

UNDERSTANDING DEMOGRAPHIC, SPATIAL AND ECONOMIC IMPACTS ON FUTURE AFFORDABLE HOUSING DEMAND

Paper Four – Moving into social housing

Anna Clarke

With Alex Fenton, Sanna Markkanen, Sarah Monk and Christine Whitehead

Cambridge Centre for Housing and Planning Research

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This is the fourth of a suite of eight papers drawing on research carried out into demographic, spatial and economic impacts on future demand for affordable housing. For full details on the methods and findings of the research see the accompanying source document.

This paper first considers demand for social housing amongst those not currently in the sector and examines the profile of the client group seeking social housing. It goes on to look at why people do or do not apply for affordable housing. Lastly, it looks at the profile of those who have actually entered the sector in recent years.

Tenure aspirations for shared ownership are covered in paper five of this series.¹

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¹ It was not possible to examine shared ownership fully within this paper due to data limitations and the small size of the sector.

Key Findings

- *Only small proportions of owner-occupiers want to live in social housing, but private renters are more split with around half of lower income groups saying that they would like to live in it.*
- *Private renters with children were especially likely to state that they would like to live in social housing, as are households that have previously lived in the social sector.*
- *Younger, poorer and less-educated people are more likely to have applied for social housing.*
- *Most households apply because their current housing is unsuitable. Poorer households are unlikely to have considered any other housing tenure, while working households are more conscious that social housing is the most affordable option.*
- *Households who apply for social housing often have very negative experiences in the private rented sector and despite a lack of real choice often feel that entering social housing is a very positive move.*
- *Most low-income private renters do not apply for social housing. In some cases this is because they don't think they would have a high enough priority, but in most cases 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.*
- *The majority of new entrants to social housing are aged under 45, and come either as newly forming households or from private rented housing.*
- *Couples and singles with children comprise the majority of new entrants in the younger age groups, with single person households entering in similar numbers in all age groups.*
- *Most new entrants have low incomes, though those moving from owner-occupation have somewhat higher incomes.*
- *There are declining numbers of households entering the social sector as a result of fewer households leaving.*
- *Over 30% of new households with a member aged over 55 contain someone considering themselves disabled.*

The total number of new entrants to social housing has declined steadily over the last five years. There is no evidence at all that this is a result of falling demand (waiting lists grew by nearly 50% between 2002 and 2005 alone, and vacant properties fell by 22% during this same period; Source HSSA), but rather a consequence of a reduction in properties becoming available for relet as fewer households leave the sector.²

The profile of those moving in to social housing depends firstly upon who applies for it. It also depends upon allocation systems which in most parts of the country allocate housing only to those in the highest degree of housing need. This paper therefore examines first who applies for social housing. It then looks at why some households apply and others do not, and then proceeds to look at the profile of those actually moving in to the sector.

² For further discussion on exits from the sector, see Paper 3 of this series

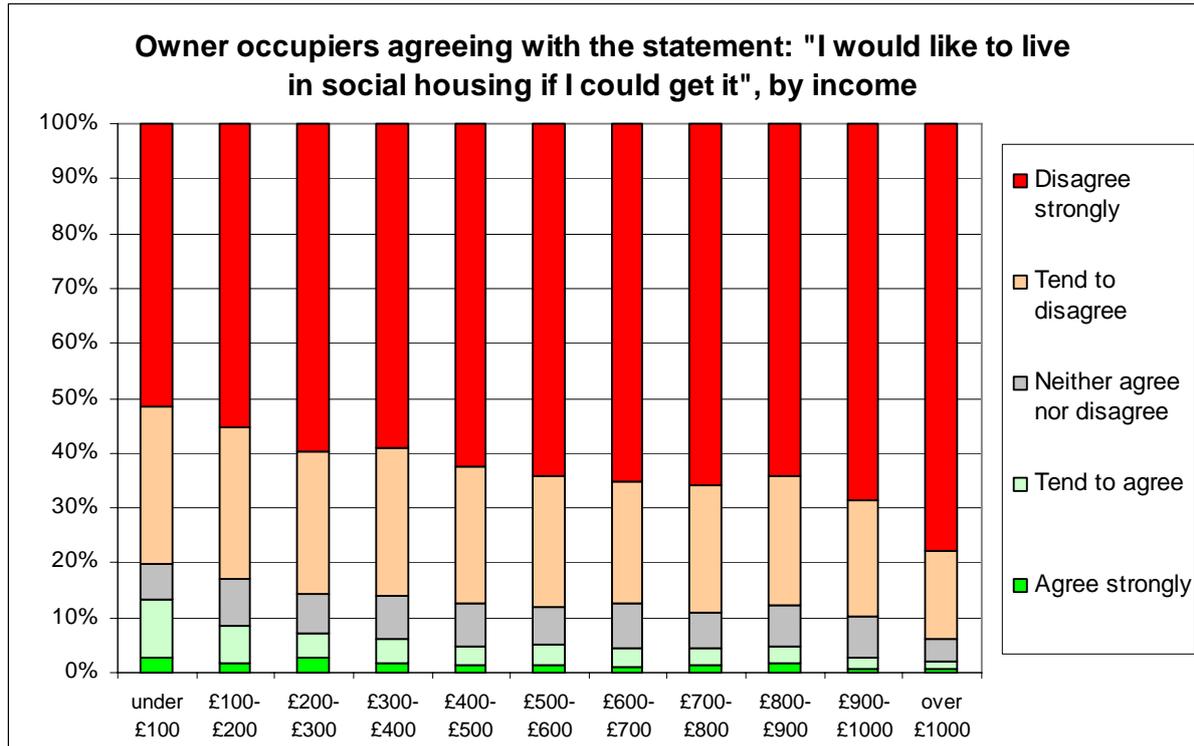
1. The profile of those wanting social housing

Only around a third of those who state in surveys that they would like to live in social housing have actually put their names on waiting lists (SEH). The number of householders stating that they would like to live in it therefore provides a broad estimate of the potential demand for social housing.

As Figure 1.1 shows, only a small proportion of home-owners want to live in social housing if they could get it, although there are slightly higher numbers in the lower income groups.

Figure 1.1

Source: Survey of English Housing 2004/5

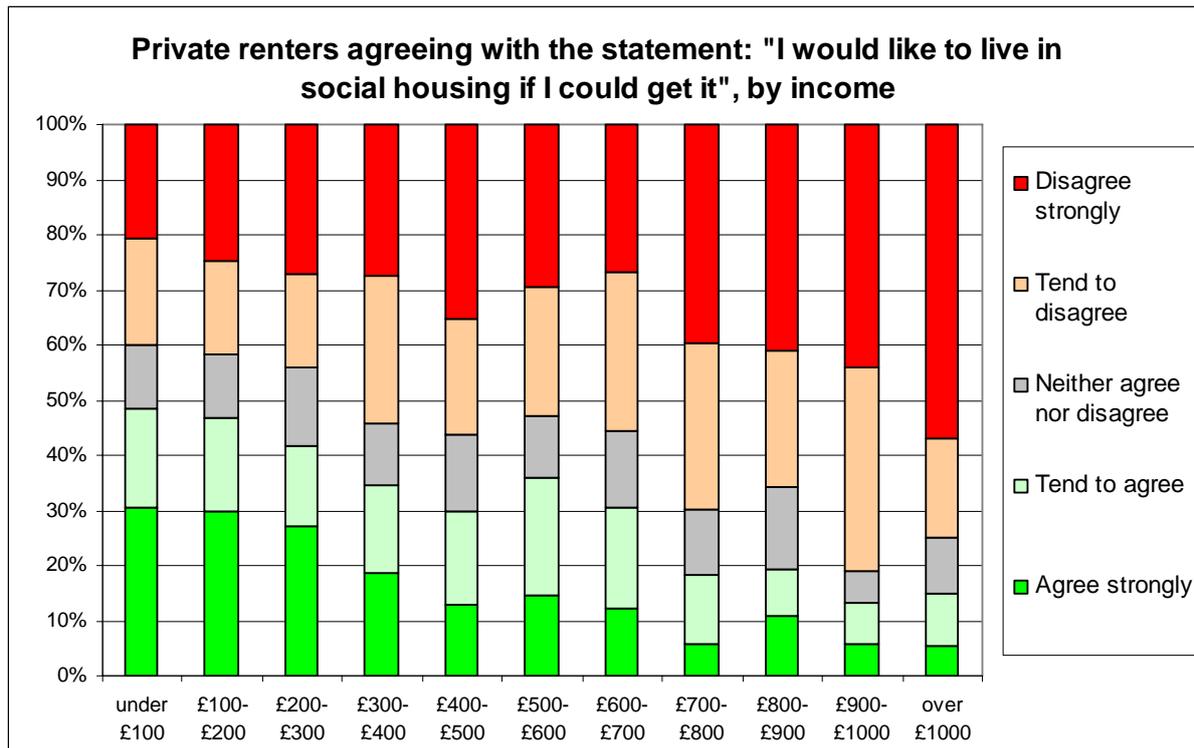


It should also be remembered that a small proportion of 70% of the households in the country still represents quite a large number (~591,000 households stating that they would like to live in social housing if they could get it).

In contrast, private renters are much more evenly divided over whether they would like to live in social housing (Figure 1.2).

