



REDUCING
HOUSING
INEQUALITIES

National report on housing inequalities – United Kingdom

An extract from Deliverable 2.1, “*Contextualized analysis of the housing situation – Papers on (sub)national trends*”, of the ReHousIn project

December 2024

FOREWORD

This report is an extract from Deliverable 2.1, “*Contextualized analysis of the housing situation – Papers on (sub) national trends*”, of the ReHousIn project. The deliverable examines the housing landscape in nine European countries from 1990 onward: Austria, France, Hungary, Italy, Norway, Poland, Spain, Switzerland, and the United Kingdom.

The full version of the deliverable is available [here](#).

Deliverable No.	D2.1
Title of the deliverable	Contextualised analysis of the housing situation – papers on (sub)national trends
Title of the extract	National report on housing inequalities – United Kingdom
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Dissemination level	Public
Due date	31.12.2024
Actual submission date	31.12.2024
Work package	WP2 [Trends in inequalities and access to housing]
Project title	ReHousIn: Contextualized pathways to Reduce Housing Inequalities in the green and digital transition.
Grant Agreement No.	101132540
Coordinator	Metropolitan Research Institute (MRI)

This document has been prepared in the framework of the European project [ReHousIn](#) – “Contextualized pathways to reduce housing inequalities in the green and digital transition”.

The ReHousIn project aims to spark innovative policy solutions towards inclusionary and quality housing. To achieve this, it investigates the complex relationship between green transition initiatives and housing inequalities in European urban and rural contexts, and develops innovative policy recommendations for better and context-sensitive integration between environmentally sustainable interventions and socially inclusive housing.

This project is co-funded by the European Union. The UCL’s work on this project is funded by UK Research and Innovation (UKRI) under the UK government’s Horizon Europe funding guarantee. The ETH work on this project is funded by the Swiss State Secretariat for

Education, Research and Innovation (SERI) under the Swiss government's Horizon Europe funding guarantee.

Views and opinions expressed are those of the author(s) only and do not necessarily reflect those of the European Union, European Research Executive Agency (REA) and other granting authorities. Neither the European Union nor the granting authorities can be held responsible for them.

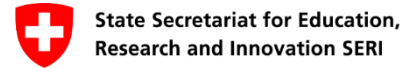


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NATIONAL REPORT IN HOUSING INEQUALITIES – THE UNITED KINGDOM

Executive Summary

The key trends identified in the UK case highlight a context of ‘consecutive crises’ or polycrisis (including the 2008 global financial crisis, barriers to exports and imports due to Brexit (post-2016), the coronavirus (COVID-19) pandemic (2020 to 2021) and the energy price crisis following the Russian invasion of Ukraine). However, we would suggest that far from ‘causing’ housing inequalities, these crises have simply interacted with the underlying structural conditions that (re)produce housing inequalities in the UK, exacerbating these to different extents. We therefore suggest it is pertinent to question the resilience of the UK housing context to external shocks.

Another key issue emerging from our analysis is the significance of inherited wealth and capital rather than income (wages / pensions) as a key determinant of housing inequalities. We suggest that housing access and affordability cannot be understood in the UK without accounting for the intergenerational transfer of wealth. We intend to deepen this aspect of our analysis with reference to literature investigating how patrimony and the intergenerational transfer of wealth have shaped the landscape of housing inequality in the UK. This literature forefronts wealth as a determinant of housing inequalities and suggests that housing inequality in the UK has two parallel aspects: housing wealth inequality, and housing tenure inequality (Christophers 2019). This also suggests that the middle class may increasingly be exposed to housing inequalities that their income group would formerly have protected them from (Chauvel 2023).

Introduction

Population

The UK Office For National Statistics (ONS) have estimated the UK population at mid-year 2023 to be 68,265,200. This can be divided into the population of England (57,690,30), Scotland (5,490,100), Wales (3,164,400) and Northern Ireland (1,920,400).

Governance architecture

The United Kingdom (UK) is made up of four countries: England, Scotland, Wales and Northern Ireland (NI). The UK has its own legislature (UK Parliament) and executive (UK Government). The ‘devolved administrations’ (Scotland, Wales and NI) also have their own legislatures (Scottish Parliament, National Assembly for Wales, and National Ireland Assembly), and their own executives (Scottish Government, Welsh Government, and Northern Ireland Executive).

There is no separate legislature or executive for England. This creates a political issue around what gets called the West Lothian Question or the English Question, concerning whether members of Parliament (MPs) from the devolved administrations (who sit in the UK Parliament) should be able to vote on matters that affect only England, while these same matters are reserved for the devolved administrations to vote on separately, without being impacted by votes from MP's representing other parts of the UK. Devolution also means that there can be different political parties in power in each of the four countries of the UK. These different parties are then able to set a different political agenda for that administration, supported by the Civil Service (which supports the Scottish Government, the Welsh Government and the UK Government; the Northern Ireland Executive is supported by a separate Northern Ireland Civil Service).

This governance architecture means that the administrative and legislative frameworks for specific policy areas can be quite complex, with not only multi-level governance to consider (central, regional and local tiers of government and the governance ecosystems surrounding them) but also separate-yet-overlapping central administrations with distinct political landscapes. When it comes to analysing specific policy spheres at the national level, it is worth bearing in mind that the powers of UK legislation do not always apply equally to all four countries within the UK, particularly in policy areas which are devolved to Scotland, Wales or NI. Some areas of the UK government's work apply largely to England, meaning for example that some statistics produced by the UK government are for England only.

The following powers are devolved to the devolved administrations: local government (including planning); agriculture, forestry and fisheries; transport; health and social care; education and training; justice and policing; sports and the arts, some taxation, and some social security elements. The following powers are reserved to the UK administration: defence; foreign affairs; immigration; trade policy; constitution; and most aspects of broadcasting. Energy policy is not a devolved power, but the devolved administrations can have a significant impact on those aspects of energy policy that are manifested through the built environment, due to devolved planning powers.

Sub-national government in the UK is divided into three levels: civil parishes, local authorities and regional authorities. Not all areas have all three levels of government. Civil parishes exist mostly in rural areas, with locally elected parish councils being responsible for the maintenance of public spaces and facilities.

At least one local authority provides local services to all areas in the UK: these are either single-tier areas, where one single borough council or unitary authority provides services relating to planning and housing as well as education, transport, and waste management; or two-tier areas where local authority services are divided between a district council and a county council.

Regional authorities are not common throughout the UK, but are used to provide additional services to some larger areas, for example the Greater London Authority (GLA) which is supported by the Mayoral Assembly, and which creates and maintains London-wide strategies such as the London Plan. Other areas (such as Greater Manchester) have created combined authorities which do not replace the local authorities in question but which have additional

powers, including the ability to receive separate funding and to directly elect a combined authority mayor, for joint strategic functions.

Relation to the European Union

The UK left the EU on January 31, 2020. It is therefore not a member of the EU Single Market Customs Union, and EU law (such as the EU Climate Law, adopted in 2021, to reduce emissions by 55% by 2030) does not apply in the UK. Neither does the EU Green Deal policy package have direct implications for the administrative or legislative frameworks for specific policy areas relating to climate or housing within the UK. Nevertheless, because of the UK's historical membership of the EU and continued engagement with EU programmes, there remains an indirect relationship between the EU and the UK. This means that current and historical EU frameworks should be considered when outlining the governance frameworks pertinent to climate and housing within the UK. The EU-UK Trade and Cooperation Agreement outlines the basis of the relationship between the UK and the EU, setting out preferential arrangements in policy areas such as energy, trade, digital trade, intellectual property, public procurement, transport, fisheries, social security, law enforcement and judicial cooperation, and participation in EU programmes. For example, this agreement supports the continued involvement of UK businesses and institutions with EU programmes such as Horizon Europe, and in Fusion for Energy.

1 SOCIO-ECONOMIC AND HOUSING CONDITIONS

1.1 Demography, Economy, Environment and Society

1.1.1 Macroeconomic Trends at the National Level

Inflation and the ‘concentration of shocks’

There has been a steady growth in the CPI since 2005, and a significant increase in 2022 and 2023 (see Figure UK1). As a widely used measure of inflation, this shows that overall living costs to consumers (including housing and all other necessities) have risen steadily since 2005, but risen to historic levels in the most recent years (Haskel 2023).

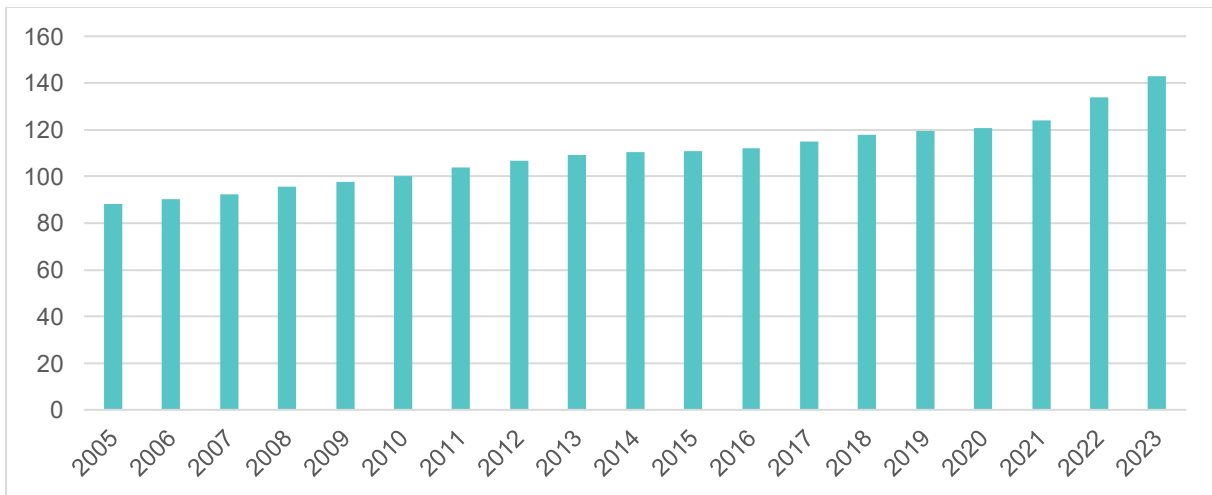


Figure UK1: Consumer Price Index (2010 =100). Source: compiled by authors, own elaboration based on data from DATABANK



Figure UK2: Inflation, consumer prices (%). Source: compiled by authors, own elaboration based on data from DATABANK

The most recent significant rise in inflation (see Figures UK1 and UK2) has been attributed to international relations (particularly the surge in gas prices since the Russian invasion of Ukraine), as well as barriers to exports and imports due to Brexit, and the Covid-19 pandemic. In response to this, Between December 2021 and August 2023, the Bank of England has raised interest rates, in an effort to bring inflation down (see Figure UK3).

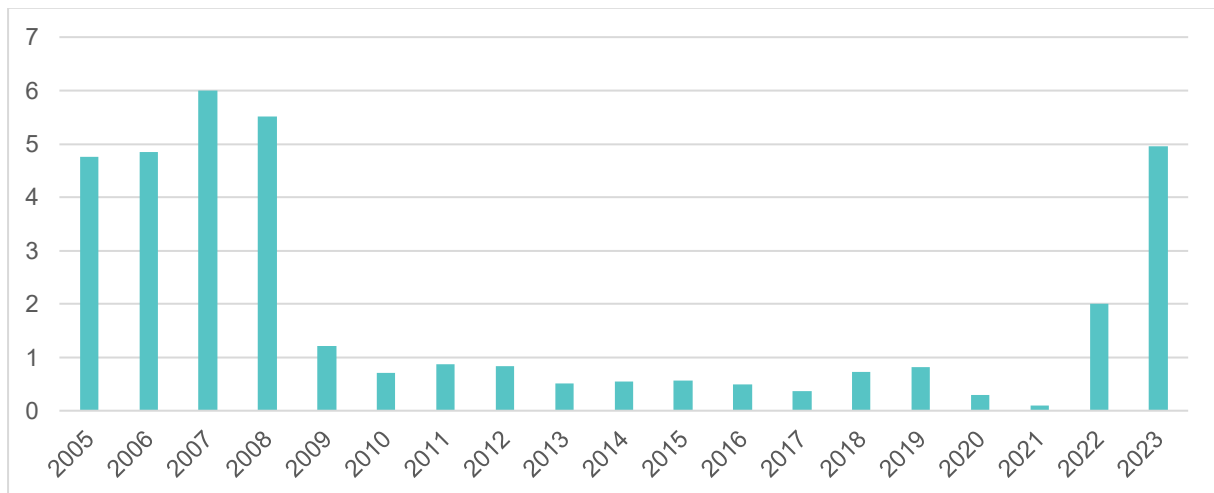


Figure UK3: Short-term interest rates (% per annum). Source: compiled by authors, own elaboration based on data from OECD

Haskel (2023: 7)) Notes that ‘annual CPI inflation started to rise through 2021, starting the year at 0.7% and finishing at 5.4%. Notice that energy prices started to rise in 2021 Q2, well before the outbreak of the Ukraine war in 2022 Q1. Food prices started to rise materially in 2021 Q4 and rose strongly from 2022 Q2 and onwards’. He argues that while UK inflation ‘disappears quickly with a typical shock’, the recent period has been characterised by a ‘concentration of shocks’, which has implications for the ability to recover during the most recent period (ibid: 14).

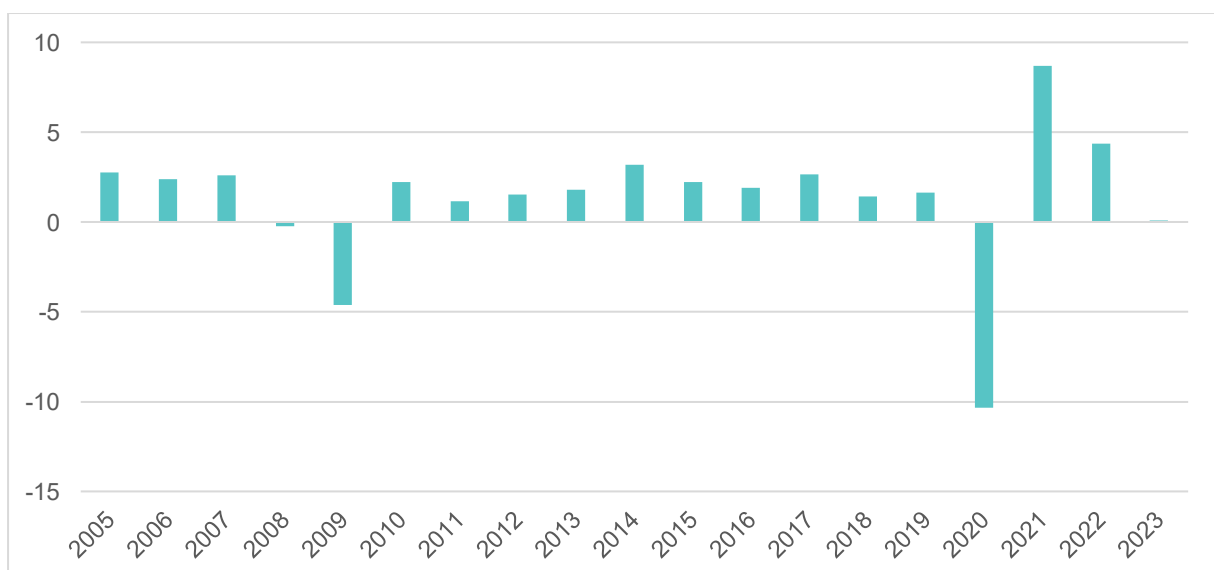


Figure UK4: GDP growth (annual %). Source: compiled by authors, own elaboration based on data from DATABANK

In a context where GDP growth has not been straightforward (see Figure UK4) and incomes have not increased in real terms (see Figure UK11), rising inflation can mean that a greater proportion of individuals' disposable income will need to be spent on living costs, leaving less income available for saving. In addition, for individuals who are renting, and for whom rent has also been becoming increasingly expensive during this period (see Figure UK30), saving will be additionally difficult during this period. Finally, higher interest rates (aimed at reducing inflation) make borrowing for mortgages more expensive.

These recent trends intersect with housing inequality, since both borrowing and saving for a deposit are necessary for house purchase, particularly for those without inherited wealth. This means that it will have become progressively harder for new entrants to enter the mortgage market, particularly younger individuals or those without inherited wealth. This therefore intersects with falling rates of home ownership amongst certain groups (see section on 'late-homeownership', below). In a country with a residualised public housing stock and wealth accruing disproportionately to homeowners over renters, these trends can reinforce housing-based inequalities.

GDP and public sector debt in the context of consecutive crises

The UK public sector comprises general government (both central and local government) and public corporations (publicly controlled enterprises, such as the Post Office, or financial public corporations such as public sector funded pension schemes and the Bank of England). Public sector debt represents the money owed by these institutions to private sector organisations and foreign governments at any given moment.

The ONS (2024) recently explored the effects of the economy on the debt accruing to the public sector. Reporting different figures to those shown in Figure UK5, the ONS stated that 'Public sector net debt excluding the public sector banks (PSND ex), often referred to as the "national debt", was 98.3% of GDP at the end of the financial year 2023 to 2024; [marking] a notable increase of more than 60 percentage points over the last two decades.'



Figure UK5: Public Sector Debt in - Q4 (% of GDP). Source: compiled by authors, own elaboration based on data from OECD

This increase in national debt reflects the growing gap between the public sector's levels of investment/spending, and its receipts (largely from taxation). Thus, the borrowing required to fund the day-to-day activities of government has grown significantly in recent years. As the ONS (2024) state, this has been caused by a series of negative economic shocks (or crises): '(the global financial crisis (2007 to 2008), the coronavirus (COVID-19) pandemic (2020 to 2021) and the energy price crisis (2022 to 2023))'.

These trends can intersect with housing inequalities in several ways. One argument is that as investors purchase more public debt, they become less likely to invest in private sector industries such as housebuilding. Another argument is that government budgets are devoted increasingly to paying interest on the growing debt, the government is less likely to devote public money to public housebuilding and housing programmes. These arguments can be used as a rationalisation for reducing public spending on public goods including housing, as the government struggles to reduce the debt-to-GDP ratio.

However, as Mazzucato and Ryan-Collins (2024: 1) argue, the level of public debt could be far less important than how that debt is being used, for the productivity of the economy and the inclusivity and sustainability of any growth. They write that 'it is critical to understand that government spending can take the form of investments in the long-range drivers of productivity and growth [...] Investment-led sustainable and inclusive economic growth can expand the productive capacity of the economy, which can in turn contribute to a fall in the debt-to-GDP ratio.'

1.1.2 Socio-economic and Demographic Trends

Population trends

Total UK population stands at 68,265,200 as of 2023 (ONS 2023b). It has risen by around 10,000,000 since 1990, and has been rising at an increasing rate but one that has been slowing in recent years, as shown by the total population growth trend. This drop could be linked to Brexit but further investigation would be needed to understand its causes.

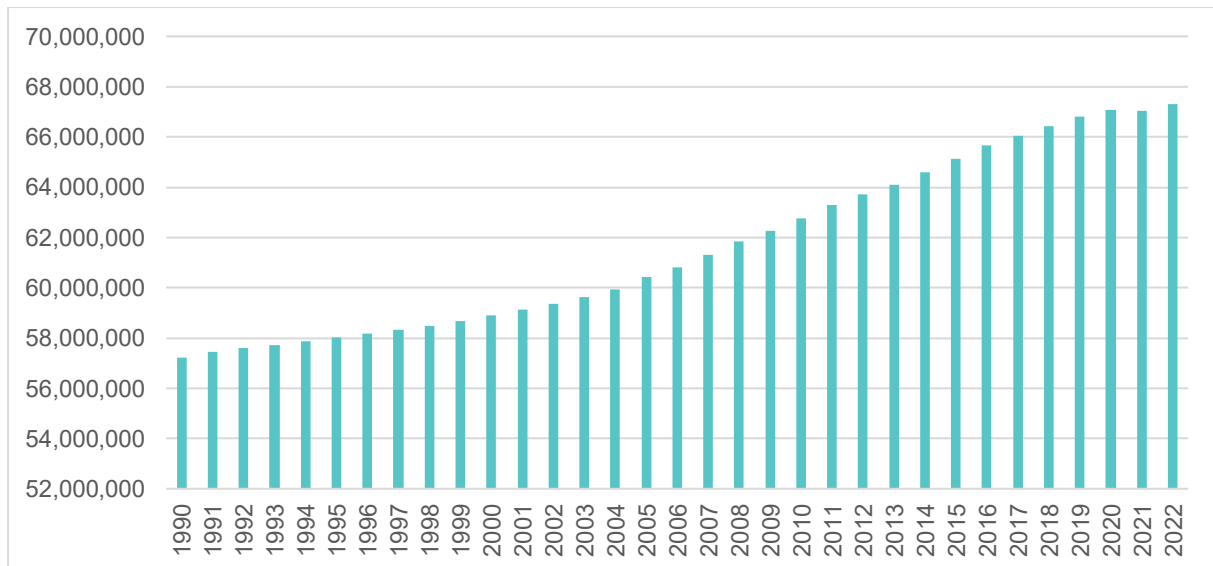


Figure UK6: Total population. Source: compiled by authors, own elaboration based on data from OECD

An ageing population

The proportion of the population aged 65 years or over has risen in the UK, particularly since 2007. Further to this, those aged 65 and over are projected to make up 26% of the total population by 2041 (ONS, 2018).

The ageing population in the UK has featured in housing policy discourse and discussions about the housing crisis in the last decade. Some have suggested that older people are 'under-occupying' large family homes, and argue that this puts pressure on the supply of family housing, making it harder for young families to find suitable accommodation (see Burgess and Quinio 2020 for several examples of this narrative). Those who engage in this line of thinking have proposed a policy solution that older people should be encouraged to 'downsize' to smaller accommodation (Park & Ziegler, 2016). This suggestion has been discredited as oversimplistic however (Burgess and Quinio 2020), notwithstanding the fact that their proposed solution is easily undermined by a lack of realistic alternatives for older people, including specialist housing options (such as retirement homes and villages). As Burgess and Quinio (2020) observe, there is also a concurrent but contradictory policy narrative suggesting that given the lack of funding or finance for specialist options in the UK, older people should be encouraged to 'age in place', remaining in their own homes for longer and supported by the provision of care in the community.

