

Appendix A: Tenure change in England, 1993 to 2010

This Appendix sets out some more detailed analysis of trends since 1993 based on the English Housing Survey (EHS) and its predecessor. As already noted there are some concerns about the potential biases in the survey, notably in London. A list of the tables and figures in this Appendix is given below the commentary, followed by the tables figures themselves. Further tables and figures will be made available on the CCHPR website.

Commentary

Overall, owner-occupation has been falling in proportional terms since around 2002/03 and in absolute terms since the middle of the decade (Figures A1 and A4). Among younger households, the downward trend started in the last crisis in the early 1990s and never recovered. The growth in mortgage finance was associated with higher debt among existing owners rather than additional first time buyers. As a result, buying with a mortgage has been falling in proportional terms in England since the turn of the century. Only 36% of households now have a mortgage (Figure A1).

Outright owners are an increasingly important group, rising from one in four households in the early 1990s to more than one in three of all households in 2009/10 (Figure A1).

In London, the overall proportion of owner-occupiers is lower, but the proportion buying with a mortgage is very similar to the rest of the country (Figure A2). There are far fewer outright owners because of the different demographics and higher turnover rates (Figure A2).

Private renting is more important in London than elsewhere in the country, and the tenure has grown most rapidly in the capital (Figure A2). Using EHS figures, at least 17% of Londoners are now in the private rented sector – and this is almost certainly an underestimate. This suggests effectively one in five now rent from private landlords.

Social housing has been declining across England (Figure A4) although rather more slowly in London. Council housing is also relatively more important as compared to housing association provision in London (Figure A3). Overall, perhaps 10% of the social sector stock has been lost since the early 1990s, and this proportion is similar for London and England. Those who would have been social tenants in earlier decades are now in the private rented sector supported by Local Housing Allowance – or still living at home or with friends.

Household type

While the proportion of all households buying with a mortgage has declined by 16% to 36% since the early 2000s, two out of three couples with children are still buying the same as in the early 1990s and just below the proportion in 2001 (Table A1).

London shows a rather different picture (Table A2). Notably, the proportion of couples with children buying with a mortgage has fallen by almost 10% while the

proportion in private renting has increased sharply from 6% to 15%. The proportion of lone parents able to buy has also fallen more in London than elsewhere reflecting increasing affordability problems (and maybe a different make up of lone parents) while the percentage renting has more than doubled.

The biggest proportionate change among owners is the importance of owning outright (Table A1). Fifty per cent of couples without children now own outright as compared to less than 40% in the early 1990s. The growth of this group is particularly important as some of these households have lower incomes but with lower housing related costs they are protected from interest rate risk.

It might be expected that this growth arises from increasing proportions of older households – but surprisingly the evidence is against this. The proportion of households with heads aged 65 and over has been relatively stable, falling slightly in London (Figure A7) and rising only slightly in the rest of the country (Figure A8 and A9). What has changed is the proportion of social tenants in this age group which very roughly offsets the growth in outright owners in all of these three figures. Thus, what we are observing is the outcome of the very large proportionate increases in owner-occupation in the 1970s – through income growth and access to mortgages – and in the 1980s when Right to Buy transferred very large numbers of households from council tenancies to owner-occupation. These groups have now largely paid off their mortgages – and interestingly have not chosen to remain in mortgage debt.

The trend in the growth in outright ownership will continue into the future for at least another decade – although the pace of change will slow. This will help older households to manage their budgets more effectively and will prop up the numbers in home ownership.

The second very large change is in the proportion of couples with children and particularly lone parents who are living in the private rented sector (Table A1). Overall, the proportion of couples with children in the private rented sector has almost doubled, from 6% to 11%, while that for lone parents has grown to almost one in four as compared to less than one in ten in the early 1990s. It should however be noted that the total number of couples with children has fallen by around 15% over the same period so the numbers affected are not quite as large as might at first be thought.

The pattern is very similar in London with more than one in five families with children now living in the private rented sector (Table A2). What is different here is that the proportions in the social sector are both very much higher than outside the capital and have remained relatively constant except for a slight fall among lone parents. Thus, although social renting is playing a smaller role than in the past in London, in particular the biggest shifts among families with children are from buying to private renting – rather than from social to private renting.

Again, it might be argued that what we are observing with respect to the changing tenure of families with children is more an outcome of demographic change – particularly with respect to the numbers able to buy with a mortgage. However, in London this is not the case – the proportion of couples with children has remained fairly constant in London at around 23% – so the large change in the proportion

buying with a mortgage cannot be explained by a declining proportion of the group most likely to buy. This is about access and affordability.

In the rest of the country, the story is rather different (Table A3). There has been a significant decline in the proportion of couples with children from 26% to 22% – so there are now proportionately fewer traditional two parent households than in London. But, this group is also less likely to buy than in the past, presumably reflecting problems of affordability and access to finance.

Lower to Middle-Income (LMI) households

Table A4 – A7 clarify the household make-up of the LMI household group. Table A4 covers the whole country; table A5 covers London; and Table A6 the Rest of England. Table A7 uses a different more inclusive definition of households with children with not only couples and single persons with children but also multi adult households including one or more dependent children.

A large proportion of lower to middle income households (between 10% and 50% of the income distribution) are single elderly and couples without children reflecting the extent to which those on lower to middle incomes are concentrated among the elderly. Families with children account for some 34% of all lower to middle income households – a proportion which has remained stable over the period.

While homeownership is lower among those with incomes between 10% and 50%, it is still the dominant tenure, with over half of all such households in owner-occupation but only 23% buying with a mortgage (Figure A10) and almost one in three owning outright (Figure A10). This again reflects the extent to which older households have lower incomes, but many are protected from increased housing costs.

In London, however, the proportions of single elderly and couples without children are much lower and have been declining over the period. Well over 40% of all lower income households are families with children. The dominant tenure for this group is social housing with more than one in four households in the council sector and one in six in housing association accommodation.

Across the country, lower to middle income older households and couples without children are under-represented in the private rented sector, as a result of past policy with respect to social housing and the growth of owner-occupation from the 1970s. Even so families with children are slightly under-represented in terms of owner-occupation, while in 2008/09–2009/10, they accounted for 46% of private tenants in the EHS as compared to 34% overall. The latest figure maybe an anomaly but throughout the period, families with children have always been the largest group in the private rented sector accounting for well over a third of such households with the proportion increasing over time.