Figure 1.2

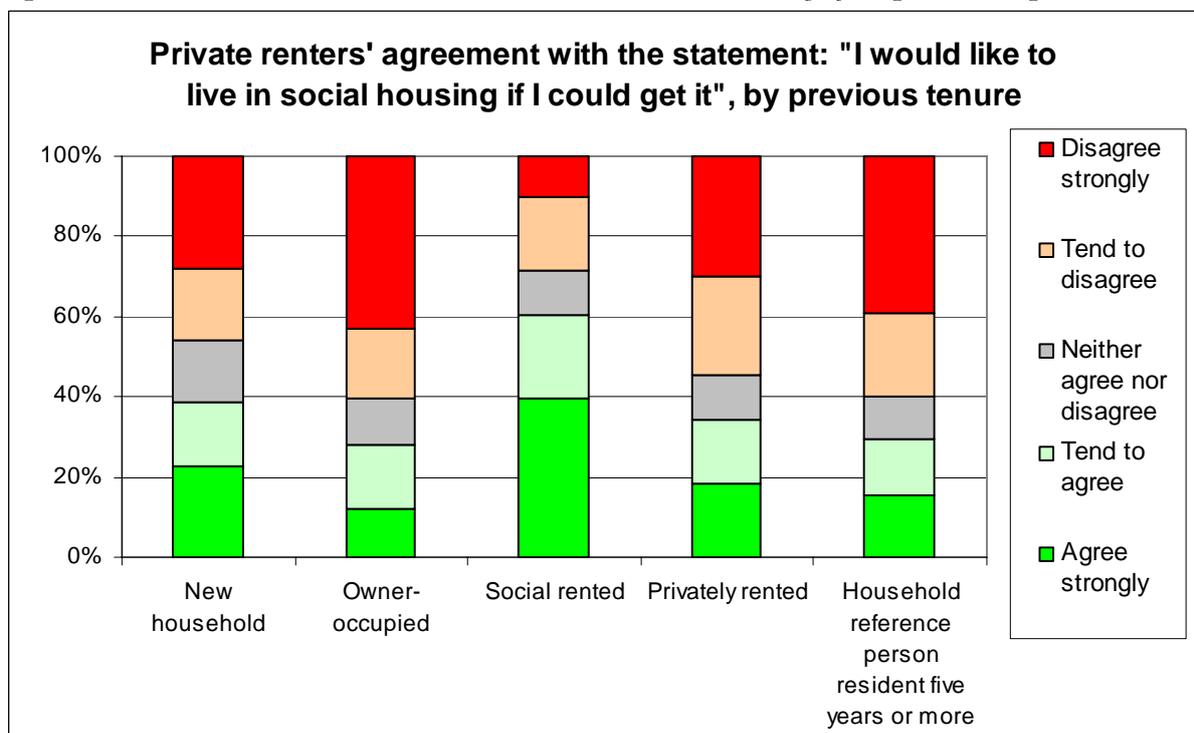
Source: Survey of English Housing 2004/5



The same pattern appears but renters are significantly more likely to want social housing than owner occupiers in the same income groups. Overall 34% of private renting households say they would like to live in social housing if they could get it, and this rises to 39% of newly formed households (Figure 1.3).

Figure 1.3

Source Survey of English Housing 2004/5

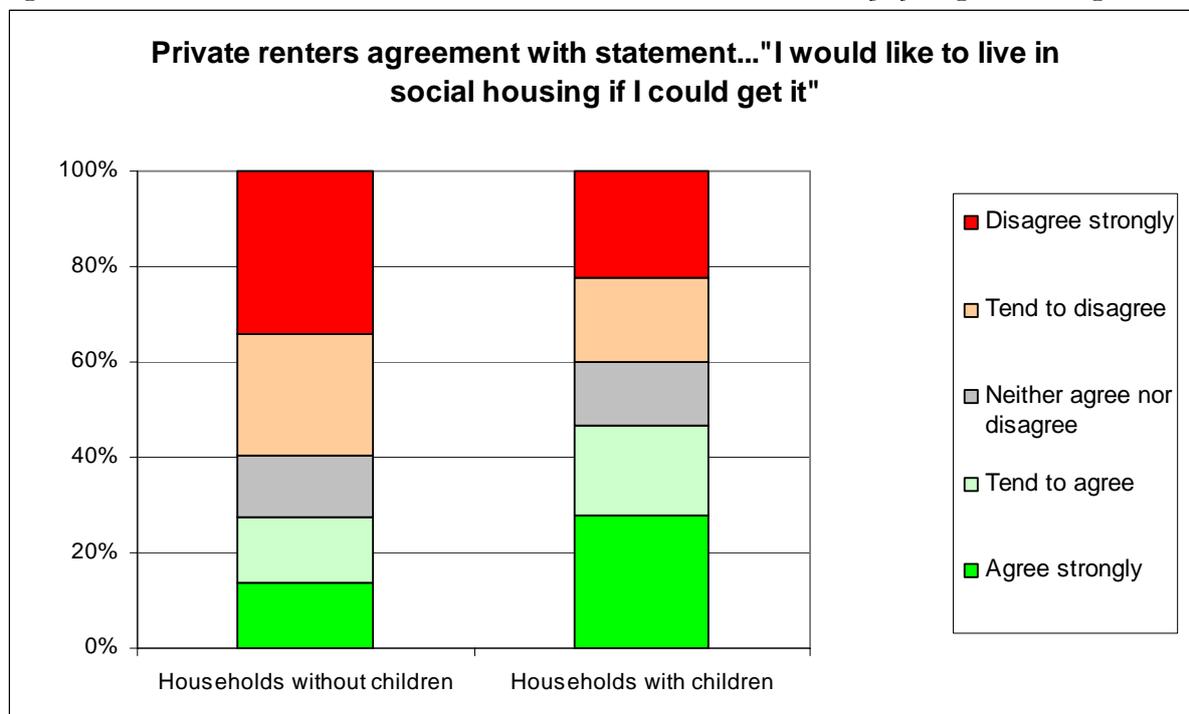


The high numbers of ex-social tenants saying that they would like to return to social housing shown in Figure 1.3 suggests that leaving the social sector for private rented housing is not normally undertaken through preference. It may be that many of these households have been evicted from their social housing, or had to leave for other reasons, such as divorce or to move to a new location. The proportion of ex-owners stating that they would like social housing is lower than other groups of private renters, but considerably higher than current owners (as illustrated in Figure 1.1). This suggests that this group are mixture of those for whom private renting is a tenure of choice (possibly as a short term measure whilst they re-locate and look for a home to purchase) and those who are no longer looking to return to owner-occupation and so are now seeking social housing.

There is also a difference between private renting households with and without children in terms of their interest in social housing (Figure 1.4), despite the higher average incomes of those with children.

Figure 1.4

Source: Survey of English Housing 2004/5



Taken together, poorer private renting households with children are the most likely of all to say that they would like to live in social housing if they could get it. Two thirds of this group agreed with the statement.

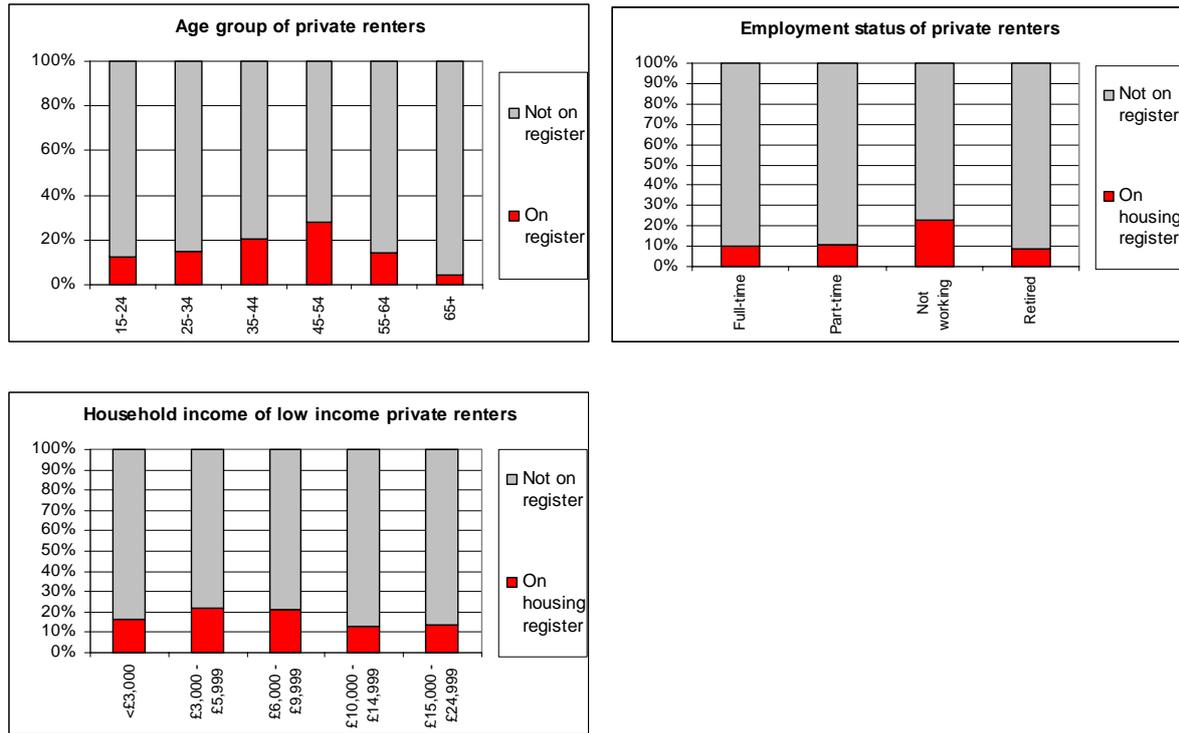
Characteristics of Households that Apply for Social Rented Housing

Households in the survey with incomes under £25,000 were asked whether they were on any registers for social rented housing, and why they had or had not applied. They were asked similar questions regarding shared ownership, as were other households in London with incomes up to £50,000 who didn't own homes.