These various narratives put older people’s occupancy at the centre of discussions around ‘the housing crisis’, but often fail to consider the contextual options, motivations and incentives faced by older people themselves (Brugess and Quinio 2020). Any discussion of housing inequality in the UK should therefore also consider the options available for older people, whether these are the provision of specialist housing options, or the ability to remain living in their own homes for longer.

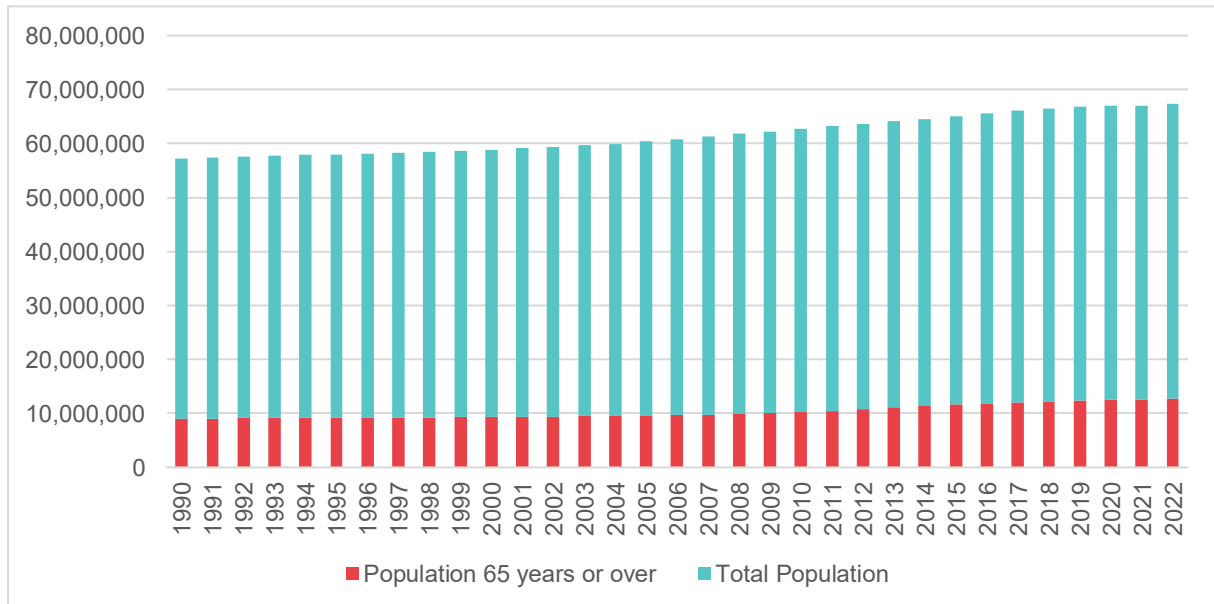


Figure UK7: Share of population 65 years or over (% of population). Source: compiled by authors, own elaboration based on data from OECD

Immigration

Immigration to the UK has risen since 1995, from around 150,000 in 1995, to around 500,000 in 2019 (see Figure UK8). Outflows of foreign population have also risen since 1995, with a particular rise at the time of the 2008 financial crisis, and around the 2016 United Kingdom European Union membership referendum. Outflows of foreign population hover very loosely around half of the inflows of foreign population.

What this data does not show is the nationalities of immigrants to the UK and which countries they are arriving from (e.g. high-, middle-, or low-income countries), as well as the nationalities and destinations of those leaving the UK. This data also misses out in-out mobility flows like transnational migratory networks. This lack of detail prevents us from understanding the motivations and points of causality driving migration flows. For example, it seems that students cover a significant proportion of in-out migration. It will therefore be difficult to understand how migration statistics relate to the experience of immigrants in relation to housing inequalities (e.g. those unable to afford to stay in the UK). See also Hall et al (2024) and Sumption et al (2024).

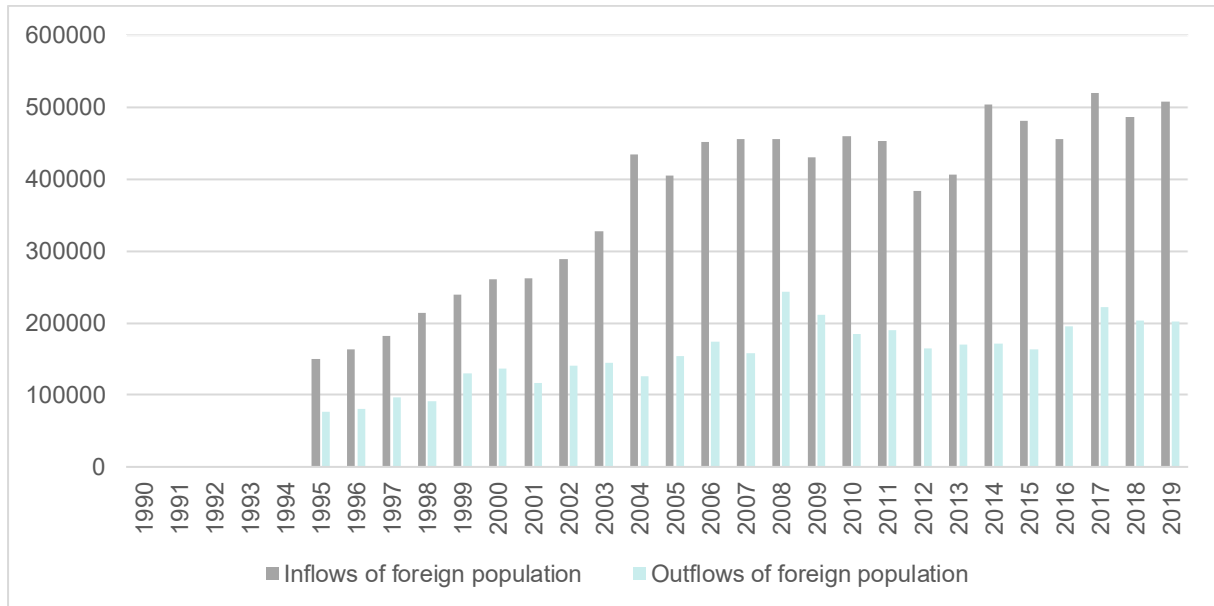
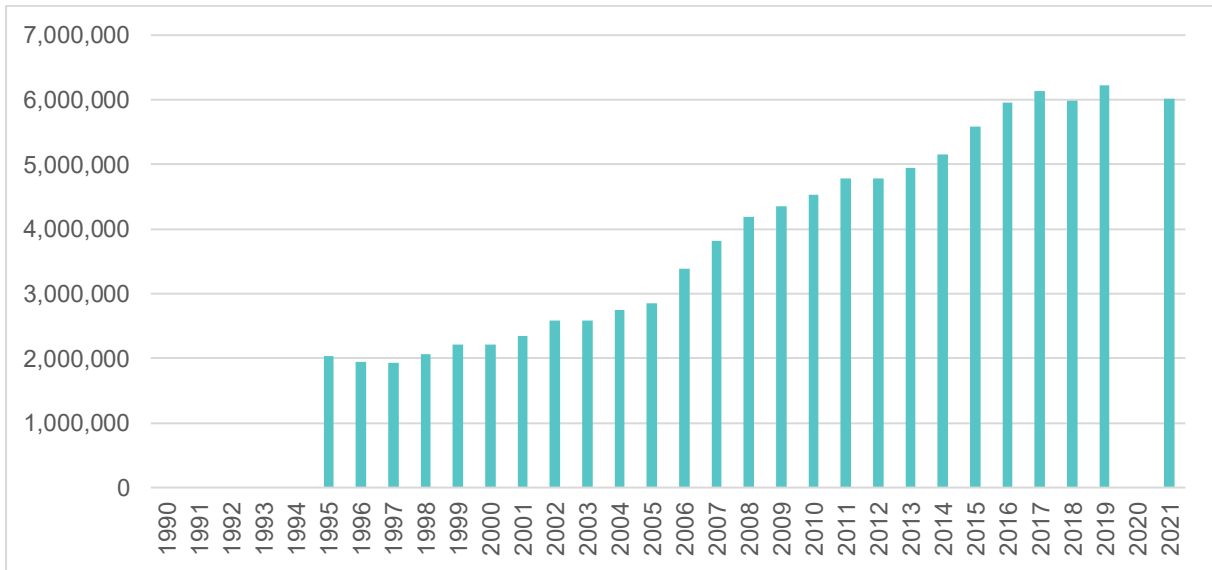


Figure UK8: Inflows and outflows of foreign population. Source: compiled by authors, own elaboration based on data from OECD

Inflows of asylum seekers peaked in 2002, falling to their lowest point in 2010, and have since been rising steadily to around 55,000 in 2021.

This reflects some key dates relating to the so called European ‘migrant crisis’, starting with the Syrian refugee crisis in 2011, notwithstanding a slight dip in inflows of asylum seekers around the time of the 2016 United Kingdom European Union membership referendum.

In terms of housing, immigration is a political flashpoint in the UK (Williams 2024). One anti-immigration think tank has written that ‘mass-migration’ has ‘deepened the housing crisis’ (Migration Watch 2024) while others have argued that an additional 41% of the additional housing required in the UK can be attributed to net migration. These perspectives are often viewed as inflammatory, with other commentators noting a significant housing shortage and arguing that immigrants are simply used as a scapegoat for the nationalist right wing. Nevertheless, the impact of this narrative on the UK’s exit from the EU may have been significant.



UK9: Stocks of foreign population. Source: compiled by authors, own elaboration based on data from OECD



Figure UK10: Inflows of asylum seekers. Source: compiled by authors, own elaboration based on data from OECD

Work and social security

The general trend in wages is their rising since 1990 to 2019, when they stagnate slightly, but then show a significant increase. This wage growth broadly reflects inflation, (see Figure UK1), meaning that wages may not have increased in real terms.

In terms of housing inequalities, this is relevant when considering the rises in house prices and in rental costs during this period, meaning that housing has been becoming relatively more expensive, as time progresses. This has implications for intergenerational inequalities,

meaning that over time housing becomes less accessible to those with lower incomes, or without intergenerational wealth.

This data is based on averages, and what it does not show is how wages have changed for different social and occupational groups. Wages may have raised substantially for those with high and very high incomes, but stagnated for those on middle or low incomes. There is also no way to understand the impact of precarious or zero-hours contracts, which provide income but not in a consistent or sustainable way. This could mean that while average incomes have been rising, income inequality may have been rising. In particular, we are interested in wages for key workers (e.g. teachers, nurses and other public sector professionals working at the front line of public services), who have faced an increase in costs of living in recent years, and who may not be able to afford to remain living in cities like London where housing costs are high. There is a social and public interest in protecting key workers (alongside other low-income and vulnerable groups), meaning that data disaggregating wages over time by income levels and occupational groups would be useful for our analysis on housing inequalities.

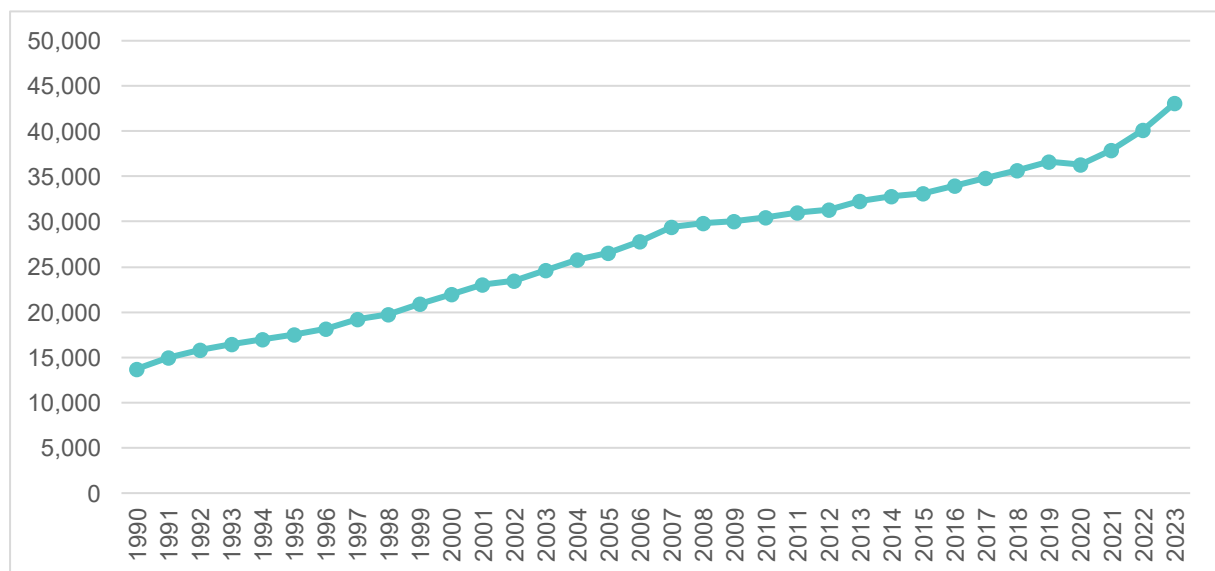


Figure UK11: Wages (in national currency 2022). Source: compiled by authors, own elaboration based on data from OECD

The proportion of people in poverty and income inequality has remained relatively stable between 2002 – 2021, ranging between 17 – 20% of the overall population. The general trend is for a decline in the proportion of people in poverty and income inequality, falling from around 20% in 2002, to around 18% in 2021. However, this decline has not been straightforward. Rates of people in poverty and income inequality have fluctuated, reaching a low in 2013, but rising and falling each year since 2016. This suggests that rates of poverty and income inequality are quite responsive, although further investigation is needed to assess exactly what these rates are responding to. Rates of poverty and income inequality start to fall after the 2008 global financial crisis, which may indicate a reduction in incomes at the very top, rather than a rise in incomes at the lower end of the spectrum.

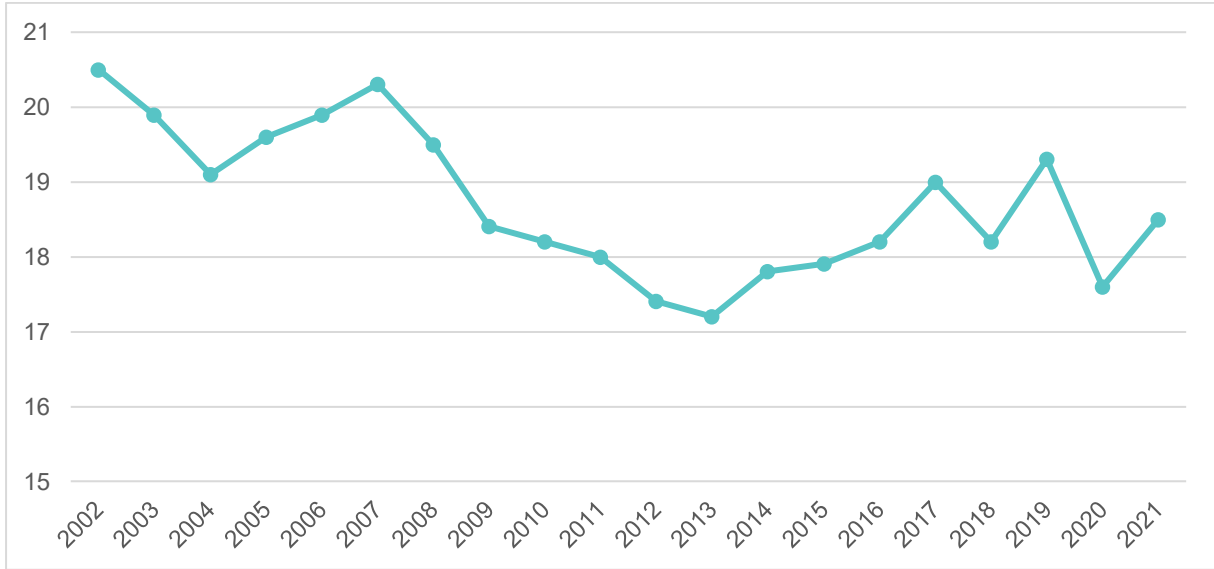


Figure UK12: Poverty and income inequality (% of population). Source: compiled by authors, own elaboration based on data from OECD

Figure UK13 shows that broadly, the unemployment rate has been falling since 1990, but that there were two large peaks in unemployment around the time of the last two economic recessions: 1990, and 2008. The unemployment caused by the 1990 recession was greater, but started falling faster, than in 2008. There was also a smaller peak in unemployment from 2019-2020, which can be attributed to the Covid-19 pandemic, and started falling in 2021. One limitation of this data is that it does not account for precarious and zero-hours contracts, which are classed as employment, but can leave individuals vulnerable to severe income and housing inequalities.

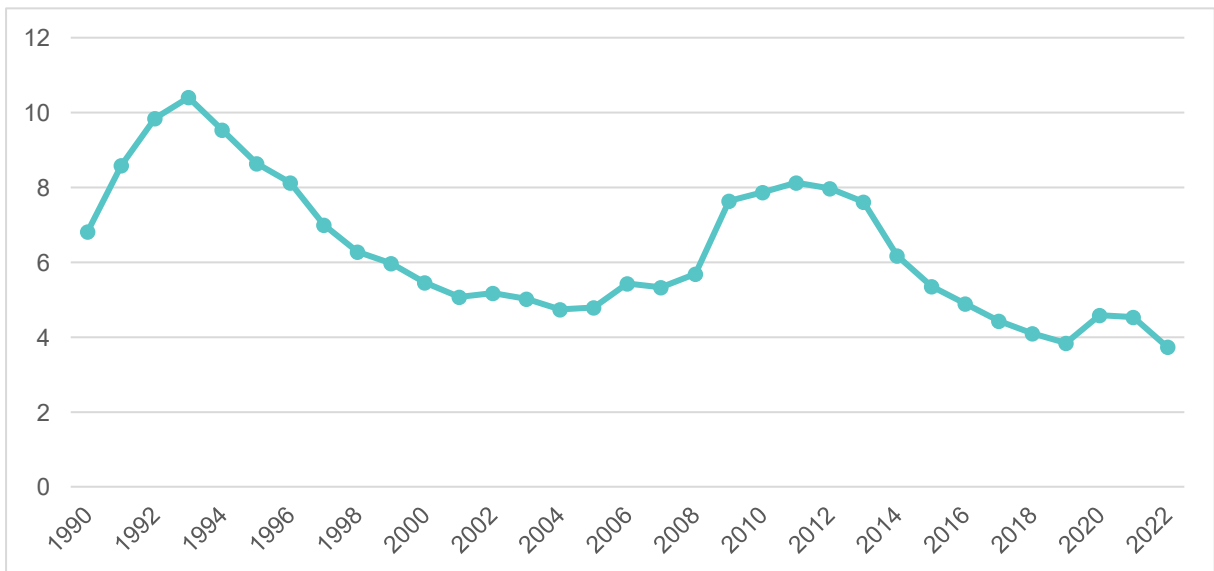


Figure UK13: Unemployment rate. Source: compiled by authors, own elaboration based on data from OECD

Government expenditure on social protection rose during these same periods of rising unemployment (see Figure UK14; this chart does not show figures for the 1990 recession since it starts in 2007). The peaks of government expenditure on social protection after the 2008 financial crisis and after the Covid-19 pandemic were at the same levels, around 17% of GDP, whereas the rise in unemployment was significantly smaller around the pandemic, which may illustrate the use of the furlough scheme to keep people in employment.

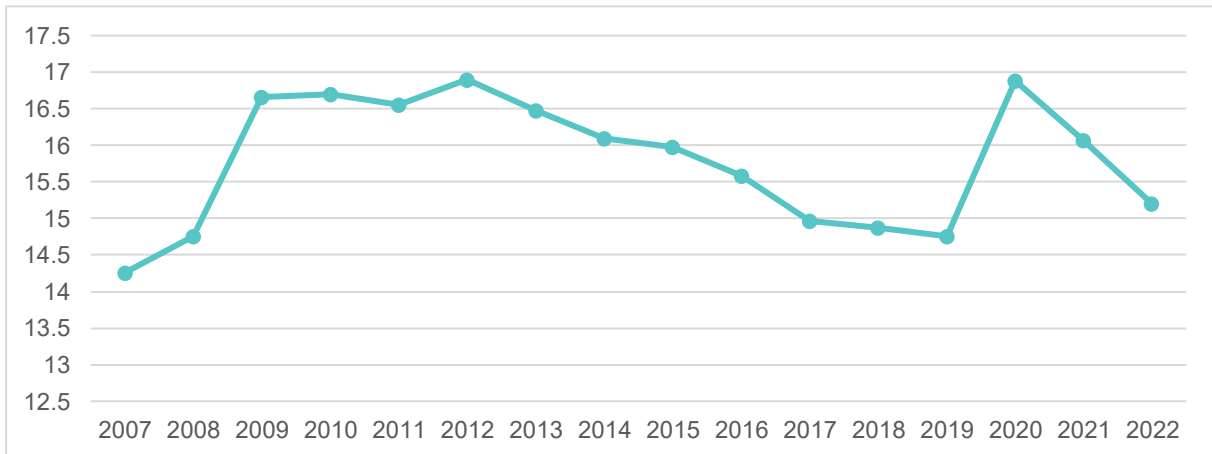


Figure UK14: Government expenditures on social protection (% of GDP). Source: compiled by authors, own elaboration based on data from OECD

1.1.3 Environmental and Energy Trends

The share of CO₂ emissions in the building sector remains relatively stable, despite some fluctuations reaches two peaks, in 1985 and 1996 (see Figure UK15). The dip between these two dates, reaching a low in 1989 and 1990, may reflect the economic recession of this time, which could have impacted the scale of building within the UK, and the size of the building sector itself. Further analysis is required to determine how this data could be related to building materials, methods of construction, or wider building trends due to structural changes in the UK economy.

