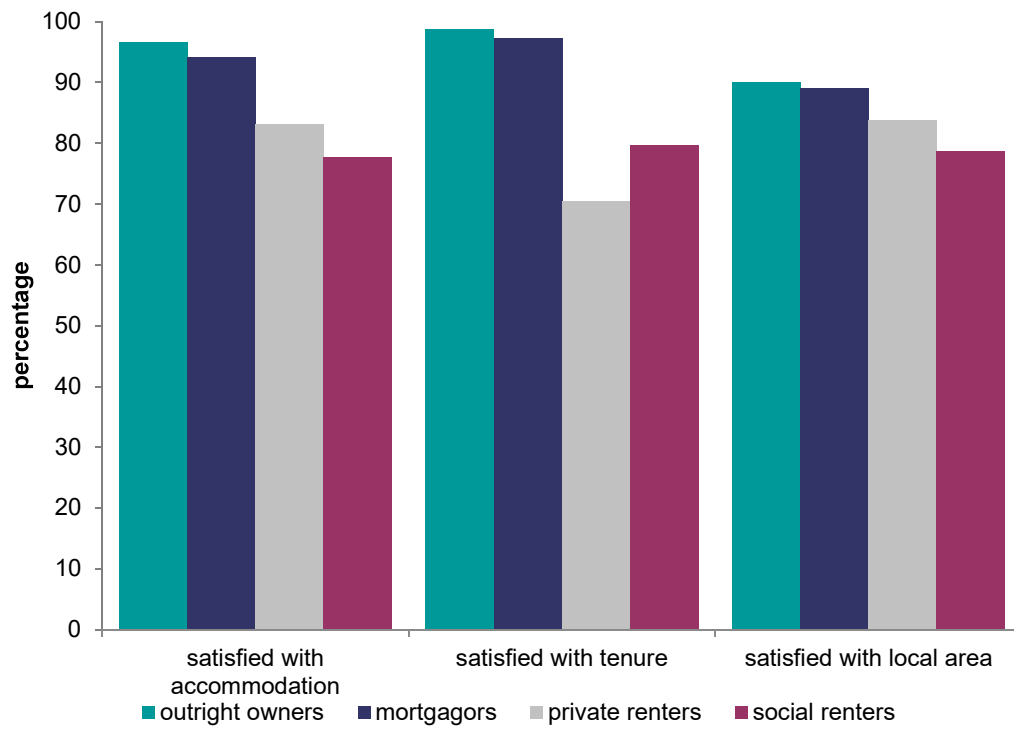
- 1.45 Well-being was associated with tenure. On the whole, owner occupiers had higher average well-being scores (life satisfaction 7.9, life worthwhile 8.1, happiness 7.8) – and lower anxiety scores (2.5) – than those in private rented and social rented accommodation⁵. Within owner occupiers, outright owners had higher average well-being scores than those buying with a mortgage.
- 1.46 For more information, please see the Well-being and Neighbourhoods report, published alongside this report.

Satisfaction with accommodation, tenure and local area

- 1.47 The vast majority of owner occupiers were either very or fairly satisfied with their accommodation (95%), tenure (98%) or local area (90%). More owner occupiers were satisfied with their accommodation, tenure and local area than private or social renters, Annex Table 1.23, 1.24 and Live Table FA5212.
- 1.48 More outright owners were very satisfied with their accommodation, tenure and local area (72%, 90% and 61% respectively) than mortgagors (58%, 81% and 54% respectively, Figure 1.5).

⁵ English Housing Survey, 2019-20 Headline Report, Annex Table 1.26, <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-headline-report>

Figure 1.5: Satisfaction with accommodation, current tenure and local area, by tenure, 2019-20



Base: all households

Note: underlying data are presented in Annex Table 1.23, 1.24 and Live Table FA5212

Source: English Housing Survey, full household sample

Chapter 2

Housing costs and affordability

2.1 This chapter explores the affordability of the owner occupied sector by looking at average income and mortgage costs and the proportion of income spent on housing costs, including the proportion of owner occupiers in the lowest two income quintiles spending more than 30% of their income on rent. It also looks at mortgage arrears, difficulties paying mortgage costs and whether owner occupiers have savings.

Income

2.2 Although owner occupiers generally had higher than average weekly incomes (mean: £999, median: £783) compared to other tenures, there was variation by region, age, household type and economic status, Annex Table 2.1.

2.3 A higher proportion of outright owners (26%) and mortgagors (61%) in London were in the highest income quintile than other regions. Owner occupiers in the North East were less likely to be in the lowest income quintile (16%) than private (46%) or social renters (58%), whilst owner occupiers in London (45%) and outside of London (23%) were more likely to be in the highest income quintile than either private (London 35%, rest of England 10%) or social renters (London 9%, rest of England 2%), Annex Table 2.2.

2.4 A higher proportion of mortgagors aged 35 to 44 (41%), 45 to 64 (43%) and 65 to 74 (25%) were in the highest income quintile compared to outright owners. Just 5% of mortgagors aged 45 to 64 were in the lowest income quintile, Annex Table 2.3.

2.5 Unsurprisingly, income tended to be lower in owner occupied households with a single adult owner, compared to households containing a couple. However, when comparing to renters, fewer owner occupiers who were lone parents with dependent children (13%) were in the lowest income quintile than private or social renters of the same household type, Annex Table 2.4.

2.6 A greater proportion of mortgagors in full-time (42%) or part-time (24%) employment were in the highest income quintile than outright owners (33% and 15% respectively), Annex Table 2.5.

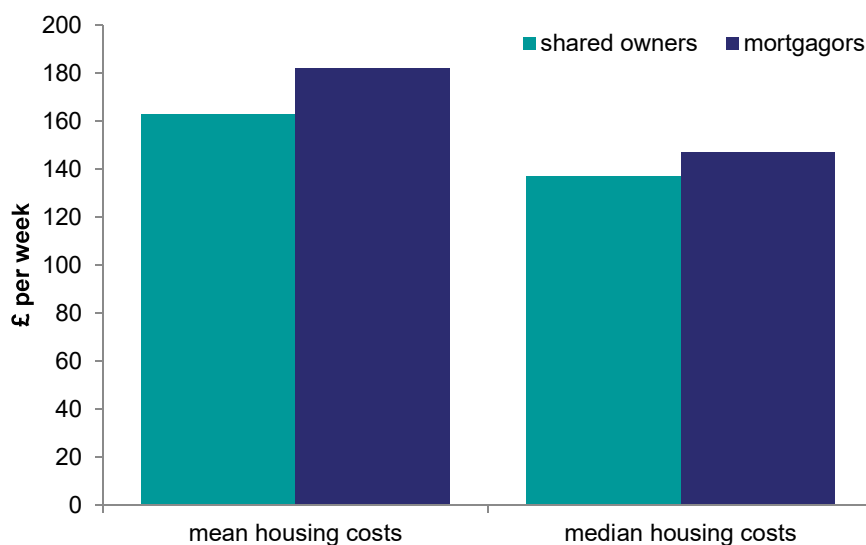
Type of mortgage

2.7 In 2019-20, the vast majority (91%) of mortgages were repayment mortgages. Smaller proportions had interest-only mortgages with no linked investment (4%), endowment mortgages (3%) or both endowment and repayment mortgages (1%), Annex Table 2.6.

Mean and median weekly mortgage payments

2.8 Those who were buying their home with a mortgage spent a mean of £182 per week and a median of £147 per week on their mortgage. This was more than shared owners, who pay part-rent and part-mortgage, spent. Taking their rent and mortgage together, shared owners' weekly housing costs were, on average (mean) £163 per week (£137 median), Annex Table 2.7 and Annex Table 2.16 and Figure 2.1.

Figure 2.1: Mean and median weekly housing costs, shared owners and mortgagors, 2019-20



Base: all households buying with a mortgage

Notes:

1) underlying data are presented in Annex Table 2.7 and Annex Table 2.16

2) Mean and median housing costs are calculated as rent plus mortgage costs for shared owners. For mortgagors, housing costs just represent mortgage costs.

Source: English Housing Survey, full household sample

2.9 The rest of this section excludes shared owners. As shared owners purchase their home in a different way to full mortgagors, they have significantly different mortgage costs which effect the overall mean and median mortgage payments.

2.10 Mortgagors in London spent the most on mortgage payments per week (mean £263, median £231), followed by mortgagors in the South East (mean £222,

median £194). Mortgagors in the North East spent the least on mortgage payments per week (mean £114, median £98), Annex Table 2.8.

- 2.11 Those in full-time employment paid a mean of £187 and a median of £155 for their mortgage payments.
- 2.12 Lone parents with non-dependent children only (mean: £121; median: £92) and one person households (mean £134, median £114) spent a similar amount per week on their mortgages, but both spent less than all other household types.
- 2.13 There was no difference between the mean amount spent weekly on mortgage payments between those aged 35 to 44 (£198) and those aged 45 to 64 (£186). Both these age groups did however spend more on their mortgage payments than those aged 25 to 34, those aged 65 to 74 and those aged 75 or over.