In London, there are proportionately fewer couples with no children who are owner-occupiers, than in the rest of the country – and also of course, fewer such households at least among the elderly.

Families with children are as important in London as in the rest of the country and, excluding the latest apparently anomalous figures, account from roughly the same

proportion of the, larger, private rented sector. Even so, private renting is not dominant in London as higher proportions are in the social sector.

Lower Quartile (LQ) households

The picture for those with incomes in the lowest quartile of the income distribution is in many ways very similar – except to the extent that the relative importance of older households increases. Over a third of households in the bottom quartile are outright owners – slightly more than the proportion of social tenants (Figure A13).

In London, it is more obvious that social renting is the dominant tenure with over 45% housed in the sector and only one in four outright owners (Figure A14). Not surprisingly, the proportions buying on a mortgage are both low and declining.

The proportion of social tenant households who are families with children is similar across the country accounting for almost 45% of the tenure. However, the relative scale of the sector is smaller in the rest of England (Figure A15) than in London – so relatively more households are supported in London.

Again probably the most important issue is what is going on in the private rented sector. Across the country, over 40% of the sector is made up of families with children – with the large growth taking place reflecting the decline in younger mortgagors. In London, the growth appears to have happened later. This may, at least in part, be associated with the well documented slower outmigration of family households to the rest of the country.

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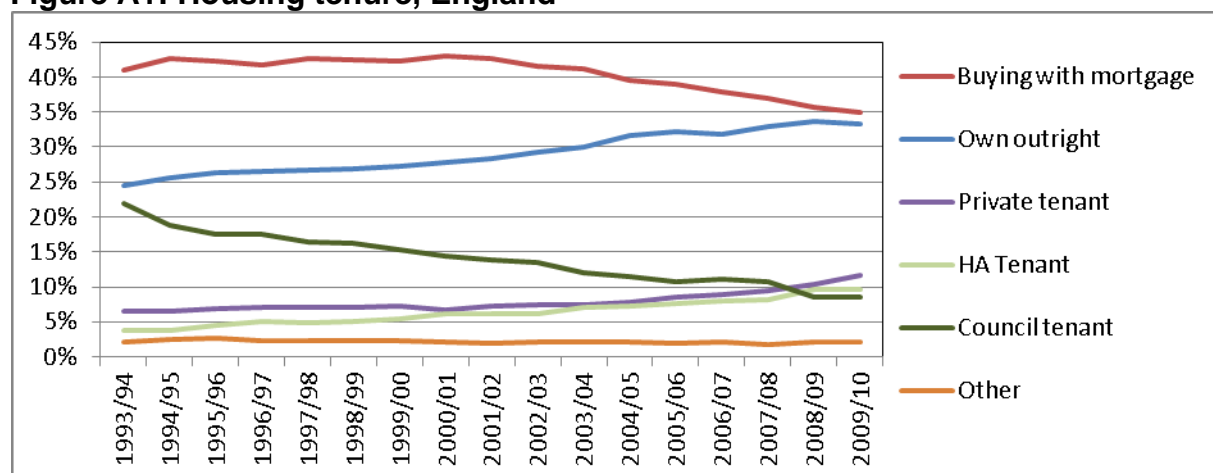
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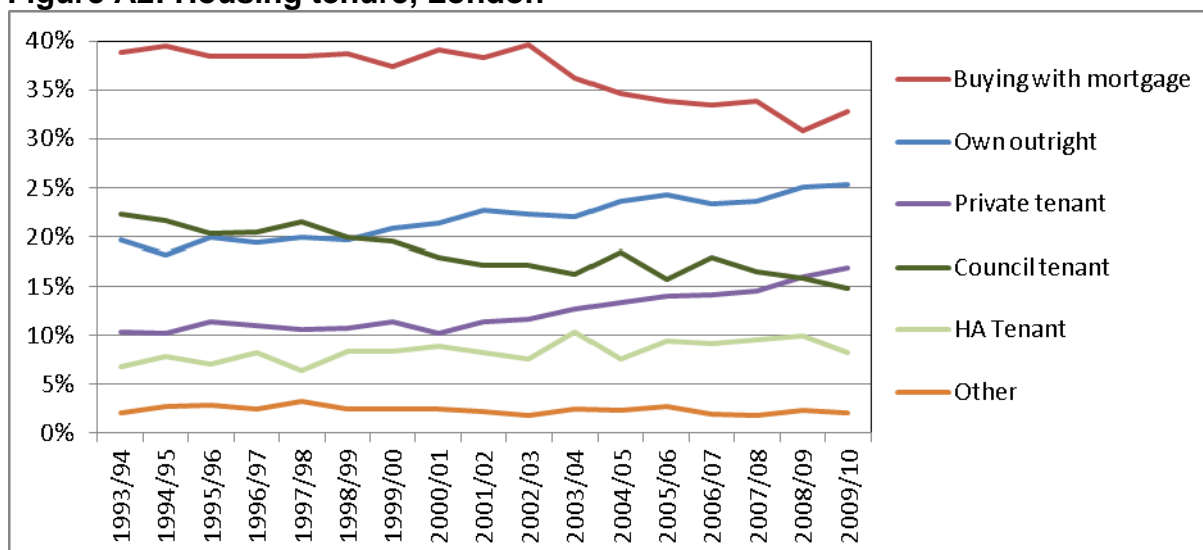
Figure A1: Housing tenure, England



Notes: Buying with mortgage included shared ownership; Other included employer provided housing, living with friend/relative and squatting.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