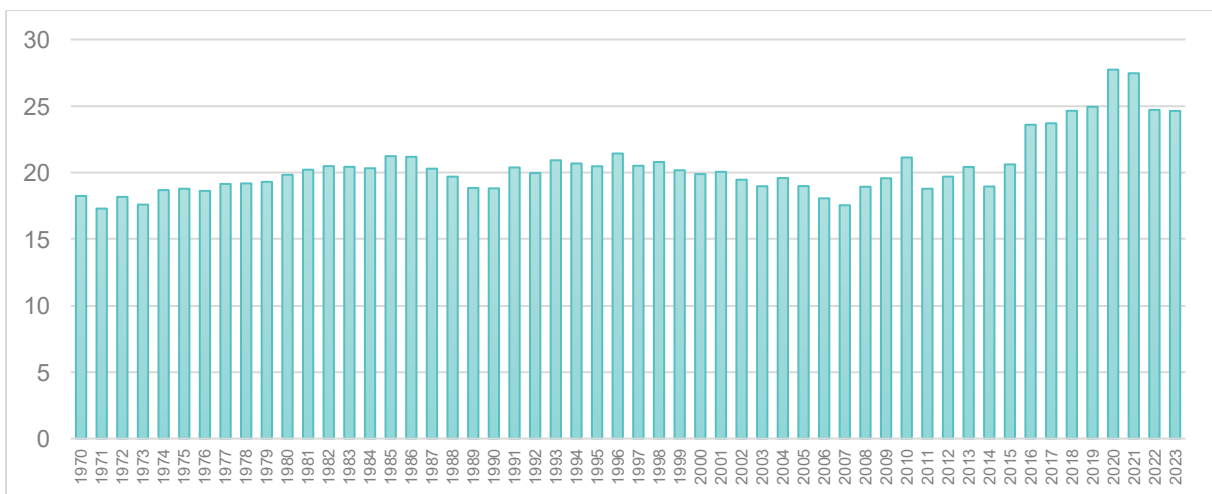


Figure UK15: The share of CO₂ emissions in the building sector at all (Mt CO₂eq/yr). Source: compiled by authors, own elaboration based on data from EDGAR

Figure UK16 illustrates the decline of solid fossil fuels, as well as the emergence of renewables and biofuels, within the overall energy balance since 1990 (although one does not replace the other in quantitative terms). This chart also illustrates the emergence of heat (e.g. heat pumps). Nevertheless, these three sources of energy make up a tiny fraction of the complete energy balance, so while these trends are going in the ‘right’ direction in terms of sustainability, they are not greatly significant to the overall picture of the energy balance.

The use of natural gas, oil and petroleum products, and electricity have remained relatively stable since 1990, and make up the largest part of complete energy balances: around 95% of the overall balance. Natural gas is by far the largest part of this, at around 70% of the balance, and showing little decline in use since 1990.

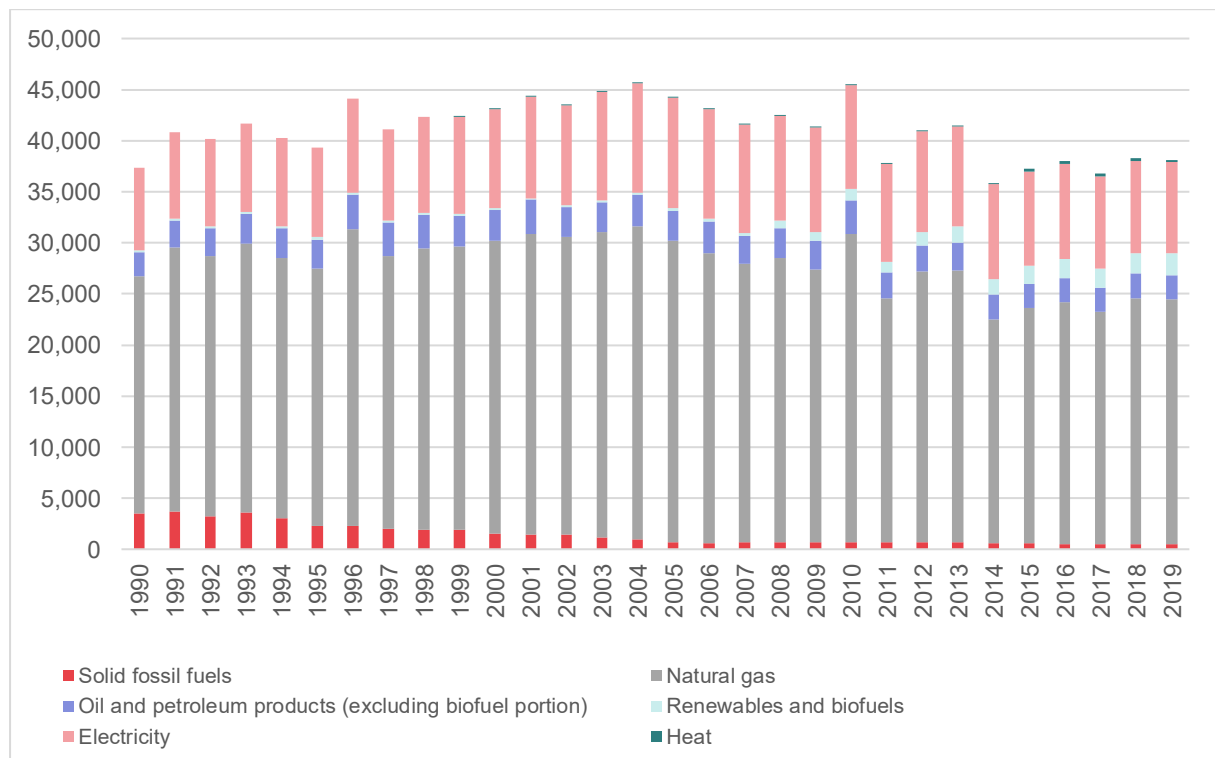


Figure UK16: Complete energy balances, thousand tonnes of oil equivalent. Source: compiled by authors, own elaboration based on data from Eurostat

Since 2010 the household consumption of space heating has declined, whereas consumption water heating, cooking, and lighting and electrical appliances remain constant. This could indicate that the demand for space heating is the most ‘flexible’ or ‘elastic’ component of energy consumption; further assessment is required to understand whether this is because of improvements in construction techniques, insulation or space heating technology, or other factors.

Space heating is also the largest part of household energy consumption; this may be because the building stock in the UK is quite old (see Figure UK20), and is known to be relatively inefficient in terms of insulation. Insulation has been targeted as one of the most straightforward ways to improve energy efficiency in the home, and so this may be another reason this aspect of household energy consumption has fallen relative to other aspects of energy consumption.

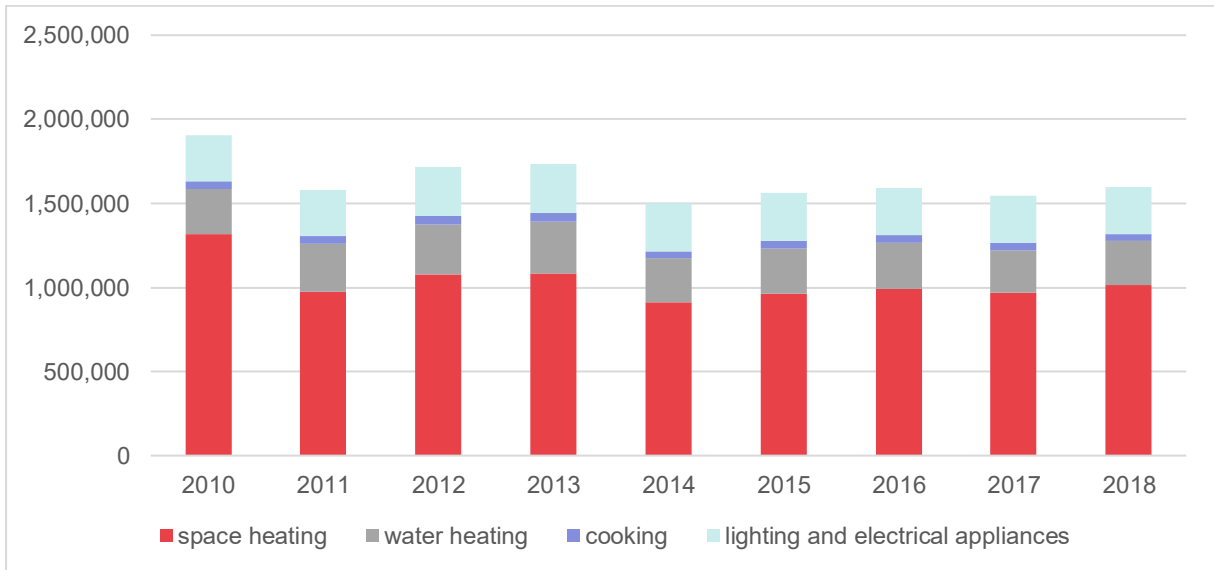


Figure UK17: Disaggregated final energy consumption in households - quantities, Terajoule. Source: compiled by authors, own elaboration based on data from Eurostat



Figure UK18: Electricity prices for household consumers - bi-annual data (from 2007 onwards). Source: compiled by authors, own elaboration based on data from Eurostat

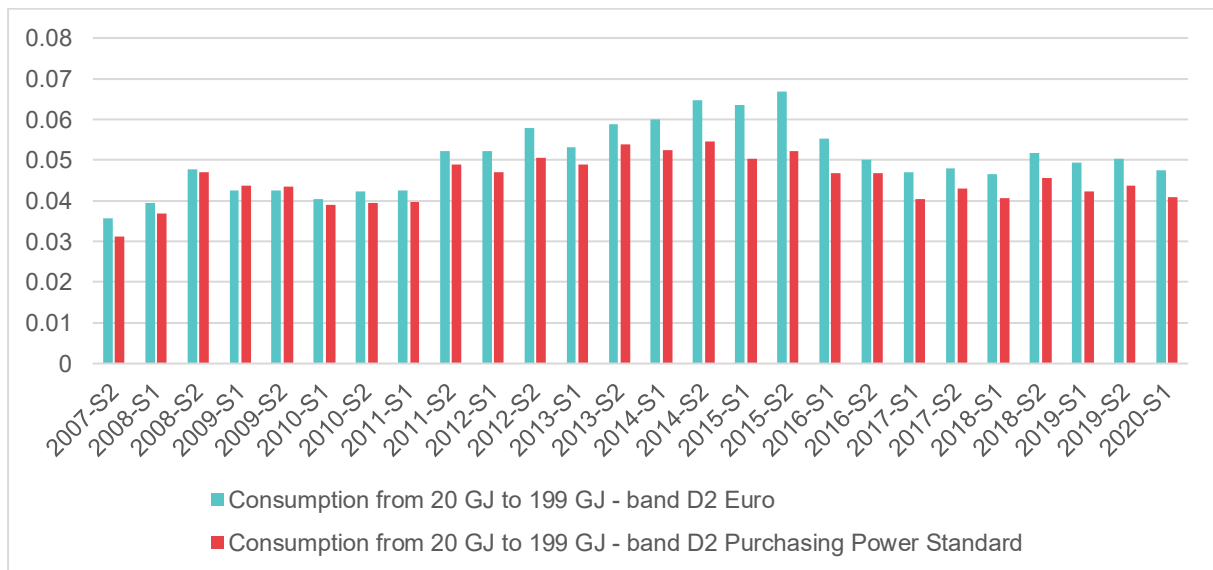


Figure UK19: Gas prices for household consumers. Source: compiled by authors, own elaboration based on data from Eurostat

Gas and electricity prices for household consumers show a similar trend, rising since 2010, and falling after 2015, with a more recent rise in electricity prices since 2017.

1.2 Housing Sector

1.2.1 Housing Stock Development and Tenure Structure

Age of Housing stock and share of new housing (housing constructed ten years prior to the observation date).

Figure UK20 shows that there is proportionally less newer housing relative to older housing, with the largest age category being pre-1919. This is perhaps unsurprising given that this represents the largest time period, and reflects the legacy of (pre)-industrial building in the UK.

Given that 1919-1945 represents only 2.5 decades, there is a relatively large proportion of the housing stock built during this period. During these decades, British governments placed a great emphasis on housebuilding through a 'tenure neutral' housing policy, which funded housebuilding for both private sale, private rent, and social rent. The housing policy priority during this period was to increase the supply of homes. More than half of the total housing stock (as of 2009) was built before 1960, with 53.07% built before 1961.

The period with the largest proportion of the housing stock is 1961-1970, which represents only 1 decade, and 13.97 % of the overall housing stock.

From this period onwards, the proportion of the housing stock built within each decade starts to decline consistently. This also aligns with a period during which increasing the supply of new housing fell off the housing policy agenda, with general needs subsidies for social housing

construction being withdrawn, and an emphasis on expanding the finance for the purchase of already existing market housing, rather than for the construction of new market housing.

Increasing the supply of new housing re-emerged as a policy priority after 2004, when Barker (2004, 2014) pointed towards a lack of housing supply as a cause for rising house prices, in her report to the government. This approach became consolidated in subsequent housing white papers, such as 'Fixing Our Broken Housing Market' (MHCLG 2017), which sets out the then government's plans to increase the supply of new homes.

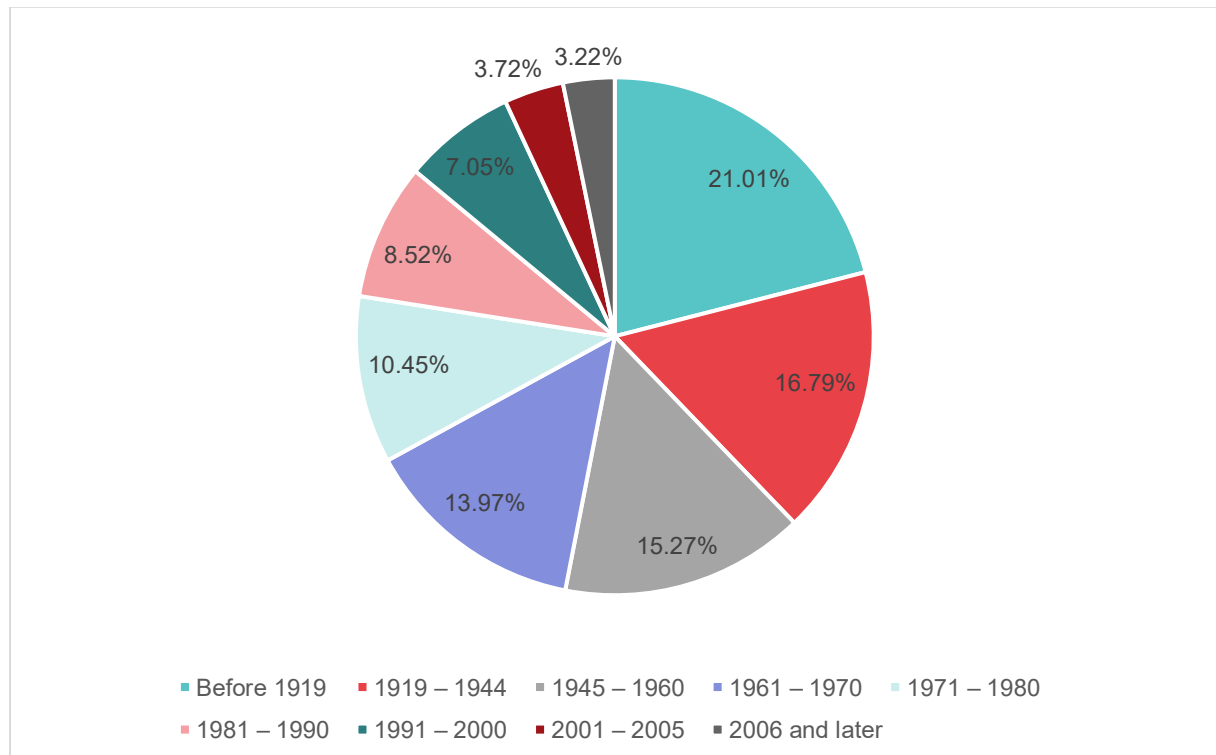


Figure UK20: Age of housing stock (2009 only). Source: compiled by authors, own elaboration based on data from CensusHub

Of course, since the data presented in Figure UK20 is only from 2009, it does not directly illustrate housebuilding during the decades covered, as some of the housing stock will have been demolished or destroyed in previous years. Nevertheless, it paints a broad picture of the amount of housing that was built during these decades.

UK21 relies on data that is only available for 2009, 2017, and 2021 (see Figure UK21). The number of dwellings built/ completed in these years rises in absolute terms (144,870 in 2017, 222,281 in 2017, and 232,816 in 2021), reflecting the renewed emphasis on supply in recent years.

In terms of housing inequality, the recent policy priority to increase the supply of housing has led to several specific policies that could worsen, rather than improve, inequalities on the ground. For example, in 2012 the government was under pressure to increase housing supply and commissioned a study into barriers to institutional investment into the rental sector in the UK (Montague 2012). The government commissioned the review in order to investigate

whether the rented sector could offer potential investment opportunities of interest to large-scale institutional investors (Montague 2012: 2) and to consider the potential for attracting such investment into new homes for private rent (Montague 2012: 5). The report concluded that investors (pension funds in particular) might benefit from synergies between rent rises in the private sector with their liabilities, and that residential investment might provide valuable diversification: “[...] overseas investors see the private rented sector as an inflation and currency hedge. The private rented sector also offers the advantage of multiple exit strategies, including break-up, aggregation, flotation, REIT status or sale to other investors” (Montague 2012).

The path of expanding the private rented sector (and institutional provision of private rental housing in particular) was chosen as a means of increasing the supply of and access to residential dwellings in the context of a stagnating home ownership market, since the rush of capital into assets after the 2008 financial crisis (and unconventional monetary policy) left owner-occupied dwellings beyond the reach of increasing numbers of individuals. This move can be seen as a component of the ‘late-homeownership’ period (, where the market for owner occupied housing became inaccessible to many. There have been concerns expressed about increasing the institutional provision of private rental housing (as an answer to increasing the supply of homes), and of the financialised nature of this market; these homes are often far from ‘affordable’, and may have become a kind of cul-de-sac for the so-called ‘generation rent’.

Other policies to increase the supply of housing units in the UK since 2004 include the extension of permitted development rights to conversion of office space to residential homes, something which can lead to poorer quality housing and undermine the ability of local authorities to capture value from housing development (Clifford et al 2020). These policies, and their ‘unintended consequences’, show that increasing the overall supply of new housing will not, by itself, be enough to make housing more affordable or to reduce housing inequalities.

Figure UK21: Total number of dwellings built/completed in the year (2009, 2017 and 2021 only)

Year	Total number of dwellings built/completed in the year	Total number of dwellings
2009	144,870	22,838,672
2017	222,281	24,213,477
2021	232,816	24,927,588

Source: compiled by authors, own elaboration based on data from OECD

Figure UK22 shows a significant increase in the number of household respondents in 2014 and 2018, which is separate from the issue of dwelling type. The relationship between different types of dwelling remains relatively stable between 2005 and 2018, suggesting that the housing mix in the UK has remained relatively stable, with no significant increase in any particular type of dwelling.

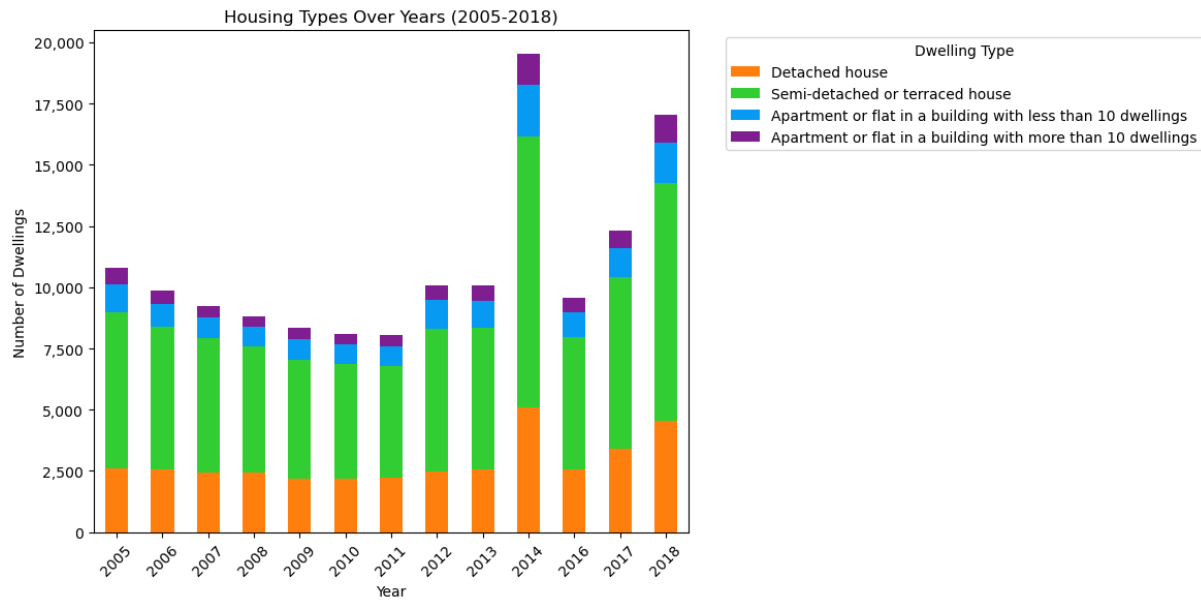


Figure UK 22: Dwelling type. Source: compiled by authors, own elaboration based on data from EU-SILC

What this data does now show is how housing segmentation is distributed according to different social groups and income levels, which might give a more nuanced picture of potential housing inequalities in the UK.

Tenure structure and its changes: Social vs. private

Since 2005 the proportion of owner occupiers in relation to renters in the UK has remained relatively stable, varying within 5%. Nevertheless, there is a distinct direction of change, with falling numbers of owner occupiers between 2008 and 2018. In 2005 there were 70% owner occupiers in relation to 30% renters. This number rose until 2007, reaching a peak of 73.3%. From 2008 onwards this number started to decline, falling to 69.9% in 2009, and eventually falling to a low of 63.40 in 2016, although there has been a slight resurgence in 2018, discussed below in reference to the period of ‘late-homeownership’ and the concentration of housing wealth in fewer hands.