Proportion of income spent on mortgage

- 2.14 The EHS contains two measures of income: household income, which includes income of all adults in the household, and joint income, which includes the income of the HRP and their partner only. Here, we have used household rather than joint income, as this provides a measure of all the income available to the household. Outright owners are excluded as they have no mortgage costs. Again, shared owners are excluded.
- 2.15 Overall, mortgagors spent 18% of their income on their mortgage, Annex Table 2.9.
- 2.16 Regionally, there was something of a north/south divide, with London, the East and South East of England spending an average one fifth of their income on their mortgage (those in London spent 19% of their income on their mortgage, which were not statistically significant compared to the 20% of household income spent in the East and South East). Mortgagors in the East Midlands spent 14% and those in the North East spent 15% of their income on their mortgage.
- 2.17 Households where the HRP was unemployed on average spent nearly half (48%) of their income on their mortgage. Those who were retired spent 27% on average. Those in work, either full-time or part-time, spent 16% and 21% respectively.
- 2.18 Generally, households in the lower income quintiles spent a greater proportion of their income on their mortgage. Those in the highest income quintile spent 13% of their income on their mortgage, whereas those in the lowest income quintile spent 47% of their income on their mortgage.

-
- 2.19 Households with one adult tended to spend more of their income on their mortgage. Lone parents with dependent children spent an average of 27%, one person households spent 24% and lone persons sharing with other lone persons spent 20% of their income on mortgage.
- 2.20 When comparing different age groups, there were no differences in the proportions of income spent on mortgage.

Proportion of lowest 40% of income earners spending more than 30% of their income on housing

- 2.21 One way of considering affordability is to look at the proportion of households in the bottom two income quintiles (or lowest 40% of income earners) spending more than 30% of their income on housing. This is sometimes referred to as the 30/40 indicator. The rationale behind looking more closely at affordability for the lowest 40% of households is due to the assumption that, where higher income earners spend more than 30% of income on housing, they do so by choice and, because they have a higher residual income, are more able to do so. This is not the case for households with lower incomes. Looking more closely at this portion of the population can give a better indication of the extent to which households might be in housing stress.
- 2.22 In 2019-20, an estimated 353,000 mortgagor households, over a third (35%), in the bottom two income quintiles spent more than 30% on their housing costs. However, this was a lower proportion than private or social renters, Annex Table 2.10.
- 2.23 Over half of Londoners (54%) in the bottom two income quintiles spent more than 30% on their mortgage costs. In the South East, the figure was 48%. In the East Midlands, 21% of those in the bottom two quintiles spent 30% or more on their mortgage costs.
- 2.24 Four in ten couples with dependent children (41%) in the bottom two quintiles spent more than 30% on their mortgage.
- 2.25 Some 44% of those aged 35 to 44 who were in the bottom two income quintiles spent more than 30% on their mortgage.

Mortgage arrears

- 2.26 In 2019-20, very few mortgagors were in arrears: 99% of mortgagors reported that they were up to date with their payments. This pattern is seen

consistently between years⁶. However, the Household Resilience Study has tracked how mortgage arrears changed during the COVID-19 pandemic. This showed an increase early in the pandemic to 6%⁷ of households before dropping back down to 1%⁸.

Difficulty keeping up with mortgage

- 2.27 In 2019-20, 4% of mortgagors experienced some level of difficulty in keeping up with their payments. Of this, 3% of mortgagors found it rather difficult, whilst 1% found it very difficult to keep up with their payments, Annex Table 2.11.
- 2.28 In terms of demographics, we can see variation along similar patterns to those previously mentioned in this chapter. However, much of this is not statistically significant. There were no significant differences based on age, household composition or mortgage type.
- 2.29 There was some variation by region, with one in 20 (5%) mortgagors in the West Midlands, South West and London experiencing difficulties, compared to 2% of mortgagors in the East Midlands.
- 2.30 When looking at economic status, more mortgagors classified as other inactive (15%) or who were in part-time work (9%) experienced difficulties than those in full-time work (3%).
- 2.31 Generally, difficulties were reported at a higher rate for those in lower income quintiles than for those in higher income quintiles. Similar proportions of those in the lowest (9%) and second lowest (11%) income quintiles reported difficulties, as compared to just 2% for both the highest and second highest quintiles.
- 2.32 Although there were differences between household compositions, with single-adult households reporting difficulties at a higher rate, these were not statistically significant. Just under one in ten (9%) lone parents with non-dependent children and 6% of lone parents with dependent children experienced mortgage difficulties.
- 2.33 Just under one in ten (8%) of mortgagors with an endowment mortgage, 7% of mortgagors with an interest only mortgage with no linked investment and

⁶ English Housing Survey, 2019-20 Headline Report, Annex Table 1.3, <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-headline-report>

⁷ Household Resilience Study: Wave 1, Table 13b <https://www.gov.uk/government/statistics/household-resilience-study-wave-1>

⁸ Household Resilience Study: Wave 2, Table 9b <https://www.gov.uk/government/statistics/household-resilience-study-wave-2>

3% of mortgagors with a repayment mortgage experienced difficulty with their mortgage payments.

- 2.34 The Household Resilience Study also tracked whether mortgagors were finding it difficult to keep up with their mortgage payments during the COVID-19 pandemic. In June-July 2020 and November-December 2020, around one in ten mortgagors reported finding it rather or very difficult to keep up with their mortgage payments. The main reasons cited for such difficulties were being furloughed on reduced pay (34%), working fewer hours/less overtime (31%), unemployment (25%) and an increase in other payments (19%)⁹.

Action taken to resolve difficulties

- 2.35 Respondents who said they had experienced difficulty keeping up with their payments were then asked a series of questions about what action they had taken to resolve these issues.
- 2.36 Most mortgagors who experienced difficulties (70%) did not seek any help or advice. A quarter (25%) of mortgagors who experienced difficulties keeping up with their payments contacted their lender. Smaller proportions said they contacted an independent organisation (10%), contacted their local authority (2%) or contacted another source (4%), Annex Table 2.12.
- 2.37 Of those who contacted their lender, 39% reached no agreement. Similar proportions said they had agreed a mortgage holiday or an extension to their loan period agreement (both 23%). Similar proportions mentioned they had agreed a reduced monthly payment or had interest only payments agreed (both 12%), Annex Table 2.13.

Presence and amount of savings

- 2.38 Two thirds (68%) of owner occupiers said they had savings. Owner occupiers were more likely to have savings than private renters (40%) or social renters (20%). Outright owners were more likely to have savings (75%) than mortgagors (60%), Annex Table 2.14.
- 2.39 Just under a fifth (19%) of owner occupiers have £50,000 or more in savings. Outright owners were more likely to have £50,000 or more in savings than mortgagors (27% compared to 10%), Annex Table 2.15.

⁹ Household Resilience Study: Wave 2, Table 10b and Table 14
<https://www.gov.uk/government/statistics/household-resilience-study-wave-2>

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- 2.40 Owner occupiers in the North West of England were the least likely to have savings, at 56%. Across all regions except London, outright owners were more likely to have savings than mortgagors.
- 2.41 A higher proportion of retired owner occupiers had savings (75%) than other economic groups. Similar proportions of owner occupiers working full or part-time had savings (64% and 66% respectively).
- 2.42 Having a higher income was associated with having savings: the proportion of owner occupiers with savings increased from 58% of households in the lowest income quintile to 75% in the highest income quintile.
- 2.43 Although owner occupier that were lone parents with dependent children were the only household type where less than half (47%) had savings, this was a much higher proportion than lone parents with dependent children who were private (13%) or social (5%) renters.
- 2.44 Older owner occupiers were more likely to have savings than younger owner occupiers. For example, 54% of those aged 16 to 24 had savings, compared to 75% of those aged 75 or over. Mortgagors aged 25 to 34 (58%) and 35 to 44 (59%) were more likely to have savings than private renters in the same age groups (42% and 34% respectively).
- 2.45 Older owner occupiers also tended to have larger savings, although a lower proportion (22%) of those aged 75 or over had £50,000 or more saved than those aged 65 to 74 (30%). Owner occupiers aged 75 or over had higher proportions in each of the savings bands than those aged 25 to 34, except for in the £16,000 to £49,000 band which were similar. Fewer owner occupiers aged 25 to 34 (3%) had £50,000 or more in savings than the other age groups.

Figure 2.2: Presence and amount of savings, owner occupiers, 2019-20



Base: all owner occupiers

Notes:

1) mortgagors includes shared owners

2) underlying data are presented in Annex Table 2.15

Source: English Housing Survey, full household sample

Chapter 3

Movers and first-time buyers

- 3.1 This chapter explores the housing history of owner occupiers, including the length of time they have been in their current accommodation, the number of moves made, reasons for moving and housing expectations. It also investigates the mean and median deposits paid by first-time buyers and the characteristics of first-time buying households.

