

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

Paper Three –Moving Within and Leaving Social Housing

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

This paper focuses on social rented housing and examines the profile of households that leave the tenure, the reasons for leaving, and where they move to¹. It also looks at the profile of households that move within the tenure, and similarly at their reasons for moving. The research draws on findings from an exit survey of leavers, a web-based survey of mutual exchangers, staff interviews and secondary data so examines the demographic, spatial and economic impacts on moves within and from social housing.²

Moving into social housing is examined in paper four of this series.

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¹ It has not been possible to include shared ownership in this paper due to scarcity of data and information.

² See source document for details of methodology and full findings.

Key Findings

- *The number of households leaving social housing has fallen substantially in recent years.*
- *There has been a corresponding fall in the numbers of households moving within the sector.*
- *Most households leaving the sector are aged 25-45, and most are (or leave to become) couple households with children. Most move to better areas or for personal reasons*
- *Purchasing under the Right-to-Buy is still the major route into owner-occupation, with moves into private renting also common in the younger age groups.*
- *Over 70% of households leaving the sector are in work and incomes are substantially higher than for tenants who remain in the sector.*
- *Most households who move into owner-occupation do so in order to buy, to move to a better area or in order to have a larger home.*
- *Most households who move into private rented housing do so in order to move to a better area, to change job, or for personal reasons, most often divorce or separation.*
- *Older people tend to leave the sector in order to live with another household (often a son or daughter) or to move to sheltered or supported housing.*
- *Moving within social housing is most common for families. Single parents are especially likely to move by means of mutual exchange.*
- *There is an imbalance between supply and demand within those seeking to move by mutual exchange with many more households seeking extra bedrooms, than fewer ones.*
- *Most households move within social housing to move to larger dwellings, better areas or for personal reasons*

1. Introduction

Around 10% of Housing Association tenancies are terminated each year (Dataspring, 2006³). Assuming the rates in council housing to be similar, this would suggest that around 400,000 tenancies end each year. Roughly half of these result from tenants moving to another social rented tenancy, and just over a third resulting from moves out of the sector. The remainder are from deaths (CORE). In addition, around 60,000 households left each year via the Right-to-Buy up to 2005, falling to 26,654 in 2005/6 (CLG, live tables).

There are many reasons why households leave a social tenancy. Often the social sector has provided good accommodation for part of someone's life but they now want to move on, either to something they prefer or because their needs have changed. In other cases people leave because they are unhappy with their housing, and a small proportion leave because they have

³ *Housing Associations in 2006: Profile of the Housing Association Sector Summary* Cambridge Centre for Housing and Planning Research, University of Cambridge

been unable to sustain their tenancies. Looking at why and when people leave reveals much about what tenants want from their housing, and whether social housing is meeting their needs and aspirations.

Information about households leaving social housing can be hard to obtain because many households 'leave' the sector through death or by going to live within another household or an institution, which can mean they are not then covered by household surveys. There is also no equivalent of the CORE⁴ system for recording the demographic situation of leavers. However, the source of vacancies *is* collected, which gives an overall picture of the scale and source of exits from the sector (Figure 1.1)

Figure 1.1

Source: CORE and RSR

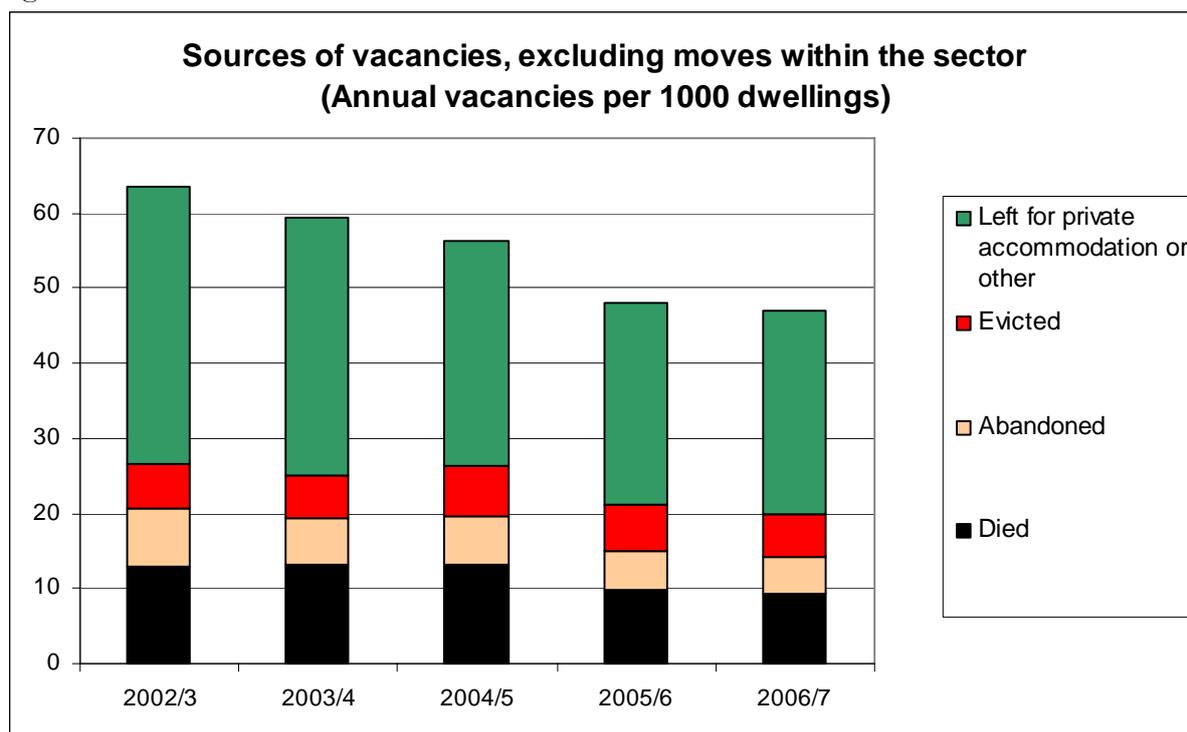
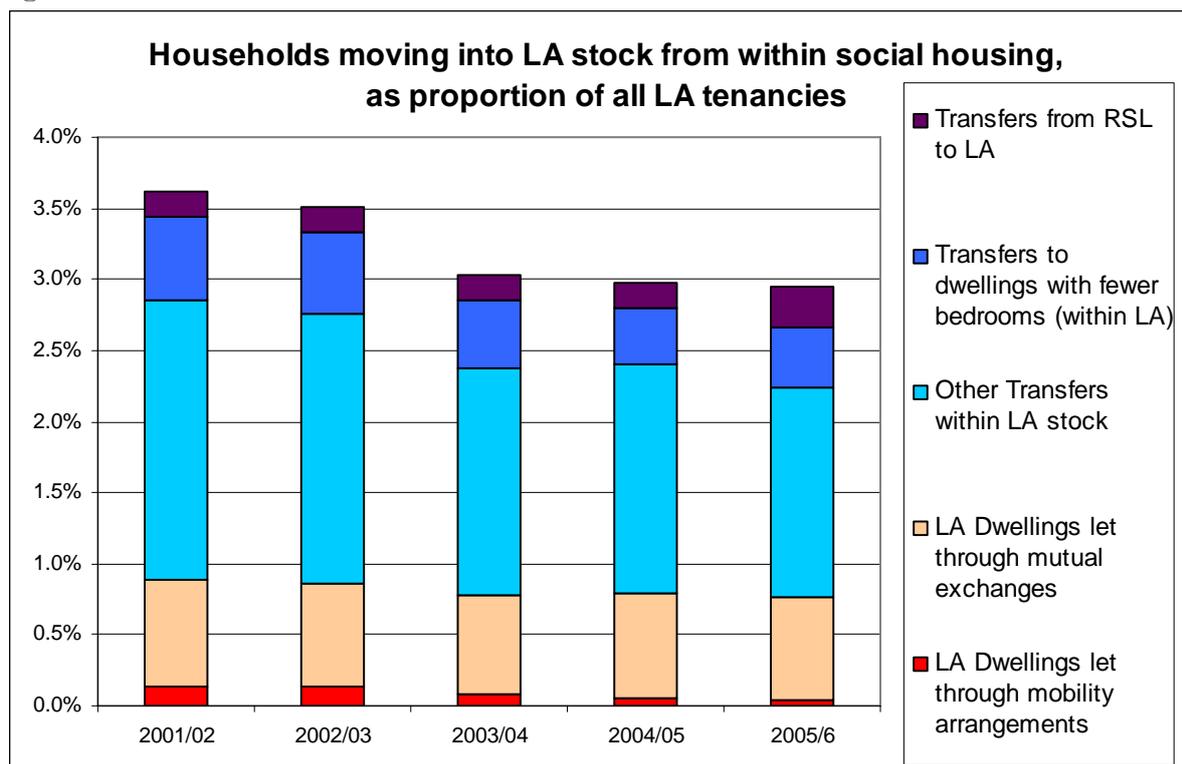