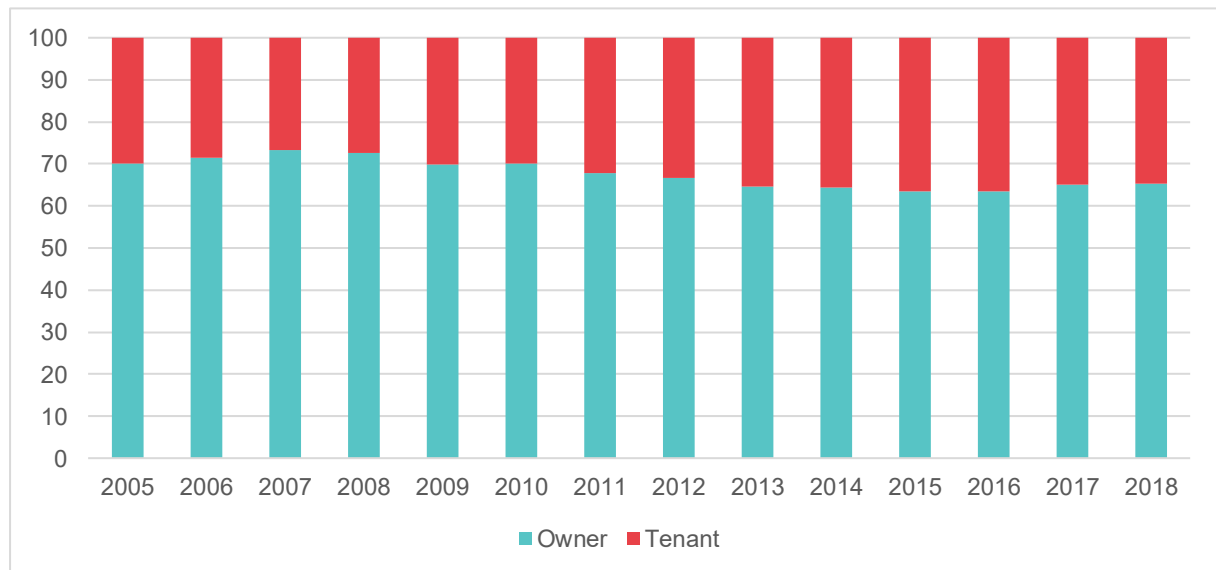
When owner occupation is divided into those who own outright and those who own with a mortgage (see Figure UK25), we see that while the number of outright owners rose from 31.54% in 2010, to 39.31% in 2021, this was also a period during which mortgaged ownership was falling. This fall in mortgaged ownership may therefore account for any decline in numbers of owner occupiers between 2005 – 2018.

This recent decline in rates of mortgaged home ownership in the UK has been recognized by scholars and characterized by literature which refers to this period as ‘late home ownership’ (e.g. Forrest and Hirayama, 2015; Forrest and Hirayama, 2018; Forrest and Yip, 2013).

‘Late home ownership’ describes a condition of increasing housing inequality, characterized by a range of phenomena such as falling numbers of owner-occupiers overall, the rise of outright homeownership and increased multiple-property ownership. Essentially this means

that privately owned homes are owned by fewer people, leading to falling rates of overall ownership and the concentration of housing wealth. This restricts access to homeownership for lower-income or vulnerable groups and young adults, and means more people are renting, for longer (the so-called ‘generation rent’). It has also been described as the decline of the so-called ‘property-owning democracy’ in the UK.

What this data does not show is how rates of outright ownership and mortgaged ownership corresponds to the distribution of different income groups and different ages, which would tell a more nuanced picture about the nature of ‘late-homeownership’ and how it affects the housing inequalities experienced by different groups.



*Figure UK23: Tenure structure and its changes: owner occupation vs renting (2005 – 2018).
Source: compiled by authors, own elaboration based on data from Eurostat; BFS*

Despite falling rates of owner occupation during the early 2010s, we see from Figure UK26 that rates of owner occupation start to rise again and reach a peak in 2023. Figure UK25, which shows the tenure split of households until 2021, suggests that this rise in owner occupation may be a rise primarily in properties owned outright, rather than with a mortgage, and these owner occupied properties may therefore be owned by fewer individuals overall, indicating a concentration of housing wealth.

In terms of renting, the proportion of renters (both private and subsidized) in relation to ownership remained relatively stable until 2010, representing about one third of the population. At this point, the number of rental properties in relation to owner occupied properties started to rise. Within this share of properties for rent, those rented privately have grown the most.

These statistics indicate that while homeownership remains the dominant tenure and continues to rise, new entrants into owner occupation have been falling, reinforcing this period as one characterized by ‘late home ownership’.

Another trend illustrated by Figure UK26 is the rise of properties rented from registered housing providers such as housing associations, and the decline of properties rented from local authorities, within the share of properties for social rent.

What this data does not show is rates of transfer from social rental housing to owner occupation due to the Right to Buy policy specifically, which are useful for contextualizing the UK case. The House of Lord Library report that over 100,000 council properties were sold each year after the 1980 Housing Act, which enabled local authority tenants to purchase their homes at a discounted rate (Eardley 2022). Between 1984 and 1988, these sales fell to between 70,000 and 100,000 each year, and then rose again between 1989 and 1990 to over 130,000 each year. Sales fell to between 70,000 and 100,000 a year for the following four financial years, from 1984 to 1988. During the 1990s, council housing sales hovered between 30,000 and 50,000 each year. These rose again to around 60,000 sales each year in the early 2000s, but fell due to the dissipation of demand, and in the last decade (2013-2023) have hovered between 10,000 and 13,500, with a low point in 2021 of around 7,000 (most likely due to the Covid-19 pandemic) (DLUHC 2024).

Despite the fall in sales, when compared with declining rates of local authority housing construction, this amounts to a significant transfer of social rental housing to owner occupation during this time, across England (UK government statistics on Right to Buy sales are available for England). The number of local authority residences completed fell below 100,000 each year for the first time in 1979, and by 1990 had reached around 18,000. This reached a low of under 1,000 on average during the 2000s, subsequently rising but staying below 5,000 between 2010 and 2018 (DLUHC 2019). Housing association construction has risen during this time, but far from close enough to act as a replacement for the loss of social rental properties. Between 1990 and 2018, the number of housing association residences completed has ranged between a low of around 17,500 per year, and a high of around 39,000 each year.

Showing changes in tenure status since 2005, Figure UK24 also shows us a proportional increase in the number of people renting at the prevailing market rate, in relation to rental accommodation provided at a reduced rate (there are a significant increase in the number of household respondents in 2014 and 2018, meaning a visual comparison between each year is not straightforward, but some proportions can be determined). As younger people find that house prices make saving for a mortgage more difficult, and as social and affordable rental housing becomes increasingly residualised, these younger individuals move in the private rental sector. ONS data shows that the size of the private rented sector has increased substantially, with the number of households living in private rental accommodation rising by 63% between 2007 and 2017 (Eardley 2022). The growth of the private rental sector has also been supported by the sale of council properties, with Data from 111 local authorities in England showing that in 2017, 40% of former council homes had moved from owner occupation to the private rented sector (Eardley 2022).

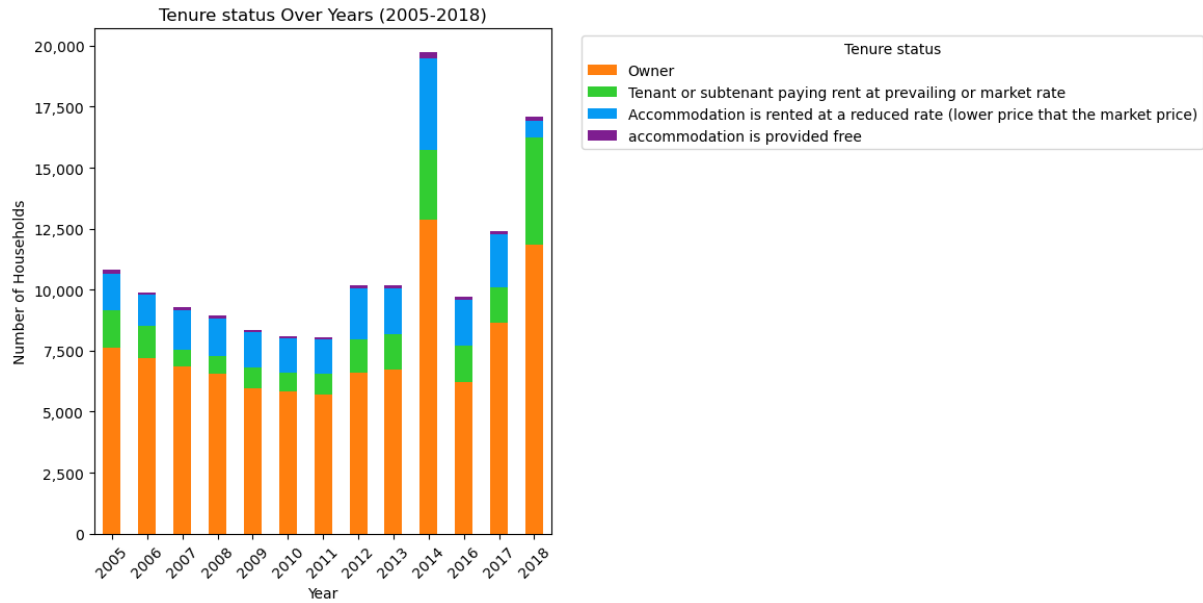


Figure UK24: Tenure status. Source: compiled by authors, own elaboration based on data from EU-SILC

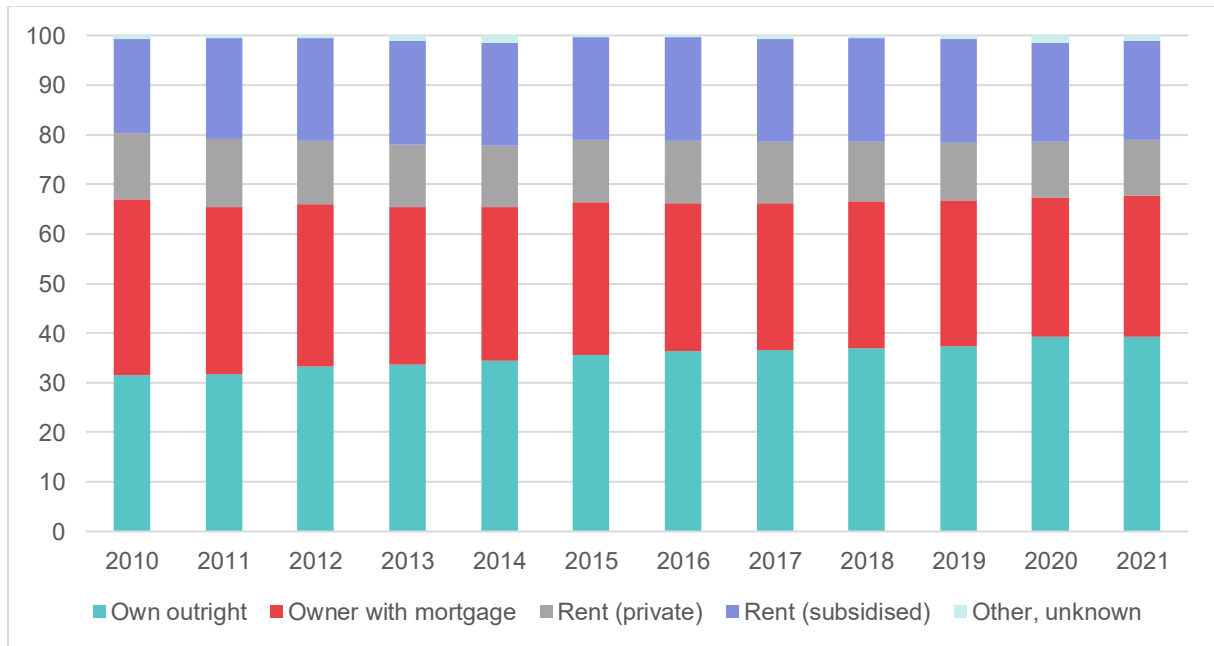


Figure UK25: Share of households in different tenure types (%) (2010 - 2021). Source: compiled by authors, own elaboration based on data from OECD

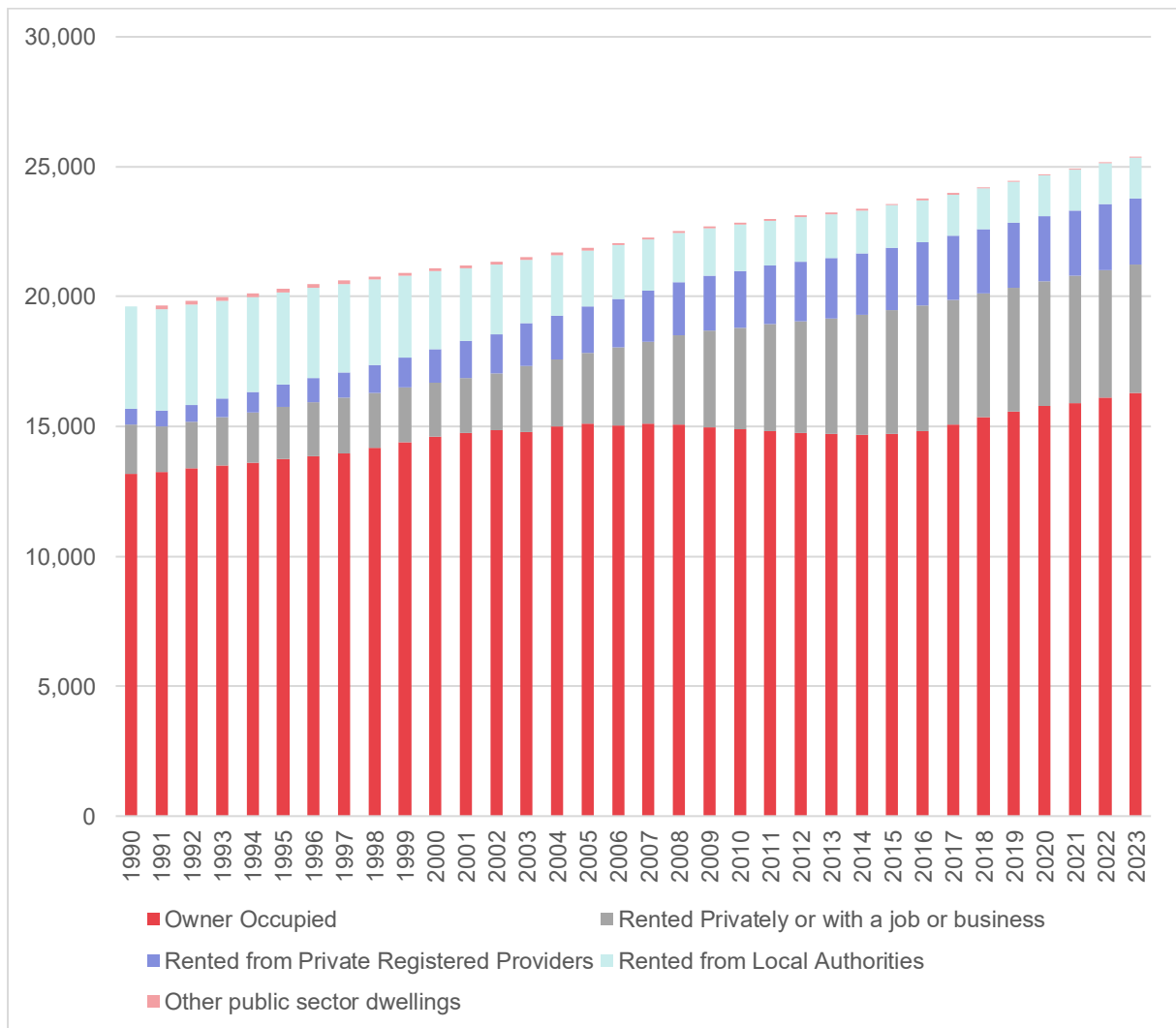


Figure UK26: Dwelling stock: by tenure, England (historical series) (in thousands) (1990 – 2023).
 Source: compiled by authors, own elaboration based on data from UK Government

1.2.2 Housing Prices and Policy Expenditures

Housing Prices and their Development

Figure UK27 suggests that between 2005 – 2018, median housing costs stayed relatively stable, hovering between £450 and £500. The outlying years are 2012 and 2013, in which median total housing costs dropped to £350. As with Figure UK48, this dip in the financial burden of housing costs could represent the cuts to interest rates made in 2009 (reduced to 0.5%), which will have had a delayed effect on homeowners as they renewed their mortgages.

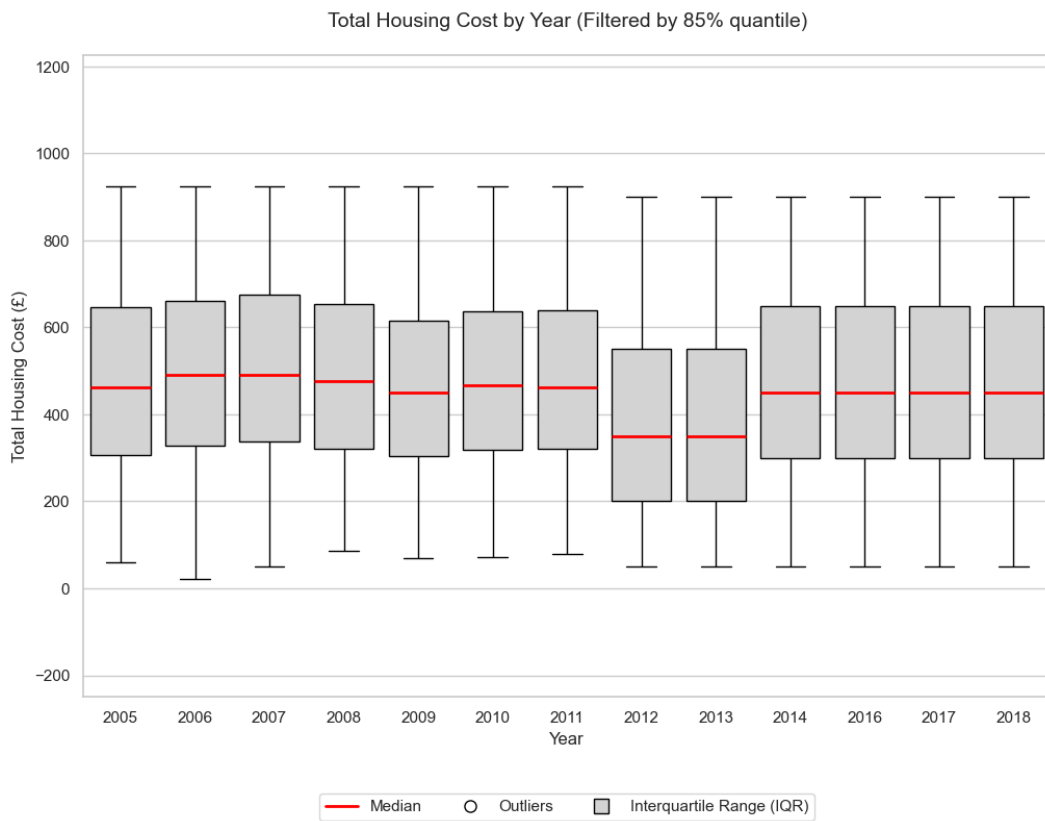
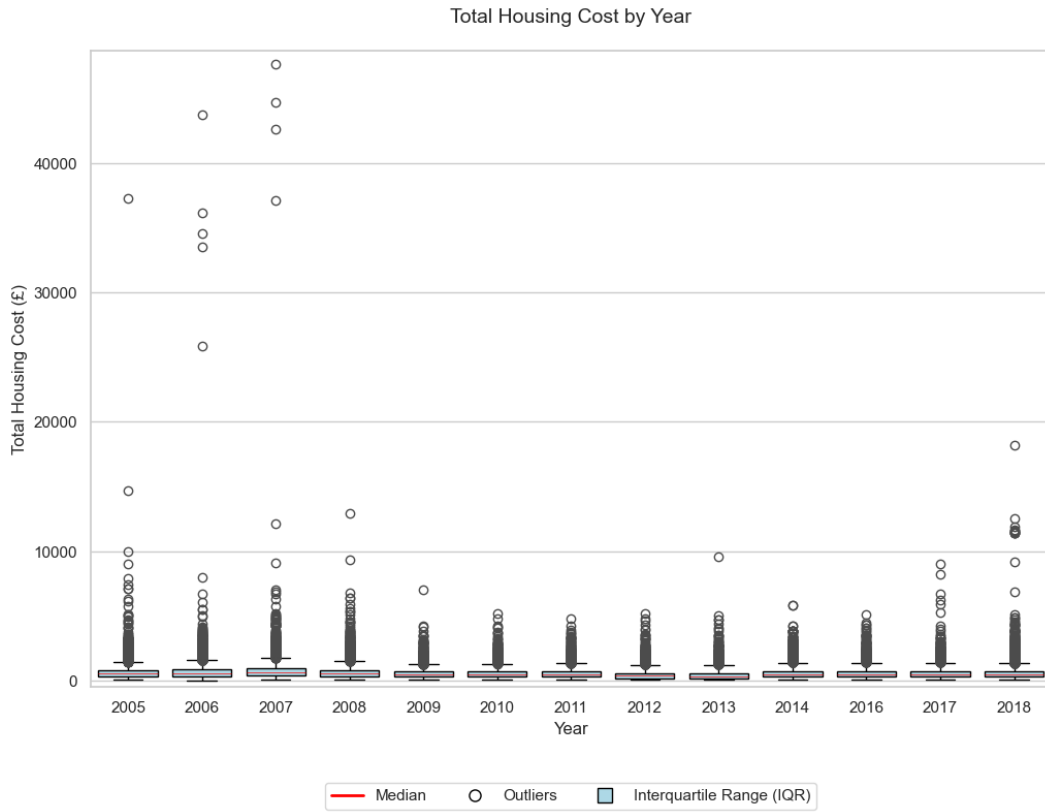


Figure UK27: Housing Cost. Source: compiled by authors, own elaboration based on data from EU-SILC

Note: The first boxplot includes all data for house prices between 2005-2018, showing the full distribution but with numerous outliers. Therefore, we have created a second boxplot that includes only data within the 85% quantile, making the chart more representative and accurately reflecting the distribution of the main data.

