

# Understanding demographic, spatial and economic impacts on future affordable housing demand



## Executive summary and overview

This executive summary summarises the main findings and conclusions of a major series of research reports commissioned by the Housing Corporation’s Centre for Research and Market Intelligence (CRMI). The report was produced by Anna Clarke, Alex Fenton, Sanna Markkanen, Sarah Monk and Christine Whitehead of the Cambridge Centre for Housing and Planning Research, Cambridge University.

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## Aims and objectives

There are three key reasons why affordable housing demand is of interest:

1. Meeting housing demand requires an understanding of where this demand is coming from, from whom, and for what types, sizes and tenures. Affordable housing is intended to assist households who may otherwise be struggling to have a home that meets their needs at a price within their means. Information about the kinds of homes they need and want can therefore help inform spending decisions and priorities and help to ensure that money from the public purse is put to the best possible use;
2. Low demand for specific locations, property types, sizes or tenures can mean that some properties remain empty. This can cause problems with letting/selling additional properties, and with potential rental incomes (or income from sales of shared ownership properties). It is therefore vital to avoid building new housing that is likely to be in excess of what is demanded, and in some areas to consider stock rationalisation where there is already excess demand; and
3. The profile of households seeking affordable housing may change over coming years. So too may the profile of future residents, and their aspirations and priorities in terms of what they want. Understanding the directions of these changes can help to ensure that affordable housing meets the needs and aspirations of future residents.

## Overview

Demand for affordable housing varies according to demographic, economic and spatial factors. This research explores some of these variations and considers how changes to the demographic structure of households, economic factors such as incomes and housing costs, and spatial differences will affect demand in the future and how the sector could best adapt to meet these demands. A suite of eight papers was produced to explore topics of particular interest to the affordable sector of the future:

- **The Profile of Affordable Housing Residents** examines the current profile of affordable housing residents in terms of age, gender, ethnicity and working status. It then proceeds to look at the future composition of the sector if current trends remain the same and considers some of the key drivers likely to alter this profile;

- **Living in Affordable Housing** examines what residents think of living in affordable housing. It sets out what is known about design preferences overall before exploring what affordable housing residents particularly like and dislike about their homes. It considers what could be done to better meet the aspirations of those within the sector;
- **Moving Within and Leaving Social Housing** focuses on social rented housing and examines the profile of households that leave the tenure, the reasons for leaving, and where they move to. It also looks at the profile of households that move within the tenure, and their reasons for moving;
- **Moving into Social Housing** considers demand for social housing amongst those not currently in the sector and examines the profile of the client group seeking social housing. It looks at why people do or do not apply for affordable housing and then proceeds to examine the profile of those who have actually entered the sector in recent years;
- **Tenure Aspirations and Shared Ownership** examines the profile of those currently living in shared ownership and then looks at demand for the tenure by considering the reasons why households apply or do not apply for it;
- **Affordable Housing in London: Needs and Provision, Aspirations and Realities** London's sheer size, as well as its economic and political importance means that it has a housing system that is qualitatively different to other parts of the UK. This paper examines the role of affordable, and particularly, social rented housing within that system. It looks at evidence about the scale of housing need and housing supply in the city, and also at the longer-term housing aspirations of less well-off Londoners;
- **Black and Minority Ethnic Housing Needs and Aspirations** examines the housing needs and aspirations of Britain's largest black and minority ethnic (BME) populations. It sets out to identify how demographic, spatial and economic factors have influenced BME populations' tenure patterns to the date, and how changes in these patterns may affect the demand for affordable housing from BME populations in the future. This paper also explores the ways in which BME households' needs and preferences differ from those of white Britons; and

- **Regional Differences in Demand for Affordable Housing** examines the spatial impacts on demand for affordable housing. It does this by investigating the key differences between the regions and looking at indications of demand to draw out key differences. It then looks at how the profile of those living in social housing differs between the regions. The paper also explores some of the key differences in different types of areas found throughout the country.

An accompanying source document explores further the surrounding literature and reports the findings from the research in full.