Figure 1.1 shows that the overall numbers of households leaving the sector has fallen in recent years. Evictions have remained fairly steady, but deaths, abandonments and departures for other housing have all fallen. The declining number of deaths is probably related to reclassification of older peoples' housing as 'supported housing' in April 2005 (and therefore not included within the general needs housing reported on in CORE). However, the declining numbers of abandonments and other departures suggests that as house prices and rents have risen steeply, tenants have become increasingly unable or unwilling to leave the sector.

In the past few years there has also been a steady and significant decline in the numbers of households moving within the sector (Figure 1.2).

⁴ CORE is the CONTinuous REcording system used by all RSLs and some LAs for recording the demographic characteristics of those taking on new tenancies.



The number of dwellings let through mobility arrangements has almost dried up with only 926 households moving in this manner in 2005/6 (as compared with 3824 in 2001/2), a reduction of 69%⁵. Transfers declined by around 20% with mutual exchanges remaining the most resilient from of mobility, declining only by 4.5%. One likely explanation for the reduction in transfers is the decline in households leaving the sector, meaning that there are fewer vacancies into which households can move.

It is against this backdrop of declining mobility that this paper endeavours to characterize who these movers and leavers are, and where and why they go. High turnover rates in particular localities are often taken as a sign of low demand or unpopularity of particular housing stock. This paper considers a wider spatial scale and assesses the evidence as to whether turnover is a good or bad thing for the households concerned and for the sector as a whole.

2. Which households leave social housing and where do they go?

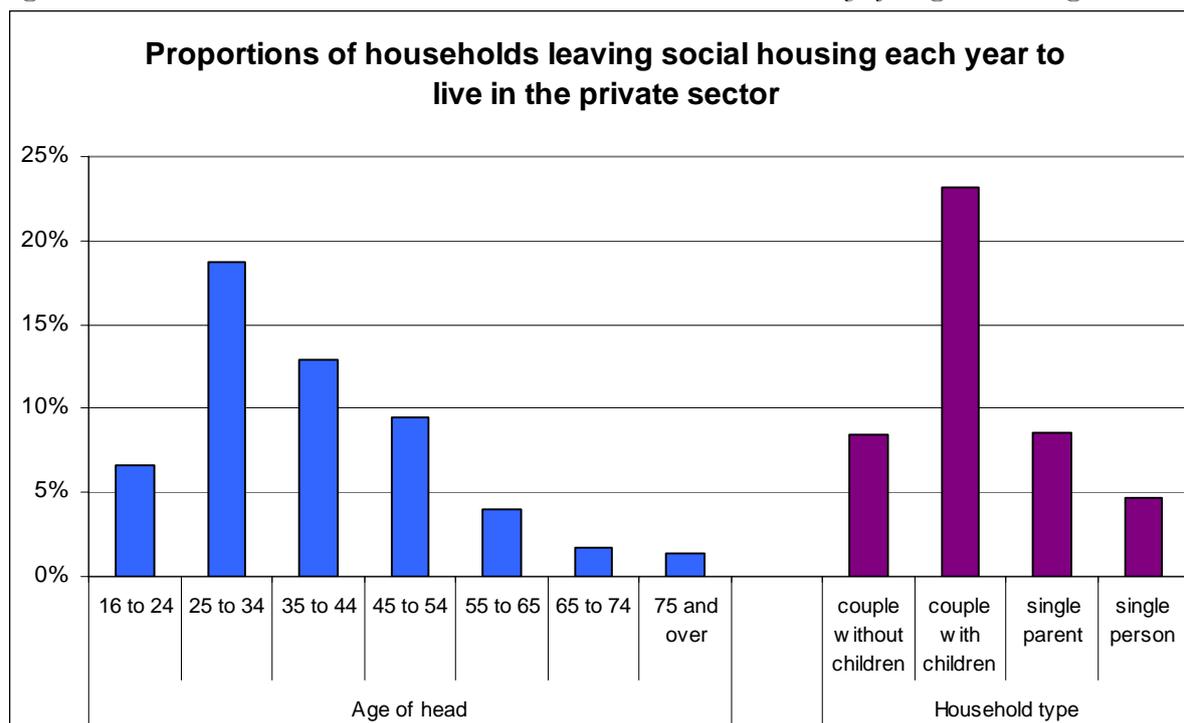
Despite the difficulty in obtaining data on households leaving social housing, the Survey of English Housing can be used to look at the current tenure of existing households who have left social housing within the last three years⁶. The propensity to move out varies considerably by age and household type (Figure 2.1).

⁵ Mobility arrangements were schemes whereby social tenants could transfer to homes in a different Local Authority. The national system for this has been run by the HOMES scheme in recent years which has now collapsed.

⁶ It does, however, exclude any analysis of people who leave to go and live within another household (unless they become the household head of the new household) and of those moving to institutions.

Figure 2.1

Source: Survey of English Housing 2005/6⁷



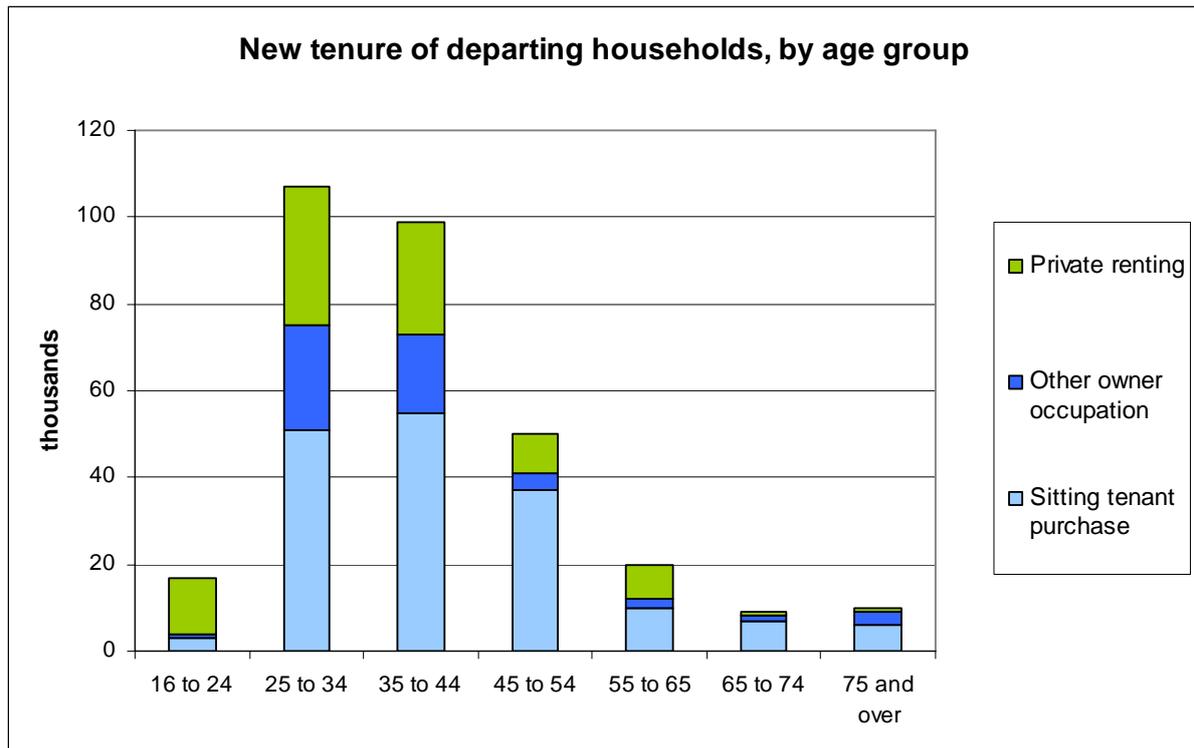
Households aged 25 to 35 are the most likely to leave, and couples with children particularly likely, with nearly one in four households leaving each year. It is important to note that we are looking at household type after moving out of social housing, which may differ from the household type that existed before the move. This would include single persons or single parents leaving social housing to live with a partner and children as a ‘couple with children’. Analysis has shown that becoming a couple is associated with moves into owner-occupation (see Source document, Annex 3), so this data may over-represent the propensity of existing couple households to move out, and under represent singles.