Figure UK28 shows that average house prices have risen continuously since 1990, with a dip in 2008 after the financial crash. There was also some small fluctuation in 2021, affected by the uncertainty caused by the multiple crises referenced in the introduction to this report. Nevertheless the general trend is that house prices have risen consistently, with an average of just around £60,000 in 1990, and an average of around £300,000 in 2024. When adjusted for inflation (see Figure UK31), we see the trend in house price change rising from an average of £160,000 in 1990, to an average of around £300,000 in 2024, maintaining a notable rise in the cost of houses for owner occupation.

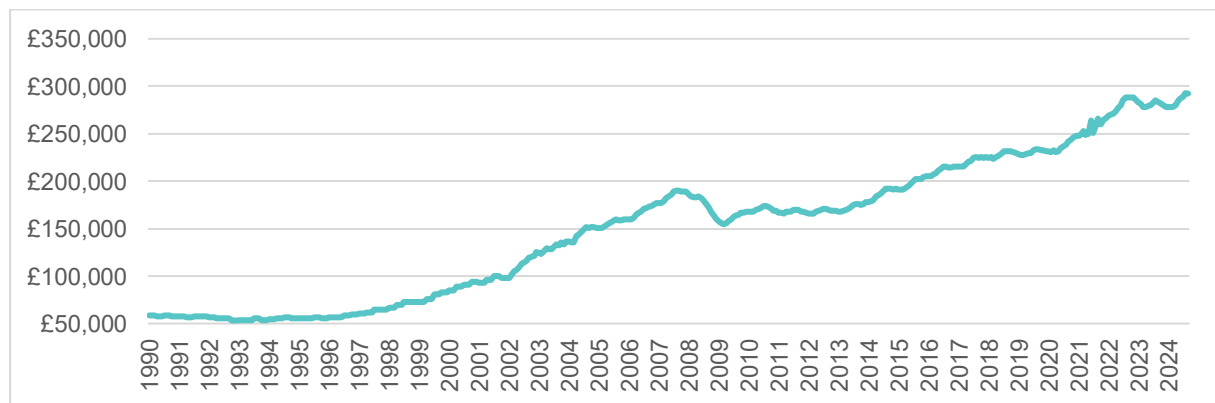


Figure UK28: UK Average price by all property types from 1990 to 2024. Source: compiled by authors, own elaboration based on data from House Price Statistics - UK House Price Index: (1990-2024)

Figure UK29 shows that median disposable household income remained relatively stable between 2005 – 2018, at around £28-30,000 per year, although there was a dip between 2009 - 2013, during which median disposable income dropped to around £27-28,000 per year. This relates to the 2008 financial crisis, during these years the outlying figures for total disposable income also dropped.

While disposable income has remained relatively stable, this means that incomes have been falling in real terms, as indicated in Figures UK1, UK2, UK3, and UK11. This could have an impact on housing inequalities, especially given that housing costs were rising during this time [see section 2.2 Housing prices and their development: to be completed with Land Registry Data, as well as longitudinal data on housing costs in London and other regions of England, from the ONS (2023)].

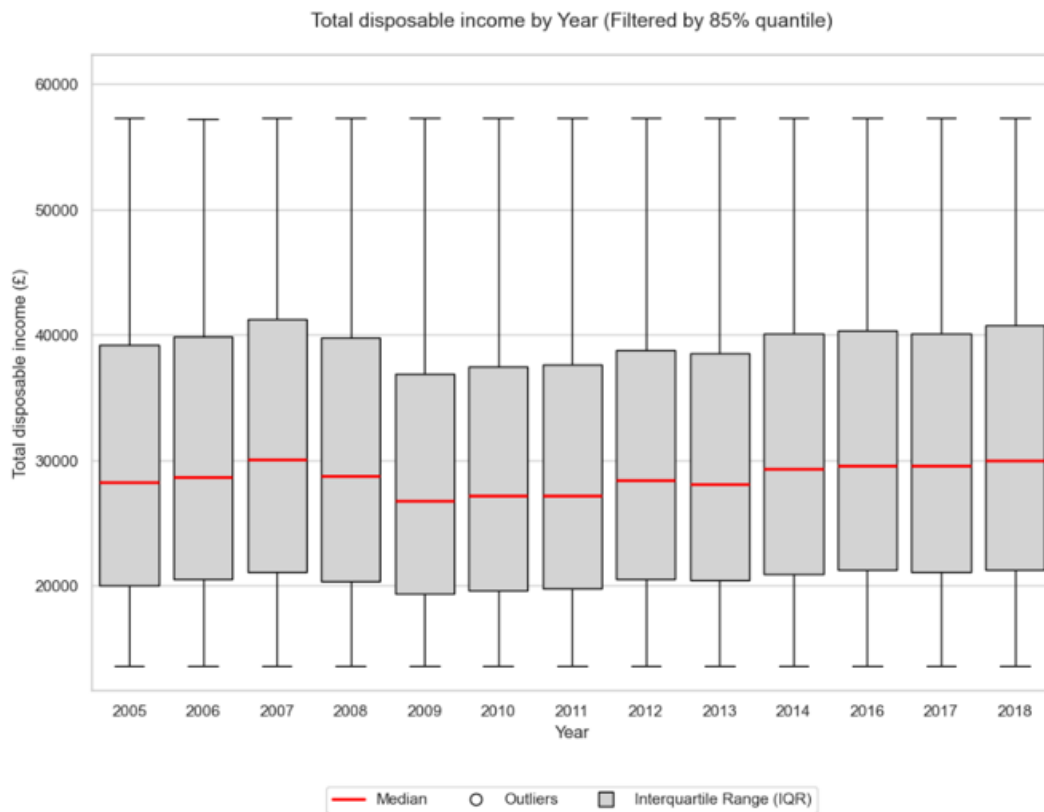
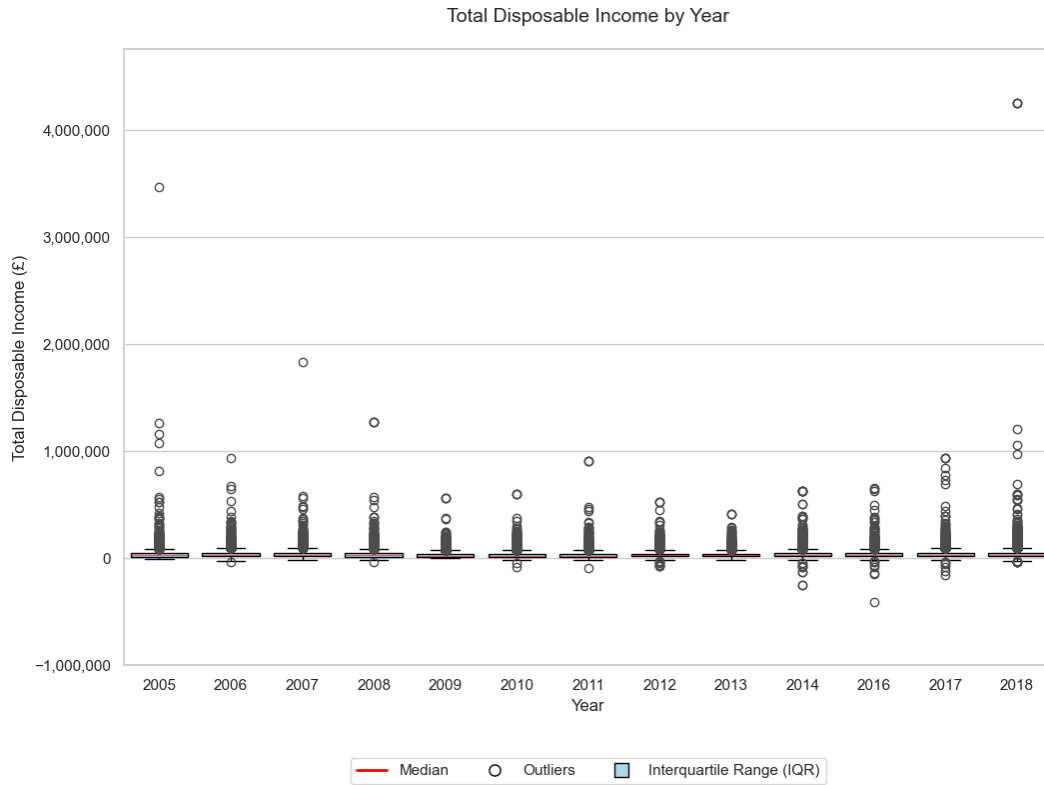
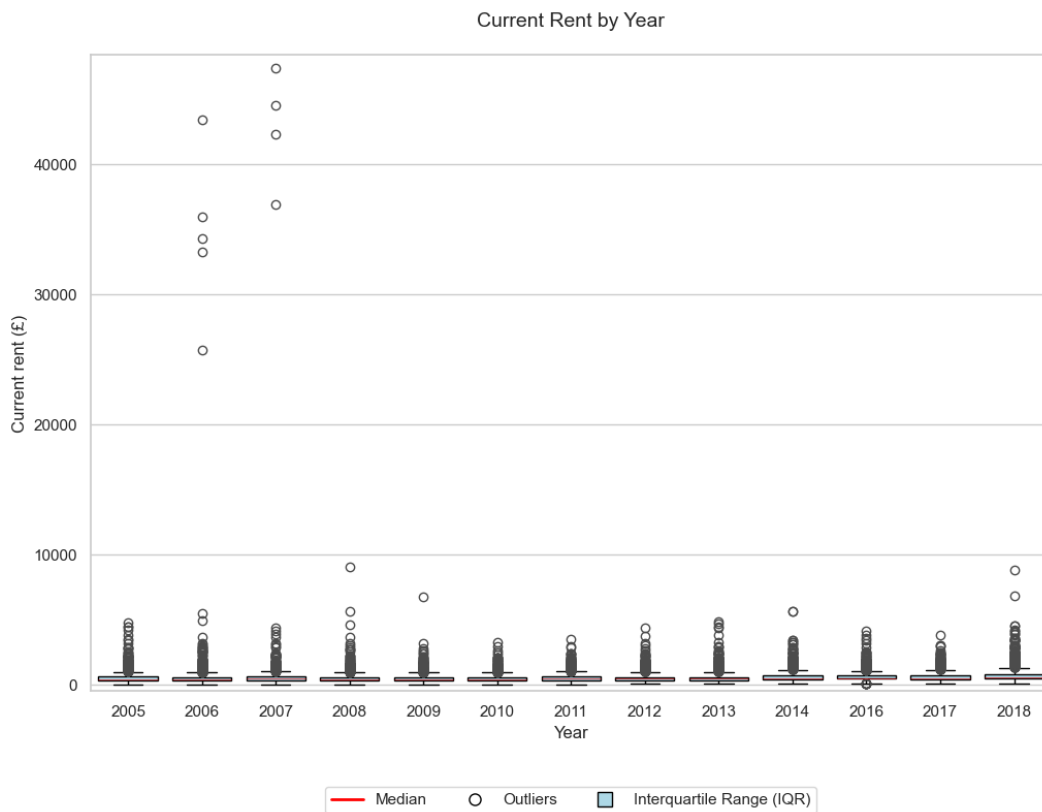


Figure UK29: Disposable Household Income; (based on EU-SILC variable HY020 Total Disposable Household Income since 2004). Source: compiled by authors, own elaboration based on data from EU-SILC

Note: The first boxplot includes all data for total disposable income between 2005-2018, showing the full distribution but with numerous outliers. Therefore, we have created a second boxplot that includes only data within the 85% quantile, making the chart more representative and accurately reflecting the distribution of the main data.

Figure UK30 shows that median rents have been rising, from £400 in 2005, to £500 in 2018 [Question: is this per week per household?]. Given that disposable income has remained relatively stable (see Figure UK29) and incomes have been falling in real terms (see Figure UK11), this implies that renters have been spending an increasing proportion of their income on housing over time, pointing towards a particular housing inequality for renters over owner occupiers.



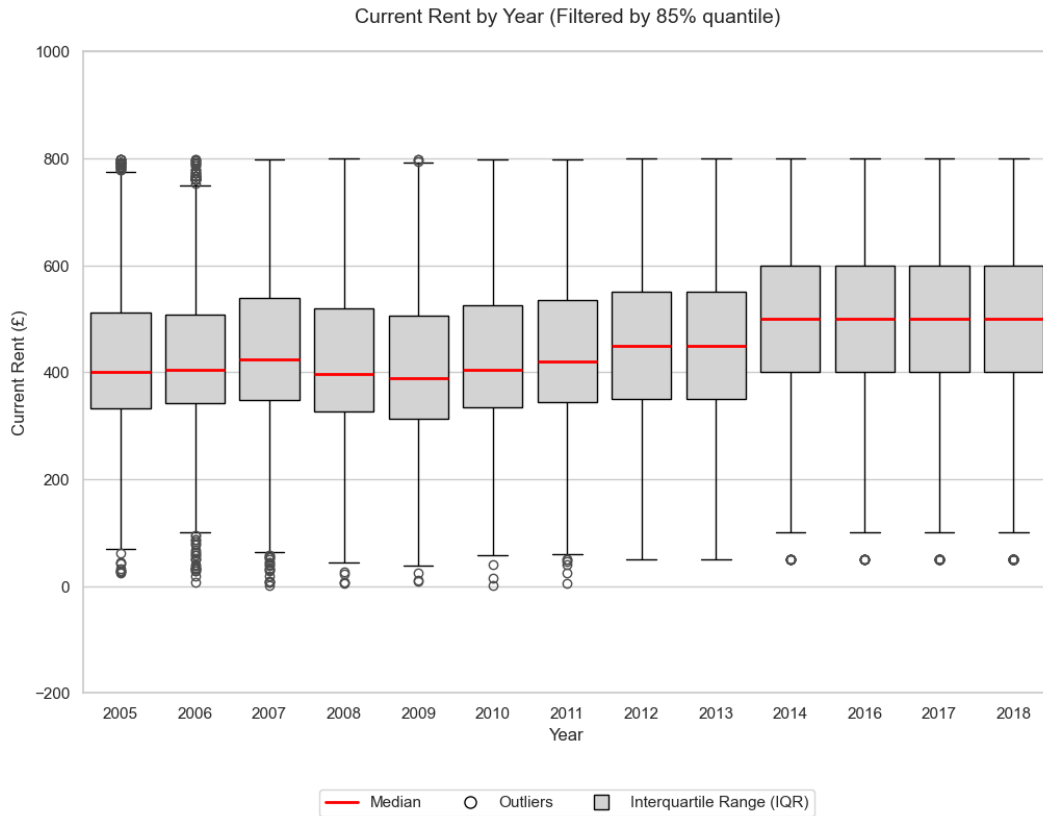


Figure UK30: Current Rent (EU-SILC variable HH060 – since 2004). Source: compiled by authors, own elaboration based on data from EU-SILC

Note: The first boxplot includes all data for current rent paid between 2005-2018, showing the full distribution but with numerous outliers. Therefore, we have created a second boxplot that includes only data within the 85% quantile, making the chart more representative and accurately reflecting the distribution of the main data.

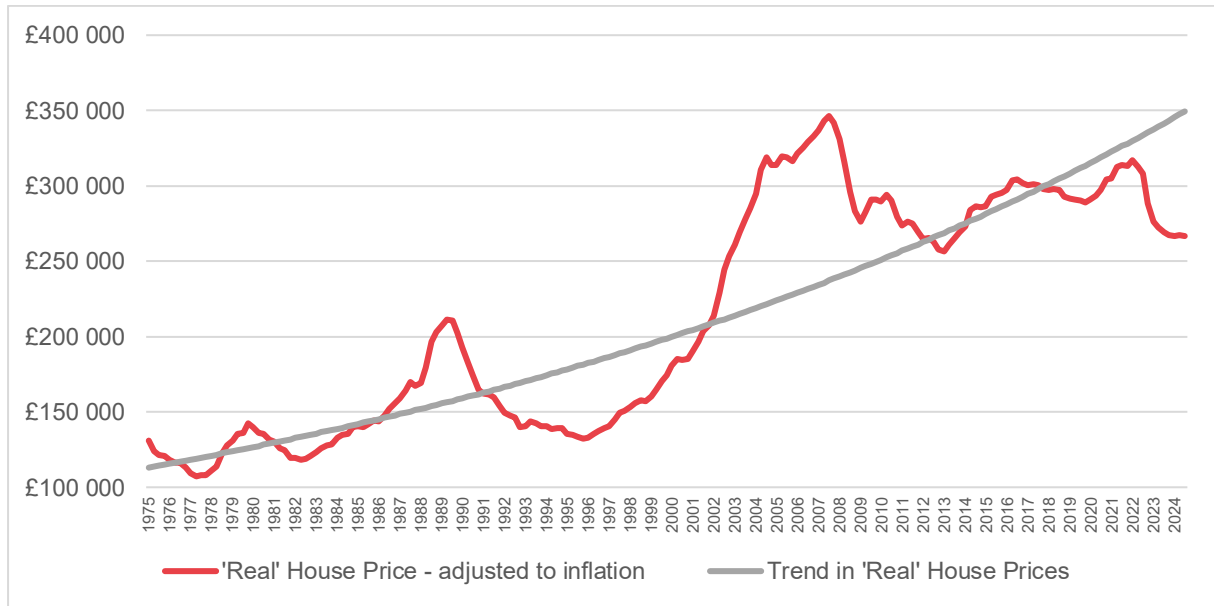


Figure UK31: UK Real House Price (adjusted to inflation) from 1975 to 2024. Source: compiled by authors, own elaboration based on data from Nationwide House Price Index

Figure UK32 shows that the average monthly rent for England has risen from just below £700 per month in 2008/9, to £1000 in 2022/23. The only year that rents fell, albeit slightly, was after 2019, which may be attributed to the Covid-19 pandemic. Since their recovery in 2020/21, rents rose particularly sharply, from £850 per month to £1000 per month.

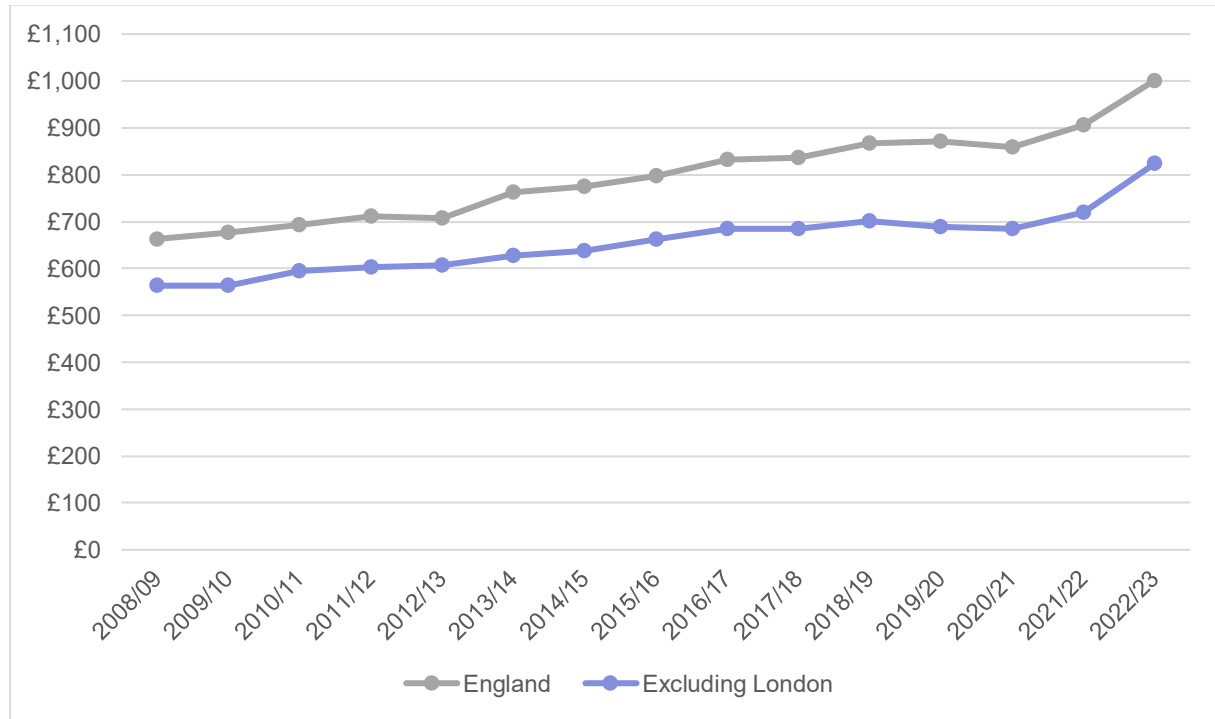


Figure UK32: England: Average monthly rent of private renters from 2009 to 2023. Source: compiled by authors, own elaboration based on data from Department for Communities and Local Government (UK)

Government Expenditures on housing (housing allowances and brick and mortar subsidies, % of GDP, COFOG)

Figure UK33 shows a steadily decreasing proportion of government expenditure on housebuilding since 1995. In the years 1995 until 2010, the percentage of total government expenditure used towards housing development hovered between 0.75 and 1.50, moving downwards at the turn of the century, and returning to above 1.00 in the mid-2000s. After 2010, the percentage of total expenses used towards housing development fell overall and did not rise above 1.00. Since 2013 this figure did not rise above 0.70 %.

2010 was the year of a general election and saw the Conservative-Liberal Democrat coalition gain power, and almost immediately launch a programme of ‘austerity policies’ to reduce the UK’s budget deficit. This could indicate the reason for reduced government expenditure on housebuilding from this date onwards.