## Key findings: Demographic impacts on affordable housing demand

### Demographic impacts on demand

- People in the younger age groups are the most likely to have applied for social housing;
- Households with children who cannot afford owner-occupation are most likely to seek social housing in preference to private rented housing because of the security and affordability it offers;
- BME groups, including those currently underrepresented in the sector, are more likely to want to live in social housing;
- Different household types need different tenures at different life stages. There appears to be a somewhat unmet market for shared ownership from ex-owners who can no longer sustain owner-occupation. Separating couples are the main group here, though there are also overcrowded families as well as elderly homeowners with growing health needs; and
- The profile of those moving into affordable housing depends in part upon who applies for it, but also upon allocation criteria that aim to house those in most need. This tends to give priority to households that are badly overcrowded or in otherwise unsuitable accommodation:
  - new entrants to social rented housing are typically under the age of 45. New shared owners are typically aged 25-45;

- couples and singles with children comprise the majority of new entrants in the younger age groups, with single person households entering across all age groups; and
  - 85% of new shared owners are households without children, most often one-person households.
- Large families and lone parent families are particularly common amongst some BME groups. Household size and composition impact upon the size and type of housing BME households require;
  - The profile of existing shared owners is different to that of social renters, with most aged 25 to 45 and without children; and

#### Demographic impacts on the profile of the sector

- The composition of the sector overall depends upon the profile of new entrants, changes that happen to households whilst they are in the sector (such as ageing) and the profile of those who move out;
  - Overall, the affordable housing sector houses disproportionate numbers of households at either end of the age range, and smaller numbers of people aged 45-74;
  - There are proportionately more single people and single parents in the social sector;
  - Households that include a younger member with a disability are especially likely to live within social rented housing, whilst over 30% of households in the older age groups include someone considering themselves disabled;
  - Black, some mixed heritage and Bangladeshi households live disproportionately within the social sector, while people from Indian, Pakistani and Chinese groups are less likely than average to do so;
- In the future there are predicted to be:
    - **Smaller proportions of households within the social sector overall.** Taking account of departures through Right to Buy, the proportion of all households falling within the social rented sector is projected to fall from just over 20% in 2001 to 17.7% in 2011, despite a small projected increase in absolute terms of the size of the sector. However, this does depend upon future take up of the Right to Buy (or Social HomeBuy) and rates of new building and demolitions;
    - **An increasing proportion of one person households.** This change is happening in the country as a whole and is reflected in the social rented sector. Analysis shows that forming a couple tends to be associated with moves out of the social sector, and separation of a couple with moves into it;

- **Increasing numbers of lone parents.** Lone parent households are particularly over-represented in the social rented sector. The increasing proportion of lone parents in the population as a whole will lead to rising numbers of lone parents within social housing; and
- **A reduction in the number of those aged over 65.** This is because the very large 70-74 and 75-79 age groups in 2001 will be largely gone by 2021. Younger cohorts replacing them have a much lower propensity to be social tenants, with many leaving the sector through Right to Buy. There is, however, a modest increase in the projected numbers of very old tenants (aged over 85).

## Key findings: Spatial impacts on affordable housing demand

### Spatial impacts on demand

- Overall levels of demand for affordable housing vary throughout the country. Demand for social housing (as evidenced by housing registers), relative to supply, is greatest in London, followed by Yorkshire and the Humber, and the South West;
- Supply also varies. Higher proportions of social housing are found in London and the North East. The sector is smallest in the South East and South West. Even so, because turnover rates are lowest in London, the supply of social housing to let is not so high;
- Shared ownership comprises less than 1% of the housing stock in all regions, but is most common in London and the South East;
- Low demand has traditionally been an issue in parts of the North and Midlands, but the numbers of low demand dwellings have fallen considerably in recent years, and the differences between the regions in terms of the proportions of empty properties are no longer substantial;
- Council estates still suffer from image problems and this is one factor that reduces demand for social rented housing from prospective applicants, especially from people who have not grown up in the tenure. Moving to a better area is also a key reason for leaving social housing or moving within the tenure; and

- BME populations often live in cities where there are: sizeable ethnic communities, access to places of worship, specialist markets/shops and proximity to good schools. However, the relative safety of the area is becoming increasingly important to BME households. Fear of racism continues to affect the locational choices of many non-white BME groups.
- London has a substantially more ethnically diverse population than any other region with over 40% of tenants from BME groups; the North East and South West in contrast are over 95% white.