It can be seen from Figure 2.2, below, that most households moving into owner-occupation still do so via the Right-to-Buy, especially in the middle and older age groups. Single people and single parents are more likely to move into private rented housing.

⁷ This data excludes those who purchase as sitting tenants, e.g. via the Right-to-Buy.

Figure 2.2

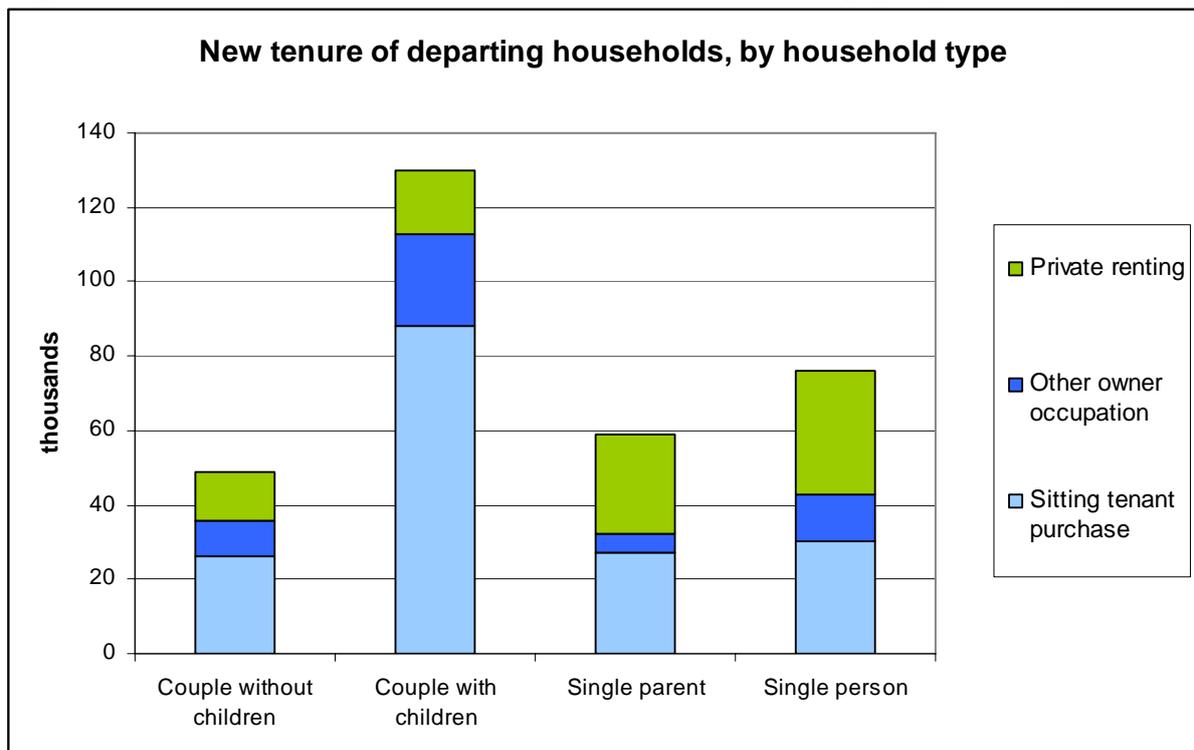
Source: Survey of English Housing 2005/6



In terms of the tenure of different household types, the main differences that exist are between couples (both with and without children), who are more likely to move into owner-occupation and single people and single parents, who move into private rented housing in similar numbers to owner occupation (Figure 2.3).

Figure 2.3

Source: Survey of English Housing 2005/6

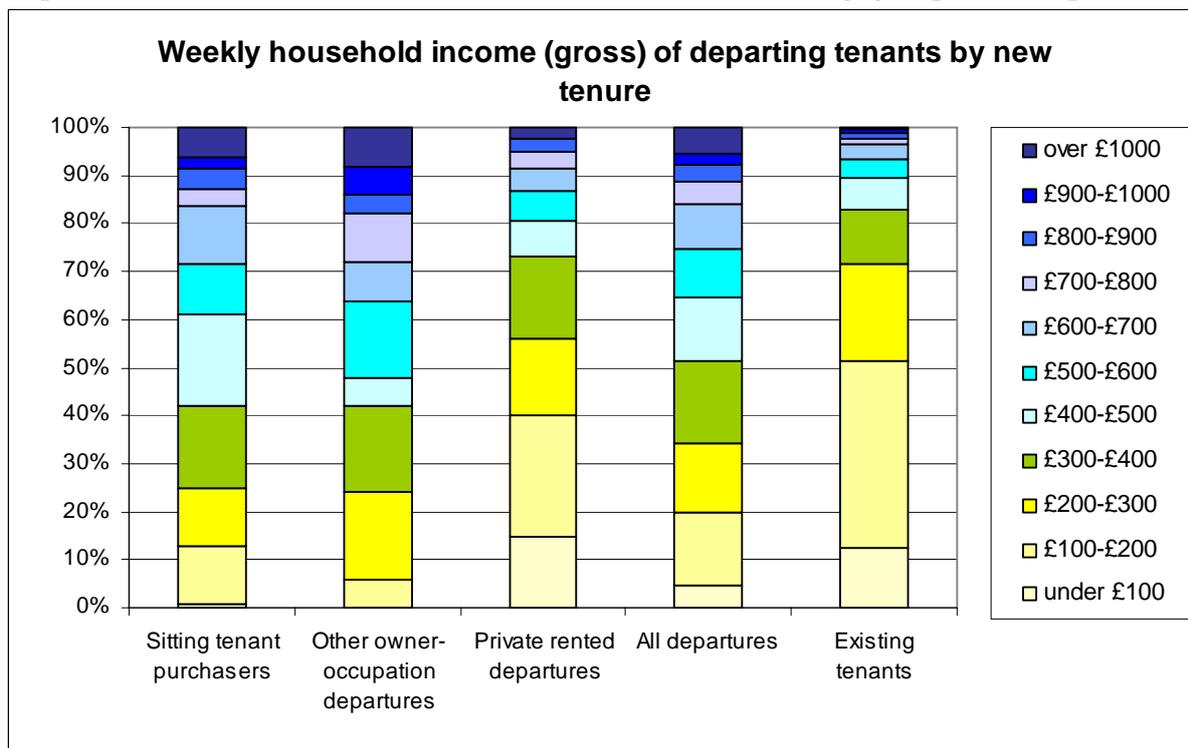


These differences are likely to be the result of the higher income required for owner-occupation, though higher levels of general mobility and popularity of renting amongst younger single people may also play a part.