Figure UK 33: General Government Expenditures on housing (consolidated) (% of total expenses) (data only available for 1995 – 2022)

Year	General Government Expenditures on housing (consolidated) (% of total expenses)		
	Housing development (GF0601)	Community development (GF0602)	Housing (GF1006)
1995	1.21	0.97	3.99
1996	1.45	0.81	4.00
1997	1.15	0.94	3.95
1998	1.08	0.97	3.79
1999	1.00	0.79	3.59
2000	0.73	0.70	3.25
2001	0.89	0.94	2.93
2002	0.85	0.88	2.92
2003	1.17	1.02	2.65
2004	0.96	1.11	2.53
2005	0.97	1.30	2.47
2006	0.94	1.45	2.51
2007	1.15	1.46	2.52
2008	1.08	1.18	2.44
2009	1.51	1.20	2.71
2010	1.22	1.06	2.87
2011	0.96	0.89	3.01
2012	0.79	0.72	3.07
2013	0.54	0.68	3.13
2014	0.46	0.72	3.06
2015	0.58	0.74	3.00
2016	0.44	0.74	2.87
2017	0.58	0.78	2.65
2018	0.55	0.80	2.45
2019	0.67	0.89	2.08
2020	0.45	0.73	1.63
2021	0.56	0.81	1.60
2022	0.54	0.85	1.32

Source: compiled by authors, own elaboration based on data from OECD

Arrears on Payments

Between 2005 and 2018, mortgage arrears in the UK seem to be high, hovering between 4-6%. There is missing data for 2008-2010, a period in which mortgage arrears may have gone up even higher due to the 2008 financial crisis.

More recently, mortgage arrears in the UK have been reported as low, at 1.10% of homeowner mortgages and 0.69% of BTL mortgages in 2024 (UKFinance 2024).

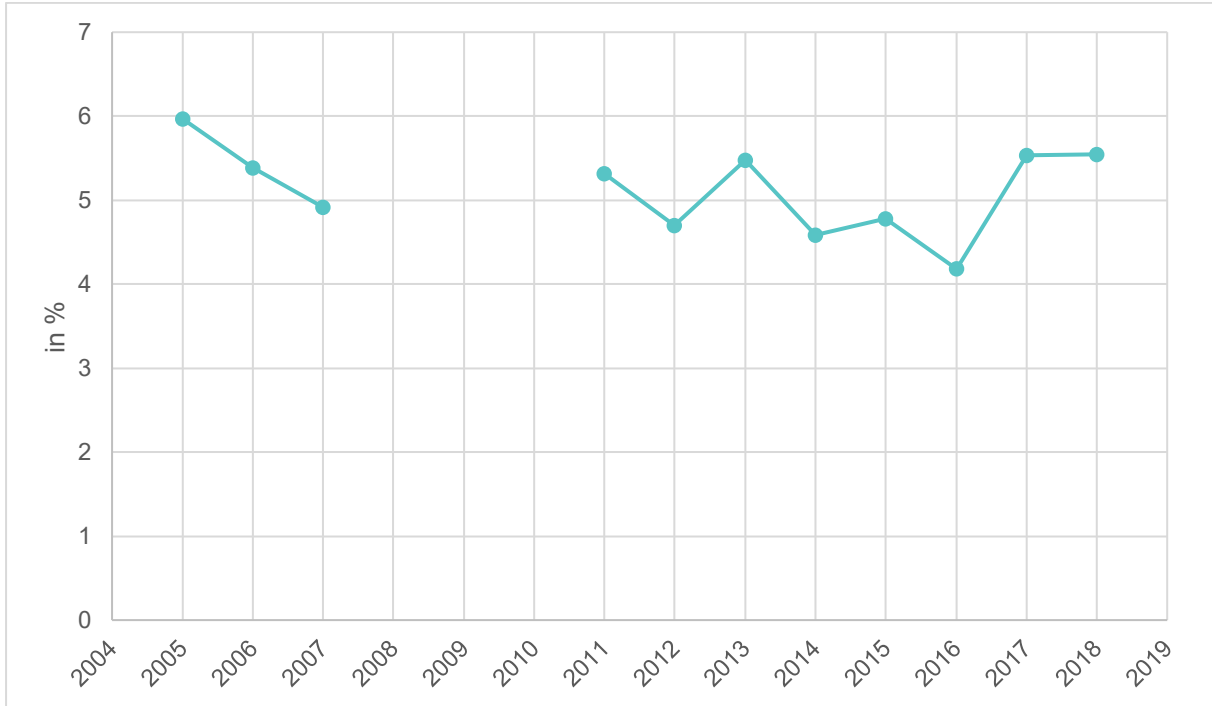


Figure UK34: Share of households in arrears on mortgage payments. Source: compiled by authors, own elaboration based on data from EU-SILC

Separate from the issue of arrears, there was a significant increase in the number of household respondents in 2014 and 2018. While this number of respondent households varies from year to year, Figure UK36 can be read next to Figure UK35 in order to show how the proportion of all households in arrears on their utility bills in each year compares to those in arrears on mortgage payments in each year. These trends are broadly similar, showing that there is a consistent section of society for whom meeting these obligations has been difficult. It is these households who may be some of the most vulnerable to the housing inequalities exacerbated by external shocks such as the 2008 financial crisis, the Covid-19 pandemic, or any unjust outcomes from the green transition. In the most recently available data (2016-2018), greater numbers of households fell into arrears on mortgage payments than utility bills. This could be due to the greater burden of mortgage payments, although further investigation would be needed to explore other possible factors.

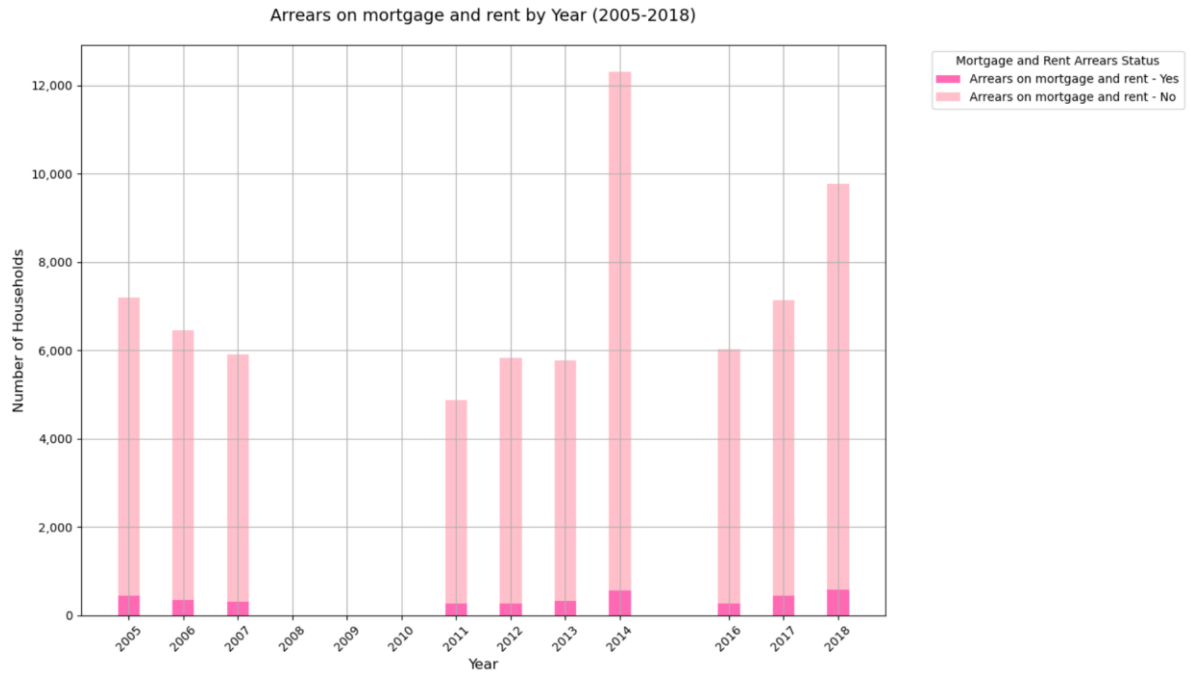


Figure UK35: Mortgage or Rental Payments (HS010, and HS011 – since 2008). Source: compiled by authors, own elaboration based on data from EU-SILC

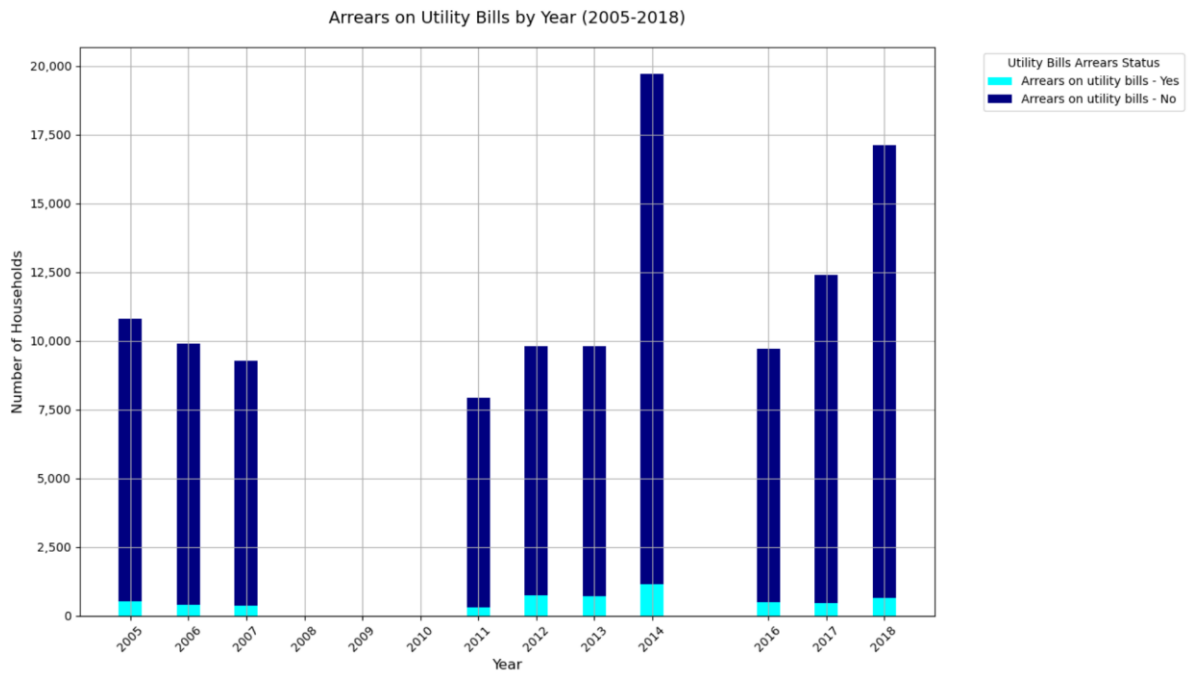


Figure UK36: Arrears on Utility Bills (HS020, and HS021 – since 2008). Source: compiled by authors, own elaboration based on data from EU-SILC

Energy Poverty

Separate from the relative ability to keep the home warm (or not), there was a significant increase in the number of household respondents in 2014 and 2018. Therefore, the task of interpreting energy poverty statistics from Figure UK37 lies in understanding the proportion of homes unable to keep the home warm, relative to the total number of household respondents each year.

Between 2005-2011, the total number of households unable to keep the home warm remains stable, while the overall number of household able to keep the home warm declines, meaning that there are proportionally more households unable to keep their home warm relative to the total number of household respondents.

Despite increased total numbers of household respondents able to keep their home warm in 2017 and 2018, this relational trend continues, with proportionally more households unable to keep their home warm relative to the total number of household respondents.

In terms of housing inequality, this shows that keeping the home warm has become more difficult since 2005. This could be due to a range of factors, whether this relates to energy costs, housing costs, inflation, poor quality housing and insulation, or other factors.

Ability to keep home warm (2005-2018)

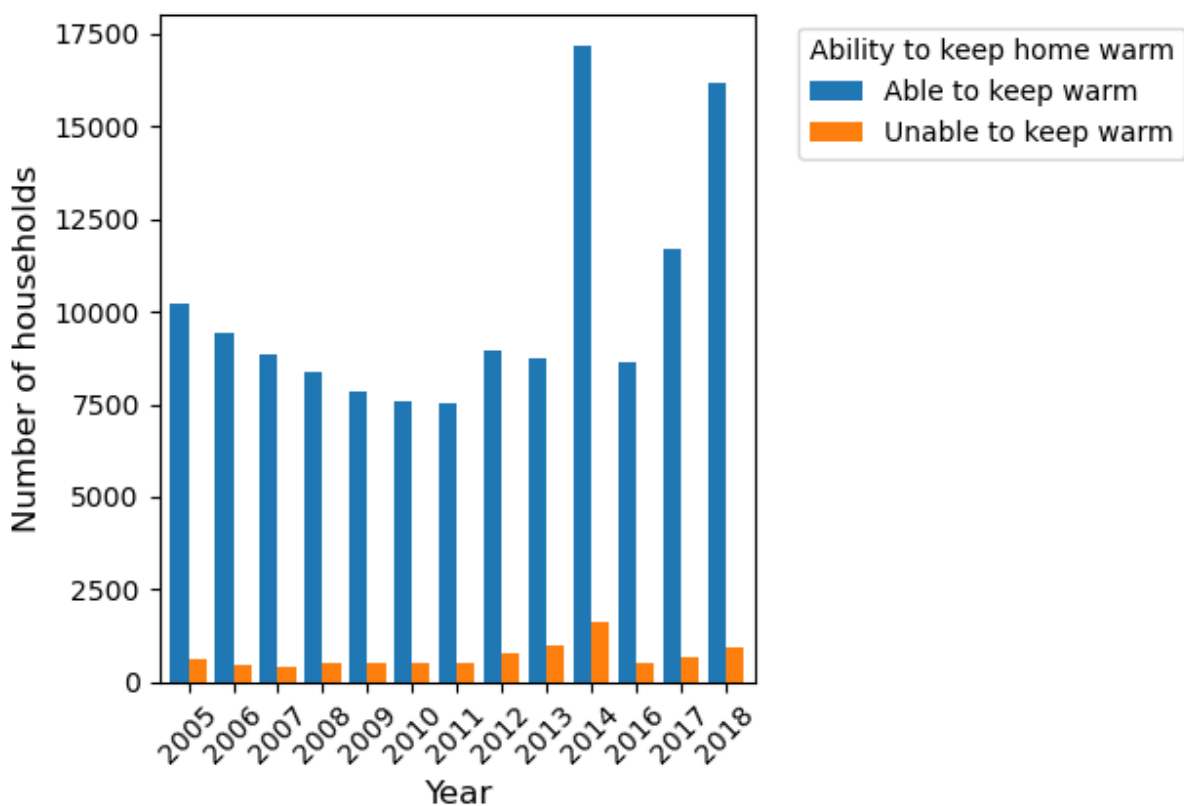


Figure UK37: Ability to keep home warm. Source: compiled by authors, own elaboration based on data from EU-SILC

Residential household wealth

Figure UK38 shows that the median income from rental of property or land has remained stable (hovering between £4-5,000) from 2005 – 2016, rising slightly in 2017 and 2018 (with a median around £7,000). However, the outlying data show that the more extreme instances of income from rental of property or land has increased in recent years, with the highest income rising from around 140,000 in 2011 to around 180,000 in 2017.

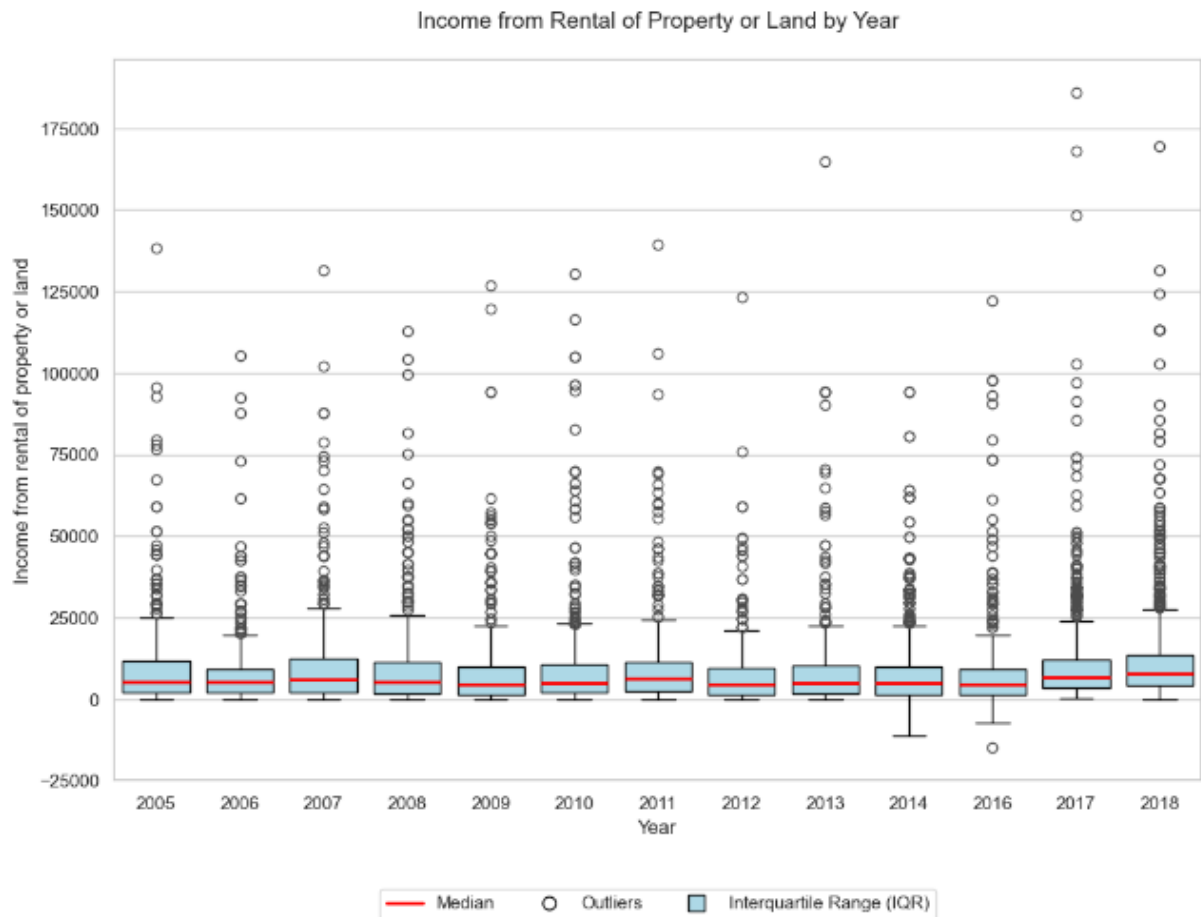




Figure UK38: Income from Rental of Property or Land by Year. Source: compiled by authors, own elaboration based on data from EU-SILC

Note: The first boxplot includes all data for Income from Rental of Property or Land between 2005-2018, showing the full distribution but with numerous outliers. Therefore, we have created a second boxplot that includes only data within the 85% quantile, making the chart more representative and accurately reflecting the distribution of the main data.

Housing Welfare/Allowances

Overall, there is a slow but steady increase in the receipt of housing welfare and allowances between 2005 and 2018, with a peak in 2014, and 2016 (see Figure UK39).

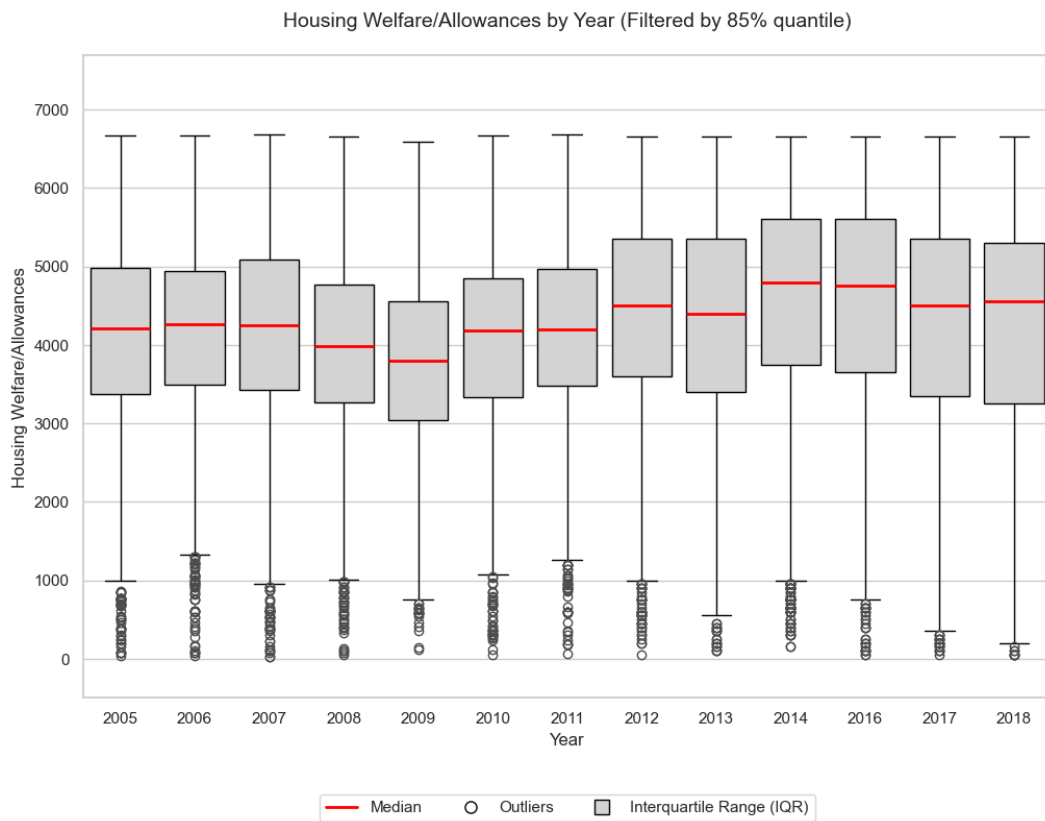
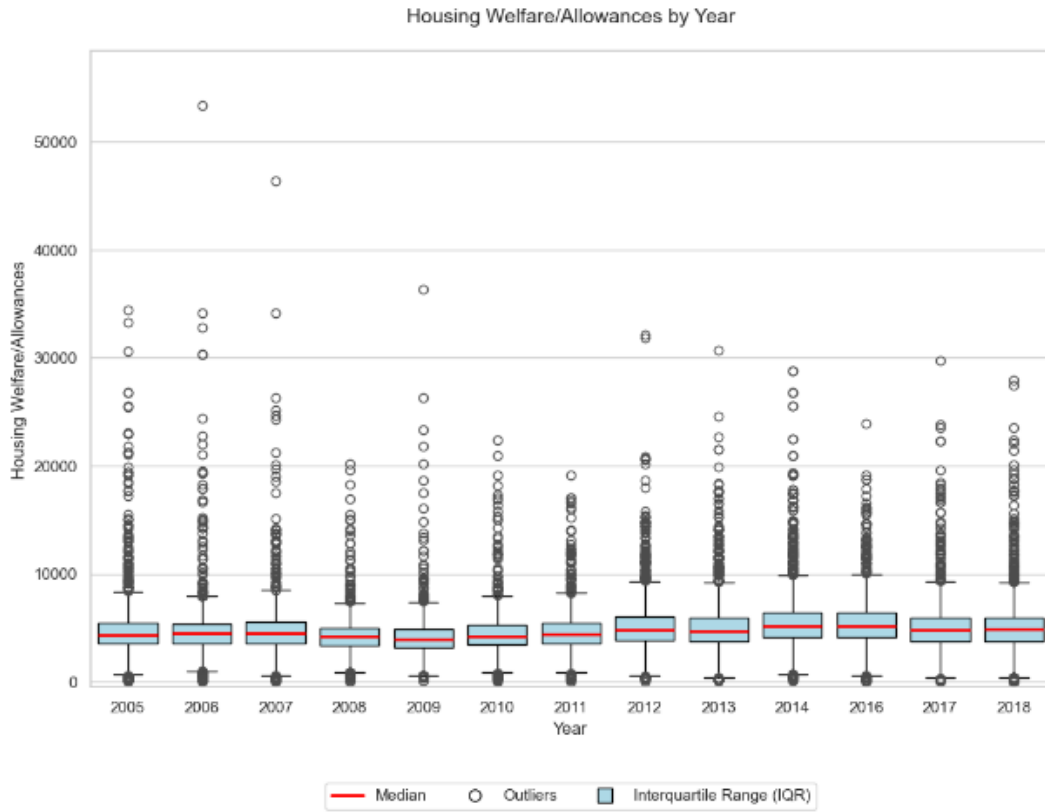


Figure UK39: Housing welfare/Allowances by Year. Source: compiled by authors, own elaboration based on data from EU-SILC

Note: The first boxplot includes all data, for housing welfare or allowances between 2005-2018, showing the full distribution but with numerous outliers. Therefore, we have created a second boxplot that includes only data within the 85% quantile, making the chart more representative and accurately reflecting the distribution of the main data.