#### Spatial impacts on the profile of the sector

- Yorkshire and the Humber and the East Midlands have higher proportions of older tenants; London has fewer than the other regions;
- Within the social sector, there are higher proportions of households with children in London and the South East, and lower proportions in the North of the country. In contrast, the highest proportions of larger social sector dwellings are in the North of the country, causing a mismatch between household and dwelling size in London in particular;
- Levels of employment amongst social tenants are higher in the South and the East of England, but lower in London. Levels of employment are particularly low amongst new entrants to social housing in London;
- Of those in work, household incomes are highest in London and lowest in the Midlands; and

## Key findings: Economic impacts on affordable housing demand

### Economic impacts on demand

- Poverty is a major factor affecting the need for social housing. Higher poverty rates amongst BME populations increase their demand for social rented housing;
- Private renters are divided as to whether they would like to live in social housing, with around half of lower income groups saying that they would like to live in it. Only small proportions of the poorest owner-occupiers express a preference for social housing, though this still equates to quite large numbers;
- Most low-income private renters do not apply for social housing. In some cases this is because they do not think they would have a high enough priority, but more often it is because they see their long-term future in owner-occupation, or they are happy with private rented housing. Better-educated and childless people are particularly unlikely to have considered social housing;
- 62% of non-home-owning households surveyed said that they had heard of schemes such as shared ownership or HomeBuy, although some of these had only patchy or incorrect knowledge about how the schemes worked. Households in the applicable income bands were no more likely than any others to have heard of it; BME households were particularly unlikely to recognise the tenure; and

### Economic impacts on the profile of the sector

- The proportion of households in the social sector containing a full-time worker has continued to decline slightly in recent years. However, the incomes of social tenants have increased at a faster rate than those in owner-occupation over the last ten years. This suggests that there is now a somewhat higher proportion of better-off social tenants;
- New entrants to social housing are most often households without a full-time worker and have fairly uniformly low incomes;
- Over 70% of households leaving the sector have at least one person in employment and their incomes are substantially higher than for tenants who remain in the sector;
- High costs of market housing in recent years have caused a reduction in the number of tenants willing or able to move out of social housing, reducing the supply of housing for relet; and
- Around 77% of shared owner households contain a full-time worker and incomes of shared owners are quite dispersed.

## Conclusions and implications

### Overall demand for social housing

A key conclusion from this research is that there is no lack of overall demand for social housing. Demand is high, despite a lack of marketing or promotion of the tenure. Only a small proportion of owner-occupiers want to live in social housing (though this still equates to a sizeable group numerically), but private renters are more split with around half of lower income groups saying that they would like to live in it. Younger, poorer people and those with children are especially likely to state that they would like to live in social housing, as are BME households. For many of these households social rented housing fulfils their tenure and wider housing aspirations, offering sufficient space, affordability and security. The services of social landlords are on the whole greatly appreciated.

It seems very likely that if supply were to increase, demand could quickly fill the supply as it is currently constrained by not only both perceptions, but also the reality of long waiting lists, selection criteria and, in some cases, a lack of knowledge. The recent success of choice based lettings in all but eradicating problems of 'low-demand' in some areas shows how susceptible perceptions of demand can be to what are in effect difficulties of a bureaucratic allocations system. There may be locally-specific difficulties in letting unpopular property types such as small flats, but this is not due to an overall lack of demand for the tenure. It

is harder to be sure about future demand for new tenures such as shared ownership due to heavy supply constraints at present and the susceptibility of demand for the tenure to changes in the housing market.

There has been a change in the North-South pattern in recent years. Low demand, once a major problem in some parts of the North, has now virtually disappeared. Regional differences now take the form of the extent of the excess demand for social housing. Overall, the social housing sector, just like the wider housing system, is under the greatest pressure in London, the South East and the South West of the country. London remains under the most extreme pressure with two thirds of temporarily housed households living in the region with rates of overcrowding, having reversed the downwards trend of many decades, are now increasing.

### Affordable housing's residents of the future

Whilst only a minority of low-income households actually register for affordable housing, it would be true to say that demand for affordable housing tends to arise from the subset of households who are unable to afford access to owner-occupation, the major tenure of all households in England. The numbers, types and locations of households unable to access owner-occupation therefore impact substantially on demand for affordable housing.

Constrained allocation systems, and prioritising households in the highest degree of housing need also tend to mean that only the poorest households are able to access the sector, as they are the most likely to be living in substandard housing.

These two factors, together with the impact of Right to Buy, have produced a gradual residualisation of the social rented sector over the last twenty five years. This has resulted in the sector including a declining number of economically active households. However, current house prices mean that there are substantial numbers of working households unable to afford owner-occupation, so it is likely that there would be plenty of demand for affordable housing from working households. Supply, however, is currently unable to meet all this demand.

Overall, movement in and out of the affordable housing sector is slow, and any changes in the composition of the sector are likely to be gradual rather than dramatic. The one factor that could affect the profile of the sector in new ways is policy change, especially regarding definitions of the sector. Expanding the sector into the intermediate market will expand the overall profile of the sector to include a lot more working households, and higher numbers of younger childless households.