Length of time in accommodation

- 3.2 On average (mean), owner occupiers have spent longer living in their current accommodation, 17.4 years, than those in the private rented sector (4.3 years) or those in the social rented sector (12.2 years). Outright owners on average have spent longer (23.8 years) in their current accommodation than mortgagors (10.0 years), Annex Table 3.1.
- 3.3 Older owner occupiers have spent longer in their current home than younger owner occupiers. Those aged 16 to 24 have spent an average of two years in their property, whilst those aged 75 or over have spent an average of 31 years in their property, Annex Table 3.2.
- 3.4 Greater proportions of younger owner occupiers than older owner occupiers have been resident for less than a year. A third (34%) of owner occupiers aged 16 to 24 have been resident for less than a year.
- 3.5 Mortgagors aged 25 to 34 (3 years) and 35 to 44 (7 years) had on average spent longer in their current home than private renters in the same age groups (2 years and 4 years respectively).

Recent moves

- 3.6 Amongst owner occupiers, over half (53%) of recent moves in the last year were by households who previously lived in the owner occupied sector. Of this group, 31% were previously mortgagors and 22% were previously outright owners, Annex Table 3.3.
- 3.7 A third (33%) of recent moves were by households who were previously private renters. A further 13% were by new households.

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- 3.8 Over two-fifths (43%) of moves to become a mortgagor were made by previous private renters, whilst 35% were from households who already owned with a mortgage. Smaller proportions of moves into being a mortgagor were from new households (17%) and from outright owners (4%).
- 3.9 The vast majority (88%) of moves to become outright owners were from people within the owner occupied sector: 20% from mortgagors and 68% from people who were already outright owners. A smaller proportion of private renters (8%) moved to become outright owners.

Reasons for moving

- 3.10 Respondents who moved in the last three years were asked their main reason for moving. Amongst owner occupiers, the most common reason given for moving was because they wanted to buy (24%). Smaller proportions also said they moved because they wanted to live in a larger house (16%) or because they wanted to move to a better neighbourhood (13%), Annex Table 3.4.
- 3.11 Mortgagors were more likely to say the reason they wanted to move was to buy their own home (31%) than outright owners (4%). Mortgagors were also more likely to say they moved because they wanted a larger house than outright owners (21% compared to 4%), and less likely to say they moved because they wanted a smaller house (1% compared to 20%), Figure 3.1.

Figure 3.1: Main reasons for moving, owner occupiers, 2019-20



Base: all owner occupiers

Notes:

1) mortgagors includes shared owners

2) underlying data are presented in Annex Table 3.4

Source: English Housing Survey, full household sample

Future housing expectations

- 3.12 Relatively few (4%) owner occupiers expected to move in the next six months. Some 3% of outright owners and 4% of mortgagors expected to move in this timeframe, Annex Table 3.5.
- 3.13 Older owner occupiers were generally less likely to say they expected to move in the next six months, with 2% of those aged 75 or over saying this compared to 7% of those aged 16 to 24, although this is not significant.
- 3.14 Of those who said they expected to move in the next six months, the most common reason given was to move to a larger home (40%). Smaller proportions said they expected to move because they wanted to live in nicer accommodation (27%), live in a nicer area (24%), to move to a smaller home (17%) or for some other reason (29%), Annex Table 3.6.
- 3.15 Reasons for moving differed by age. A higher proportion (71%) of those aged 25 to 34 wanted to move to a larger home than the other age groups, whilst a higher proportion of those aged 65 to 74 (40%) said they wanted to move to a smaller home than those aged 45 to 64.

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- 3.16 In the longer term, the vast majority (95%) of current owner occupiers expected to continue to live in the owner occupied sector. A smaller proportion (2%) said they expected to eventually live in sheltered or specialist housing, Annex Table 3.7.
- 3.17 Mortgagors were more likely to expect to continue living in the owner occupied sector than outright owners (97% compared to 94%). Outright owners were more likely to expect to move to sheltered or specialist housing (3%) than mortgagors (less than 1%).
- 3.18 The vast majority of owner occupiers do not expect to build their own home (99%).

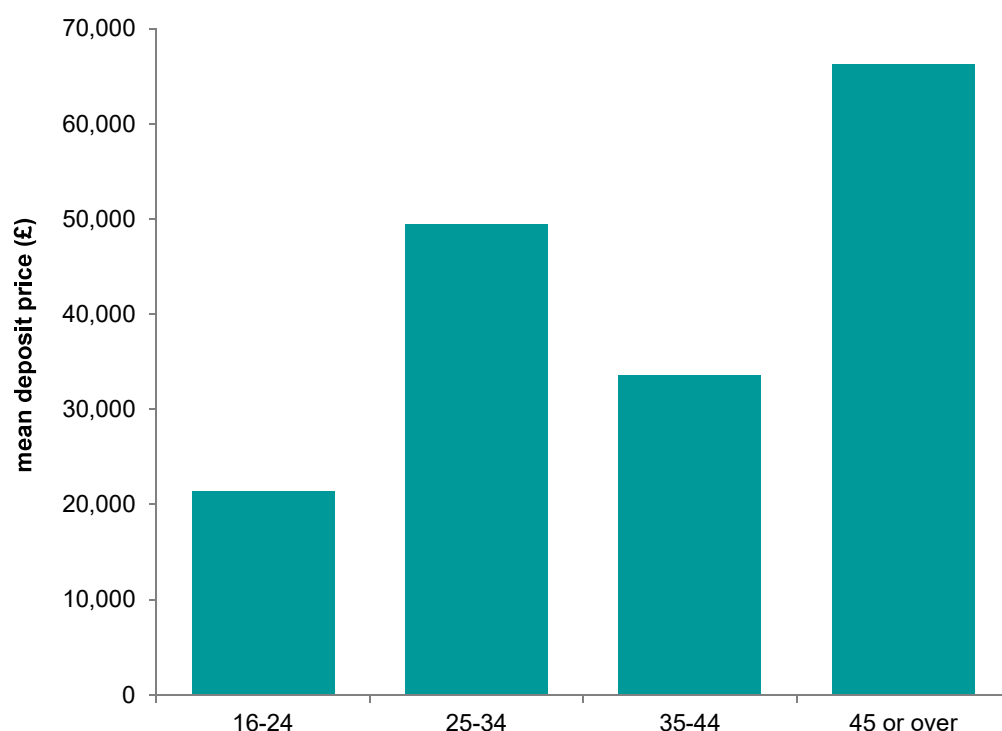
Characteristics of first-time buyers

- 3.19 This section examines first-time buyers and their characteristics, mean and median deposits and their deposits as a proportion of the purchase price of their home. A first-time buyer is defined as a buyer who has bought a home for the first time in the last three years and had not owned a property previously. For a full definition of first-time buyers, please see the Glossary.
- 3.20 In 2019-20, based on the above definition, there were around 827,000 first time buyers in England. On average, first-time buyers were aged 32 years old, with nearly two-thirds (65%) of first time buyers aged between 25 and 34 and a further 22% aged between 35 and 44, Annex Table 3.11, 3.12.
- 3.21 Of female first time buyers, over half (52%) were single owners and 48% were joint owners. In comparison, male first-time buyers were more likely to be joint owners (66%) than single owners (33%), Annex table 3.13.
- 3.22 Joint owners were less likely to be in the lower income quintiles (quintile 2 26% joint, 74% single) and more likely to be in the highest income quintile than single owners (76% joint, 23% single).
- 3.23 An even proportion of Londoners were joint (51%) or single owners (48%). In the rest of England, first-time buyers were more likely to be joint owners than single owners.
- 3.24 In general, younger first-time buyers were more likely to be joint owners than single owners. Over two-thirds (69%) of those aged 16 to 24 were joint owners.

Mean and median deposits of first-time buyers

- 3.25 Single (mean £47,479, median £23,000) and joint (mean £43,395, median £25,000) buyers spent similar average amounts on their deposit, Annex Table 3.9.
- 3.26 Those in London spent a mean of £136,798 on their deposit and a median of £70,000. Whilst the median is not significantly different from other regions, the mean is substantially higher (£32,240 outside of London).
- 3.27 Households with a white HRP did not spend significantly less than households with an ethnic minority HRP, despite differences in both the mean and median amount spent on their deposit between these groups (White, mean £40,217, median £25,000; minority ethnic: mean £81,261, median £30,000).
- 3.28 Mean and median deposit prices fluctuated with age, with first-time buyers aged 45 or over (mean £66,218, median £65,000) paying more than those aged 16 to 24 (mean £21,389, median £17,500), although not all differences between age groups were significant, Figure 3.2.