Younger and poorer households are more likely to apply, as are households with children (Figure 1.5).

Figure 1.5.

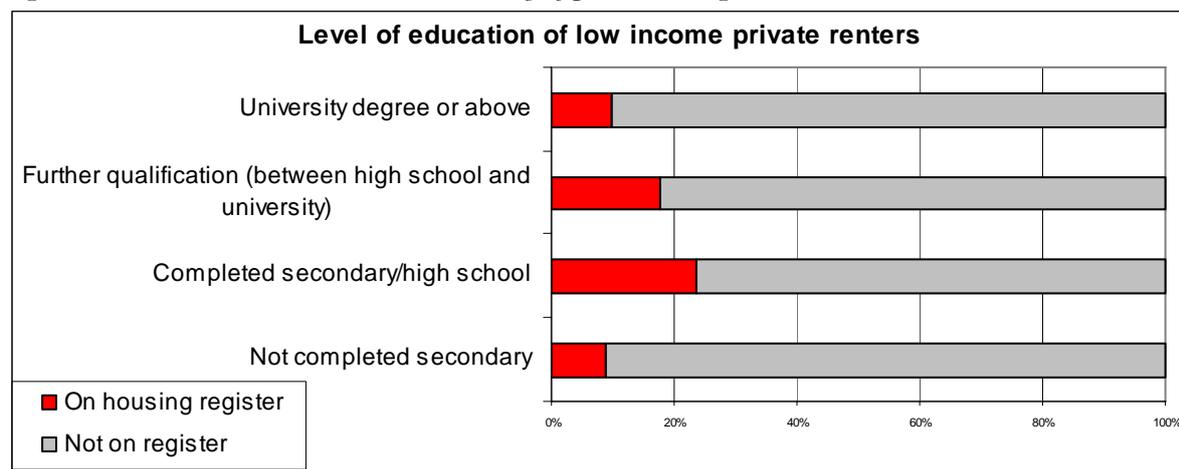
Source: Survey of private renting households with incomes under £25,000



Amongst those with incomes under £25,000, people who have a lower degree of education (i.e. secondary education or less) are more likely to have applied for social housing, despite the younger age profile of the better-educated. There is also a larger proportion of individuals who have applied for social housing who have completed some form of education (such as vocational qualifications) beyond high school but not a university degree (Figure 1.6).

Figure 1.6.

Source: Survey of private renting households with incomes under £25,000



The reasons for these differences are discussed below.

2. Why do people apply or not apply for social housing?

Why do some households apply?

Overall, applying for social housing is something people do in order to gain access to housing that will meet their needs. Households who can afford owner-occupation, or who think they ought to be able to in the future are unlikely to apply. Whilst many low and middle income households do live happily in the private rented sector, poorer and more established households are more likely to fail to access accommodation that meets their needs or the security of tenure that they seek. Events such as childbirth, eviction or divorce can also prompt households to apply for social housing.

The decision to apply for social rented housing comes about in different ways for different people. Many households had applied because their current housing was in some way unsuitable:

Because our house is being sold.

To find somewhere bigger so that we would have room for our baby and to get somewhere that is not damp and mouldy.

Because I have a disabled son.

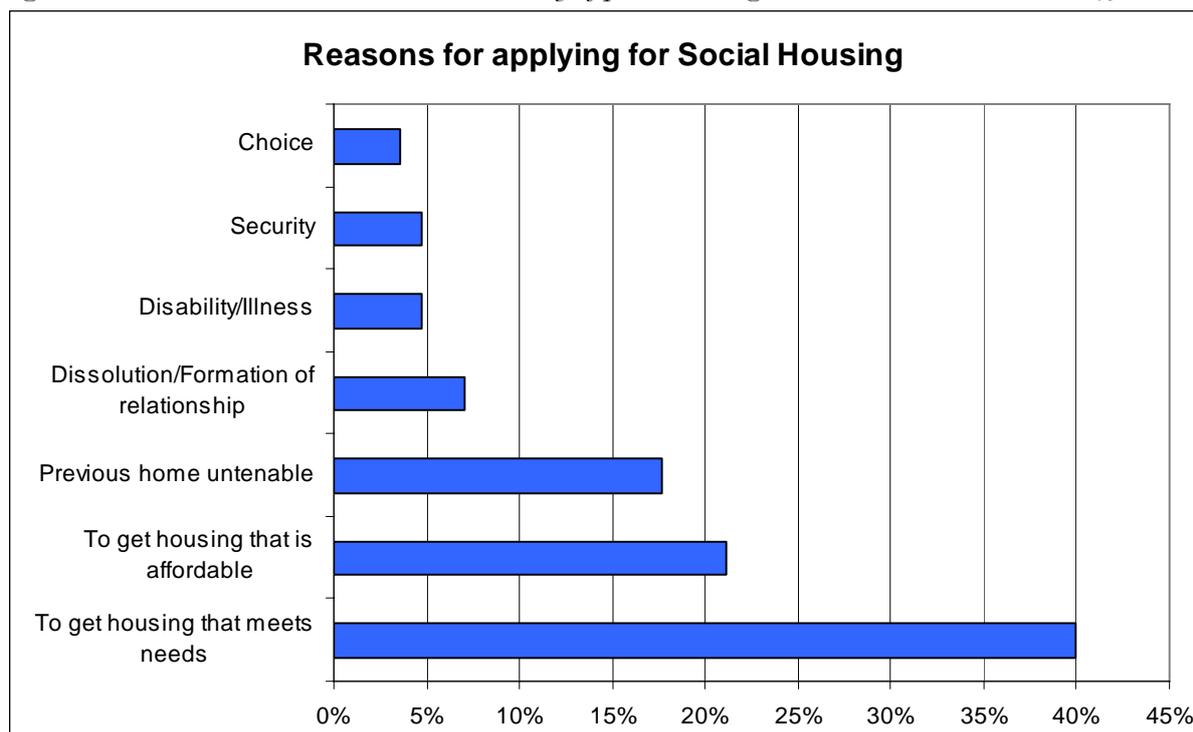
Because I want a permanent home of my own get sick of looking for new places to live since my divorce and losing my job.

Other households had applied in the past for social housing: some as soon as they were 16, others at a point in time when they were homeless. They were now better-housed but still hoping for a social rented home at some point in the future.

The most common reason cited was that social rented housing was needed in order to meet the logistical household needs of the applicant (Figure 8). The other major reason given was related to cost. Households in work and with children were the most likely to cite reasons of affordability.

Figure 2.1.

Source: Survey of private renting households with incomes under £25,000



The focus groups offered further elaboration on the reasons why some households do seek social housing. What emerges most strongly is the sense that those within the sector had no other choice of tenure. For many poorer households social renting is clearly the only tenure ever considered, or at least the only long-term one once they have children. In many cases the housing situation people had been in prior to moving into social housing was quite desperate, and for that reason, they were keen to take whatever was offered to them:

I lived on the streets for several years..... I was in London that's the only place where it was actually possible to get housing because there was a lot of public focus on it- you know London's homeless and so on. There was nowhere else it was going on.

(London social tenant)

I was living in Lewisham road before, on one of the estates there. In fact that one was too small and we had only one room and I had my three children. So it took us a long, long time before we even got the (local estate) one, and then I was there for a long, long time before I got this one. So I've gone through the mill so to speak!

(London social tenant)

Despite the lack of choice experienced, tenants were generally happy with social housing as a tenure. Some had previously lived in private rented housing and had suffered difficulties with poor quality housing or rough landlords:

When I went there the place was so foul and stinky, the old drain was open at the back and water could come out. I said to him 'are you going to fix it' and he said 'no I am going to leave it to you to fix it.' ...The furniture was ripped and the mattress was so dirty that I couldn't sleep in it. ...When I went to move out he said that he had to come round and check everything because he thought that black people were thieves.

(London private tenant)

But the private landlord, he can be brutal to you, he can send some people to throw you out, change the locks etc but the council have the rules and regulations...When I was in the hospital bed the landlords came to get money and I couldn't pay because I was in the hospital bed.

(London private tenant)

I've done it in the past and they can be really nasty and say "We want the flat" "When do you want it?" "Tomorrow!" "No the law says..." "I don't care what the law says, get out!" I've had it done. While you're fighting it through the courts, you've still got nowhere to sleep.

(Birmingham social tenant)

For many others, the rent in private housing was simply too expensive, especially in London where the difference was stark:

Where I am living now the agreement is for £175 a week. The [housing] benefit that I get is only £140 per week so I have to pay from my pocket £35 every week which I cannot afford to pay.

(London private tenant)

Most tenants in London who had rented privately had therefore lived in shared housing, bringing its own difficulties with cleanliness or disputes over communal areas.

I rent a flat where we need to share the washroom with other tenants. It's not very convenient...We need to share the toilet and we have to queue for the bathroom.

(Birmingham private tenant)

I'm hoping to get a better house- not sharing with anybody because this tenant has been difficult- he is very dirty in the kitchen and bathroom, and he steals food from me. He is the landlord's brother, so the landlord does nothing.