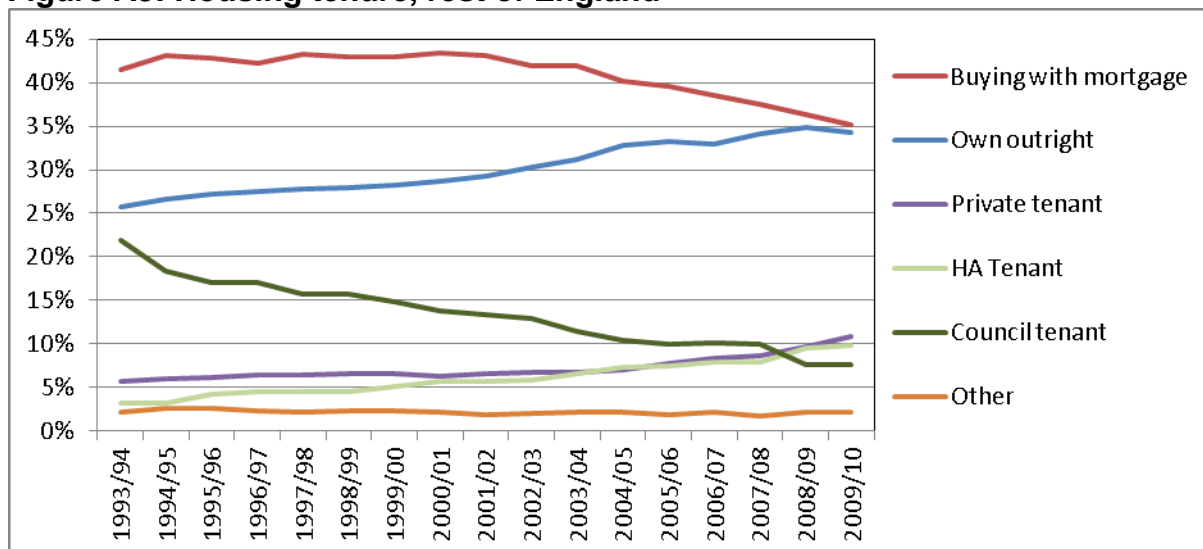
Figure A2: Housing tenure, London



Notes: Buying with mortgage included shared ownership; Other included employer provided housing, living with friend/relative and squatting.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

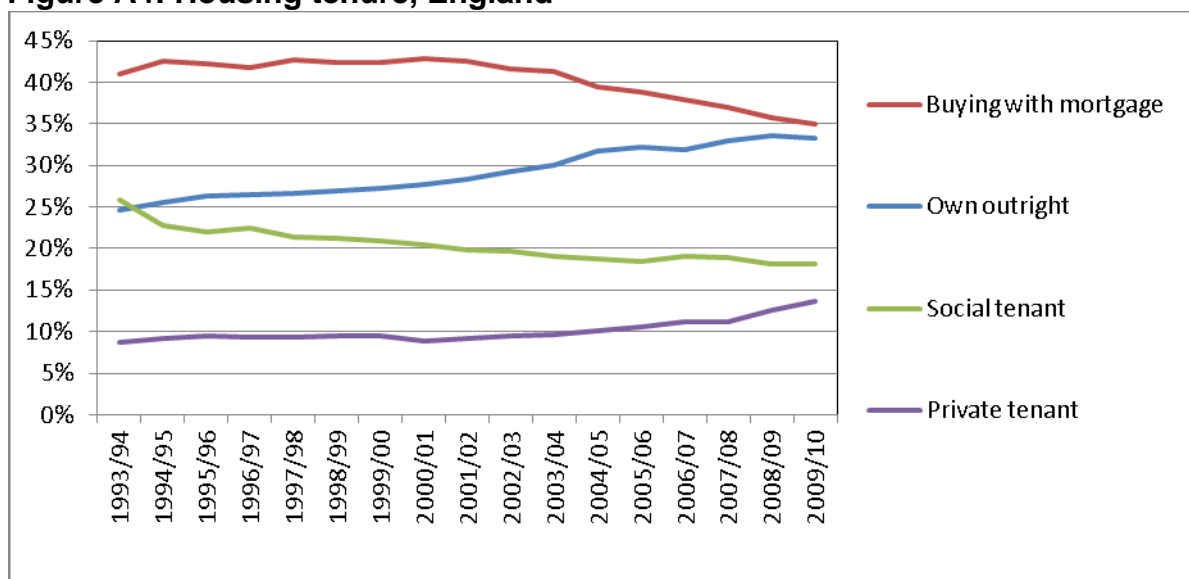
Figure A3: Housing tenure, rest of England



Notes: Buying with mortgage included shared ownership; Other included employer provided housing, living with friend/relative and squatting.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

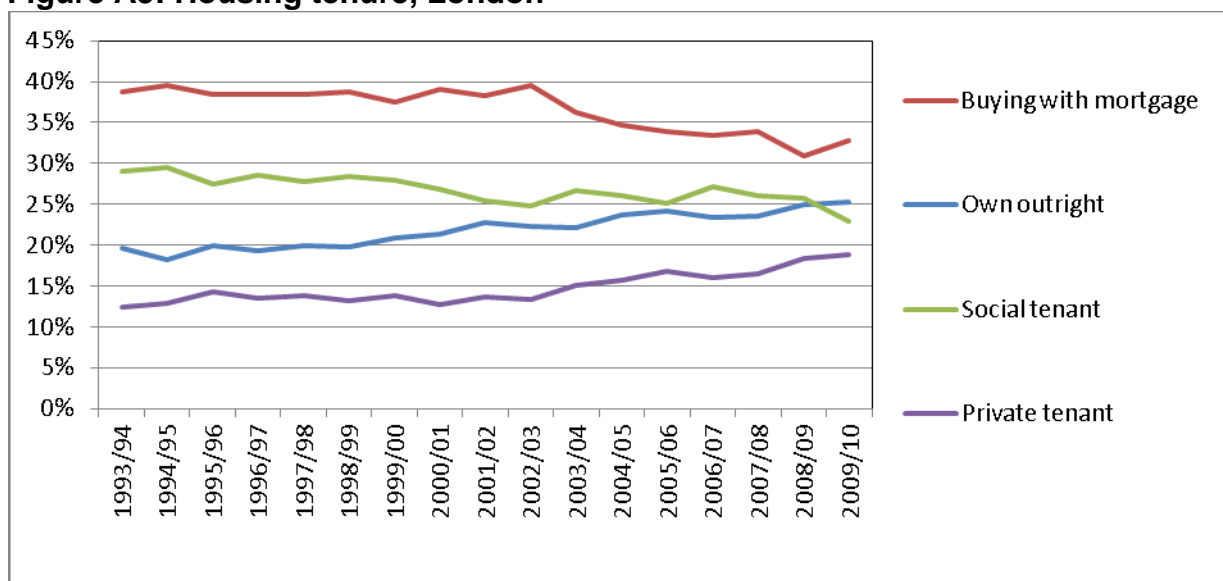
Figure A4: Housing tenure, England



Note: Buying with mortgage included shared ownership.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

