Cambridge Centre for
Housing & Planning Research

Executive summary
Mapping the number of extra housing units needed for young people

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Introduction

This report looks at the requirements for supported and sub-market independent accommodation (social housing and private rented accommodation with housing benefit) for young people aged 16-24. It examines the current situation and projections for the future until 2021.

Young people are facing more barriers than ever to accessing housing. They are increasingly disadvantaged in the housing market due to low incomes, youth unemployment and a lack of mortgage finance.

Access to social housing has become more constrained and the proportion of young people entering this tenure has fallen. The private rented sector (PRS) conversely houses a diverse and growing range of households and is increasingly seen as an alternative to social rented housing for young people and low income households.

Statutory youth homelessness rose 12% between 2009/10 and 2011/12. A key focus of government policy to address homelessness has been on 'No Second Night Out', which aims to ensure that no rough sleeper has to sleep out for more than one night after having made contact with services. This is an ambitious programme as it relies on an adequate supply of suitable accommodation at all times.

Recent research conducted by the Universities of York and Herriot-Watt, *Ending Youth Homelessness*[1] represents the most recent and comprehensive effort to define and measure youth homelessness across the UK, estimating that at least 78-80,000 young people experienced homelessness in a year. It looks at the scale of the task, and what levels of service network are needed to end youth homelessness. What it does not do is to make precise numerical estimates of the requirements, either for emergency and supported accommodation, or for the amount of independent housing that is required. This study aims to help address this gap.

This research, commissioned by Centrepoint and carried out by Cambridge University, makes use both of secondary data and of 10 local case studies, selected to be broadly representative of England overall in terms of population, region, housing pressure, rurality and levels of service provision.

The project looked both at the current situation and also looked forward to 2021 to explore the size of the gap between anticipated supply and requirements to estimate the additional housing units required to meet need from young people in the future. The findings are intended to help inform policymakers of the housing needs of young people – especially those unable to afford market housing – and possible ways in which they could be addressed.

The overall shortfall of sub-market independent units for households headed by young people is estimated to be **140,344** at present, rising to **146,696** by 2021.

Based on current provision of independent accommodation, it is estimated that **15,670** more units of supported accommodation are currently required to meet the needs of young people.

1. Quilgars, D, Fitzpatrick, S and Pleace, N (Centrepoint, 2011)

Mainstream Housing

In order to determine levels of need from young people we looked at current numbers in all forms of sub-market housing - council housing, housing association tenancies or private renting with the use of housing benefit.

In establishing the current backlog, we estimated the numbers on social housing waiting lists who were aged under 25. However, we included only those currently within other households to ensure the figures represent the net shortfall in the number of dwellings required, and do not count those who are already in independent accommodation but want to upsize or move to more affordable accommodation.

We then drew on household projections to establish how things are likely to change by 2021, given existing commitments for social housing construction, and then estimated the overall shortfall between projected requirements and supply of sub-market housing.

The table below shows the number of additional sub-market housing units (either social rented or in the PRS with housing benefit) needed to meet the requirements of the whole population, and then, of these, how many units would be needed to meet the requirements from young people specifically, broken down by region and by size of property.

These requirements are in addition to current planned supply of new social housing.

Estimate of shortfall of sub-market housing for young people by 2021

<table>
<tr><th rowspan="2"></th><th rowspan="2">A. Overall Shortfall</th><th rowspan="2">B. Requirement for young people</th><th colspan="4">C. Requirement for young people by size</th></tr>
<tr><th>1 bed/ room only</th><th>2 bed</th><th>3 bed</th><th>4 bed</th></tr>
<tr><td>North East</td><td>50,598</td><td rowspan="5">73,432</td><td rowspan="5">40,841</td><td rowspan="5">29,860</td><td rowspan="5">2,537</td><td rowspan="5">194</td></tr>
<tr><td>North West</td><td>101,624</td></tr>
<tr><td>Yorkshire & Humber</td><td>128,478</td></tr>
<tr><td>East Midlands</td><td>132,587</td></tr>
<tr><td>West Midlands</td><td>92,704</td></tr>
<tr><td>East</td><td>91,505</td><td rowspan="3">36,138</td><td rowspan="3">16,807</td><td rowspan="3">17,892</td><td rowspan="3">1,358</td><td rowspan="3">81</td></tr>
<tr><td>South East</td><td>81,493</td></tr>
<tr><td>South West</td><td>69,066</td></tr>
<tr><td>London</td><td>186,333</td><td>27,965</td><td>16,617</td><td>10,723</td><td>581</td><td>43</td></tr>
<tr><td>England</td><td>934,388</td><td>137,535</td><td>74,265</td><td>58,475</td><td>4,476</td><td>318</td></tr>
</table>