(London private tenant)

It is obvious that for many tenants, social housing was therefore a much-needed secure home at a time when life was difficult and other options were highly constrained.

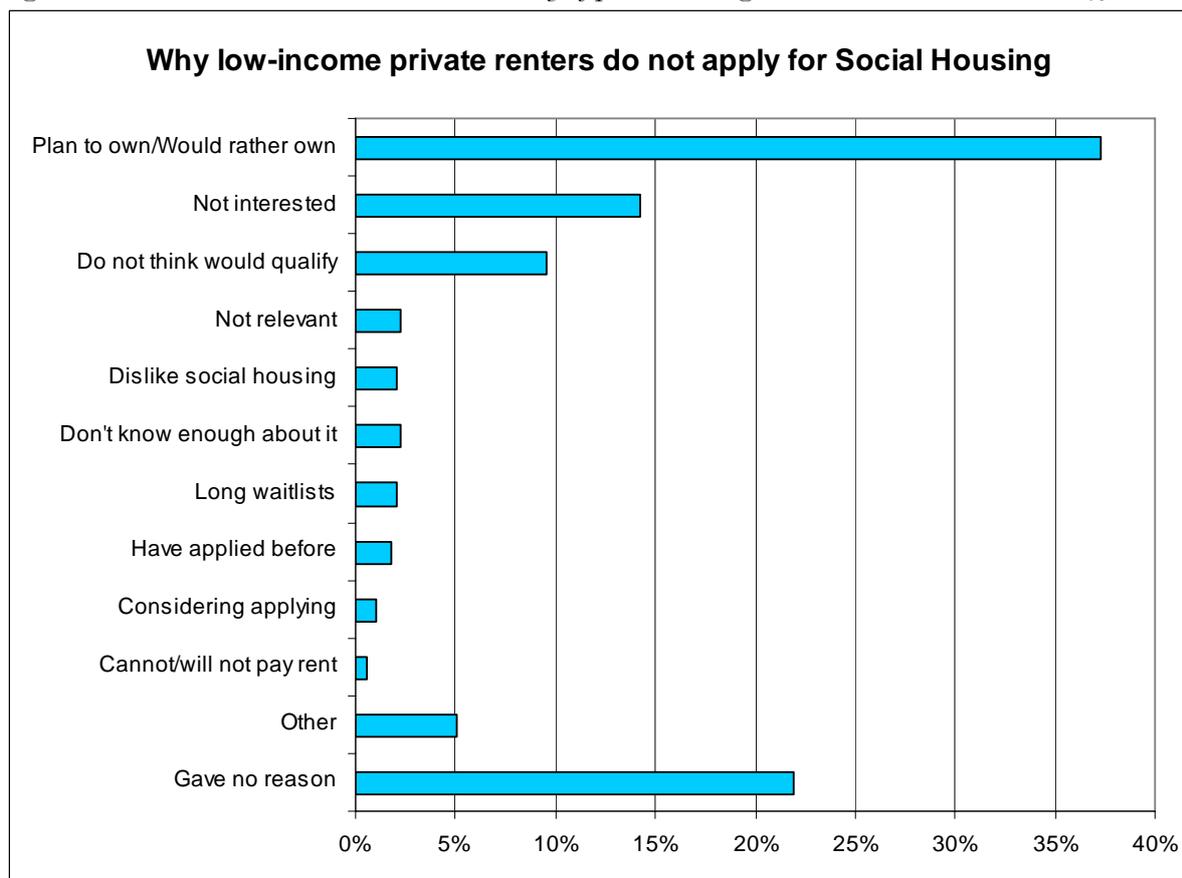
Why do other households not apply?

It is interesting that 85% of non home-owning households in this survey with incomes under £25,000 had not applied for social housing. There are very few areas of the country where incomes of under £25,000 are sufficient to purchase a home on the basis of a mortgage alone.³ Yet aspirations to own a home are by far the most commonly cited reason for not applying for social housing. (Figure 2.2).

³ CLG live tables on housing market and house prices suggest that lower quartile house prices were under £100,000 in only 20% of districts, and under £80,000 in only 5%. (2006, quarter 4 data).

Figure 2.2.

Source: Survey of private renting households with incomes under £25,000



This would seem to suggest that either a great many households are hopelessly unrealistic about their housing options or that, although currently on low incomes, many believe that their incomes will increase in the future, or have access to finance from other sources (such as savings, inheritance or assistance from family).

Other important reasons for not applying surfaced, such as the stigma associated with social housing and the 'bad' neighbourhoods in which they are located. It is possible that people who perceive themselves as middle class may be less likely to apply because of negative attitudes towards social rented housing and a belief that it is not for people like them:

My family are not from council housing and I would not want to live on council estate

The chance of getting one I imagine is non-existent - somebody like me who works and has an income would not be entitled to anything.

I don't want to live on one of those estates

I don't think its necessary for me - it's something for the under-privileged

I am not lazy. I have got myself a career and I don't want things handed me on a plate.

(Survey respondents)

However, there are also many who even when on low incomes, envisage their income rising in the not-too-distant future:

I'm saving up to buy.

I'd prefer to own my own house eventually.

(Survey respondents)

Others believed that they would not qualify, or were aware of long waiting lists and knew that they would not have high enough priority:

I should do –but I don't think I stand a chance.

We have been told by the Council we would be wasting our time as we are not a priority.

We'd have no chance of getting one.

(Survey respondents)

Others said they would not apply because they were not interested; a great many because they were happy in their homes and others because they had simply not thought about it.

3. The profile of households moving in to social housing

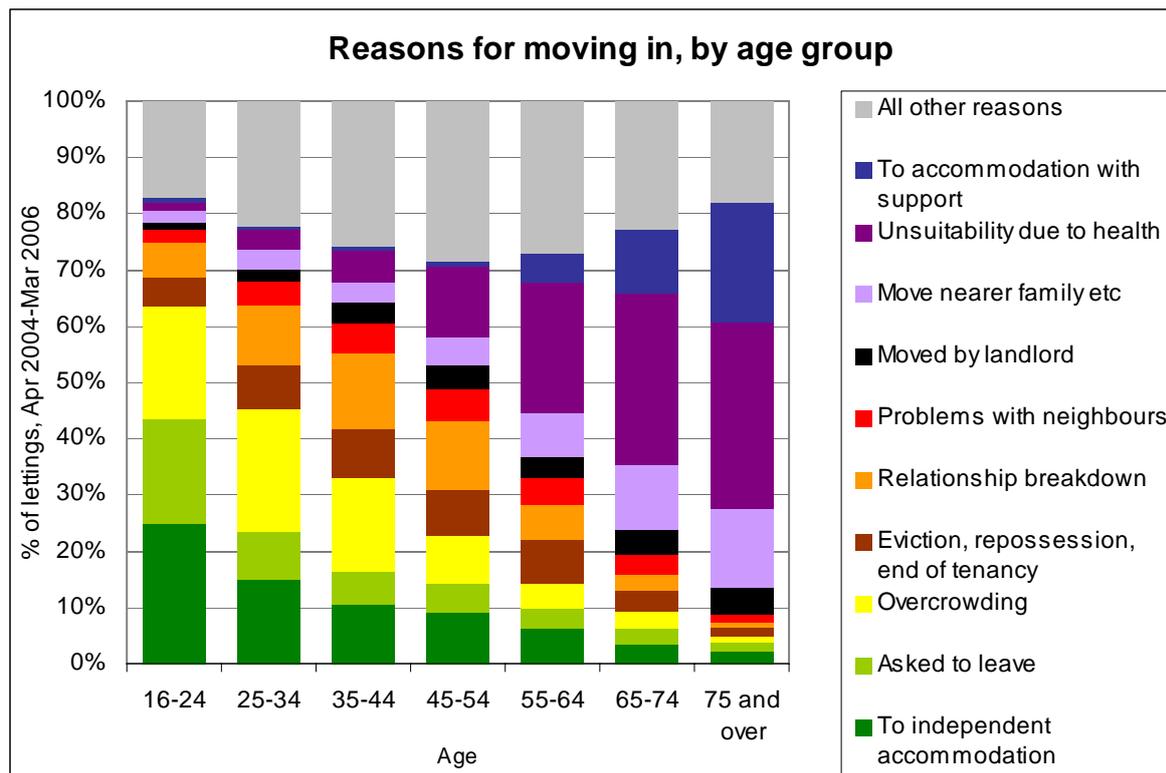
The profile of those moving in to social housing depends in part upon who applies for it, but also depends in most areas upon allocation criteria that aim to house those in most need. This tends to mean that households that are badly overcrowded or in otherwise unsuitable accommodation have priority.

Reasons for entering social housing

CORE data gives some insight into some of the reasons that vary with age group (Figure 3.1).