Over 70% of households leaving social housing for another tenure are in work (240,000 of the 312,000 households that left in 2005, SEH), compared with only around 31% of the sector overall. Unsurprisingly, the incomes of households moving into owner-occupation are significantly higher than those moving into private rented housing. Those purchasing as sitting tenants have somewhat lower incomes than other home-purchasers, but both groups have significantly higher incomes than those remaining within social housing, which are also shown in Figure 2.4, for comparison.

Figure 2.4

Source: Survey of English Housing 2005/6



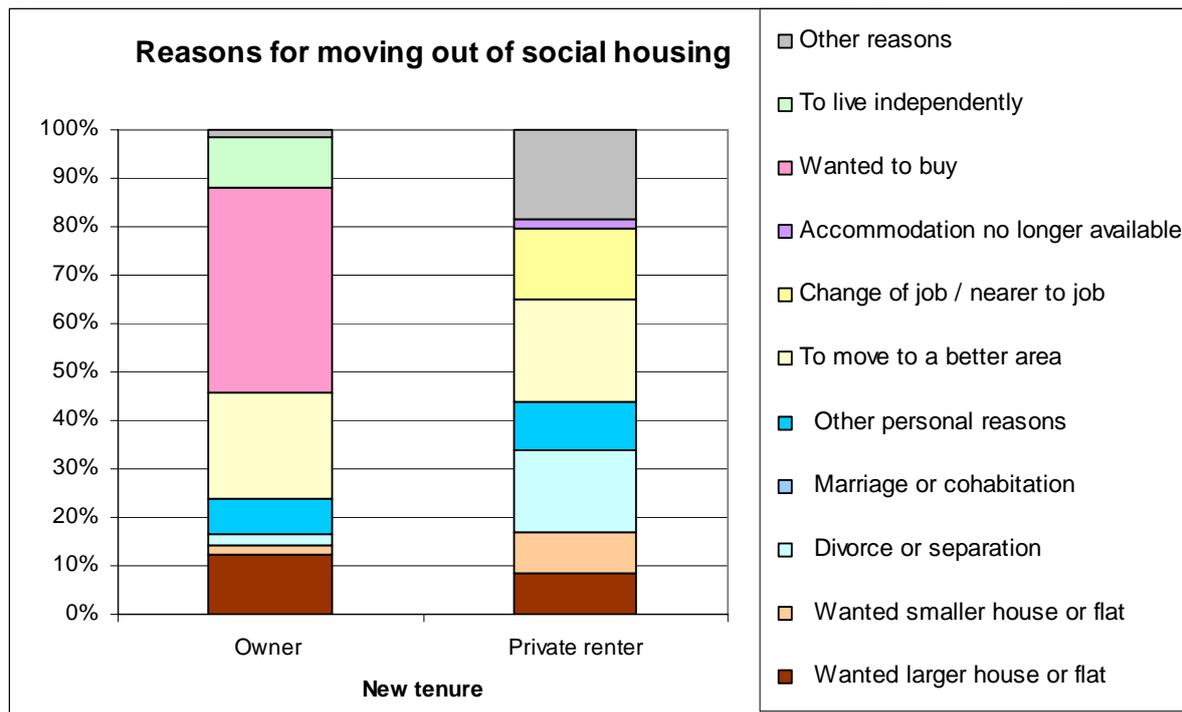
3. Why do households leave?

Figure 3.1 shows the reasons given for moving house by existing households who had left a social sector dwelling within the last year⁸.

⁸ These figures do not include those who left as sitting tenants (such as through the Right-to-Buy scheme).

Figure 3.1

Source: Survey of English Housing 2005/6



As can be seen, those move to owner-occupation were most likely to say that wanting to buy was their chief reason for the move. Those moving into private rented housing were more likely to be doing so in order to move for a job, or as a result of divorce or separation. Substantial numbers of moves to both owner-occupation and private renting were in order to move to a better area.

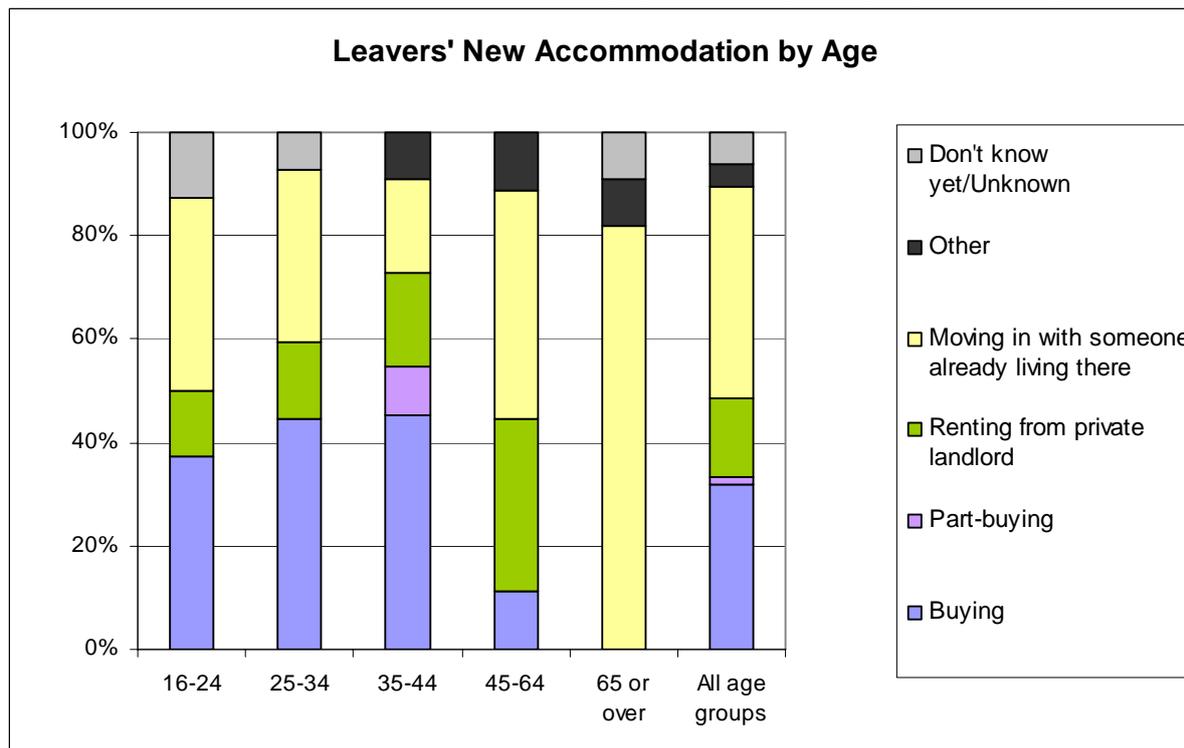
An exit survey carried out of people leaving social housing aimed to explore some of these reasons further.⁹ It identified two distinct groups of people leaving. The first major sub-group of leavers were in their early working years (40%), often leaving to purchase a home (28%), and including at least one adult in employment (68%). The second sub-group was of elderly people who had changing needs due to their age and failing health.

Figure 2.3 shows the new tenure of those leaving social housing.

⁹ This involved a postal survey of all people leaving a tenancy with a sample of six housing associations throughout the country. A total of 155 responses were received, both transfers and exits to the sector. For details of methodology and full results, see source document.

Figure 2.3

Source: Survey of those leaving a sample of six Housing Associations



This presents a somewhat different picture to that shown in Figure 2.2 because it includes people leaving to move in with another household; 40% of all exits were in this group, including almost all of the older leavers¹⁰.

Telephone interviews with Housing Officers also suggested that there were differences between areas and types of housing in terms of the reasons for tenants leaving. Abandonments were not considered to be an issue in London where tenants had severe difficulties finding anywhere else to go. They would instead sort out any difficulties with rent arrears, or wait to be evicted before leaving. This contrasts with lower demand areas where significant problems with abandonment and more general high turnover of unpopular properties were reported. Flats were known to be the properties with the highest turnover, and the most prone to being hard to let. In lower demand areas, households tended to use flats as a staging post before moving on to more desirable housing in either the social or private sectors.