Figure 3.2: Mean deposit of first-time buyers, by age, 2019-20



Base: first-time buyers in the last three years

Note: underlying data are presented in Annex Table 3.9

Source: English Housing Survey, full household sample

First-time buyers' deposits as a proportion of purchase price

- 3.29 Single buyers were less likely to have a deposit of less than 10% of the purchase price (19%) than joint buyers (30%). Similar proportions of each group had a deposit of between 10% and 19% or 20% or more of their purchase price, Annex Table 3.10.
- 3.30 Londoners were less likely (13%) to have a deposit of less than 10% of their purchase price than those living outside of London (27%). Half (50%) of Londoners had a deposit which was between 10% and 19% of their purchase price and 38% had a deposit 20% or more of their purchase price.
- 3.31 Similar proportions of first-time buying households with a white HRP as households with an ethnic minority HRP were found in each of the three deposit proportion bandings.
- 3.32 More first-time buyers aged 25 to 34 (29%) had a deposit of 20% or more of their purchase price than those aged 35 to 44 (19%).

Mortgage applications

- 3.33 In 2019-20, more private renters (19%) than social renters (7%) had considered applying for a mortgage in the past year. However, most private (81%) and social renters (93%) had not considered applying for a mortgage, Annex Table 3.14.
- 3.34 Those who said that they had considered applying for a mortgage in the last year but had not done so were asked their reasons for not applying. The most common reason renters said they did not apply for a mortgage was because they did not think their deposit was large enough (42%), Annex Table 3.15.
- 3.35 Of those who considered applying for a mortgage in the last year, 22% of renters actually applied for a mortgage. The majority, 78% did not apply for a mortgage. Although a higher proportion of private renters applied (24%) this is not significantly different from the proportion of social renters who applied (16%), Annex Table 3.16.
- 3.36 Of those who applied for a mortgage, the majority (77%) were accepted for a mortgage. Just over three-quarters of private renters (78%) and just under three-quarters of social renters (73%) were accepted for a mortgage, Annex Table 3.17.
- 3.37 Of those who applied for a mortgage but were rejected, across all renters, the most common reason for their mortgage application to be refused was that their income was too low (42%), although this was not significantly different from the proportion who said another reason (30%), Annex Table 3.18.

3.38 For more detail on buying expectations and barriers to ownership, please see Chapter 3 in the English Housing Survey 2019-20 Private Rented Sector report.

Second mortgages

3.39 The majority of mortgagors had one mortgage (96%). Around 299,000 mortgagor households had more than one mortgage, Annex table 3.19.

3.40 Generally, there were few differences in the prevalence of second mortgages between regions. In the East Midlands, 6% of mortgagors had a second mortgage, whilst in the North West the proportion was 2%.

Chapter 4

Stock condition, energy efficiency and improvements made

4.1 This chapter provides an overview of the dwelling condition and energy efficiency of owner occupied homes. Firstly, the characteristics of households living in poorer housing are explored using a number of housing quality indicators: the Decent Homes Standard¹⁰; HHSRS¹¹, the presence of smoke alarms and carbon monoxide detectors. The chapter also focuses on the characteristics of households living in the least energy efficient homes, before exploring the potential to raise energy efficiency, and reporting any financial support for energy saving measures that have already been received.

Dwelling condition

Non-decent homes and Housing Health and Safety Rating System (HHSRS)

4.2 For a dwelling to be considered 'decent' under the Decent Homes Standard it must:

- meet the statutory minimum standard for housing (the Housing Health and Safety System (HHSRS) since April 2006), homes which contain a Category 1 hazard under the HHSRS are considered non-decent
- provide a reasonable degree of thermal comfort
- be in a reasonable state of repair
- have reasonably modern facilities and services

4.3 The HHSRS is a risk-based assessment that identifies hazards in dwellings and evaluates their potential effects on the health and safety of occupants and their visitors, particularly vulnerable people. The most serious hazards are called Category 1 hazards and where these exist in a home, it fails to meet the statutory minimum standard for housing in England.

¹⁰ For further information on the Decent Homes Standard see Chapter 5 of the English Housing Survey 2019-20 Technical Report, Annex 5.5.

¹¹ For further information on the HHSRS and Category 1 hazards see Chapter 5 of the English Housing Survey 2019-20 Technical Report, Annex 5.5.

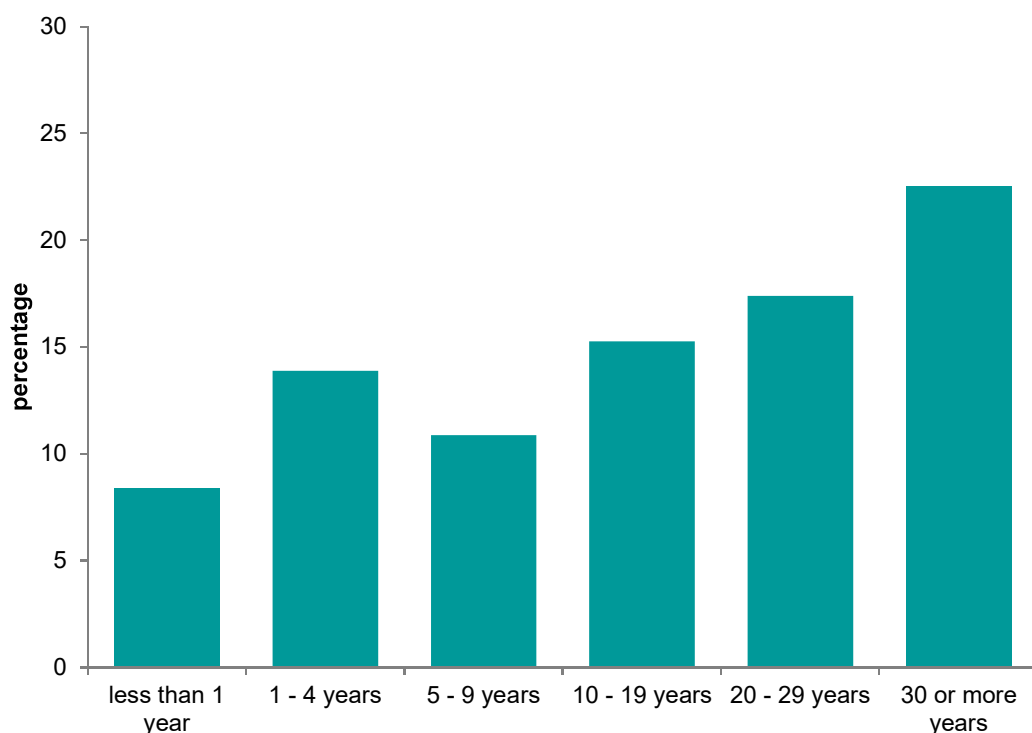
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- 4.4 In 2019, more than 2.5 million owner occupied homes were non-decent, and among these, 1.6 million had at least one Category 1 hazard¹². Owner occupied homes were less likely to be non-decent (16%) compared with private rented homes (23%) but more likely to fail the Standard than those owned by social landlords (12%). This tenure trend was also evident for the prevalence of any Category 1 hazard; 10% of owner occupied homes had Category 1 hazards compared with 13% of private rented and 5% of social rented homes.
- 4.5 Although there were some differences in the likelihood of living in a non-decent home or a home with a Category 1 hazard by the type of household, age and income were generally the most notable indicators of living with these housing conditions.
- 4.6 Owner occupied households where the oldest member was aged 60 or over were more likely to live in a non-decent home (18%), than younger households (14%), although this difference was not evident for households living with any Category 1 hazard, Annex Table 4.1.
- 4.7 Households with someone who had a long-term illness or disability, were more likely to live in a non-decent home (18%), than other households (15%) although they were no more likely to live in a home with a Category 1 hazard¹³.
- 4.8 Households with a longer length of residence, who tended to be older households, were more likely to live in non-decent housing (and in homes with a Category 1 hazard). Almost a quarter (23%) of households who had lived in their home for more than 30 years lived in a non-decent home while those with less than a year of residence were generally less likely to live in a non-decent home (8%)¹⁴, Figure 4.1.

¹² English Housing Survey, 2019-20 Headline Report, Annex Tables 2.3 and 2.4. Analysis includes both occupied and vacant homes, <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-headline-report>

¹³ Interestingly, the presence of a long-term illness or disability did not affect the likelihood of living in a non-decent home among private renters. Among social renters, households with someone who had a long-term illness or disability were less likely to live in a non-decent home.

¹⁴ The exception was the comparison with households who had lived in their home for 5 to 9 years.

Figure 4.1: Non-decent homes by length of residency, owner occupiers, 2019-20



Base: all owner occupiers

Note: underlying data are presented in Annex Table 4.1

Source: English Housing Survey, household sub sample

4.9 Households in the three lowest income quintiles were more likely to live in non-decent housing (between 17% and 21%) than those in the two highest quintiles (13% in both quintiles)¹⁵. Similarly, households living ‘in poverty’, were more likely to live in a non-decent home (22%), than other home owners (15%). A similar trend was observed for the presence of Category 1 hazards¹⁶.

4.10 Households with no economically active members (which includes retired households) were also more likely to live in a non-decent home (19%), than households with at least one economically active member (14%). However, economic activity was not an indicator for the likelihood of living with a Category 1 hazard.