Figure 3.1

Source: CORE 2005/6



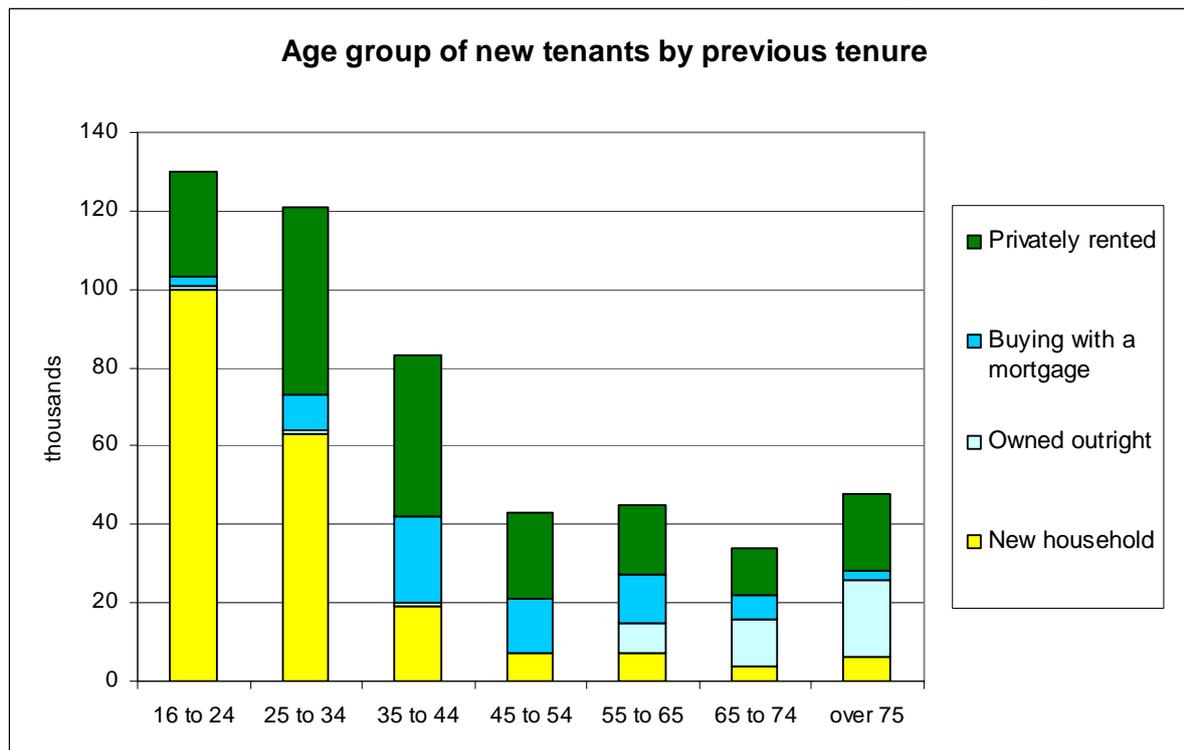
These “reasons” are, in fact, the reasons for prioritisation within social housing allocation systems. It is this prioritising of households with defined levels of housing need, in conjunction with the composition of the existing stock, that determines which of the many applicants for social housing are allocated a home. The final profile of new entrants to the sector is therefore determined by allocations systems just as much as by which households choose to apply.

Age, previous tenure and household types

Most households (66%) enter social housing between the ages of 16 and 45, either as newly forming households (moving out of someone else’s home, such as their parents’) or from the private rented sector (Figure 3.2).

Figure 3.2

Source: Survey of English Housing 2005/6

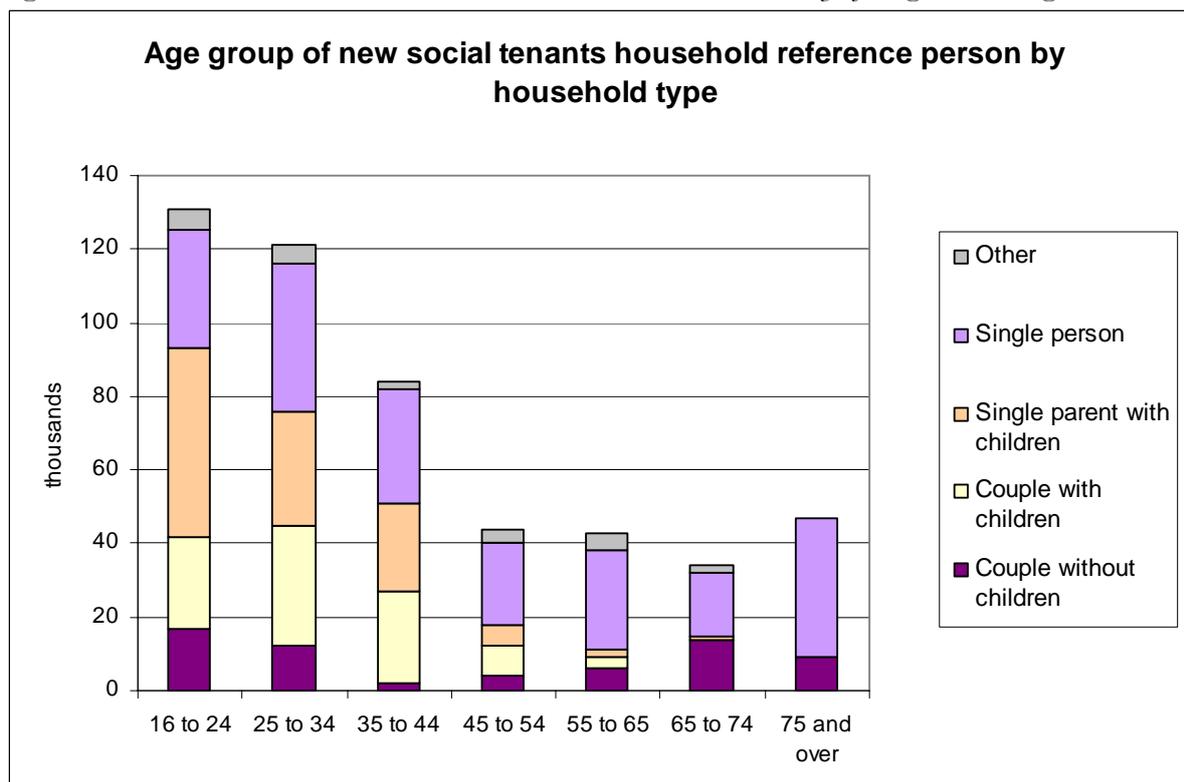


There is a group who enter over the age of 75 seeking more suitable or supported accommodation, or to be nearer their family. It is this age group that are most likely to have moved from owner-occupation, with nearly half having owned outright their previous home. Households moving from owner-occupation were more likely to contain disabled member (CORE).

Almost 50% of new tenancies are granted to single person households (CORE). As discussed in section two, there is strong evidence of demand for social housing from families, so the high proportion of lettings to single people is likely to reflect the high proportion of one bedroomed properties in social housing and the fact that single people are more mobile, so these smaller properties tend to turn over more frequently. Single people (including single parents) represent substantially the largest group of new entrants to social housing, with couples making up only a small proportion (Figure 3.3).

Figure 3.3⁴

Source: Survey of English Housing 2005/6



Looking at this by age, most of the younger entrants to social housing are single parents and couples with children. Single people enter in similar numbers in all age groups and therefore comprise the majority of entrants aged over 45.

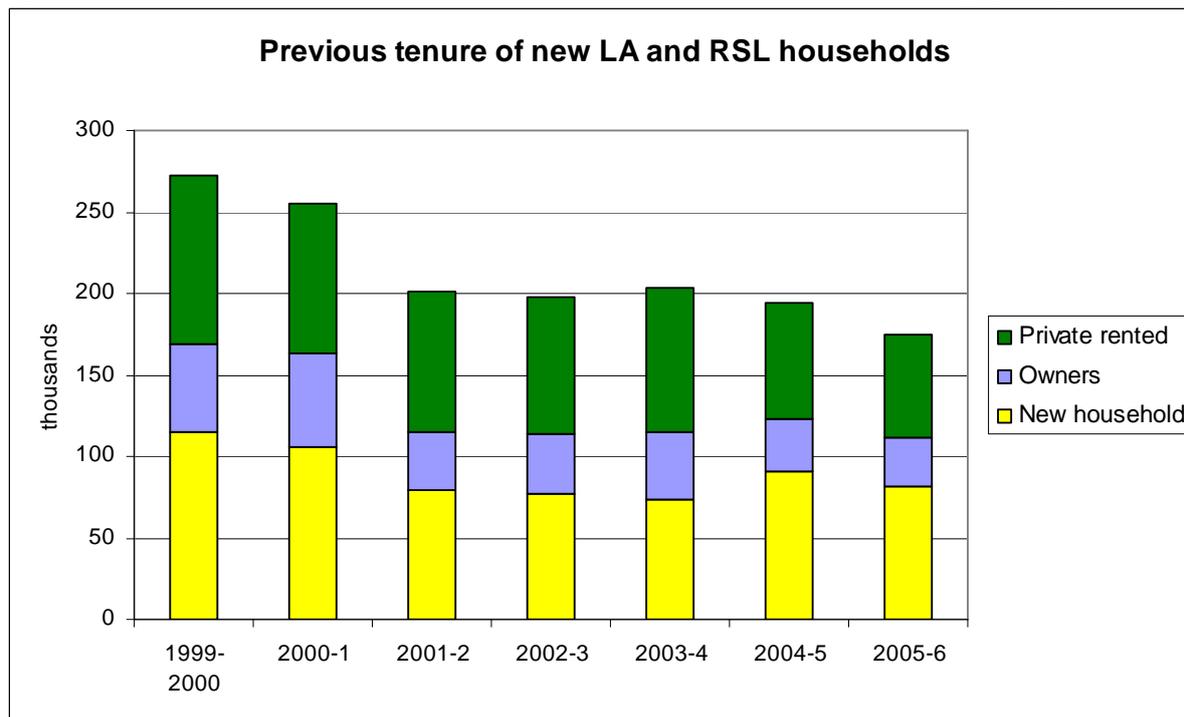
Recent changes

The recent decline in the number of vacancies within social housing has impacted upon the number of lettings to those moving from all previous tenures (Figure 3.4).