Mainstream Housing continued

As shown in the table, the overall shortfall, for all age groups, is estimated as **293,927** at the present time, and predicted to rise to **934,388** by 2021. The shortfall in London is particularly high – 186,333 – due to exceptionally high levels of demand in the region.

For households headed by young people, the current shortfall is estimated to be **131,183**. In addition, there are an estimated 9,161 young people living in hostels who are ready to move but unable to move out due to lack of suitable independent housing. Including this group in the total increases the current shortfall for young people to **140,344**.

As the table shows, the net shortfall for households headed by young people is estimated to increase to 137,535 units of accommodation by 2021. When those needing to move on from hostels are included[2], this rises to **146,696** by 2021. This slight rise is predicted to occur, despite the overall fall in the size of the 16-24 age group, because of the overall increase in requirements for sub-market housing from the population overall and the fact that under 25s are likely to suffer disproportionately from overall shortages.

The large majority of households headed by under 25s require only one or two bedrooms. If this shortfall is to be supplied within the PRS, it can be estimated that 90% of the one bedroom properties can be replaced with bedsits due to housing benefit rules that restrict people under 35 to the 'shared accommodation rate'. This would increase the requirement for rooms in shared accommodation by around 67,000 and reduce the requirement for one bedroom homes to only around 7,400 units.

These are all conservative estimates that make no allowance for people in housing need not registered on waiting lists, nor for those in unsuitable or overcrowded housing. They also assume that planned rates of social housing construction are built to time. They are not, however, necessarily requirements for new social housing construction, as some need can be met from within the existing housing stock – for instance if the PRS increases in size and/or accommodates more low-income households.

However, if the current Right to Buy reforms are successful at increasing uptake, the supply of social rented housing will slowly decline. Similarly the current reforms to housing benefit are likely to reduce supply of PRS accommodation within local housing allowance (LHA) limits, and increase competition for shared accommodation. LHA rates are likely to decrease in real-terms over time as they are no longer uprated by increases in local rents, and instead are uprated by the Consumer Prices Index that tends to be significantly lower. These reforms to housing benefit may deter some households from forming, which would reduce the overall requirements, though possibly at the expense of increasing overcrowding and/or homelessness.

In reality, it is unlikely that the supply of social housing will increase beyond planned builds, and even at current build rates, planned provision is uncertain to be realised given the slow progress towards targets so far. The PRS has grown considerably over the past decade and would have the potential to make up some of the shortfall in sub-market accommodation with the use of LHA. Local authorities may therefore need to do more to ensure that low income households are able to access this sector.

2. As the focus of this project was on the under 25s, the comparable number of over 25s needing to move on from hostels has not been included, but the 293,927 figure is undoubtedly an underestimate.

Emergency and Supported Housing

In addition to estimating the numbers of independent units, the research also explored whether there was a shortfall between supply and requirements for emergency and supported housing. This covered both units designed to accommodate young people in an emergency and longer-term accommodation for those who require additional support. This includes emergency hostels, longer-term supported housing units and supported lodgings schemes where a young person is placed with a host family.

This section draws on the case study information in order to make estimates of the requirements for emergency and supported housing for under 25s. This has drawn where possible on data from each of the ten local authority case studies on the number of people accommodated and turned away. Where no data source exists, it has drawn on estimates by local authority and voluntary sector staff as to the additional requirement for supported housing places that would be needed to avoid having to turn young people away.

Firstly, we explored current provision in the area (rows a and b in the table below). We then explored how far this was provision was meeting need in the area. Interviewees were asked to estimate a number of key measures of need based on their experience in the area and caseload and waiting lists. These were then scaled up to make a national estimate. In order to work out additional need for supported housing, we had to look at a number of factors including rates at which people were able to move to independent accommodation, and an estimate of the proportion of their clients who were deemed ready to move on, as opposed to those in need of supported accommodation. We also asked about what happened when people were turned away, or on the waiting list, and other providers that they might go to for accommodation, in order to avoid double-counting. Each organisation was asked only about the numbers they dealt with, and this information was used, together with available secondary data, in order to estimate the total shortfall in each area.