4.11 There were different trends in the likelihood of living in a non-decent home or a home with a Category 1 hazard by the ethnicity of the HRP. Owners with

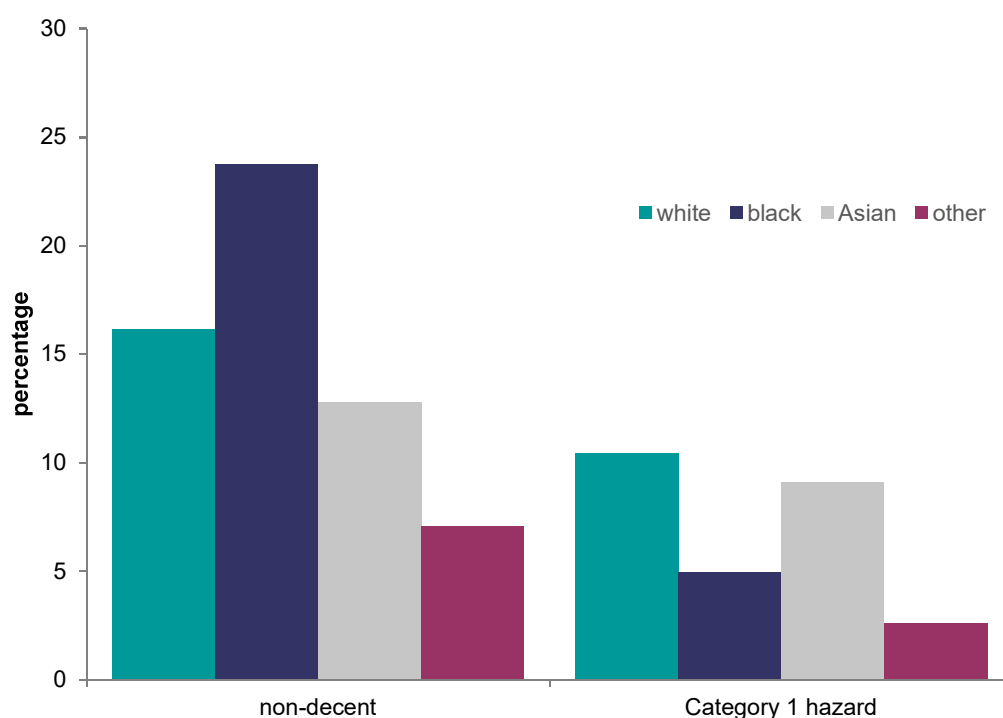
¹⁵ Analysis for income and living in poverty is based upon an income measure that is ‘equivalised’ before housing costs are taken into account. See Chapter 5 of the English Housing Survey 2019-20 Technical Report, Annex 5.4.

¹⁶ The difference in the likelihood of living with a Category 1 hazard between households in the 2nd and 5th income quintiles was not statistically significant.

white (16%) or black (24%) HRP were more likely to live in a non-decent home than households with a HRP of 'other' ethnicity (7%), Figure 4.2.

- 4.12 Although owner occupied households with a white HRP were more likely to live in a home with a Category 1 hazard (10%), than all non-white HRP households (7%), 9% of households with an Asian HRP lived with a Category 1 hazard. Conversely, households with 'other' HRP ethnicity were less likely (3%) to live in a home with a Category 1 hazard, except when compared with households with a black HRP.

Figure 4.2: Decent Homes and HHSRS Category 1 hazards by ethnicity, owner occupiers, 2019-20



Base: all owner occupiers
Note: underlying data are presented Annex Table 4.1
Source: English Housing Survey, household sub sample

Cost to make decent

- 4.13 The EHS reports an estimated cost of all work needed to bring a dwelling up to the Decent Homes Standard. The total cost to make decent for all non-decent owner occupied households in England was estimated to be around £19 billion, Annex Table 4.2.
- 4.14 The average cost per household for owner occupiers was £7,832, a similar average cost for private renters in non-decent homes (£7,912). The average cost to make decent was lowest for social renters (£5,077).
- 4.15 Among owner occupied households, 13% (1.9 million) lived in a home that was non-decent and below an EER band C but which could be improved to at

least band C. It is important to note, however, that the reasons for a home failing the Decent Homes Standard may be unrelated to poor energy efficiency (for example a home may fail the Standard due to serious disrepair to amenities or external building elements), Annex Table 4.3.

Smoke alarms¹⁷ and carbon monoxide detectors

- 4.16 Overall, 91% of owner occupiers reported having at least one working smoke alarm in 2019-20, a higher proportion than private renters (89%). Social tenants were, however, more likely to have at least one working smoke alarm (96%), compared with households in the private sector¹⁸.
- 4.17 There were some differences in the prevalence of working smoke alarms among owner occupiers. Households in detached houses (94%) were, for example, more likely to have a working smoke alarm compared with households in other dwelling types (from 88% to 91%), except those living in converted and purpose built high rise flats. Also, working smoke alarms were most common among households living in the newest homes built after 2002 (98%), Annex Table 4.4.
- 4.18 Overall, 44% of owner occupied homes had at least one carbon monoxide detector; 52% of owner occupied homes with a solid fuel appliance also had this safety feature^{19,20}.
- 4.19 Provision of carbon monoxide detectors varied by dwelling age and type. Owner occupiers living in the newest homes built after 2002 were more likely to have a carbon monoxide detector (51%) than those in homes built before 1981. Where a solid fuel appliance existed, 71% of households in homes built post 2002 had a carbon monoxide detector compared with 52% of those in homes built before 1919 and 44% in homes built 1919-44, Annex Table 4.5.
- 4.20 Households in detached houses (49%) and bungalows (50%) were generally more likely to have a carbon monoxide detector. Provision was less common among purpose built flats (20% high rise, 33% low rise). Where a solid fuel appliance existed, there were no significant differences by dwelling type.

¹⁷ The analysis for the overall prevalence of working smoke alarms by tenure in the EHS Headline Report uses the EHS 2019-20 full household sample. Analysis for the age and type of home uses the combined year physical and interview data

¹⁸ English Housing Survey, 2019-20 Headline Report, Annex Table 2.17, <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-headline-report>

¹⁹ English Housing Survey, 2019-20 Headline Report, Annex Table 2.19, <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-headline-report>

²⁰ As so few dwellings have a solid fuel appliance it is not possible to make meaningful cross tenure comparisons.

Energy efficiency

4.21 The final section of this chapter focuses on the characteristics of owner occupiers living in the least energy efficient homes, as well as exploring the potential to raise energy efficiency, and costs associated with this. For further information on the energy efficiency of English homes, please see the English Housing Survey Energy report 2019-20.

Energy Efficiency Rating (EER)

4.22 The English Housing Survey (EHS) uses the Government's Standard Assessment Procedure (SAP 2012) to monitor the energy efficiency of homes, through the calculation of a SAP energy efficiency rating (EER).

4.23 The EER is also converted into an A to G banding system, where band A represents high energy efficiency and band G represents low energy efficiency. The EER is the primary rating presented on an Energy Performance Certificate (EPC).

4.24 Overall, 5.6 million owner occupied dwellings were in the highest EER bands A to C while 7.8 million were EER band D, 1.7 million were EER band E and 554,000 were in the most energy inefficient EER bands, F and G²¹.

4.25 This section investigates how the energy efficiency of homes varied by the household characteristics of owner occupiers, and highlights where trends differed between outright owners and mortgagors²². The reasons for variations are complex and partly reflect the different distributions of dwelling types and dwelling ages among different household groups. In addition, there will be links between many findings, for example, those for outright ownership, and length of residence will be largely driven by the age of the HRP.

4.26 Outright owners were less likely to live in the most energy efficient homes, EER bands A to C, (31%) and more likely to live in the least efficient homes EER bands F and G (5%) than mortgagors (42% and 2% respectively), Annex Tables 4.6 and 4.7.