⁴ “Other” indicates all other household types and includes households with non-dependent children still resident.

Figure 3.4.

Source: Survey of English Housing

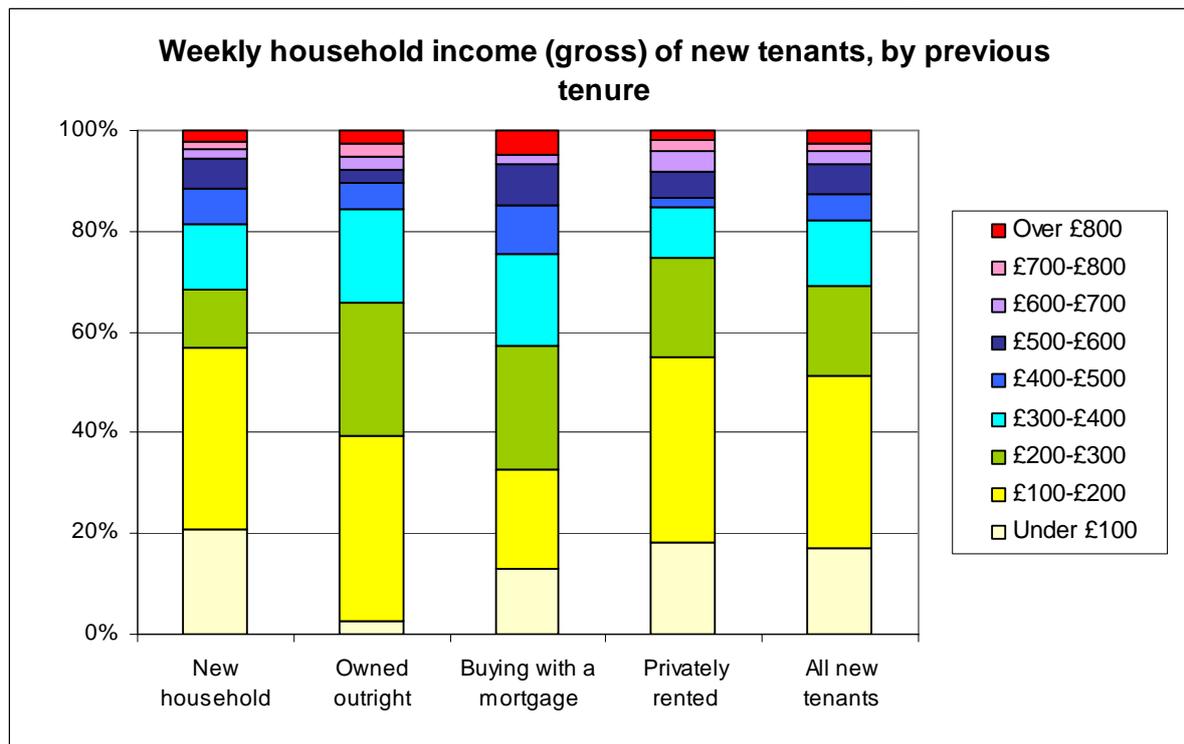


Incomes and economic status

Household incomes of new social tenants are generally low with most earning (or receiving in benefits) between £100 and £300 a week. Those moving into social housing from owner occupation had higher average incomes, especially those who were previously buying with a mortgage (Figure 3.5).

Figure 3.5

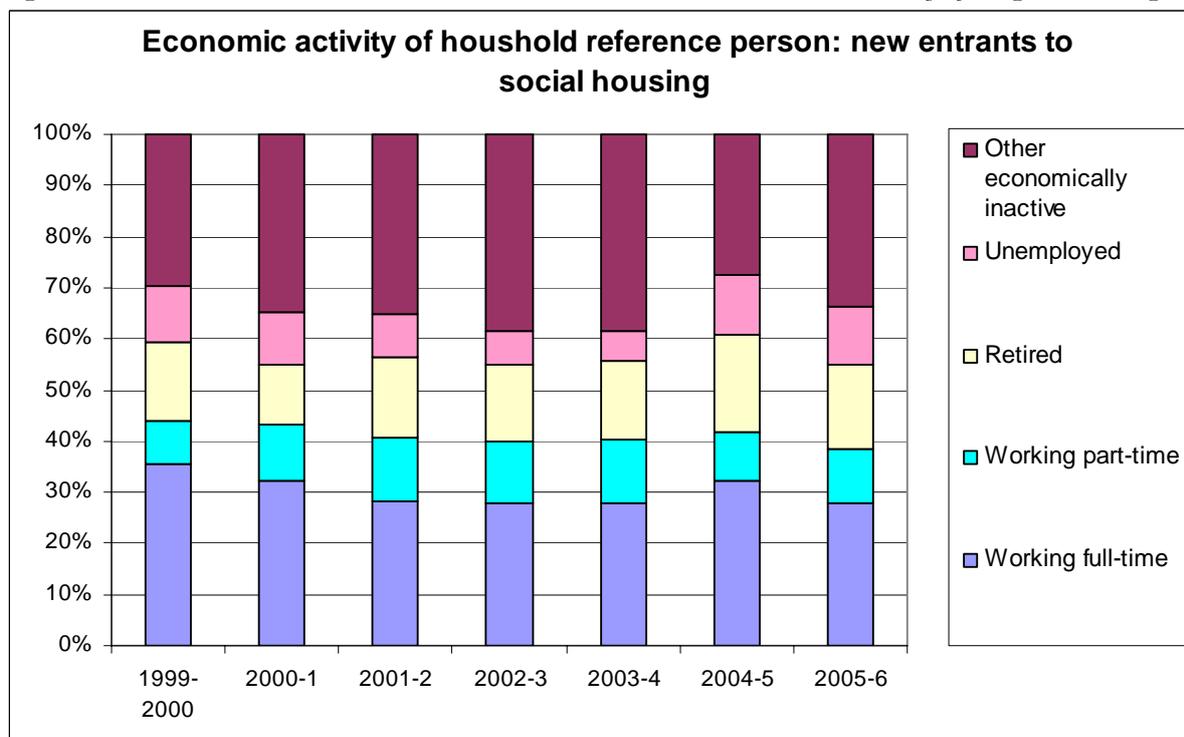
Source: Survey of English Housing 2005/6



The declining number of households entering the sector does appear to have had an effect on the economic profile of new entrants. As Figure 3.6 shows, those with a full-time worker appear to be the group finding it most difficult to enter, possibly because they are less likely to be living in severe housing need.

Figure 3.6

Source: Survey of English Housing



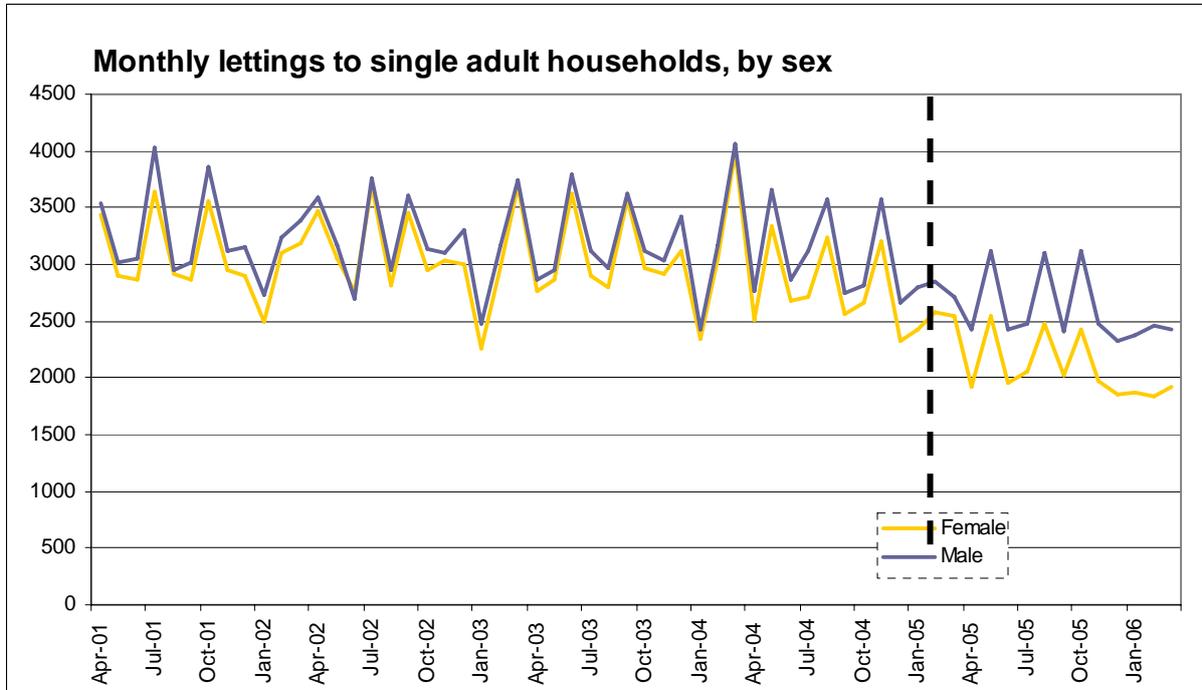
Gender

Single people

Almost 50% of new tenancies are granted to single people and slightly more than half of these are to men (Figure 3.7).