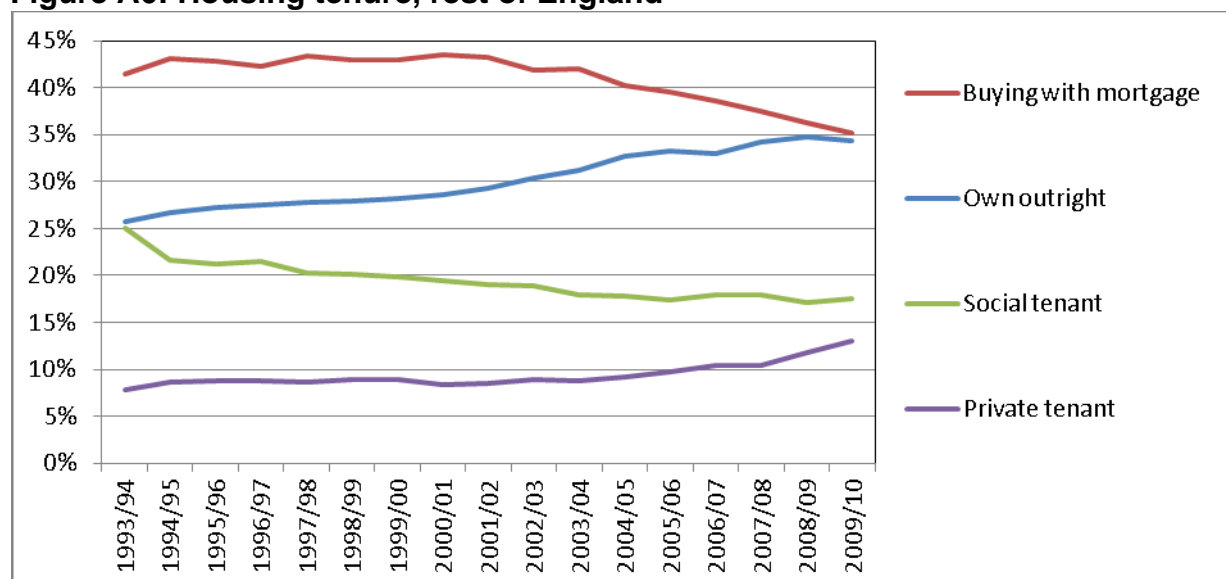
Figure A5: Housing tenure, London



Note: Buying with mortgage included shared ownership.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

Figure A6: Housing tenure, rest of England



Note: Buying with mortgage included shared ownership.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

Table A1: Household type within tenure, England

		1994/95	2001/02	2008/09
Single person	Own outright	32%	35%	40%
	Buying with mortgage	21%	24%	20%
	Social tenant	34%	29%	27%
	Private tenant	13%	12%	14%
		100%	100%	100%
Couple with no children	Own outright	39%	44%	50%
	Buying with mortgage	40%	38%	33%
	Social tenant	13%	10%	9%
	Private tenant	8%	7%	9%
		100%	100%	100%
Couple with children	Own outright	12%	13%	10%
	Buying with mortgage	66%	68%	66%
	Social tenant	16%	13%	13%
	Private tenant	6%	6%	11%
		100%	100%	100%
Lone parent	Own outright	14%	15%	7%
	Buying with mortgage	28%	29%	26%
	Social tenant	49%	46%	44%
	Private tenant	9%	11%	23%
		100%	100%	100%
All household types	Own outright	26%	28%	34%
	Buying with mortgage	43%	43%	36%
	Social tenant	23%	20%	18%

	Private tenant	10%	9%	12%
		100%	100%	100%

Notes: Buying with mortgage included shared ownership; Private tenant included private renting from individuals and organisations, employer provided housing, living with friend/relative and squatting.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09. In this table and the next two tables (A2 and A3), we have removed the data for 2009/10 because we are uncertain as to whether the results are reliable when used at this level of disaggregation.

Table A2: Household type within tenure, London

		1994/95	2001/02	2008/09
Single person	Own outright	24%	28%	32%
	Buying with mortgage	25%	25%	23%
	Social tenant	35%	30%	29%
	Private tenant	16%	17%	16%
		100%	100%	100%
Couple with no children	Own outright	28%	35%	40%
	Buying with mortgage	42%	40%	31%
	Social tenant	17%	10%	14%
	Private tenant	13%	14%	15%
		100%	100%	100%
Couple with children	Own outright	11%	15%	10%
	Buying with mortgage	60%	59%	53%
	Social tenant	23%	19%	22%
	Private tenant	7%	6%	15%
		100%	100%	100%
Lone parent	Own outright	8%	11%	4%
	Buying with mortgage	23%	21%	18%
	Social tenant	60%	61%	56%
	Private tenant	9%	8%	21%
		100%	100%	100%
All household types	Own outright	18%	23%	25%
	Buying with mortgage	39%	38%	31%
	Social tenant	29%	25%	26%
	Private tenant	13%	13%	18%
		100%	100%	100%

Notes: Buying with mortgage included shared ownership; Private tenant included private renting from individuals and organisations, employer provided housing, living with friend/relative and squatting.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09. The data for 2009/10 have been excluded from this more detailed analysis

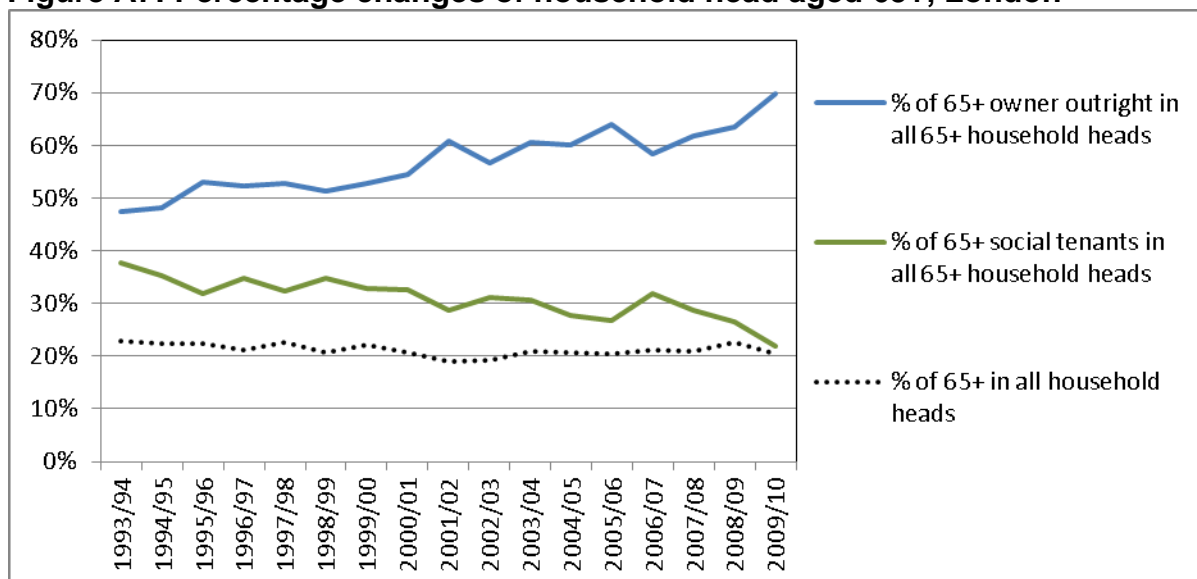
Table A3: Household type within tenure, rest of England