Given the current policy emphasis on owner-occupation, along with the high levels of overall demand for social housing, there is little chance of the social rented sector focusing on housing mainstream couples, or employed households. As elsewhere in Europe, social housing in England is likely to need to focus on housing those who for a range of reasons are least able to access appropriate housing in the open market. Demographic, economic and spatial factors all affect which households these are likely to be, although they will most likely be those with the highest levels of need in terms of space (such as large families), specialist housing needs (such as disabled people), and the least economic resources (such as lone parents and those outside of the labour force) especially those living in areas where the cost of market housing is highest. Some ethnic groups are particularly likely to fall within these categories, so remain heavily concentrated within social housing. As these groups increase in size their numbers within social housing are likely to increase. Social housing will most likely continue to play a crucial role in meeting the specialist housing needs of the most vulnerable people in the future. For instance, ethnic community and bilingual/culturally sensitive services are of great importance to recent migrants and foreign-born elderly. Black and minority ethnic housing associations can serve an important function in addressing these needs.

The over-representation of some BME groups, women, disabled and economically inactive people within social housing arises not as a result of some failing within social housing, but as a result of the difficulties these groups face in accessing appropriate housing of any other tenure. Alongside measures to reduce economic disadvantage, improving access to private housing is the main measure that would help to reduce the demand for social housing that arises out of desperation. Reducing overall levels of demand for social housing would enable the sector to better meet the needs and aspirations of those within the sector – it is very difficult to tackle issues such as overcrowding whilst the sector is under so much pressure.

There are mixed signals as to whether the residualisation of the sector will continue or not. On the one hand, as the sector shrinks as a proportion of all dwellings, the pressure will be upon it to concentrate on housing the poorest and the most desperate. New entrants to the sector at present have generally low incomes and recent trends still show a slow decline in the proportion of working households within the sector, which may continue.

On the other hand, moving into owner-occupation has become significantly more difficult for households in recent years. Whilst it is likely to remain very difficult for relatively higher income households to enter the social rented sector, households that do so (or whose incomes rise whilst they are within the sector) may find that they are increasingly unable to move out. It is possible that we may see higher numbers of better-off tenants, especially those with large families living in London and the south of the country, remaining in social rented housing in the future. At the same time, the inclusion of a broader range of tenure options within the affordable sector, including some which require key worker status or a steady income, will considerably alter the profile of new entrants and, over time, the composition of the sector overall, increasing the numbers of working households on higher incomes.

Policy also plays an important part here. There exist clear tensions within policy objectives seeking on the one hand to allocate the scarce resource of social housing to those most in need, whilst at the same time trying to make it a “tenure of choice” that will attract and retain a wider range of households. Policy decisions that favour one aim over the other will impact differentially upon the composition of the sector. Crucially, the profile of shared owners is very different from that of social renters: the vast majority are working households. Clearly decisions as to which tenure of dwellings to build will impact significantly upon who lives in the affordable housing sector.

### Declining mobility

Overall demand for affordable housing, relative to supply, is changing much faster than the composition of the sector. Waiting lists for social housing grew by nearly 50% between 2002 and 2005 alone, but levels of vacant properties fell by 22% during this same period. In the regions traditionally affected by patches of low demand, demand increased to levels very similar to those found in the more pressured parts of the country. A major reason for this apparent increase in demand is that the supply of re-lets has fallen substantially as existing tenants are either unable or unwilling to leave the sector.

Households leave the sector in order to live in private rented housing, owner-occupation, or to live with another household. The profile of those who have recently left social housing shows high proportions of couple households with at least one person in employment. This, however, does not necessarily mean that established couple households have a greater propensity to move out of the sector, since forming a couple has been shown to be strongly associated with moves out of social housing, especially to owner-occupation.

This means that, contrary to the way in which it is sometimes seen, the social sector is taking in tenants who are predominately single and jobless; however, it is couple households in work who are leaving it. This research found that the great majority of moves out of social housing were for positive reasons, as people moved on out of choice to housing they preferred.

The problem, however, is that this is not happening very fast. And it is getting slower. As house prices and rents have risen steeply, tenants have become increasingly unable or unwilling to leave the sector. Most households moving into owner-occupation still do so via Right to Buy. Recent restrictions on Right to Buy were intended to help ease access to social housing, but this benefit will only be realised if tenants are both willing and able to move out of the sector instead. If tenants cannot afford owner-occupation without Right to Buy they are likely to remain where they are.