Figure 3.7

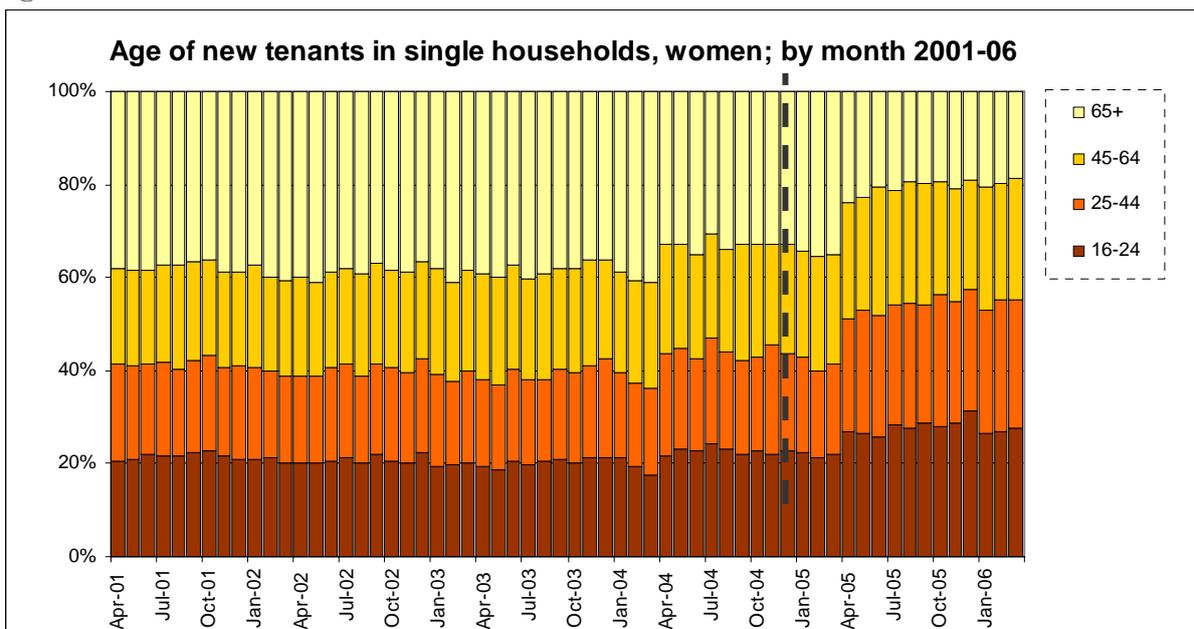
Source: CORE

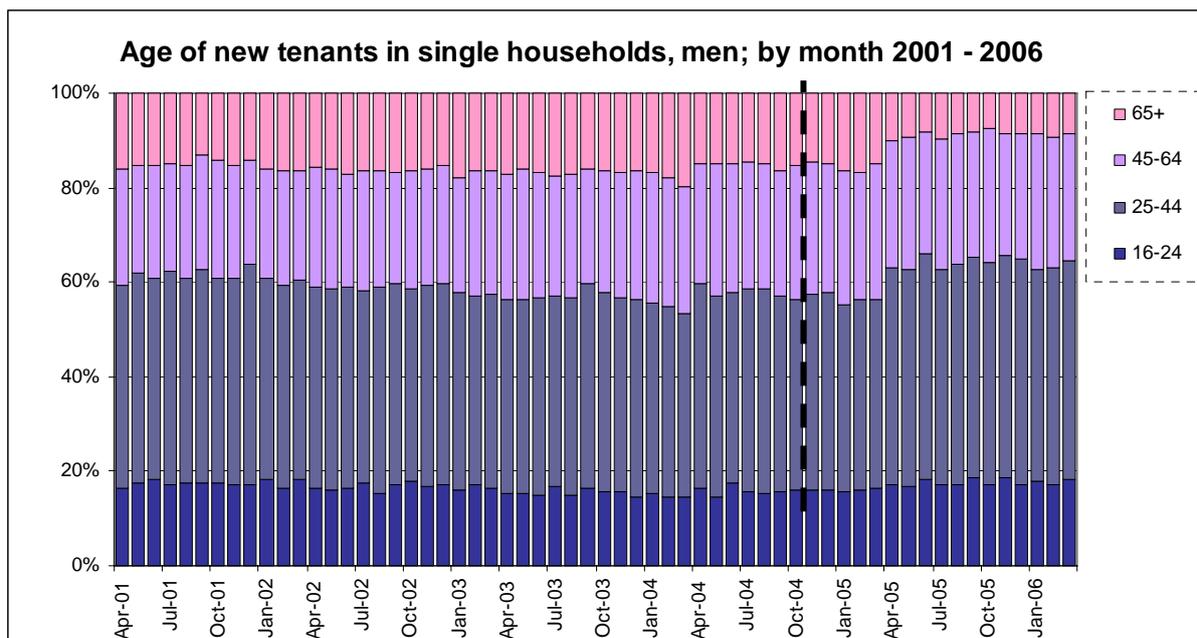


A closer look at the age distribution within each sex is revealing (Figure 3.8).

Figure 3.8

Source: CORE





Among women, a greater proportion of lettings are to young adults under 25, and a much greater proportion to those aged 65 or over. The higher numbers over 65 reflects the much higher numbers of single women in this age group, whilst the higher number of young women does not.

Conversely, new male tenants are much more commonly in the middle age brackets, between 25 and 65. The reasons people move are broadly similar between the sexes in this age group though slightly more men move after being asked to leave, or because of problems with neighbours, or to move to receive support. Women are more likely to move to be nearer family, or after eviction or repossession.

Figure 3.8 and 3.9 indicate a sharp and abrupt fall in the proportion of general needs lettings going to single people over 65 from April 2005 (shown by the dashed line in each Figure). Until then, general needs housing had included some dwellings classified as sheltered housing for older people. Within CORE, from 1 April 2005, however, the sheltered housing classification was abolished and dwellings that met certain design criteria moved out of the general needs and into a new category, 'housing for older people' (and are therefore no longer included within the general needs housing reported in CORE).⁵ This explains the widening of the difference in numbers of lettings to single women and single men shown above: a fall in lettings to single people over 65 represents a greater absolute fall in numbers of women.

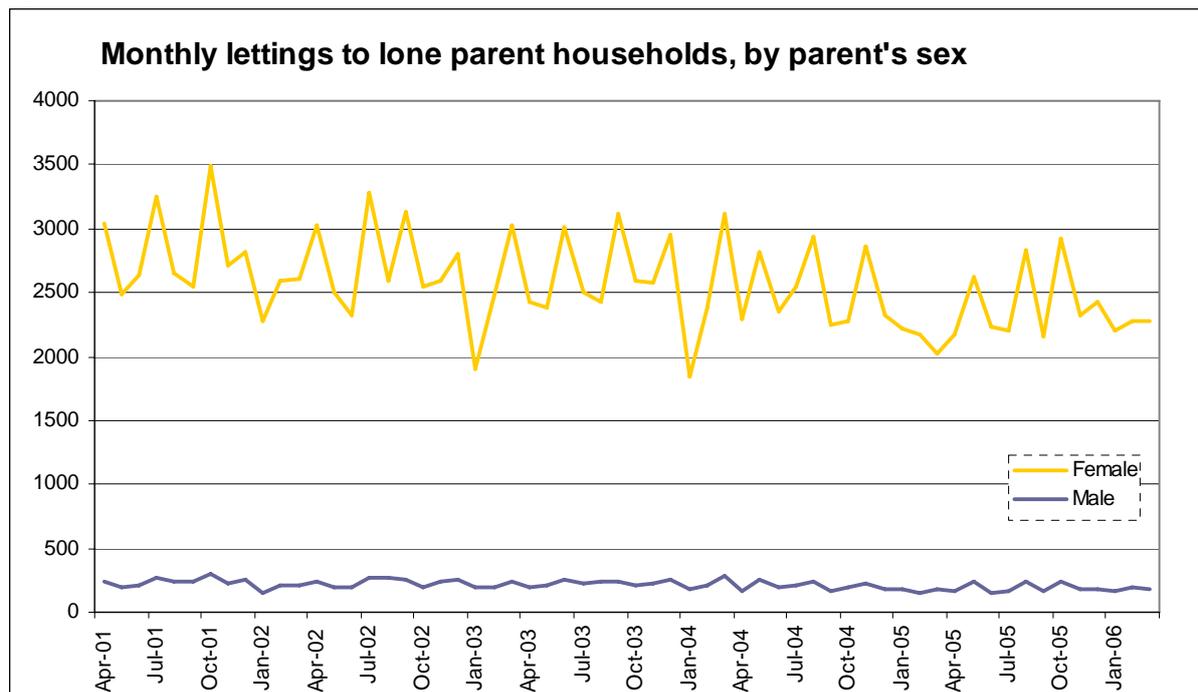
Lone Parents

As might be anticipated, the vast majority of lone parent tenants are women. Fewer than 10% of tenancies to lone parents were to male lone parents (Figure 3.7). This proportion was broadly stable across the period, although the absolute number of lettings to lone parents fell in line with the overall trend in lettings recorded in CORE.