		1994/95	2001/02	2008/09
Single person	Own outright	34%	36%	41%
	Buying with mortgage	20%	23%	20%
	Social tenant	33%	29%	26%
	Private tenant	13%	12%	13%
		100%	100%	100%
Couple with no children	Own outright	41%	45%	51%
	Buying with mortgage	40%	38%	33%
	Social tenant	13%	10%	9%
	Private tenant	7%	7%	8%
		100%	100%	100%
Couple with children	Own outright	12%	13%	10%
	Buying with mortgage	67%	69%	68%
	Social tenant	15%	13%	11%
	Private tenant	6%	6%	11%
		100%	100%	100%
Lone parent	Own outright	16%	15%	7%
	Buying with mortgage	29%	31%	28%
	Social tenant	46%	42%	42%
	Private tenant	9%	11%	23%
		100%	100%	100%
All household types	Own outright	27%	29%	35%
	Buying with mortgage	43%	43%	36%
	Social tenant	22%	19%	17%
	Private tenant	9%	9%	12%
		100%	100%	100%

Notes: Buying with mortgage included shared ownership; Private tenant included private renting from individuals and organisations, employer provided housing, living with friend/relative and squatting.

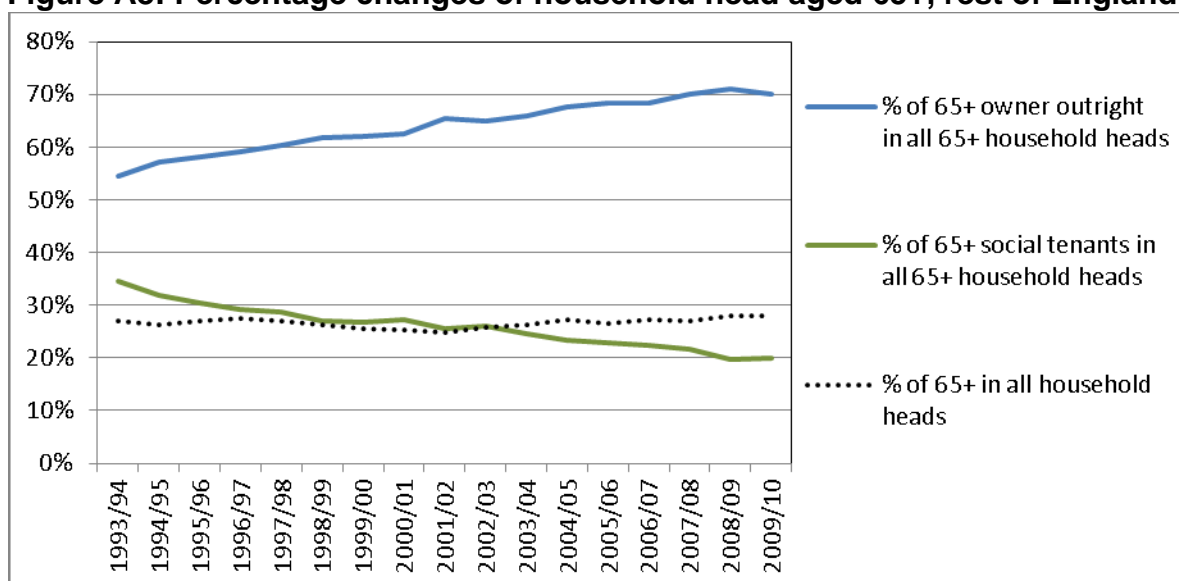
Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09. The data for 2009/10 have been excluded from this more detailed analysis

Figure A7: Percentage changes of household head aged 65+, London



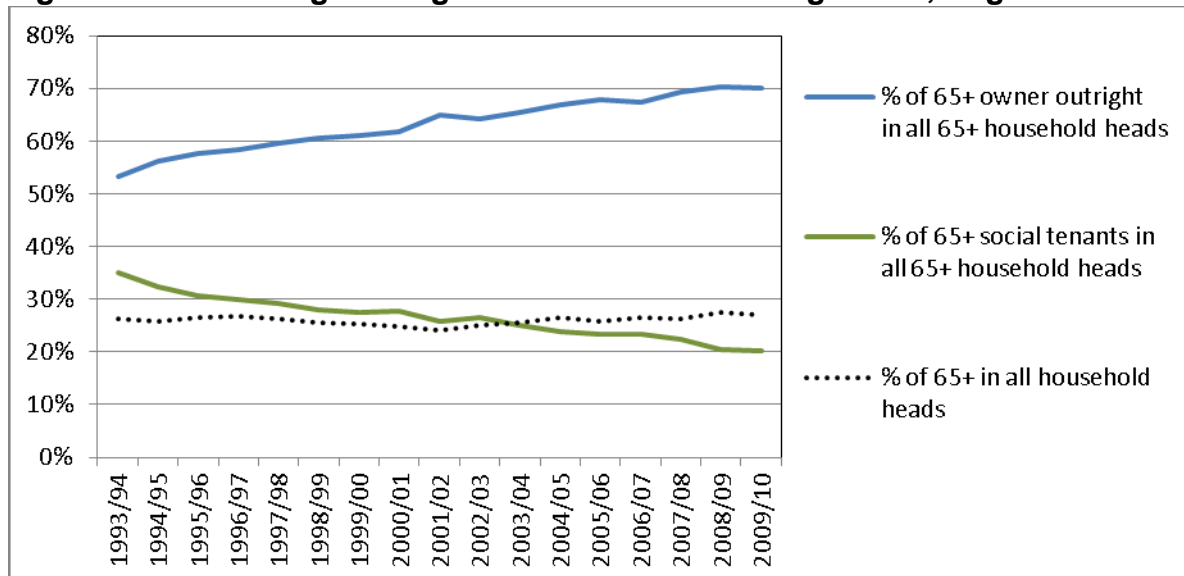
Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