The consequently reduced number of dwellings available for relet is contributing to growing waiting lists and overcrowding. Turnover rates are lowest in the regions where house prices are highest, again causing particularly severe difficulties in London.

Declining mobility is not always perceived as a problem by housing managers. Instead, their focus can be upon meeting the needs of their existing tenant base, and reducing rent loss due to voids. Whilst some housing officers are keen to increase turnover so that they can offer more housing to those in need, others see this as a threat to their efforts at community-building or secondary to their desire to keep people happy in their current homes.

### New tenure options

Rising costs of market housing in England have produced a situation where there is a gap in terms of costs between social and market housing. Intermediate housing tenures aim to fill this gap, and to cater for households able to afford more than social rents but unable to afford full ownership. Providing these kinds of options could help to solve the problems discussed above of declining movement out of the social rented sector. If better-off social tenants could be persuaded to move to a more lightly-subsidised tenure, they would free up their social tenancy for another household that may need it. Despite representing less than 1% of the current housing stock, shared ownership is growing as a tenure and now represents over a third of new affordable housing completions.

The recent Hills Report into the future of social housing gives emphasis to the need for housing associations to work with clients throughout their housing careers to find tenures and options that fill their needs at each point in time. Such kind of work could help to move more households on to shared ownership, or out of the sector altogether. The somewhat higher incomes of tenants in the more expensive parts of the country, however indicates that there might be a growing market for this kind of work.

However, the structure of the housing market at present means that there is very little scope to produce intermediate housing based on a shared ownership model that costs less than private rented housing – the costs of private rented housing are considerably less than those of owner-occupation - meaning that shared ownership offers an additional tenure choice to households already able to afford to meet their needs in the market (via renting), rather than offering a solution to the large numbers of households unable to do so. The gap that existed only five years ago between the costs of full owner-occupation and social renting now exists, in many regions, between the costs of shared ownership and social renting.

Efforts to persuade social tenants to take up shared ownership have thus so far succeeded in attracting only small numbers. This may well be because the aspiration to be a homeowner is not a sufficiently strong motivation. Wanting a secure and affordable tenure is a much stronger motive for many households, making shared ownership attractive to households that are presently renting from the private rather than the social sector. Instead, wanting a better home in a better area is the major driver behind moves by households already in the social sector. For many social renters, Right to Buy still provides a financially more attractive route into home ownership.

Shared ownership is growing dramatically as a tenure, from a very low baseline. As well as the growing numbers of new-build shared ownership homes, there is also a fast-emerging second-hand market as shared owners move on to full owner-occupation, increasing the supply of dwellings for sale. This, coupled with supply constraints, means that there is a high degree of uncertainty in predicting whether supply will meet future levels of demand for the tenures – or indeed at what level supply might exceed demand. Households who can afford shared ownership often do have other options open to them. Renting privately is probably the biggest ‘competitor’ to shared ownership, but people may also choose to buy with friends, move to cheaper areas, or buy at the bottom end of the market. The relative costs and benefits of renting and buying, as well as expectations of housing market growth (or decline)

will inevitably influence the choices that households make. If house prices remain high relative to social rents, there will continue to be a sizeable potential intermediate market. However, unlike for social renting, demand for shared ownership is vulnerable to the direction of the housing market– if there were to be a downturn, demand could well decline steeply. This could cause difficulties both for housing associations and for existing shared owners wishing to sell.

There is also a scarcity of data on the numbers of households registered for shared ownership which makes it difficult to assess overall levels of demand. Little data exists on the longer term trajectories for either the homes or the households that make use of this tenure. This is something that needs to be addressed in order to form greater understanding of the role that shared ownership does or could play in the future of the English housing system.

Comprehensive data on staircasing behaviour are badly needed, though it is probable that this may vary substantially with housing market conditions. A downturn could bring about high levels of interest in downwards staircasing, as well as a possible lack of demand from first time buyers for the tenure.

The government emphasis on first-time buyers as the target group for shared ownership may be failing to meet demand from existing owners who can no longer sustain owner-occupation. Rather than being seen as a route into owner-occupation in a conventional housing career, shared ownership could better place itself as offering an additional tenure choice to those who want the security and sense of ownership that it offers for whichever period of their lives that they need it. For some households whose incomes remain too low to stretch to full-ownership, it may offer a long-term tenure in itself.