There is a strong relationship between the type of accommodation that people move into and age. Amongst the over 65s, nearly all respondents were moving in with someone (mostly a son or daughter) (Figure 3.2). Of the 25-34 and 35-44 age groups, most respondents were buying their next home, though a few were moving in with someone (either parents, or less commonly, a partner). This presents quite a complex set of reasons why people leave with some leaving for what might be regarded as a step backwards in a more typical housing career (moving back home) whereas others are moving on into owner-occupation and/or co-habitation.

Some of the reasons people gave illustrated this diversity:

¹⁰ The Survey of English Housing analysis presented here by contrast, considers only the previous tenure of the household reference person. In the case of individuals moving in with someone else, they will often cease to be the reference person in their household and thus not included.

I find the stairs difficult to manage. My daughter is divorced so it would be company for us both when I move in with her

I have split up with my girlfriend. I have mental health problems and need support from my parents

We are moving house because we wanted to buy our own home and also wanted three bedrooms as we are thinking of having another baby

What these moves have in common is that most are household-specific reasons for moving. Circumstances have changed and people want to move on to something more appropriate for a new stage in their life. A few people suggested instead that they had always been unhappy in their housing:

I don't like living in a council flat; it's always noisy and kids smoke weed in the corridors.

The great majority of those leaving a social tenancy were positive about the tenure overall, with 71% of those leaving stating that they would consider moving back into social housing in the future. Most of these cited reasons relating to the good quality of the service:

I have enjoyed the security of living in a housing association home. Good service.

I think (my HA) and most Housing Associations seem very good these days.

Whilst others cited the possibility of being in need of such housing in the future:

They are a good back-up when needed

Of the 24 respondents who replied that they would not consider moving back with a Housing Association again, all but one cited reasons concerning their personal circumstances (such as increased income, or high support needs) which precluded the need for it. Only one person suggested they had been unhappy with their Housing Association.

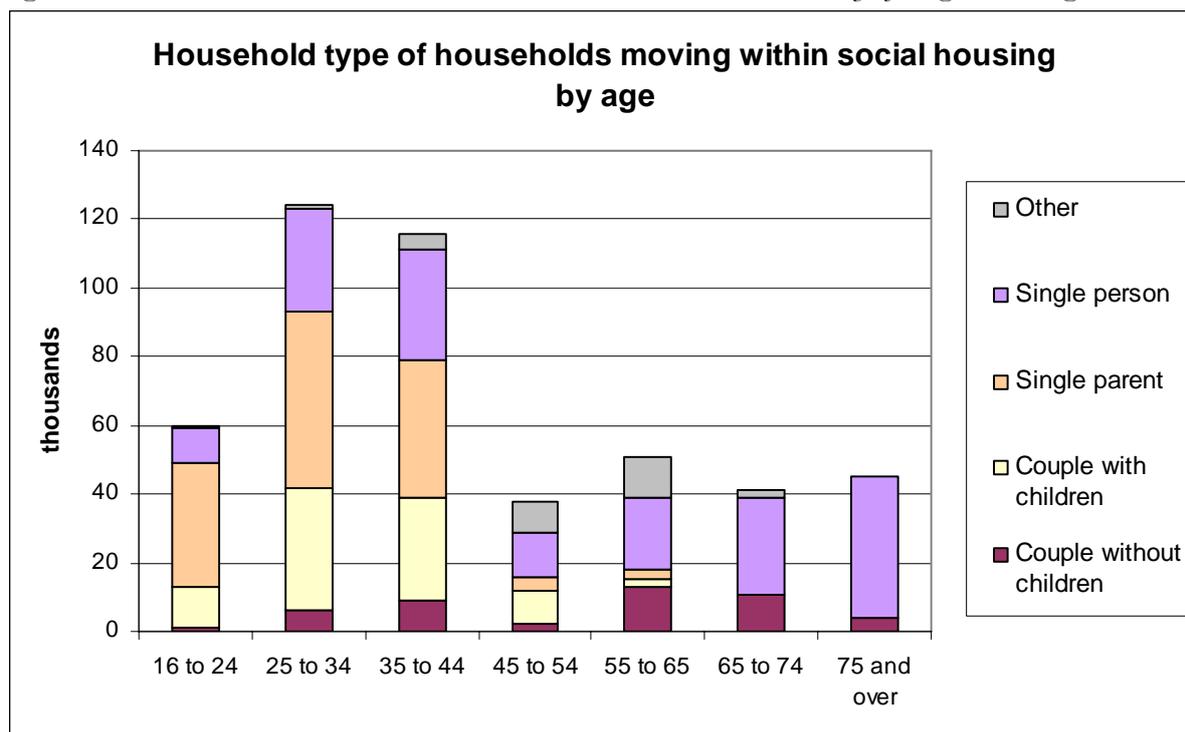
4. Which households move within social housing and how?

Around 5% of social sector households move house within the social sector each year, which is about the same as in the private sector overall (around 23% of private renters move within their tenure each year, but only 3% of owner-occupiers, Source: SEH). Most social sector moves are local, usually within the same district.

Figure 4.1 shows the household types and ages of households moving within social housing.

Figure 4.1

Source: Survey of English housing 2005/6



As can be seen by comparing this with Figure 2.2, the profile of those moving within the sector differs in two major respects from that of leavers. There are more older households transferring, and among the lower age groups there are fewer couples, but substantially more single parents. This suggests that moving within the sector is used especially as an alternative means of satisfying changing needs by households who are less able to meet their needs in the private sector.

4.1 Moving by mutual exchange

Tenants can move within the social housing sector either by transfer to an existing vacancy, or by mutual exchange with another tenant. Transfers are different as they are organised by the landlord and usually rationed according to housing need criteria. They may reflect normal measures of housing need, such as overcrowding or medical factors, may result from extreme events such as fire or harassment, or may be at the landlord's behest, in cases such as moving people to make way for demolition or under-occupation.

Mutual exchanges, by contrast, are at the tenant's behest, and represent an alternative means of satisfying a wider range of aspirations than landlord-organised transfers. They are however inherently more complex to arrange than transfers, since they depend upon finding another tenant willing to make an exchange. By definition, the other tenant must find the 'package' of housing goods offered by the first tenant to be an acceptable alternative to their current housing consumption: exchanges are self-balancing.

Who moves by mutual exchange?

Previous research has found that although less than a third of social housing tenants have dependent children, 42% of all transfers were households with dependent children, and 70% of all mutual exchanges (Jones and Sinclair 2002). This research also found that lone parents were particularly likely to move by mutual exchange. Although lone parents are only 15% of the social housing population, they make up 45% of all households moving by mutual exchange.

Younger households were also more likely to achieve a move by mutual exchange, with 54% of mutual exchangers being under 35, compared to only 35% of households moving by transfer. Accordingly, only 10% of mutual exchanges were made by households over 55, compared with 36% of transfers.

Mutual exchanges are one of the few mechanisms open to tenants to move between one local authority area and another, although the majority of moves are over very short distances. Half of all moves by mutual exchange are of less than 2.5km, only a quarter move further than 25km, and only 5% move more than 50km. One in three households moving by mutual exchange worked either full or part time, in line with the social housing population generally, but 87% of households who made long distance moves (over 50km.) had no working member, suggesting that long distance exchanges are not widely used as a means of moving for a job. Instead, long distance exchanges are probably possible precisely because the moving households are unemployed and therefore not concerned about proximity to their place of work, making them more mobile.

Although, by definition, mutual exchanges must be regarded by both parties as representing a fair exchange, nearly 40% of all mutual exchanges involved tenants exchanging properties of with different numbers of bedrooms. Nearly all of these involved a change of one bedroom in either direction.

Since 2000, there has been a proliferation of websites which offer an advertising platform for tenants advertising for a mutual exchange. A few of these have been established by 'official' bodies, but the majority appear to have been set up by individuals, either as public resource or as a source of income.