Figure A8: Percentage changes of household head aged 65+, rest of England



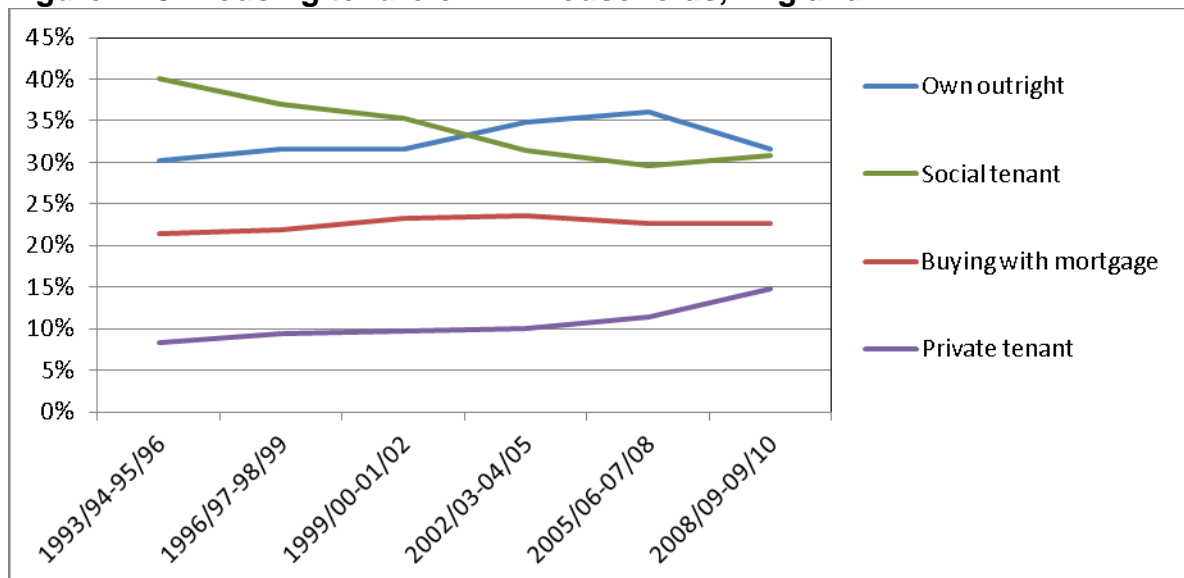
Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

Figure A9: Percentage changes of household head aged 65+, England



Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

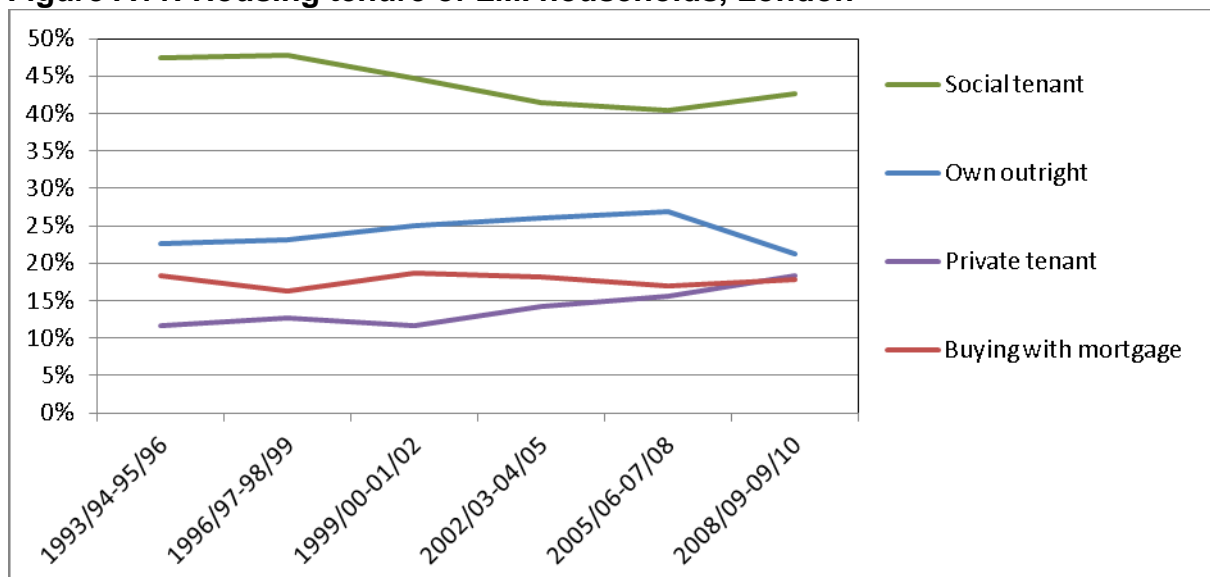
Figure A10: Housing tenure of LMI households, England



Notes: Buying with mortgage included shared ownership; Private tenant included private renting from individuals and organisations, employer provided housing, living with friend/relative and squatting.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

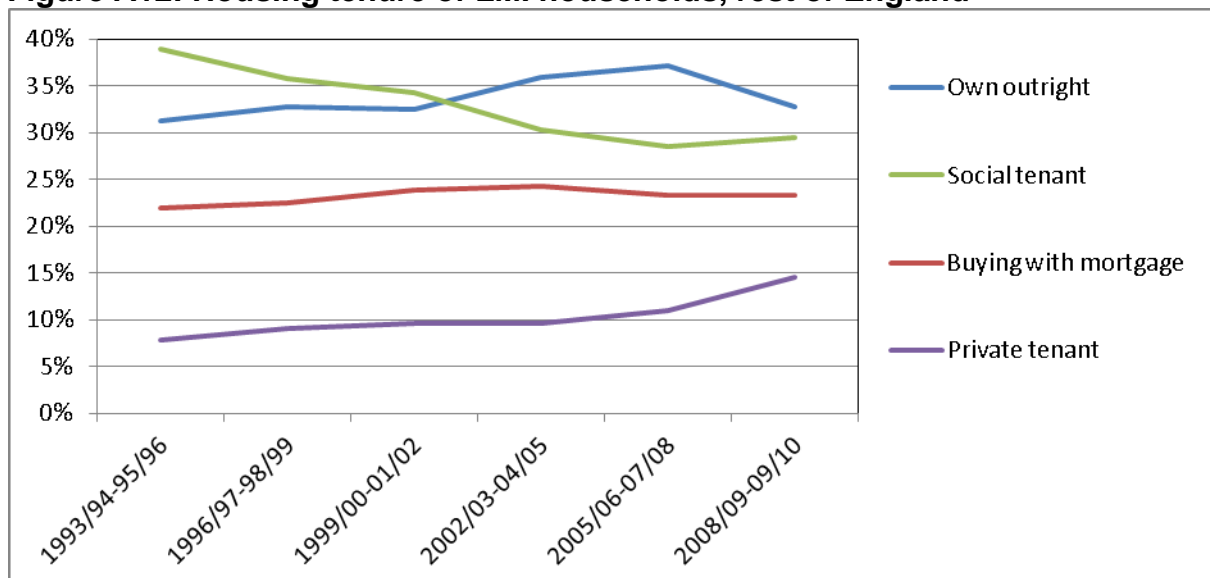
Figure A11: Housing tenure of LMI households, London