2 MAJOR TRENDS IN HOUSING INEQUALITY DEVELOPMENT IN THE 21ST CENTURY

2.1 Housing and Neighborhood Quality

In the UK, there are almost no respondent households living without a bath or shower, or indoor flushing toilet for sole use of the household. These indicators may therefore not be good indicators of housing inequalities between households. The issue affecting the largest proportion of households is that of leaking rooves, damp walls/floors/foundations, or rot in the window frames or floor. The relevance of this particular indicator may be due to the relatively cold, damp climate in the UK, alongside the age and lack of investment in the building stock. This may therefore be a better indicator of inequalities between households, revealing those who are unable to afford better housing conditions. The next significant issue is problems with dwellings being too dark or not having enough light.

Once again, separate from the issue of housing amenities, there was a significant increase in the number of household respondents in 2014 and 2018. While the changes each year in the number of household respondents means identifying trends in these variables is not straightforward, Figure UK40 suggests that the proportion of households with problems associated with damp, rot, and a lack of light has been growing, even if slightly.

We can supplement this data with reports from The Health Foundation (2024a-e), detailing (amongst others) the numbers of households experiencing multiple housing problems.

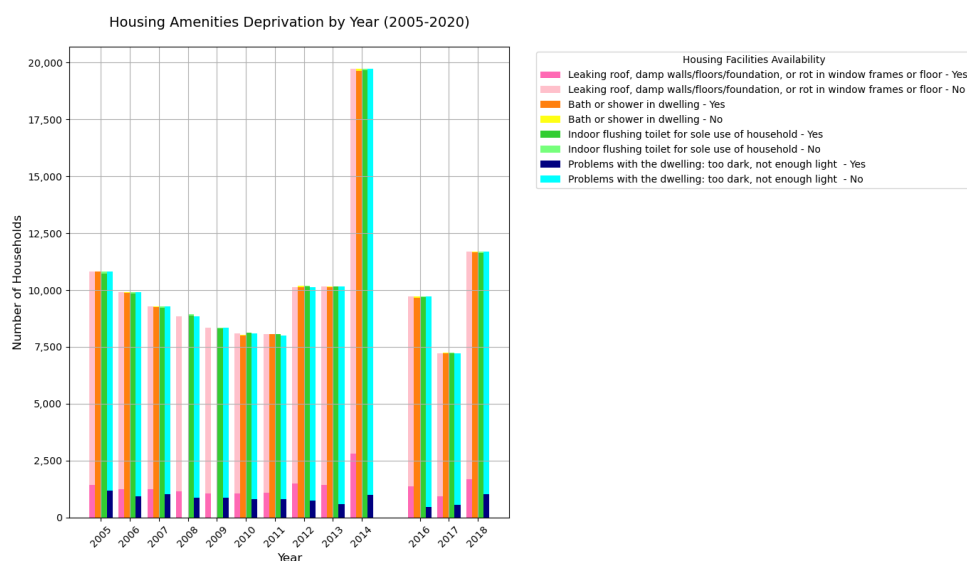


Figure UK40: Housing amenities Deprivation Rate. Source: compiled by authors, own elaboration based on data from EU-SILC

Again, changes each year in the number of household respondents means identifying trends in neighbourhood quality is not straightforward. Nevertheless, Figure UK41 reveals the issues most indicative of poor neighbourhood quality in the UK, with a greater proportion of households experiencing crime, violence and vandalism, as well as excessive noise, relative to their experience of pollution and environmental problems.

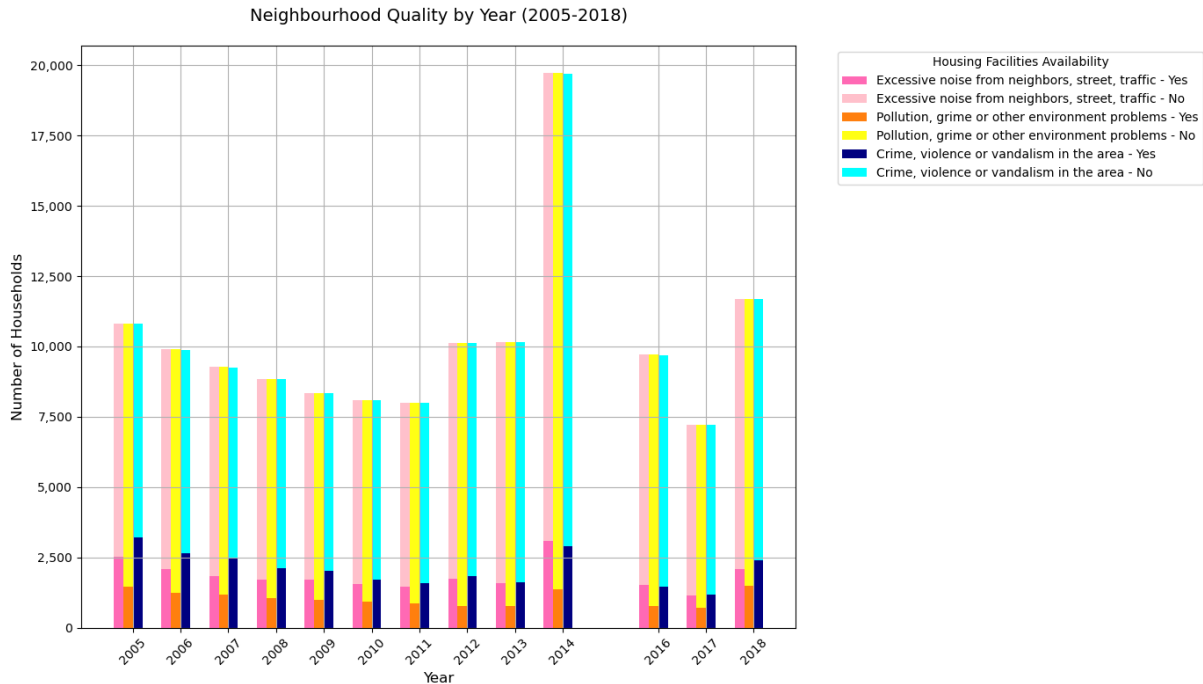


Figure UK41: Neighborhood quality (2005-2020). Source: compiled by authors, own elaboration based on data from EU-SILC

Housing Consumption

Figure UK42 shows that the number of persons per room has been declining overall between 2005 and 2018. This could indicate various trends, for example, socio-demographic trends such as households being made up of fewer people, or housing trends, such as a greater supply of housing, reduced houses of multiple occupation, or proportionally more housing units of a certain type (e.g. houses with more rooms) being added to the housing stock supply. Further investigation would be needed to understand what this trend means in terms of housing inequalities in the UK. there are consistently more households living with 5 or fewer rooms, than with 6 or more rooms.

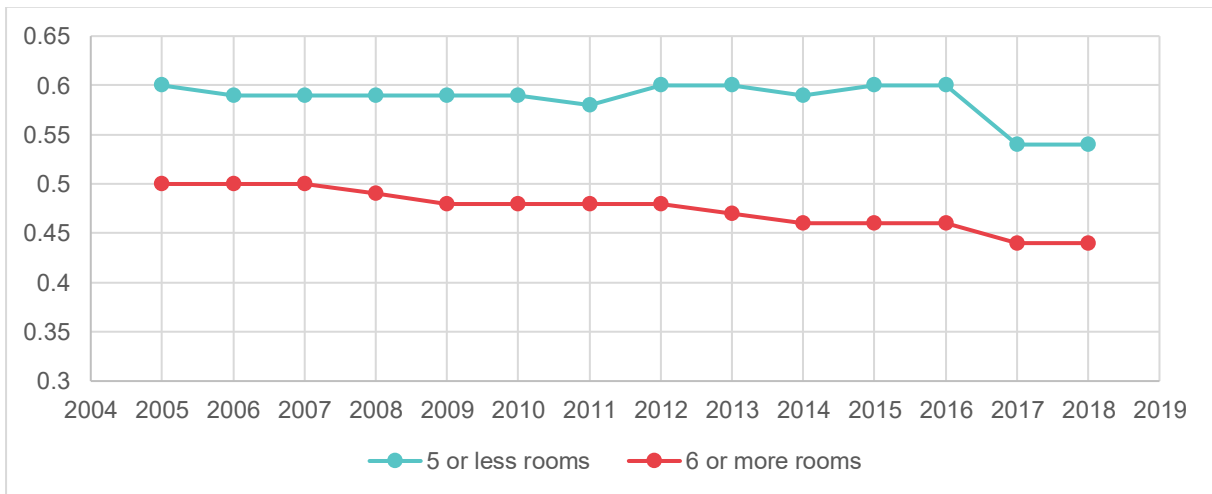


Figure UK42: Number of persons per room. Source: compiled by authors, own elaboration based on data from EU-SILC

Figure UK43 shows that 2012-2016 were the years of highest reported overcrowding, but that reported overcrowding declined in 2017 and 2018, most notably within densely populated and intermediate areas, which have brought the national average of reported overcrowding down.

This is reinforced by Figure UK44, which shows the median number of rooms available rising to 5 rooms per household, after a steady trend of a median 4 rooms per household since 2005.

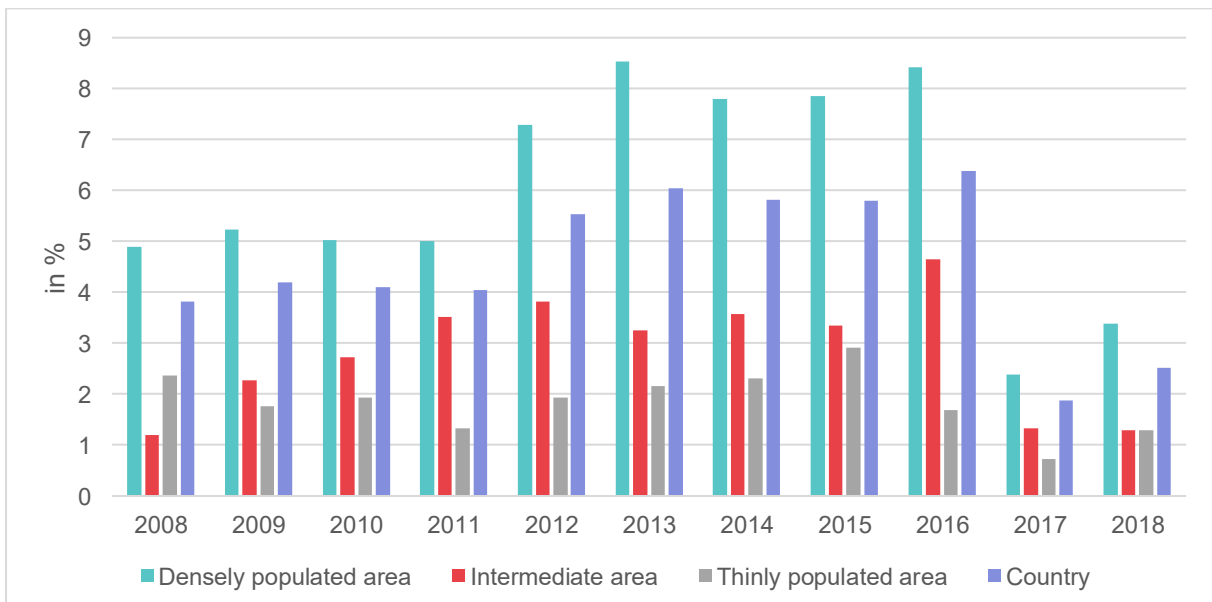


Figure UK43: Share of positive answers on housing overcrowding. Source: compiled by authors, own elaboration based on data from EU-SILC

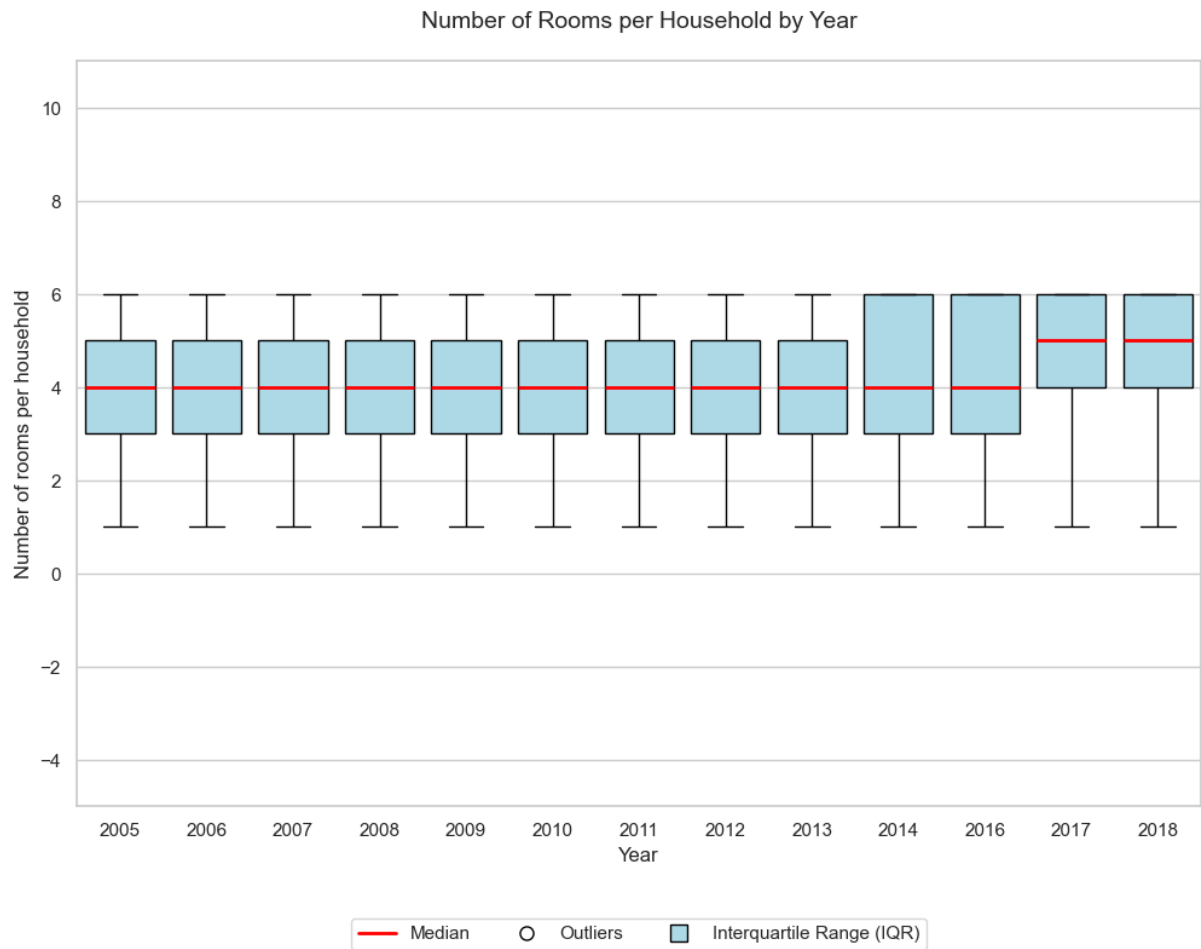


Figure UK44: Over-crowded Household (Number of Rooms available (HH030 per Household) Source: compiled by authors, own elaboration based on data from EU-SILC

2.2 Housing Costs

Housing Cost (Burden)

Self perceived financial burden of housing costs has fallen overall since 2005, moving from 23.62% of the population reporting a heavy burden, to 15.03%. Those reporting that their self-perceived financial burden was ‘not a burden at all’ rose in this time, from 32.86% to 46.95%.

During this time, the self-perceived financial burden of housing costs rose to its peak in 2013.

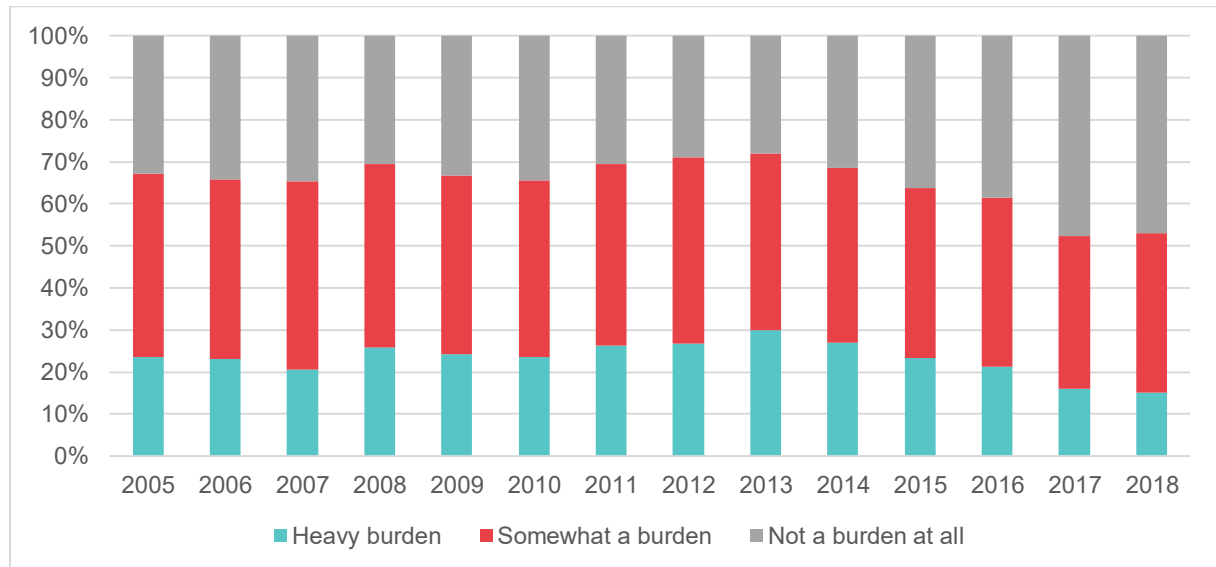


Figure UK 45: Self-perceived financial burden of total housing costs. Source: compiled by authors, own elaboration based on data from EU-SILC

Dwelling type

Between 2005-2018, the share of total housing costs in total disposable income has been highest amongst those living in flats (in buildings with more than 10 dwellings, followed by those living in buildings with less than 10 dwellings), the cost of which hovered around 30-40% of disposable income. The housing costs for those living in Detached, semi-detached or terraced housing hovered between 13-30% during the same period (see Figure UK46).

This means those living with less space pay proportionally more of their income for their housing. We might deduct from this that those with higher incomes chose to live in larger houses; equally, this could mean that smaller housing is proportionally more expensive. This could also be true since homes in cities like London (with higher housing costs) are more likely to include flats as well as houses.