Over the last few years, as lettings and transfers in the social housing sector have declined dramatically, landlords have become increasingly interested in promoting mutual exchanges as a means of relieving some of the housing pressure within the sector. Most of the IT suppliers of housing management systems now include a Mutual Exchange module as part of their package, and many individual landlords have developed their own mutual exchange websites. In an increasing number of cases, these now form an integral part of a Choice Based Lettings package, advertising landlord vacancies, mutual exchange opportunities, low cost home ownership sales, and in a few cases private sector lettings¹¹.

Spatial variations

Further analysis was carried out looking comparatively at what tenants in London, Birmingham and East Anglia are seeking by way of mutual exchanges. This found that those seeking swaps in London were more likely to be considering flats (61%, as compared with only 11% in Birmingham and 38% in East Anglia). This reflects the very different current housing circumstances, with the majority of Londoners already in flats (69% as compared with 25% and 23% for Birmingham and East Anglia respectively) This probably partially accounts for the lower number of London tenants specifying "house only", expecting instead that it will be easier to swap like for like. Similarly with property size, the greatest number of people looking for two bedroom properties were found in London, while in Birmingham and East Anglia greater

¹¹ A good example of this approach is the Choice Based Lettings scheme operated by Wychavon District Council (<http://wychavon.whub.org.uk/home/wdcindex/wdc-housing/wdc-housing-homechoice.htm>) where applicants can view properties in all four categories. On 10 August 2007, the website advertised 12 CBL properties, 107 properties for mutual exchange, one private rented sector property, and five properties for shared ownership.

proportions of tenants were looking for three bedroomed properties London households are more likely to be seeking smaller accommodation, and East Anglians, larger.

Moving on to the type of feature people are looking for, Londoners are particularly likely to be seeking homes with a garden. Birmingham households are particularly likely to mention that they want central heating and/or double glazing, which may indicate that there are more Birmingham households living without these at present than in the other two regions. They are also more likely to be seeking council tenancies with the Right-to-Buy.

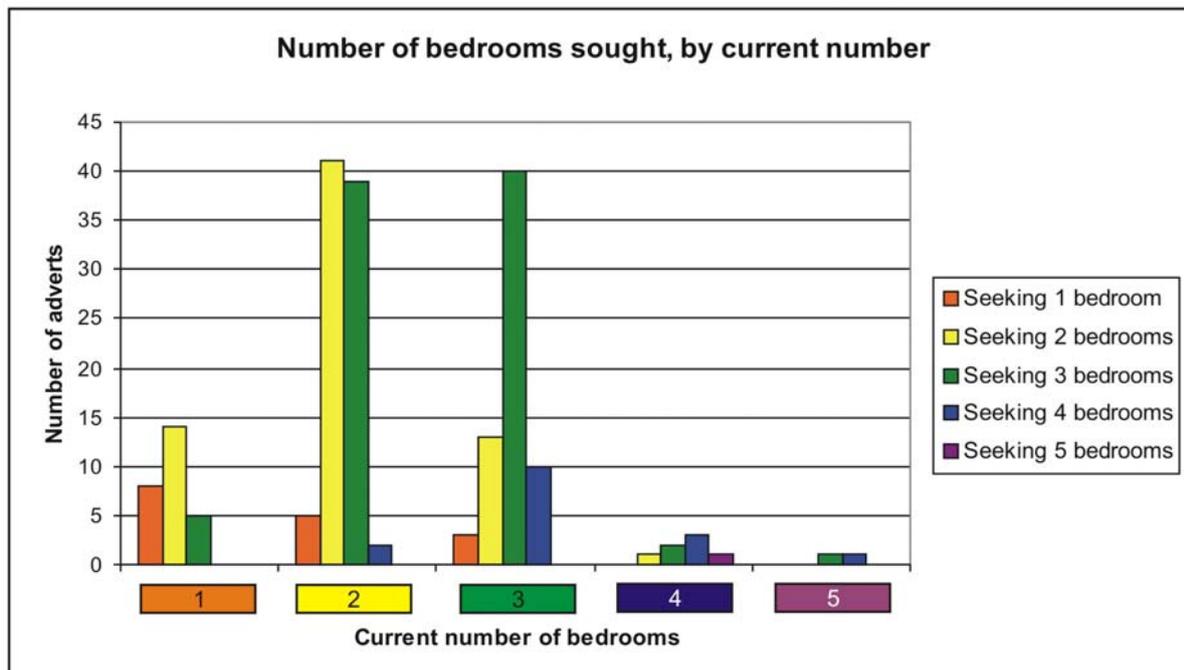
The process of swapping homes

Tenants comments on the home-swapping system revealed some frustrations with the process. Some adverts offered very little information or omitted vital details such as location. There was also frustration at the need for a home computer or the skills required to use the websites, and this was linked to the annoyance many tenants felt with older social tenants who remain in a family-size home long after their children have left. Most tenants also expressed a measure of anxiety about arranging a swap themselves and would rather have landlords manage the process.

There is a strong indication that the option of using a mutual exchange rather than obtaining a transfer favours people in houses and is difficult for people in flats or notoriously rough neighbourhoods, who have very little bargaining power. There is also a clear mismatch between the sizes of properties tenants have, and what they are seeking. Whilst considerable numbers are looking to exchange like for like, nearly half of all households with two rooms are looking for a 3 bedroomed property, and the majority of households with one bedroom are looking for two or three-bedroomed properties (Figure 4.2).

Figure 4.2

Source: Analysis of adverts placed for exchanges



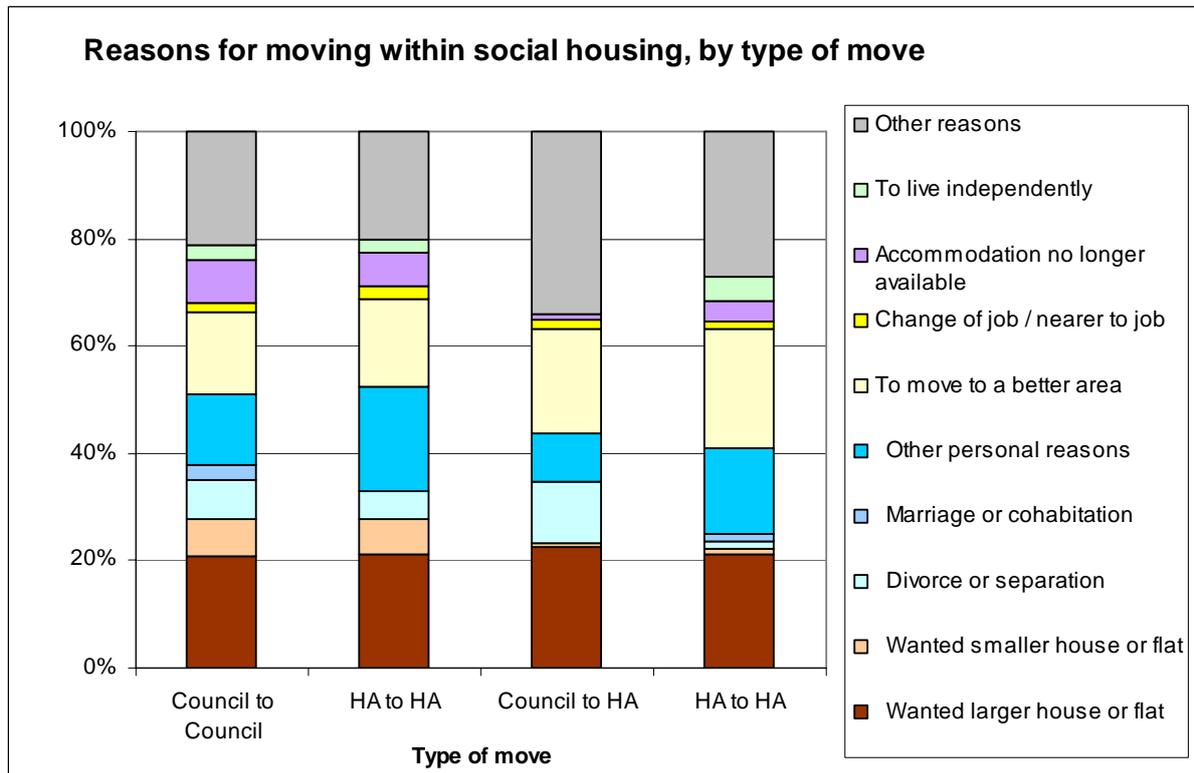
Considerably fewer households are seeking properties with a smaller number of bedrooms, meaning that many of the potential exchangers will have to lower their expectations if they are to find swaps.