Notes: Buying with mortgage included shared ownership; Private tenant included private renting from individuals and organisations, employer provided housing, living with friend/relative and squatting.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

Figure A12: Housing tenure of LMI households, rest of England



Notes: Buying with mortgage included shared ownership; Private tenant included private renting from individuals and organisations, employer provided housing, living with friend/relative and squatting.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

Table A4: Household type within tenure for LMI households, England

		1993/94-95/96	2002/03-04/05	2008/09-09/10
Single person	Own outright	35%	41%	38%
	Buying with mortgage	6%	8%	10%
	Social tenant	49%	40%	39%
	Private tenant	10%	11%	13%
		100%	100%	100%
Couple with no children	Own outright	48%	56%	56%
	Buying with mortgage	19%	19%	17%
	Social tenant	28%	19%	19%
	Private tenant	5%	6%	9%
		100%	100%	100%
Couple with children	Own outright	7%	8%	9%
	Buying with mortgage	49%	57%	52%
	Social tenant	36%	25%	23%
	Private tenant	7%	10%	16%
		100%	100%	100%
Lone parent	Own outright	11%	11%	5%
	Buying with mortgage	23%	28%	20%
	Social tenant	55%	47%	50%
	Private tenant	11%	13%	25%
		100%	100%	100%
All household types	Own outright	30%	35%	32%
	Buying with mortgage	21%	24%	23%
	Social tenant	40%	31%	31%
	Private tenant	8%	10%	15%
		100%	100%	100%

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

Table A5: Household type within tenure for LMI households, London

		1993/94-95/96	2002/03-04/05	2008/09-09/10
Single person	Own outright	26%	32%	32%
	Buying with mortgage	7%	7%	7%
	Social tenant	54%	47%	47%
	Private tenant	13%	13%	14%
		100%	100%	100%
Couple with no children	Own outright	41%	48%	44%
	Buying with mortgage	18%	18%	17%
	Social tenant	34%	26%	28%
	Private tenant	7%	9%	12%
		100%	100%	100%
Couple with children	Own outright	5%	8%	6%
	Buying with mortgage	38%	41%	38%
	Social tenant	47%	36%	32%
	Private tenant	9%	15%	24%
		100%	100%	100%
Lone parent	Own outright	8%	9%	4%
	Buying with mortgage	17%	19%	12%
	Social tenant	64%	64%	67%
	Private tenant	11%	8%	18%
		100%	100%	100%
All household types	Own outright	23%	26%	21%
	Buying with mortgage	18%	18%	18%
	Social tenant	47%	41%	43%
	Private tenant	12%	14%	18%
		100%	100%	100%

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

Table A6: Household type within tenure for LMI households, rest of England

		1993/94-95/96	2002/03-04/05	2008/09-09/10
Single person	Own outright	36%	42%	39%
	Buying with mortgage	6%	9%	10%
	Social tenant	49%	40%	38%
	Private tenant	9%	10%	13%
		100%	100%	100%
Couple with no children	Own outright	49%	57%	57%
	Buying with mortgage	19%	19%	17%
	Social tenant	27%	19%	18%
	Private tenant	5%	6%	8%
		100%	100%	100%
Couple with children	Own outright	7%	8%	10%
	Buying with mortgage	51%	59%	54%
	Social tenant	35%	24%	21%
	Private tenant	7%	9%	15%
		100%	100%	100%
Lone parent	Own outright	11%	11%	5%
	Buying with mortgage	24%	30%	22%
	Social tenant	54%	45%	47%
	Private tenant	11%	14%	26%
		100%	100%	100%
All household types	Own outright	31%	36%	33%
	Buying with mortgage	22%	24%	23%
	Social tenant	39%	30%	29%
	Private tenant	8%	10%	14%
		100%	100%	100%

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

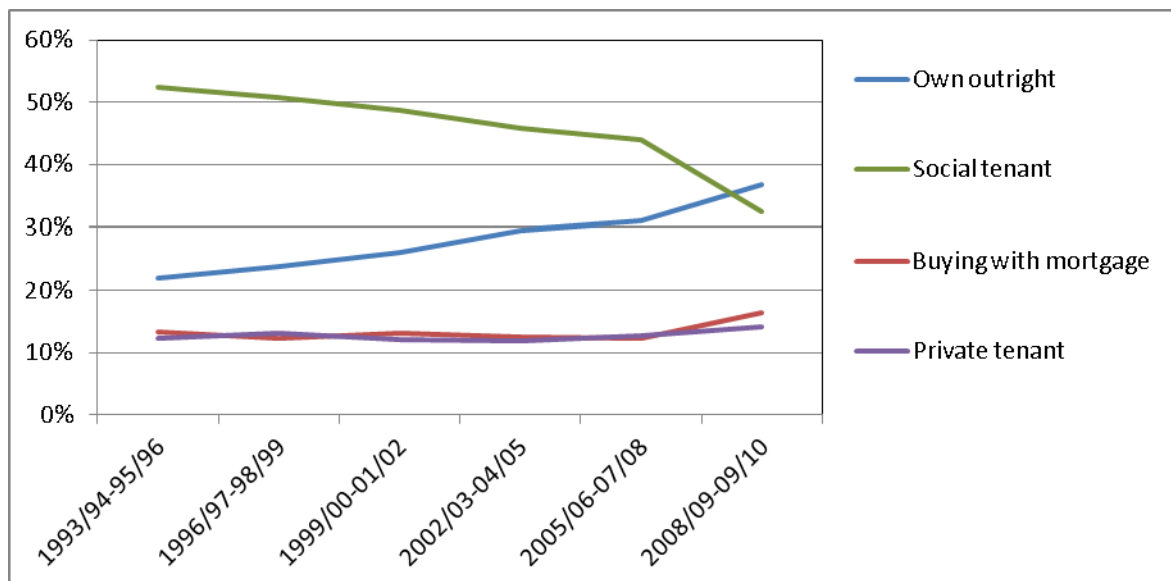
Table A7: Housing tenure of LMI families with children