None of the ten areas reported any surplus accommodation, and all reported shortfalls and waiting lists for at least some of the accommodation available.

Overall, it was estimated that **15,670** more units of such accommodation would be required to meet needs from young people. Some of the provision is currently occupied by people who are ready to move on to independent accommodation, but have not yet been able to find any due to limited supply. If there was an adequate supply of independent accommodation for young people to move on to, it is estimated that the shortfall of emergency and longer-term supported housing would reduce to **6,509** places.

Summary of supply and requirements for supported accommodation by young people

Case study area	1	2	3	4	5	6	7	8	9	10	England
Current situation											
A. Calculated estimate of number of supported housing places for under 25s (CORE and RSR)[3]	47	8	362	23	84	57	181	66	50	37	30,115
B. Local authority/agency estimate of number of supported housing places for under 25s (interviews)[4]	48	21	235	18	77	90	131	74	59	150	29,438*
C. 'Bedblockers' in supported housing ready for independent housing (interviews)	15	5	166	0	37	22	3	10	10	13	9,161*
D. Number turned away each year with no other provision available	-	-	379	29	-	-	-	150	-	-	-
E. Average length of stay in supported housing in weeks (SP move on outcomes, exc. floating support)	19	21	41	20	31	23	23	18	47	24	28
Requirements for additional units											
F. Number of additional supported housing units required to avoid 'turn aways' (calculated d. times e. [as fraction of a year] or interviews)	10	8	300	11	28	25	30	53	6	10	15,670*
G. Net number of supported housing places required if there was adequate settled accommodation (calculated f. minus c.)	-5	3	134	11	-9	3	27	43	-4	-3	6,509*
Case study area	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**England**

*These data are estimates derived from scaling up from the ten case studies (multiplying the total of the ten case studies by 326/10). Even though the case studies were carefully selected in order to be as representative as possible of England (in terms of size, levels of provision, housing pressure and urban-rural differences), there is clearly a substantial margin of error in doing this, so the results are uncertain and purely indicative.

3. The proportion of new entrants to supported housing has been derived from CORE data and applied to the size of the overall stock of supported housing.
4. This includes both stock that is specifically for the under 25s only, and stock that is available for other age groups but currently occupied by under 25s.

It is likely that a small proportion of those turned away from emergency and/or supported housing will become street homeless and a larger group will sofa-surf or stay in other temporary forms of accommodation.

It is also important to remain aware of the geography of provision. The demands on accommodation are much greater in the high pressured parts of the country, and in particular in London. The research found that more than half of the overall shortfall of emergency and supported accommodation in the ten case study areas was in London.

In other parts of the country, the types of accommodation, the provision of floating support, and issues around the location of the accommodation available can all be at least as important as the overall level of provision.

An adequate supply of accommodation suitable for those with very high support needs was considered problematic in nearly every area so is clearly an area for development of further provision.

Conclusion

This research has revealed that the scale of need for additional accommodation – both supported and independent – for young people is already large and set to grow further over time.

There is a shortfall of independent sub-market accommodation at the present time, and unless measures are taken to increase supply, the overall shortfall in the availability of sub-market accommodation is likely to increase levels of need over the next ten years.

Increasing supply could be achieved by any combination of:

- Increasing overall housing supply
- Increasing the supply of social rented housing
- Increasing the supply of private rented housing
- Increasing the LHA limit so that more private rents fall within it
- Facilitating access to the PRS for low income households

The supported housing requirements are not fixed requirements for housing units, and other solutions such as an expansion of homeless prevention work, more floating support, or further development of schemes such as placing young people within host families for emergency accommodation could all potentially reduce the need for bricks and mortar provision. However, it is likely that some of the shortfall will need to be met through the provision of additional supported housing units, particularly due to the high support needs of many of those struggling to find suitable accommodation and the fact that prevention work has already been significantly expanded in many local authorities.

Whatever measures are chosen to address the shortfall, this research has revealed the extent of the problem to be significant. Thousands of young people are struggling to find the accommodation they need, and without action, the shortfall between supply and demand is likely to rise significantly in the future.

centre point give homeless young people a future

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