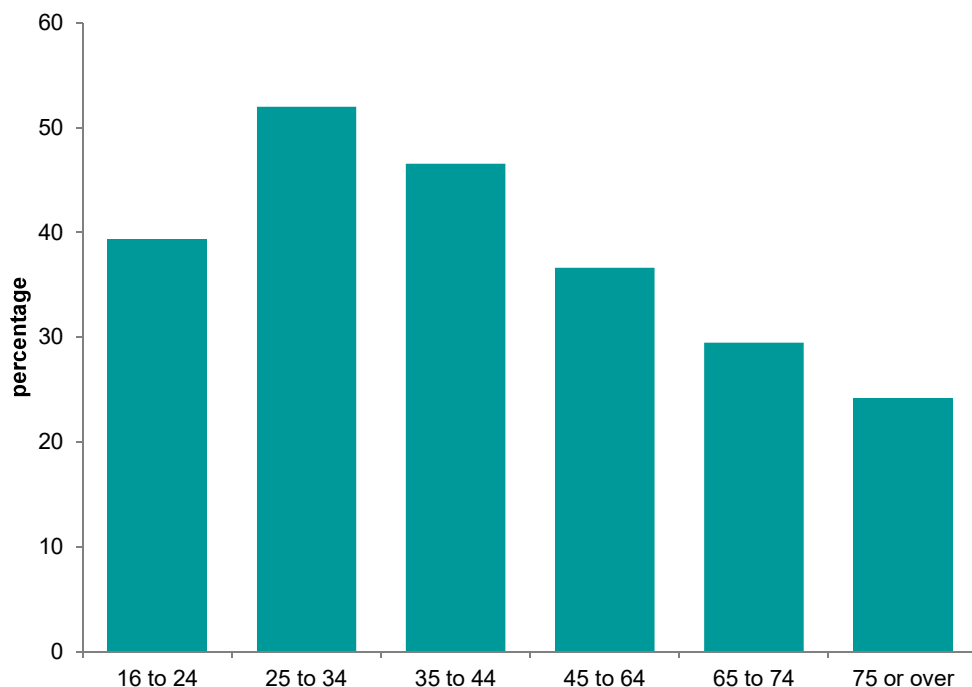
4.27 Overall, older households were more likely to live in less energy efficient homes. Among all owner occupiers, HRPs aged 45 years or over were less likely to live in homes in EER bands A to C and were more likely to live in EER bands D, E or F and G than households aged 25-34 years. A similar trend was observed for outright owners. For mortgagors, differences arose

²¹ Includes vacant homes. See English Housing Survey, 2019-20 Headline Report, Annex Table 2.8 for the EER bands of all owner occupied stock, and how this compared with other tenures, <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-headline-report>

²² See the EHS Energy Report 2019-20 for further analysis of EER bands by tenure and time series analysis

between households where the HRP was aged 35 to 44 years and those aged 45 years or over, Annex Tables 4.6, 4.7 and 4.8.

Figure 4.3: Percentage of EER band A to C homes by age of HRP, owner occupiers, 2019-20



Base: all owner occupiers

Note: underlying data are presented in Annex Table 4.7

Source: English Housing Survey, household sub sample

- 4.28 The impact of household age was also evident in the findings for economic activity among all owner occupiers²³. Households with a retired HRP were less likely to live in a home in EER bands A to C (27%) and more likely to live in EER band D or E (67%), or F and G (5%) band homes than households where the HRP was in full-time work (A to C 41%, D or E 57%, F and G 2%) or in part time work (EER bands A to C 39%, D or E 57%).
- 4.29 Households who had resided in their home for 30 years or more (most often older HRP households), were less likely to live in the most energy efficient homes, EER bands A to C (20%), and more likely to live in homes in EER bands D or E (73%) or F and G (7%) than all other households.
- 4.30 Household income did not change the likelihood of living in a more energy efficient home among mortgagors, but this was not the case for outright owners. Outright owners in the first (lowest) income quintile (26%) were less likely to live in EER band A to C homes than those in the fourth quintile (33%) and fifth (highest) quintile (34%).

²³ These findings were not evident among mortgagors who had a younger age profile.

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- 4.31 Reflecting the trends for the relative energy efficiency of the owner occupied stock by dwelling type and dwelling age, the vast majority of mortgagors (95%) and outright owners (89%) living in homes built after 2002 had EER ratings in bands A to C. In contrast where mortgagors and outright owners lived in homes built before 1919, 15% and 13% had homes with EER band A-C.

Cost of improving dwellings to a band C

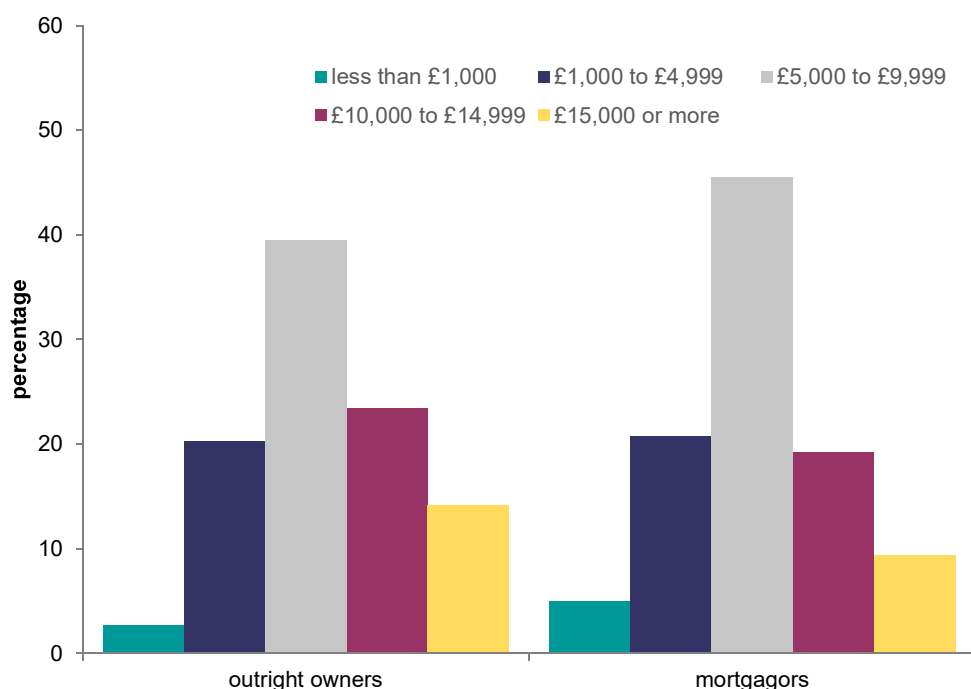
- 4.32 This section looks at the cost of improving owner occupied homes with an EER band of D or lower to an EER band of at least C (SAP rating 68.5 or more)²⁴. Of the 10.1 million owner occupied homes²⁵ below EER band C, 9.7 million (96%) were able to be improved to at least EER band C²⁶. The total cost to improve all these homes was £83 billion with an average cost of £8,579 per home, Annex Tables 4.9 and 4.10.
- 4.33 Focusing on occupied homes only, the most common improvement costs were estimated to fall between £5,000 and £10,000 (42%, 4 million households). As many as 24% of owner occupied homes could be improved for under £5,000. At the other end of the scale 3.2 million (34%) homes would cost more than £10,000 to improve to at least Band C, including 1.1 million homes that would require £15,000 or more, Annex Table 4.11.
- 4.34 The distribution of costs for mortgagors and outright owners is provided in Figure 4.4.

²⁴ See Energy Report 2019-20 chapter 3 for further details of the modelling methodology.

²⁵ Analysis is for all owner occupied homes including vacant homes

²⁶ Some dwellings that were below EER band C were eligible for certain improvement measures as part of the EPC framework, and therefore have estimated costs attached to them, but were unable to reach a band C using this methodology. However, a small proportion of dwellings were ineligible to receive any measures within the EPC framework, and therefore have no estimated costs.

Figure 4.4: Distribution of costs to make EER band C for outright owners and mortgagors, 2019-20



Base: owner occupied households that lived in dwellings that were able to be improved to an EER band C

Note: underlying data are presented in Annex Tables 4.12 and 4.13

Source: English Housing Survey, household sub sample

- 4.35 The relative cost of improving homes to at least EER band C varied by household characteristics; the differences observed below relate to all owner occupiers although trends were generally similar for both outright owners and mortgagors, Annex Tables 4.11, 4.12, and 4.13. As with the findings for EER bands, the reasons for variations will partly reflect the different distributions of dwelling types and dwelling ages among different household groups.
- 4.36 Older HRP households aged 65 to 74 years (17%) or 75 years or over (15%), were more likely to need to spend £15,000 or more to improve their home to an EER band of C than households where the HRP was aged 25 to 34 and 35 to 44 years (5% to 6%). In contrast, households where the HRP was aged between 35 and 44 years were more likely to need less than £1,000 (7%) to bring their dwelling up to an EER band of C compared with households where the HRP was aged 65 or over (2% to 3%), Annex Table 4.11.
- 4.37 Households where the HRP was retired (16%) were more likely to have to spend £15,000 or more to bring their home to an EER band of C than households where the HRP was in full-time work (9%).
- 4.38 Households in the highest (5th) income quintile (15%) were more likely to require £15,000 or more than households in the second income quintile (9%). This finding may reflect that higher earners tend to reside in larger homes

which can be more expensive to improve, depending on the age and type of home.

- 4.39 Households with savings (13%) were more likely to need to spend £15,000 or more than households without savings (10%). More specifically, those with savings of £50,000 or more were more likely to need at least £15,000 compared with households with less than £16,000 in savings, or with no savings. In households who had no savings, over three-quarters (77%) required £5,000 or more to improve their home to an EER band of C.
- 4.40 As homes built before 1919 tended to be the least energy efficient, it is not surprising that households who lived in these aged homes (27%) were markedly more likely to need to spend £15,000 or more to improve their home to an EER band of C compared to households living in newer dwellings. Conversely, households living in homes built after 1990, were more likely to need to spend less than £1,000 to improve their home to a band C level.
- 4.41 Households who had resided in their homes for over 30 years (16%) were generally more likely to need £15,000 or more than households who had only been in their homes for under 10 years. This trend was, however, not evident among outright owners.