		1993/94-95/96	2002/03-04/05	2008/09-09/10
England	Owner outright	9%	10%	8%
	Buying with mortgage	39%	45%	40%
	Social tenant	44%	34%	33%
	Private tenant	9%	11%	19%
		100%	100%	100%
London	Owner outright	7%	8%	5%
	Buying with mortgage	29%	30%	25%
	Social tenant	54%	50%	48%
	Private tenant	10%	12%	21%
		100%	100%	100%
Rest of England	Owner outright	7%	8%	5%
	Buying with mortgage	29%	30%	25%
	Social tenant	54%	50%	48%
	Private tenant	10%	12%	21%
		100%	100%	100%

Note: Families with children include couples with children, lone parents and multi-adults with dependent children.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

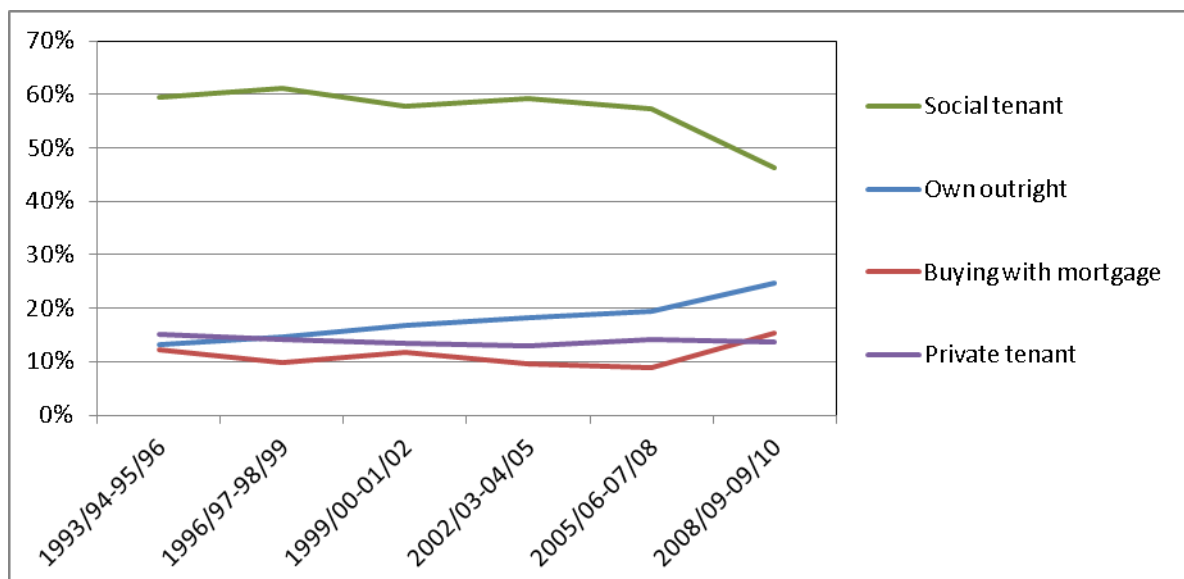
Figure A13: Housing tenure of LQ households, England



Notes: Buying with mortgage included shared ownership; Private tenant included private renting from individuals and organisations, employer provided housing, living with friend/relative and squatting.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

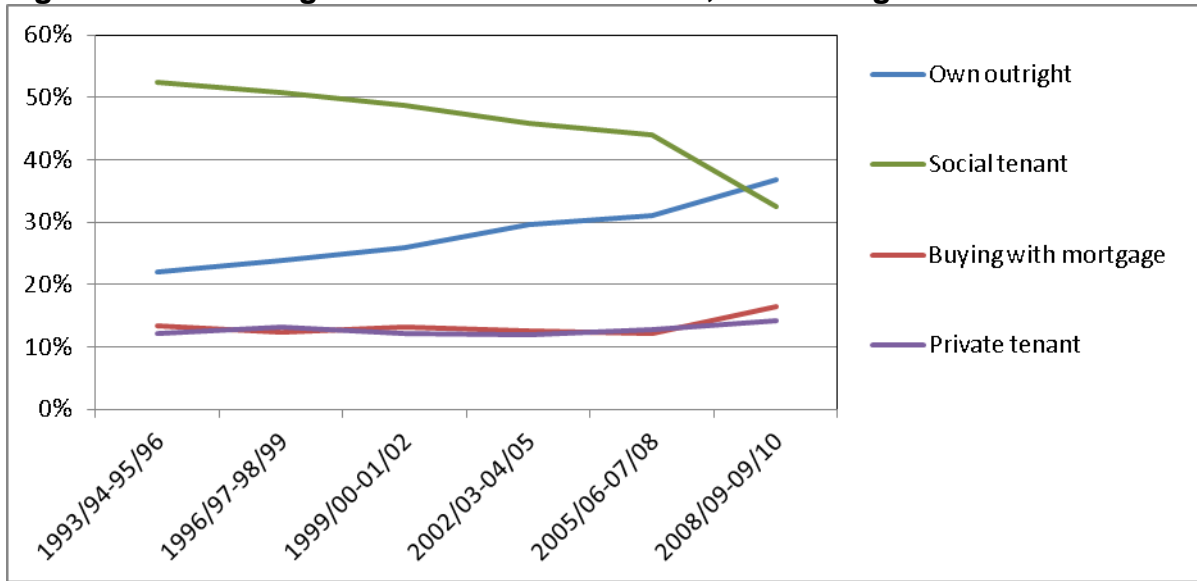
Figure A14: Housing tenure of LQ households, London



Notes: Buying with mortgage included shared ownership; Private tenant included private renting from individuals and organisations, employer provided housing, living with friend/relative and squatting.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.

Figure A15: Housing tenure of LQ households, rest of England



Notes: Buying with mortgage included shared ownership; Private tenant included private renting from individuals and organisations, employer provided housing, living with friend/relative and squatting.

Sources: Survey of English Housing 1993/94–2007/08 and English Housing Survey 2008/09–2009/10.