⁵ For details, see CORE, 2005, *CORE Instruction Manual for 2005/06*, available at http://www.core.ac.uk/core/media/pdfs/manuals/2005_06%20manual/Man_0506_full.pdf

Figure 3.7

Source: CORE



The great majority of lettings are to opposite-sex couples. However, a little under 2% of lettings to couples in the period were to same-sex couples, with or without children. Of same-sex couples with children, around 80% are to female-female couples with children. There were slightly more lettings to male-male childless couples than female-female.

Disability

As discussed in Paper One of this series, social housing contains disproportionate numbers of households including someone with a disability. Around 17.5% of new entrants to general needs housing had a member considering themselves disabled, whilst 3% had a wheelchair user.⁶

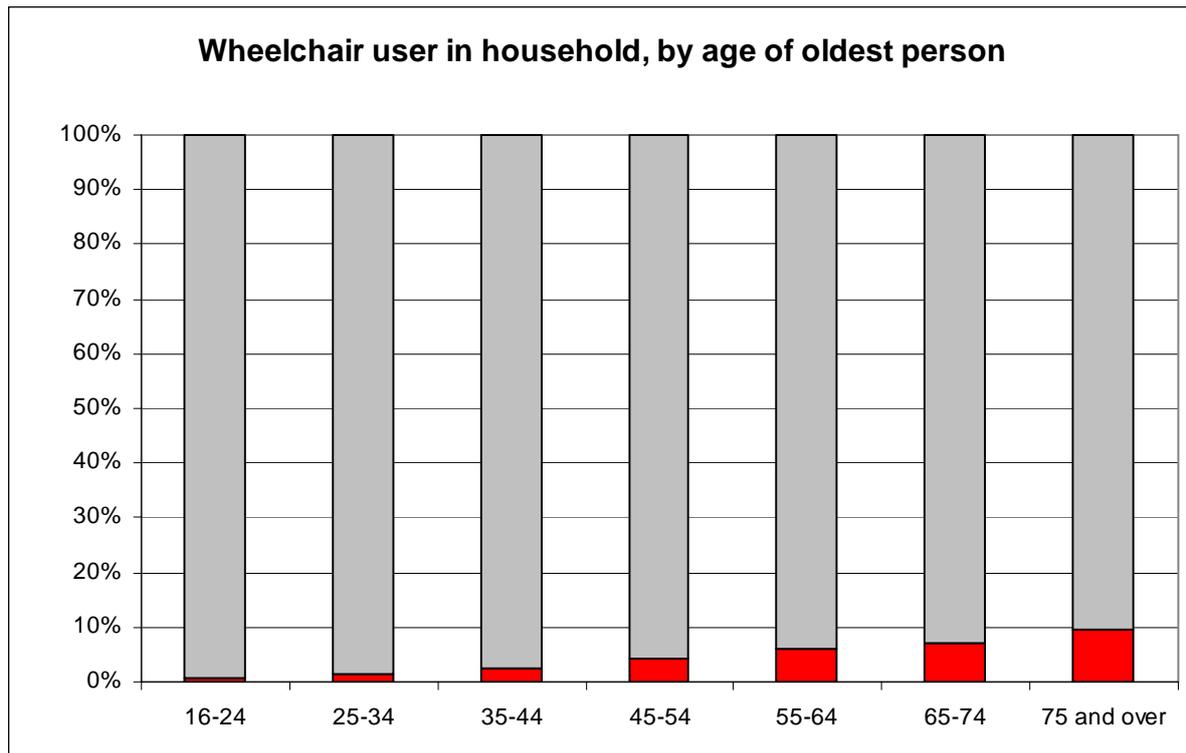
Characteristics of households with disabled members

Analysis of the composition of households with wheelchair users and/or disabled members points to disability being almost the counterpart of children as a source of demand for social housing. Disability and wheelchair use is relatively more common in households without children. As one might expect, wheelchair use is least common in the youngest age group, and most frequent amongst households with members over 75 (Figure 3.8)

⁶ The analysis presented here and below is limited to general needs lettings, though clearly the supported housing sector also plays a role in housing provision for people with disabilities.

Figure 3.8

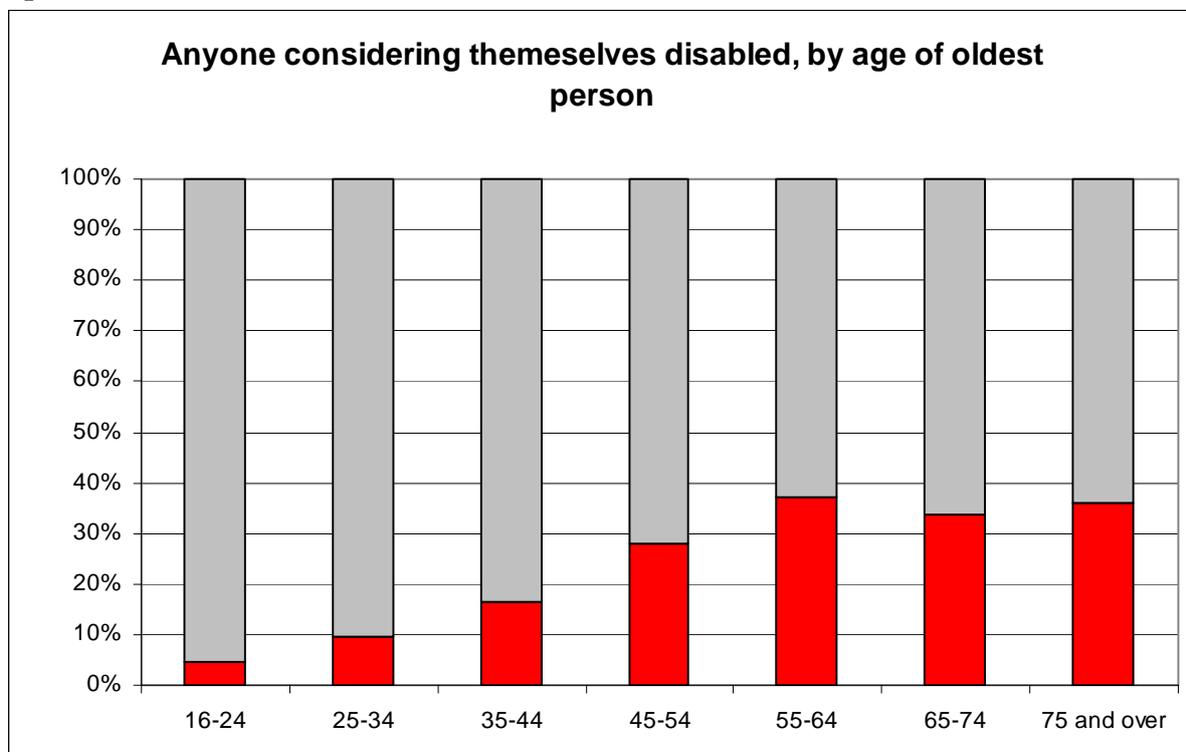
Source: CORE



The pattern is slightly different for households with a disabled member – the greatest proportion of households with a disabled member is among the 55-64 age group (Figure 3.9).

Figure 3.9

Source: CORE



4. Conclusions

There is no lack of overall demand for social housing. Demand is high, despite a relative lack of marketing or promoting the tenure. It seems very likely if supply were to increase, demand could quickly rise to fill the supply as it is currently constrained by perceptions of long waiting lists, selection criteria and in some cases a lack of knowledge. There may be locally-specific difficulties in letting unpopular property types such as small flats, though this is not due to an overall lack of demand. Nationwide, most households state owner-occupation as their preferred long-term tenure, but most of these are already in owner-occupation. Both private and social renters are much more divided in their tenure aspirations, and substantial numbers either aspire to social housing, or will seek it if they are unable to afford anything else, at least for some period of their life. Households with children are particularly likely, if they cannot afford owner-occupation, to seek social housing in preference to private rented housing, because of the security and affordability it offers.

Only a minority of lower income private renters actually apply for social housing (though this is substantially more demand than can be met). Of those who don't apply, most see their future in owner-occupied housing at least in the long term. Renting privately whilst young and single, and then moving on to owner-occupation once with a partner and on a higher income, represents a common housing career and private renting may provide an appropriate housing tenure for younger poorer households. There are also some households that do not apply because they believe that social housing is not meant for people like them, and some that do not know enough about it. The image of social housing, and its location on unpopular estates, also puts some households off applying.

Other poorer households *do* seek social housing. For some, private renting is never the tenure they choose (and in some cases they may be unable to access it as they lack the funds for a deposit). Many people apply for social housing and then remain on the register whilst renting privately. Others apply following changes to their circumstances meaning that the private rented sector can no longer meet their needs. Social housing is often the only tenure that they feel could meet their needs. There is often very little choice exercised - as discussed in this paper, experiences of the private rented sector can be very negative. Improving access, security, conditions and affordability of the private rented sector would enable more lower income households to make a more genuine choice between the two tenures.

The social housing sector also has a key role to play in housing those with specific high levels of needs, such as wheelchair users, or very large families who cannot easily meet their needs in the private market. At present it lacks much of accommodation needed to do this well.⁷

Rising numbers of these households are currently on housing registers, but declining numbers of re-lets have reduced their ability to access social housing. Those that do enter tend to be poor and slightly increasing proportions of households without a full-time worker are entering the sector. This is likely to be a result of constrained allocations rather than a reflection of changing demand.

⁷ Social housing contains 13% of the households with 6 or more persons, but less than 1% of the dwellings with 5 or more bedrooms (SEH, 2005/6);