Energy efficiency measures

Smart meters

- 4.42 Over a third (35%) of owner occupiers had a smart meter in 2019. This was a higher proportion compared with private renters (25%) but prevalence of smart meters was highest among social renters (40%), Annex Table 4.14.
- 4.43 There was no significant difference in the presence of a smart meter according to the type of owner occupier; 33% of mortgagors and 36% of outright owners had a smart meter present.

Energy savings improvements

- 4.44 Households were asked whether they had ever received any financial help from government schemes to improve the energy efficiency of their home²⁷.
- 4.45 Owner occupiers (21%) were more likely to have received financial help from the government for energy improvement works than households in other tenures. Conversely, private renters (5%) were least likely. Outright owners

²⁷ The question did not stipulate whether this was the current or previous home nor was any time scale applied to the when the help was received, for example, whether it was in the previous 5 years.

(27%) were more likely to have received financial help than mortgagors (14%), Annex Table 4.15.

- 4.46 Among all owner occupiers there were some notable differences within dwelling and household characteristics in the likelihood of having received financial help; however, these trends were evident regardless of whether the home owner had a mortgage or owned their home outright, Annex Tables 4.16, 4.17, and 4.18.
- 4.47 Overall, older households and households with longer term residence (who tended to be older) and households with the lowest incomes, were all more likely to have received financial support.
- 4.48 The influence of household age was also evident in the findings for economic activity and length of residence; retired HRP's were more likely to have received financial help (30%) as were households who had lived in their home for 30 years or more (37%).
- 4.49 Households in the 1st (lowest) income quintile were more likely to have taken up a scheme than households in the 5th (highest) income quintile for all owners (29%, 15%), outright owners (30%, 23%), and mortgagors (26%, 10%) respectively.
- 4.50 There was no significant difference in the likelihood of a households having taken up a scheme, according to whether they had savings or not. However, among all owner occupiers, those with £50,000 or more in savings were more likely to have taken up a scheme (24%) than those with no savings (20%), less than £1,000 in savings (15%), and £1,000 to £4,999 in savings (18%).

Technical notes, data quality and glossary

Technical notes

1. Results for the three chapters of this report, on households, are presented for '2019-20' and are based on fieldwork carried out between April 2019 and March 2020 on a sample of 13,332 households. Throughout the report, this is referred to as the 'full household sample'.
2. Results in the fourth chapter of the report, which relate to the physical dwelling, are presented for '2019' and are based on fieldwork carried out between April 2018 and March 2020 (a mid-point of April 2019). The sample comprises 12,300 occupied or vacant dwellings where a physical inspection was carried out. Throughout the report, this is referred to as the 'dwelling sample'.
3. 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".
4. 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.
5. 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.

Data quality

6. A full account of data quality procedures followed to collect and analyse English Housing Survey data can be found in the Quality Report, which is updated and published annually²⁸. A summary of the quality assurance processes for data collection and reporting are provided in the English Housing Survey Headline Report²⁹

²⁸ <https://www.gov.uk/government/publications/english-housing-survey-quality-report>

²⁹ <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-headline-report>

Glossary

ACORN: a classification of residential neighbourhoods developed using a series of modelling algorithms. ACORN groups households, postcodes and neighbourhoods into six categories, 18 groups and 62 types, according to age, household composition, facilities, household size, income, marital status, mode of travel to work, occupation, ownership of car, ownership of home, etc. MHCLG matches ACORN data onto the EHS datasets to classify households into the following categories for analysis:

- **Affluent achievers:** some of the most financially successful people in the UK. They live in wealthy, high status rural, semi-rural and suburban areas of the country. Middle aged or older people, the 'baby-boomer' generation, predominate with many empty nesters and wealthy retired people.
- **Rising prosperity:** generally younger, well educated, and mostly prosperous people living in our major towns and cities. Most are singles or couples, some yet to start a family, others with younger children. Often these are highly educated younger professionals moving up the career ladder. Most live in converted or modern flats, with a significant proportion of these being recently built executive city flats. Some will live in terraced town houses. While some are buying their home, occasionally through some form of shared equity scheme, others will be renting. While many have good incomes not all might yet have had time to convert these into substantial savings or investments.
- **Comfortable communities:** all life stages are represented in this category. Many areas have mostly stable families and empty nesters, especially in suburban or semi-rural locations. Generally people own their own home. Most houses are semi-detached or detached, overall of average value for the region. Incomes overall are average, some will earn more, the younger people a bit less than average. Employment is in a mix of professional and managerial, clerical and skilled occupations. Educational qualifications tend to be in line with the national average.
- **Financially stretched:** a mix of traditional areas of Britain. Housing is often terraced or semi-detached, a mix of lower value owner occupied housing and homes rented from the council or housing associations, including social housing developments specifically for the elderly. This category also includes student term-time areas. Unemployment is above average as are the proportions of people claiming other benefits.
- **Urban adversity:** this category contains the most deprived areas of large and small towns and cities across the UK. Household incomes are low, nearly always below the national average. The numbers claiming Jobseeker's Allowance and other benefits is well above the national average. Levels of qualifications are low and those in work are likely to be employed in semi-skilled or unskilled

occupations. The housing is a mix of low rise estates, with terraced and semi-detached houses, and purpose built flats, including high rise blocks. Properties tend to be small and there may be overcrowding. Over half of the housing is rented from the local council or a housing association.

More details available at: <https://acorn.caci.co.uk/downloads/Acorn-User-guide.pdf>

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

Basic repair costs: Basic repairs include urgent work required in the short term to tackle problems presenting a risk to health, safety, security or further significant deterioration plus any additional work that will become necessary within the next five years. See Chapter 5, Annex 5 of the Technical Report for more information about how these are calculated and assumptions made.

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

Category 1 hazard: The most serious type of hazard under the Housing Health and Safety Rating System (HHSRS). Where such a hazard exists the dwelling fails to reach the statutory minimum standard for housing in England.

Cost to make decent: The cost of carrying out all works required to ensure that the dwelling meets the Decent Homes standard. This is the estimated required expenditure which includes access equipment (e.g. scaffolding and prelims). It is adjusted to reflect regional and tenure variations in building prices.

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

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

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- it provides a reasonable degree of thermal comfort (related to insulation and heating efficiency).

The detailed definition for each of these criteria is included in *A Decent Home: Definition and guidance for implementation*, Department for Communities and Local Government, June 2006³.

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.

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- **end terraced house:** a house attached to one other house only in a block where at least one house is attached to two or more other houses.
 - **mid terraced house:** a house attached to two other houses in a block.
 - **semi-detached house:** a house that is attached to just one other in a block of two.
 - **detached house:** a house where none of the habitable structure is joined to another building (other than garages, outhouses etc.).
 - **bungalow:** a house with all of the habitable accommodation on one floor. This excludes chalet bungalows and bungalows with habitable loft conversions, which are treated as houses.
 - **converted flat:** a flat resulting from the conversion of a house or former non-residential building. Includes buildings converted into a flat plus commercial premises (such as corner shops).
 - **purpose built flat, low rise:** a flat in a purpose built block less than six storeys high. Includes cases where there is only one flat with independent access in a building which is also used for non-domestic purposes.
 - **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 2010⁴.
- **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.

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- **other inactive:** all others; they include people who were permanently sick or disabled, those looking after the family or home and any other activity.

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

Energy efficiency rating (EER, also known as SAP rating): A dwelling's energy costs per m² of floor area for standard occupancy of a dwelling and a standard heating regime and is calculated from the survey using a simplified form of SAP. The energy costs take into account the costs of space and water heating, ventilation and lighting, less cost savings from energy generation technologies. They do not take into account variation in geographical location. The rating is expressed on a scale of 1-100 where a dwelling with a rating of 1 has poor energy efficiency (high costs) and a dwelling with a rating of 100 represents zero net energy cost per year. It is possible for a dwelling to have an EER/SAP rating of over 100 where it produces more energy than it consumes, although such dwellings will be rare within the English housing stock.

The detailed methodology for calculating SAP to monitor the energy efficiency of dwellings was updated in 2012 to reflect developments in the energy efficiency technologies and knowledge of dwelling energy performance. These changes in the SAP methodology were relatively minor compared with previous SAP methodology updates in 2005 and 2009. It means, however that a SAP rating using the 2009 method is not directly comparable to one calculated under the 2012 methodology, and it would be incorrect to do so. All SAP statistics used in reporting from 2013 are based on the SAP 2012 methodology and this includes time series data from 1996 to the current reporting period (i.e. the SAP 2012 methodology has been retrospectively applied to 1996 and subsequent survey data to provide consistent results in the 2013 and following reports).