The highest proportions of shared ownership are being built in the regions where the cost of market housing is highest. This clearly reflects the relative importance of the intermediate market in these regions. However it is also in these regions that demand for social rented housing is greatest. Meeting demand for all types of affordable housing requires shared ownership to be an addition to the social rented housing needed, rather than its replacement.

### Homes for the future

The challenge for all regions is currently one of meeting and managing higher levels of demand for social housing than can easily be met. In some regions there also remain some challenges in addressing localised issues of low demand and unpopular stock. There may also be unpopular stock in many of the high-pressured regions, although this is unlikely to present itself as hard-to-let or even have a high turnover when the market is sufficiently pressured. However, more could still be done to make social housing better meet the needs and aspirations of residents even when low demand is not a problem. Residents of affordable housing share some of the desires and preferences of owner-occupiers: to live in a nice, quite neighbourhood, gardens and parking are all key issues. There is also enthusiasm from social tenants too for 'eco-homes'. However, priorities are not exactly the same for social tenants. En-suite bathrooms, so favoured by developers in private developments hardly got a mention. Instead, the two key issues identified in this research of particular concern to social tenants relate to the size of properties and the use of communal space and facilities, especially in flats. Soundproofing and ventilation are key issues for tenants, and are especially paramount within social housing where large proportions of households have at least one member at home during the day. However, as these are not really covered within the Decent Home Standard they may not always be key priorities for housing associations.

Overall, most people want fairly straightforward things from their home: safety; security, not being bothered by neighbours, storage space and a garden. The desire for more indoor and outdoor space seems to be a strong theme across all affordable housing residents and household types, and especially crucial for families. There are few special cultural requirements from different ethnic groups, though individual households often have strong preferences in terms of location, design and layout. Some of the features common in new builds, such as open plan kitchens are particularly disliked by some tenants. Whilst probably true of all tenure groups, these issues can be difficult for social tenants when constrained allocation systems, together with low incomes, mean they are unable either to choose their home, or alter it once they have it. These individual preferences could probably be best addressed by offering a good degree of choice within allocations systems, and improving mobility within the tenure. Building housing that appeals to older tenants currently occupying family-sized homes might help to reduce overcrowding by younger families waiting for these homes.

Mobility within the tenure suffers from a range of difficulties, not least that there is a mismatch between the size of properties wanted and the size currently occupied, with tenants mostly wanting larger homes. There are also difficulties inherent in moving via mutual exchanges where the household in the home you want to move to must also want to move to yours. Transfer systems often offer very little choice for prospective movers, even when they would be giving up a tenancy on a property highly in demand.

There are also differences between the regions in terms of the supply and need for affordable housing – the south of the country has the largest proportions of families with children, but the smallest proportions of family-sized dwellings. In the North, however, two bedroom properties are frequently let to single person households. This suggests that the level of demand for affordable housing does impact upon the profile of the residents.

Families in social housing are often overcrowded, but even when not, often tenants want larger homes in order to have more storage space, to accommodate ‘part-time’ children, computers and other technological equipment, or to work from home. The south of the country especially needs more family-sized houses. Flats are less popular with most household types, except possibly younger childless people living in London. Shared ownership too suffers from a lack of larger properties. Properties with three

or more bedrooms would do more to meet the needs of larger families, who often live within social rented housing at present, even when on a moderate income.

Overcrowding and lack of space is a difficult issue to tackle whilst the housing stock is under such pressure overall. However, extensions, loft conversions, garden sheds and studios would offer possibilities in some areas. More could also be done to make better use of existing stock by encouraging smaller older households to move to smaller housing, freeing up larger homes for young families. Increasing the supply of affordable housing in all regions, but especially in the south of the country, whilst also addressing the main concerns that social tenants have with their homes such as the size of the properties and difficulties with the use of communal space are key to meeting demands of the tomorrow's households. Affordable housing needs to meet the needs and aspirations of those within the tenure more effectively, as well as enabling lower income households to exercise more meaningful choices between tenures and between homes within the affordable sector.

There remains an important role for social housing to provide for the groups that are most disadvantaged in the wider housing market. Some of these have particular needs from their housing such as adaptations for disabled tenants. Single person households especially are likely to have these needs. Supported housing is also likely to continue to play a key role in housing certain particularly vulnerable groups and in particular the elderly. There may well be a newly emerging need for housing projects for elderly people from certain BME groups with specific linguistic, cultural or locational needs in the future. This situation is something that will require frequent monitoring, responsive provision and coordination between housing and other services as to how best to meet these needs.