5. Why do households move within social housing?

Figure 5.1 shows the reasons given for the move by households who had moved within the social sector in the past year.

Figure 5.1

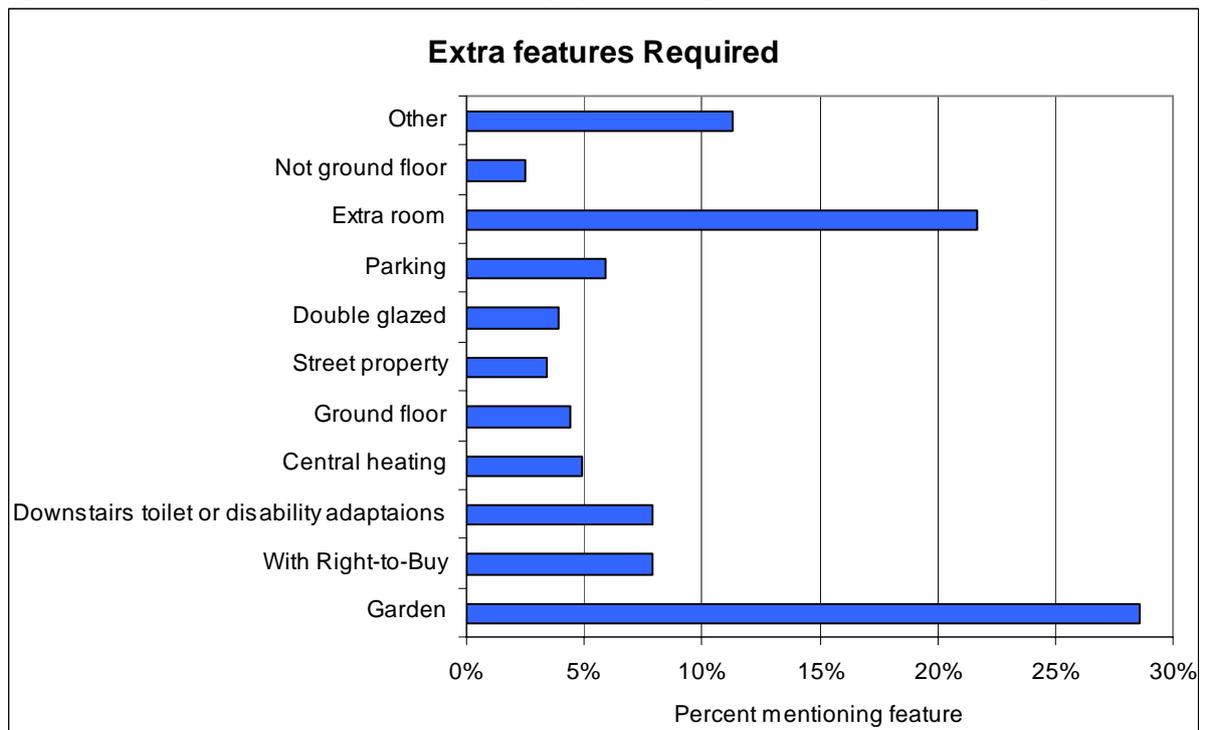
Source: Survey of English Housing 2005/6



Overall, most moves are to larger properties, to better areas or for other personal reasons. Figure 5.2 shows the features requested by those seeking mutual exchanges.

Figure 5.2

Source: Survey of tenants registered with a Mutual Exchange website



The most common requirements mentioned were for a larger home and a garden. These considerably outnumber all other features requested. Many people stated that they wanted to move because their family size was increasing which explains the desire for more space and gardens.

Respondents in the exit survey who were moving within social housing were asked what features attracted them to their new homes. A variety of features were reported; however, the most common cited was the size of their new home. Other attractive home features include the neighbourhood, garden, modernisation, accessibility of family support and being on the ground floor. Many elderly respondents stated age and health reasons for moving, and some explicitly stated that they could no longer manage the stairs of their residence.

For some households, moving was something they did with reluctance in the face of difficulties in their current home or refurbishment requiring them to move:

I have asthma so I cannot get up and down stairs and the toilet is up stairs. If I had a toilet downstairs I would have stayed in this house.

I'm suffering from racial harassment and homophobic attitudes.

My house is being demolished.

However, for most households, transfers were a very positive move, allowing them to access accommodation that better met their changing needs:

I was in a starter or training flat. It has been decided that I am capable of living on my own, so I am moving into a flat in my own name.

We are moving house because we have two children and one on the way, our current accommodation cannot support our family. We need the extra room for our new baby and a garden for our children to play in.

I cannot move up and down the two flights of stairs anymore. I fall over quite a lot, even down the stairs. I can no longer climb through the windows to tend my plants on my two balconies. I cannot maintain the flat due to very high ceilings.

My house is too big and too expensive, I'm moving to a small flat which is cheaper.

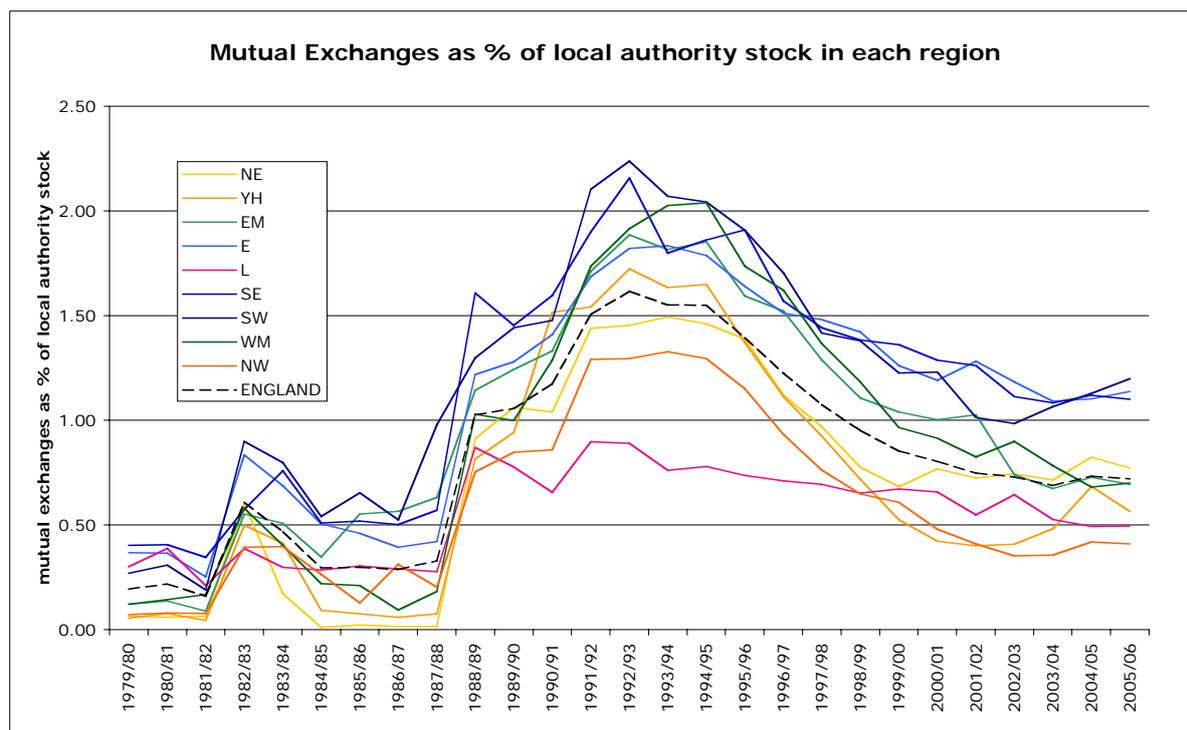
5.1 Long term changes in the extent of mobility within social housing

Over the past twenty five years there has been significant fluctuation in the numbers of transfers and mutual exchanges.