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

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

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- Band G (1–20)

Energy efficiency schemes:

- **Green Deal Cashback:** This scheme rewarded those making energy efficiency improvements under the Green Deal Framework. It let households in England and Wales claim money from Government on energy-saving improvements such as insulation, draught-proofing and double-glazing.
- **Green Deal Finance:** The Green Deal Finance Company offered finance to those installing improvements approved for installation under the Green Deal Framework. It enabled paying for the installations of Green Deal improvements through the energy bills tied to the property.
- **Feed-In Tariffs:** Introduced in 2010, they provide small scale generators of electricity with tariff payments on both generation and export of renewable and low carbon electricity. Eligible schemes include those producing less than five megawatt from photo-voltaic panels, wind, hydro and anaerobic digestion or less than 2 kW from micro-CHP (combined heat and power plants).
- **Renewable Heat Premium Payment (RHPP):** The RHPP scheme was a government financial support scheme which provided one-off grants to help householders and landlords with the cost of installing eligible renewable heat technologies.
- **The Renewable Heat Incentive:** A government scheme which provides a fixed payment for seven years for the renewable heat a household generates through biomass boilers, solar water heating and certain heat pumps. It is similar to Feed-In Tariffs, but the scheme is funded by the Treasury, and there is no 'National Grid for Heat', so importing and exporting heat is irrelevant.

Energy Performance Certificates (EPCs):

An Energy Performance Certificate (EPC) indicates the energy efficiency of the dwelling. The assessments are banded from A to G, where A is the most efficient in terms of likely fuel costs and carbon dioxide emissions. An EPC is required whenever a dwelling is newly constructed, sold or let. The purpose of an EPC is to show prospective tenants or buyers the energy efficiency of the property. The requirement for EPCs was introduced in phases and fully implemented for domestic properties by autumn 2008. EPCs are valid for 10 years.

Based on current energy performance the EPC provides a range of indicators, such as whether the property would benefit in terms of improved performance from a range of heating, insulation and lighting upgrades and the likely performance arising from the application of those measures. For further information on how the EHS

models this, see the Technical Report for further information and also the EPC Improvements Modelling Review report: <https://www.gov.uk/government/collections/english-housing-survey-technical-advice#methodology-reports>.

EPC modelling in the EHS:

The EHS EPC assessment is based on a simplified form of the energy efficiency SAP known as reduced data SAP (RdSAP). Following revisions to the way that RdSAP software implements improvements as part of the EPC production process, a new EPC methodology has been applied to the EHS data since 2015.

Several additional improvement measures have been added to the methodology, and for some existing measures the criteria and/or improvement specification has changed (see the Technical Report for further information and also the EPC Improvements Modelling Review

report: <https://www.gov.uk/government/collections/english-housing-survey-technical-advice#methodology-reports>).

The EHS currently provides the following EPC based indicators, calculated using the survey's own approach to:

- **current and post improvement performance:**
 - *energy efficiency rating* (EER) and bands
 - *environmental impact rating* (EIR) and bands
 - *primary energy use* (kWh/m²/year)
 - *energy cost* (£/year) for space heating, water heating, lighting and renewables
 - CO₂ (carbon dioxide) emissions (tonnes/year)
- **improvement measures:** The Technical Report provides a list of improvements specified in the updated EHS methodology. These include loft insulation measures, wall and floor insulation measures, boiler upgrades, solar water heating, glazing and lighting measures. They are also listed in the relevant Annex Table.
- **the notional costs of installing the recommended measures:** The EHS also estimates the notional costs of installing each of the recommended measures and the total cost of applying all the recommended measures to the dwelling stock. The methodology for estimating these costs has also been revised (see the Technical Report for further information).

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.

Excess cold (HHSRS Category 1 hazard): Households living in homes with a threat to health arising from sub-optimal indoor temperatures. The assessment is based on the most vulnerable group who, for this hazard, are those aged 65 years or more (the assessment does not require a person of this age to be an occupant). The EHS does not measure achieved temperatures in the home and therefore this hazard is based on dwellings with an energy efficiency rating of less than 35 based on the SAP 2001 methodology. Under the SAP 2009 methodology, used for the 2010- 2012 EHS reports, the comparable threshold was recalculated to be 35.79 and the latter was used in providing statistics for the HHSRS Category 1 hazard. Since 2013, the EHS Reports have used the SAP 2012 methodology and the comparable excess cold threshold has been recalculated to 33.52.

First time buyer: First time buyers are defined as households that have purchased a property that is their main home in the last three years, and in which neither the HRP or partner have previously owned a property. It includes households who have purchased their property outright as well as those who are buying with the help of a mortgage or loan.

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: 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 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 in poverty: a household with income below 60% of the equivalised median household income (calculated before any housing costs are deducted). Income equivalisation is the adjustment of income to take into account the varied cost of living according to the size and type of household (see the EHS Technical Report, Chapter 5, Annex 4 for further information).

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

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- one female

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

The purpose of the HHSRS assessment⁵ is not to set a standard but to generate objective information in order to determine and inform enforcement decisions. There are 29 categories of hazard, each of which is separately rated, based on the risk to the potential occupant who is most vulnerable to that hazard. The individual hazard scores are grouped into 10 bands where the highest bands (A-C representing scores of 1,000 or more) are considered to pose Category 1 hazards. Local authorities have a duty to act where Category 1 hazards are present, and may take into account the vulnerability of the actual occupant in determining the best course of action.

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

The EHS is not able to replicate the HHSRS assessment in full as part of a large scale survey. Its assessment employs a mix of hazards that are directly assessed by surveyors in the field and others that are indirectly assessed from detailed related information collected. For 2006 and 2007, the survey (the then English House Condition Survey) produced estimates based on 15 of the 29 hazards. From 2008, the survey is able to provide a more comprehensive assessment based on 26 of the 29 hazards. See the EHS Technical Note on Housing and Neighbourhood Conditions⁶ for a list of the hazards covered.

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.

Median income: the amount that divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount.

Mortgage type: three mortgage types are referred throughout this report:

- **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.

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- **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).

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

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 nine region classification is used to present geographical findings, as follows:

- North East
- North West
- Yorkshire and the Humber
- East Midlands
- West Midlands
- East
- London
- South East
- South West

SAP rating: See the entries for the Standard Assessment Procedure and Energy Efficiency Rating

Standard Assessment Procedure (SAP): The Standard Assessment Procedure (SAP) is the methodology used by the Government to assess and compare the energy and environmental performance of dwellings. The SAP is used to calculate the energy efficiency rating (EER) of dwellings, also known as the SAP rating. The EER is an index based on calculated energy costs for a standard heating regime and is expressed on a scale of 1 (highly inefficient) to 100 (highly efficient with 100 representing zero energy cost). It is possible for a dwelling to have a rating of over 100 where it produces more energy than it consumes, although such dwellings will be rare within the English housing stock.

Reduced Data SAP (RdSAP) was introduced in 2005 as a lower cost method of assessing the energy performance of existing dwellings. RdSAP is used in the calculation of the energy ratings on the Energy Performance Certificate, a document which is required every time a home is put up for sale or rent. Since the 2015 survey, the EHS has provided a number of indicators on energy performance calculated using an approach which is in line with RdSAP 2012 version 9.92, since then a newer version has been released (version 9.93). In 2018 the methodology moved to using RdSAP version 9.93, which includes updated U-Values for cavity, solid and stone walls, both insulated and uninsulated, between age bands A and E. In addition to this methodological change, there have also been a number of improvements made to the energy model, such as aligning the calculation of ventilation parameters with RdSAP conventions and incorporating more detailed data into the modelling of water heating parameters. These updates were applied to dwellings from the 2018/19 EHS survey, making the 2019 combined year dataset the first dataset with these changes applied to both years. As such the full effect of this is seen in 2019 and is estimated to increase SAP by 0.7 SAP points, compared to 2017.

Socio-economic groups: The EHS uses the eight-class version of the National Statistics Socio-economic Classification (NS-SEC). The eight classes are:

- Higher managerial and professional occupations
- Lower managerial and professional occupations
- Intermediate occupations (clerical, sales, service)
- Small employers and own account workers
- Lower supervisory and technical occupations
- Semi-routine occupations
- Routine occupations

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- Never worked or long-term unemployed.

No EHS respondent is assigned to the last class because the survey does not collect enough information to code to someone as never worked or long-term unemployed.

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)

Vacant dwellings: The assessment of whether or not a dwelling is vacant is made at the time of the interviewer's visit. Clarification of vacancy is sought from neighbours. Both properties in between lets and those that are vacant for a longer period are classified as vacant on the EHS. Surveyors are required to gain access to vacant dwellings and undertake full inspections.

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

Well-being: There are four measures of personal well-being in the EHS, to which respondents are asked to give their answers on a scale of 0 to 10 where 0 is 'not at all' and 10 is 'completely'.

- Overall, how satisfied are you with your life nowadays?

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- Overall, to what extent do you feel the things you do in your life are worthwhile?
 - Overall, how happy did you feel yesterday?
 - Overall, how anxious did you feel yesterday?

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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