Figure 4.3 shows the fluctuation in transfers in each region between 1979/80 and 2005/06. Two points are significant. First, there are marked fluctuations over time, with peaks of transfer activity occurring in the mid 1980s and mid 1990s, with relative troughs of activity during the mid 1980s and in recent years.

Figure 4.3

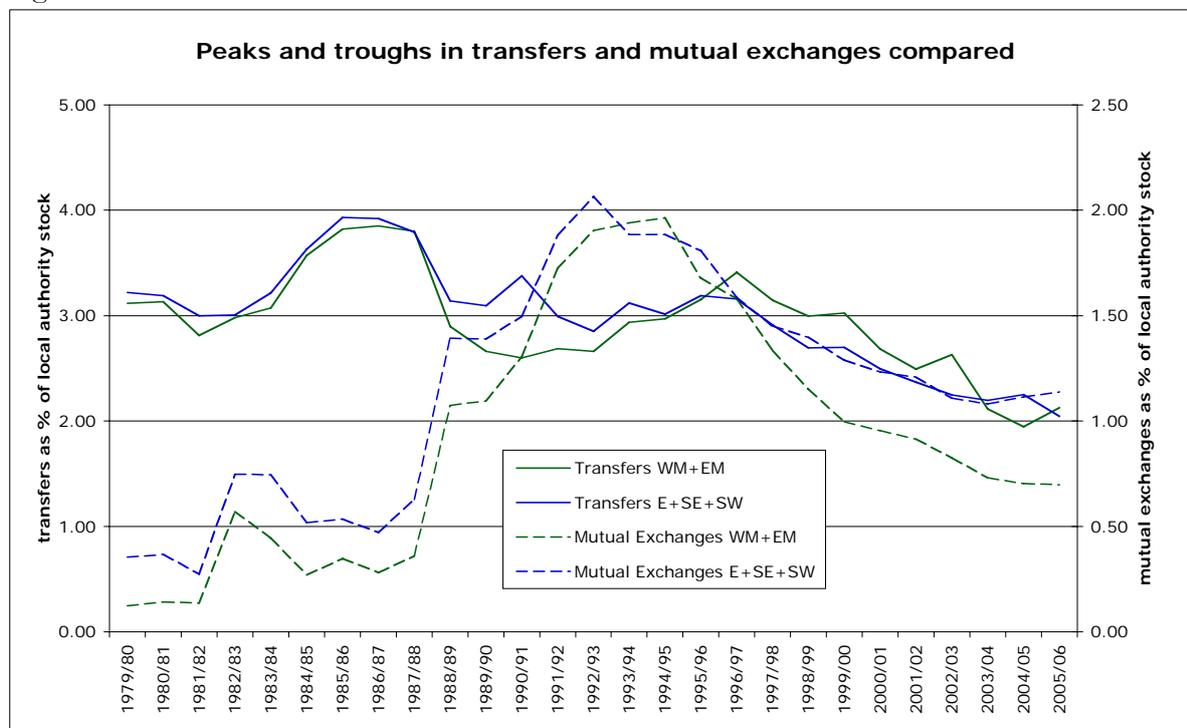
Source HIP/HSSA¹²



The peak of mutual exchange activity occurs in the early to mid 1990s, when transfer activity was low. Conversely, when transfer activity was at its height, mutual exchanges were low (Figure 4.4).

Figure 4.4

Source HIP/HSSA



¹² The sudden leap in 1988/89 is possibly due to changes in the way exchanges were recorded – moving from counting an exchange as one event, to counting the number of households moving by means of an exchange.

The inverse relationship between transfers and mutual exchanges was originally identified by Maclennan and Kay who estimated that where transfer waiting times exceeded three years, mutual exchanges averaged 21% of gross lettings, but that where transfer waiting time fell below three years, mutual exchanges averaged only 6% of gross lettings¹³.

This, together with the cyclical pattern identified above, suggests that there is a considerable overlap between the population of tenants who seek to move through transfer, and the population who seek to move through mutual exchange.

6. Conclusions

This paper has dually examined moving within and away from social tenancies. Broadly speaking, people leave social housing not because social housing is failing them, but because their needs or resources have changed. Some are now able afford private housing and wanting to buy is a major reason for moving to owner-occupation. Others households have new health, personal or family needs that can no longer be met within their current housing, and transfers or exchanges offer a chance of more suitable housing. A minority of tenants are evicted or move reluctantly, but most moves are a positive thing for all concerned and offer the chance to better fulfil housing aspirations and meet changing needs. Moves out of the sector also free up tenancies for other households in need of them.

From the point of view of housing managers, the issue is more mixed. Housing officers interviewed for this research were divided in their answers as to whether exits were a good thing or a problem. Some were positive about their tenants moving on and keen to see housing freed up for others in need. But others saw exits as a sign that tenants did not like the housing, a threat to their efforts at community-building and a problem because the property would now have to be re-let.

This may reflect the differences in levels of demand across the country. Housing officers with hard-to-let stock may be more likely to see voids as a problem than a much-needed resource. However, the recent Hills Report has called for Housing Associations to take a more proactive role in the housing careers of their tenants, supporting them as they move to other tenures and allowing social housing to be directed at those most in need.

The main issue of concern within the social sector is not the households that move, but rather those that are seeking to move and becoming less able to do so. High house prices and declining availability of the Right-to-Buy have reduced tenants' ability to move into owner-occupation or private rented housing. Recent restrictions on the 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, freeing up housing for those in need. The declining number of resultant re-lets has impacted upon those looking to move within the sector and caused greater numbers of households to have to stay in unsuitable accommodation.

Very few tenants move more than a few miles from their current home and it appears to be especially difficult to do this whilst remaining in social housing. The recent suspension of the government-funded HOMEs mobility scheme system has removed one way in which long-distance moves could have been effected, and is likely to leave social tenants less able than ever to move within their tenure. As shown in Figures 4.3 and 4.4, there have been persistent

¹³ *Moving On, Crossing Divides: A Report on Policies and Procedures for Tenants Transferring in Local Authorities and Housing Associations*, D. Maclennan & Kay, HMSO, 1994.

downward trends in mobility over the last ten years. Better systems are very much needed to enable social tenants who need and wish to remain in the tenure to move further afield in search of employment, study, family support, better housing or for a host of other personal reasons. At present most long-distance moves are by households without work, possibly because it is only these households who are able to be flexible enough in terms of timing and location to find suitable swaps. Whilst the internet offers an excellent means of arranging swaps for some tenants, most older tenants do not have access to the internet and will therefore be excluded from schemes that are purely internet-based. Without the participation of older households, there will continue to be a substantial imbalance between the size of properties households are looking for, and what they are currently occupying. Increasing mobility out of London could also help alleviate some of the country's worst housing pressure, but will be difficult as housing pressure increases in what may traditionally have been lower demand areas. Mobility could be improved if choice-based lettings schemes were to be fully integrated with a system enabling tenants to move within the sector.

The other major impediment to moves within the sector is the imbalance between the size and type of properties being sought and being available. The social sector very much needs increased numbers of houses with three or more bedrooms and gardens to meet the demands of existing tenants. Better systems to encourage downsizing by older households would help alleviate this situation to some extent, but the current trend for building large numbers of small dwellings is likely to exacerbate the situation, especially in conjunction with the continued loss of family homes via the Right-to-Buy or Social HomeBuy.

It is clearly regrettable when households leave social housing because of problems with the property or location, or have been unable to sustain a tenancy, and very high turnover rates are a problem both for landlords and the areas affected. However, current turnover rates are in most areas a very long way from being a problem per se, and increased movement within the sector and out of it would have a range of positive impacts.