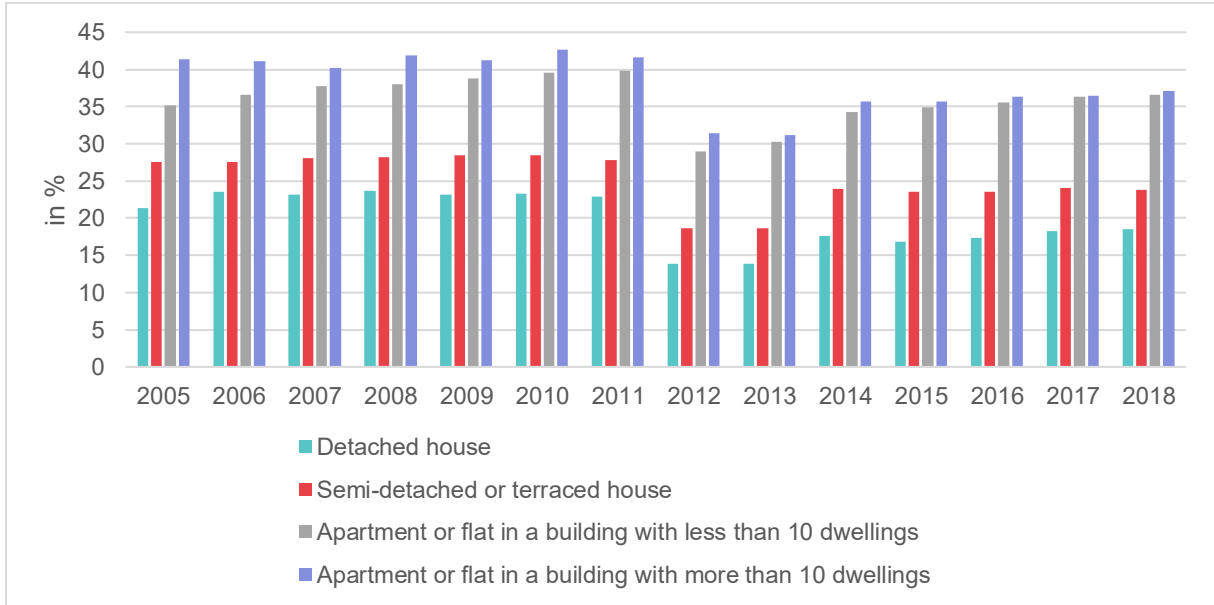


Figure UK46: Self-perceived financial burden of total housing costs by dwelling type. Source: compiled by authors, own elaboration based on data from EU-SILC

Educational attainment

Higher educational attainment level appears to have a negative relationship to housing costs burdens (see Figure UK47), with those attaining tertiary-level education reporting the lowest share of housing costs in total disposable income, compared with those attaining primary, lower secondary, upper secondary or post-secondary level education.

This evidences a form of housing inequality, since tertiary education often requires substantial financial investment relatively early in life, this group are more likely to come from more financially privileged backgrounds, as well as being more likely to earn higher salaries in the future.

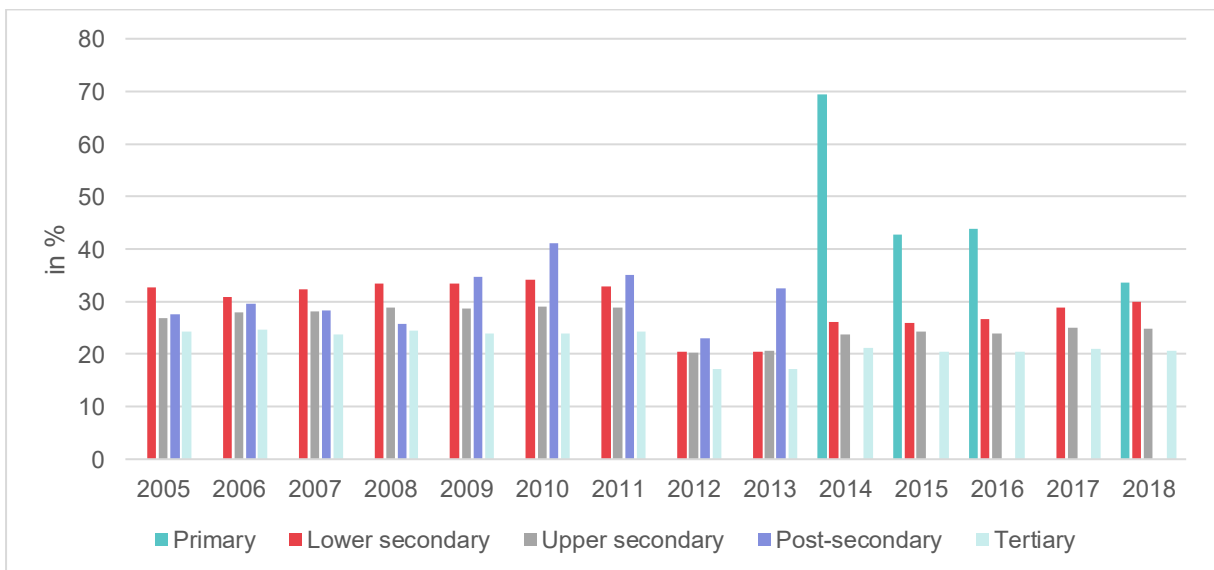


Figure UK47: Self-perceived financial burden of total housing costs by educational attainment level. Source: compiled by authors, own elaboration based on data from EU-SILC

Economic status

Self-perceived financial burden of total housing costs stayed relatively consistent (falling slightly) for those working full- and part-time between 2005 and 2018, with a notable dip around 2012 / 2013 (see Figure UK48). This dip in the financial burden of housing costs could represent the cuts to interest rates made in 2009 (reduced to 0.5%), which will have had a delayed effect on homeowners as they renewed their mortgages.

One outlier is 2009 during which retirees reported exceptionally high financial burden of housing costs, possibly due to the return on their savings being demolished by the interest rate reduction.

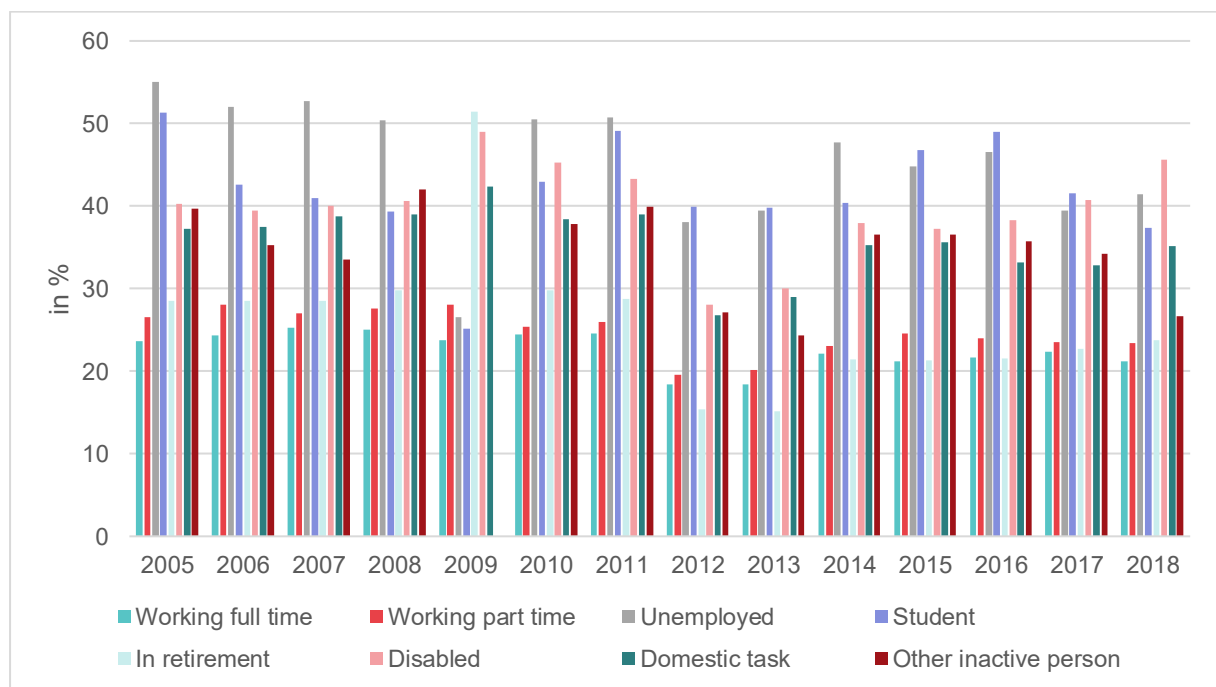


Figure UK48: Self-perceived financial burden of total housing costs by self-defined economic status.
Source: compiled by authors, own elaboration based on data from EU-SILC

Household type

In terms of household type (see Figure UK49), housing has been consistently more expensive for single adult households, most likely due to their being single income households.

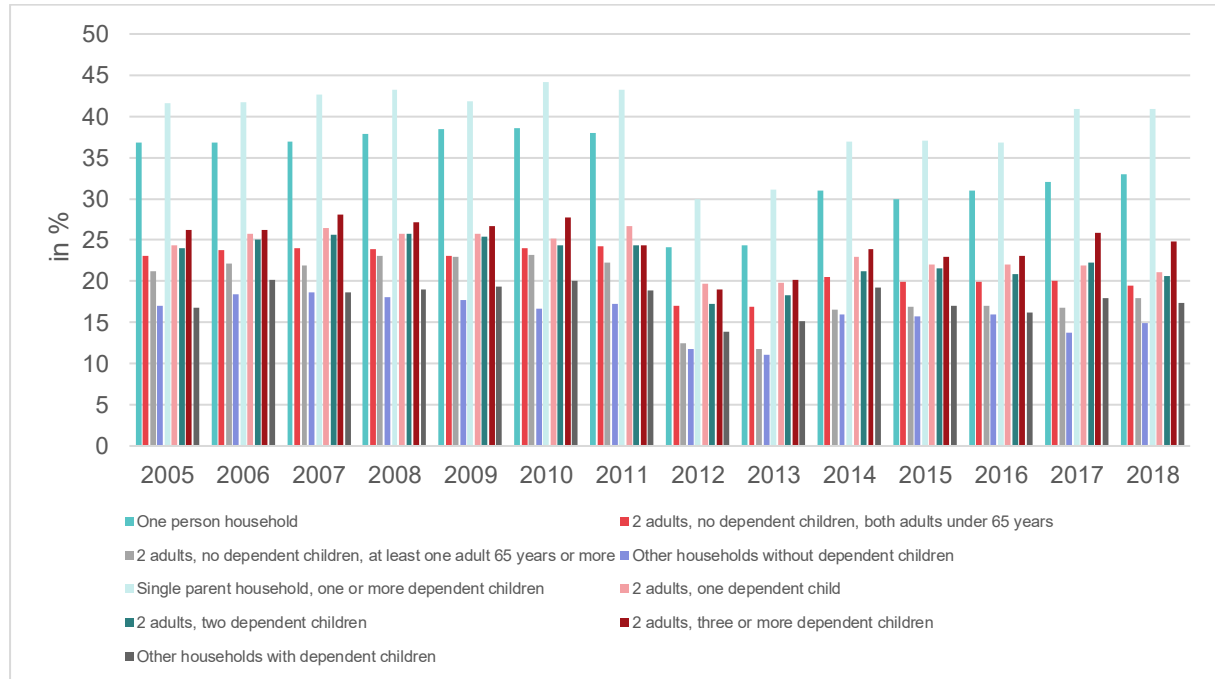


Figure UK49: Self-perceived financial burden of total housing costs by household type. Source: compiled by authors, own elaboration based on data from EU-SILC

Country of Birth

Housing costs represent a higher proportion of income for those born outside the UK, and a higher proportion of income still for those born outside of the EU. This is likely to representing different income levels between these groups, with those born outside of the UK earning less than UK nationals, and those born outside of the EU earning even less than those born inside of the EU.

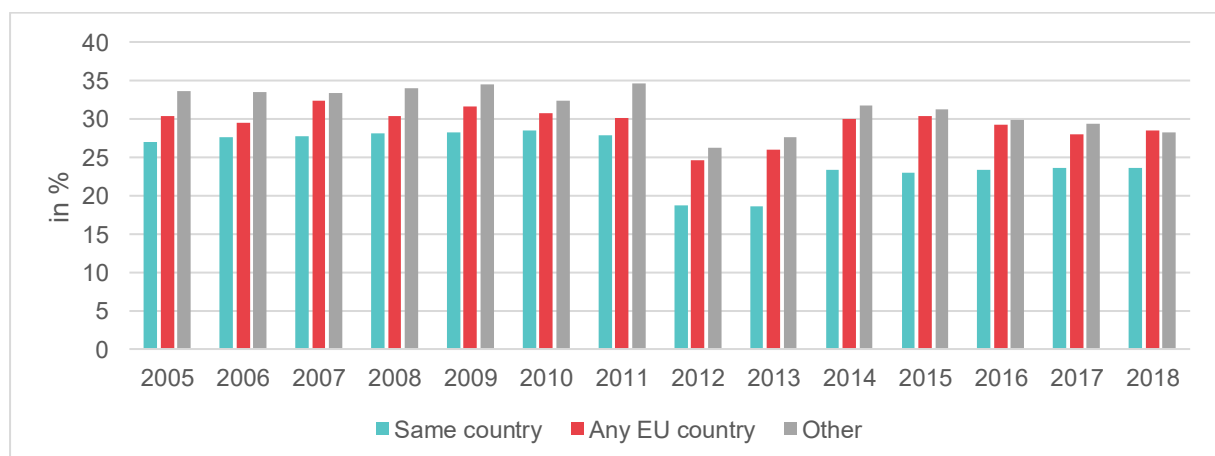


Figure UK50: Self-perceived financial burden of total housing costs by country of birth. Source: compiled by authors, own elaboration based on data from EU-SILC

Regions within the UK

The NUTS level region with highest reported financial burden of total housing costs is London (see Figure UK51).

The region with next highest reported financial burden of total housing costs varies, starting with the West Midlands in 2010, the Northeast in 2011, the Southeast in 2012, the East of England in 2013 (etc).

The NUTS level region most consistently low reported financial burden of total housing costs is Northern Ireland, although this only became more marked in 2012.

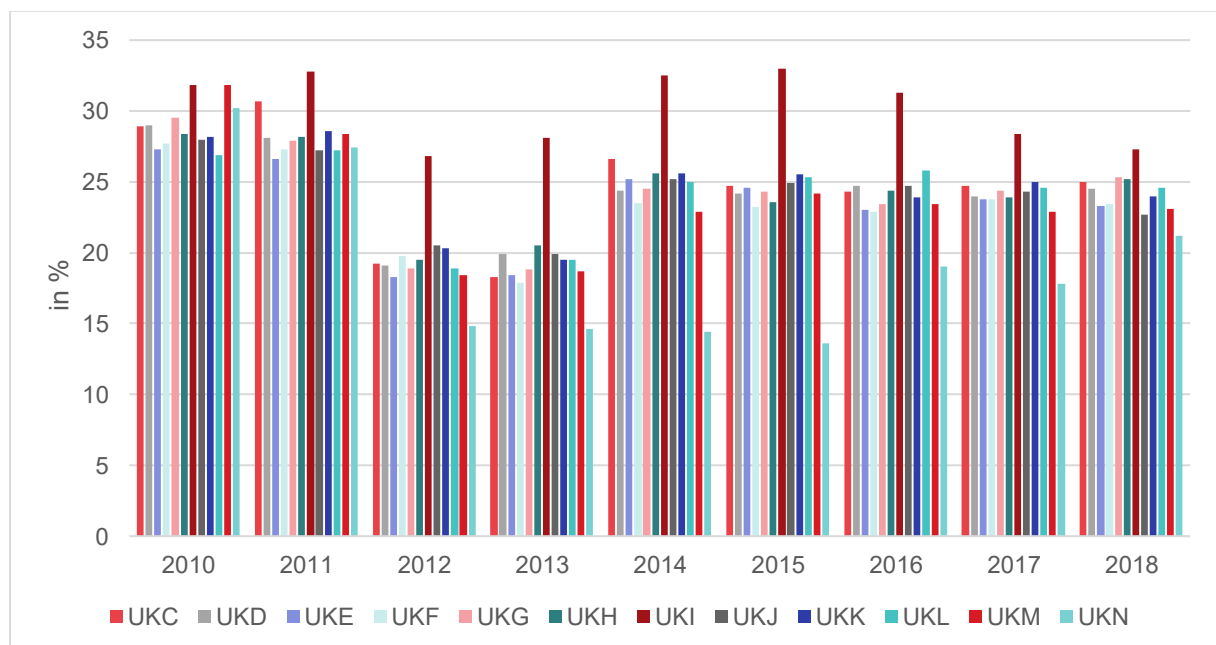


Figure UK51: Self-perceived financial burden of total housing costs by NUTS 1 areas.

Source: compiled by authors, own elaboration based on data from EU-SILC

Tenure

In the UK, apart from those living rent free, those spending the smallest share of their disposable income on housing costs are consistently owner occupiers (see Figure UK52). Those spending the highest share of their disposable income on housing costs are consistently those living in private rental housing, or those renting at below the market price (those living in social rental housing or otherwise subsidized housing).

This may be because owner occupiers are more likely to have higher incomes, therefore reducing the relative financial burden of their housing costs. However, this also reflects decades' worth of housing policies aimed at incentivizing individuals to move into home ownership, leading to policies that reduce the financial burden of owner occupation (Stirling et al 2022a, 2022b).

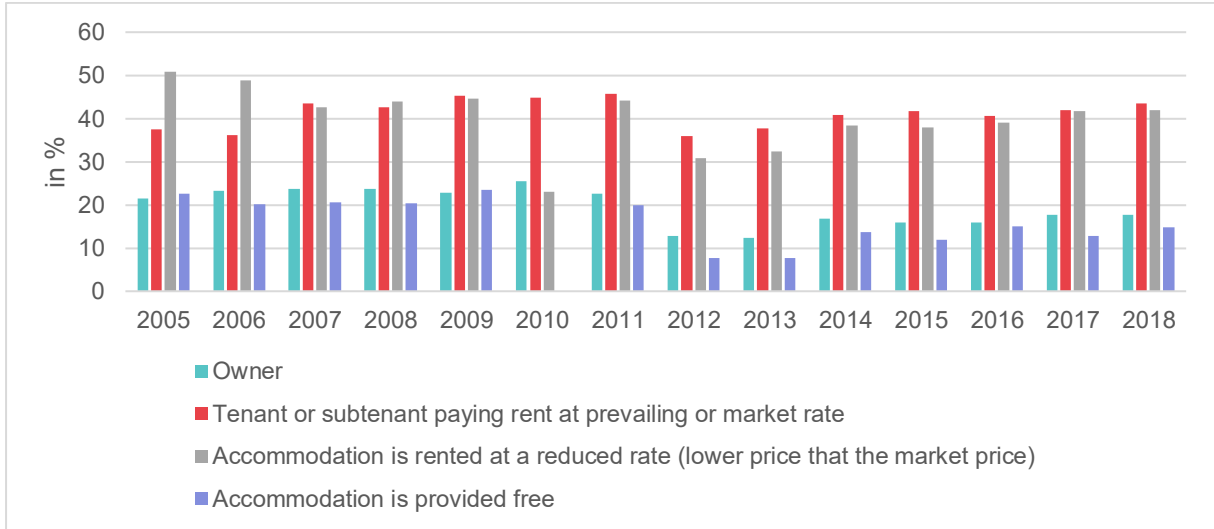


Figure UK52: Self-perceived financial burden of total housing costs by tenure status. Source: compiled by authors, own elaboration based on data from EU-SILC

2.3 Housing Segmentation

Figures UK53 and UK54-UK56 show that home ownership rates are slightly higher in thinly populated areas (rural areas) than in densely populated areas. This could be interpreted as meaning there is greater housing inequality in densely populated areas, with fewer individuals able to enter into home ownership. Alternatively, it could be reflective of the more limited supply of rental accommodation in rural areas. In particular, there is a shortage of ‘affordable’ housing (including social rental housing and other forms of subsidized housing) in rural areas in the UK, where accessible land connected to key infrastructures and is allocated for housing commands a particularly high price due to its scarcity, meaning that land is usually developed for high-end housing that is unaffordable to many on lower incomes (Stirling et al 2024). This has caused many social problems for rural communities, where people cannot always afford to continue living in the areas they are from, close to family, jobs or schools (Stirling et al 2023).

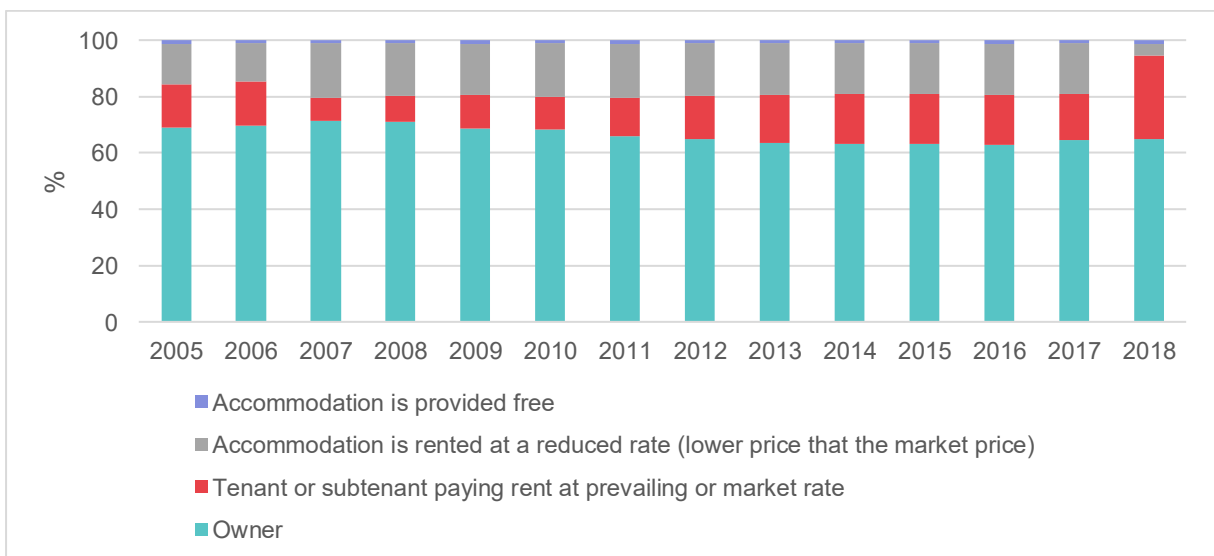


Figure UK 53: Tenure structure by type of urbanization: country (2005 – 2020). Source: compiled by authors, own elaboration based on data from EU-SILC

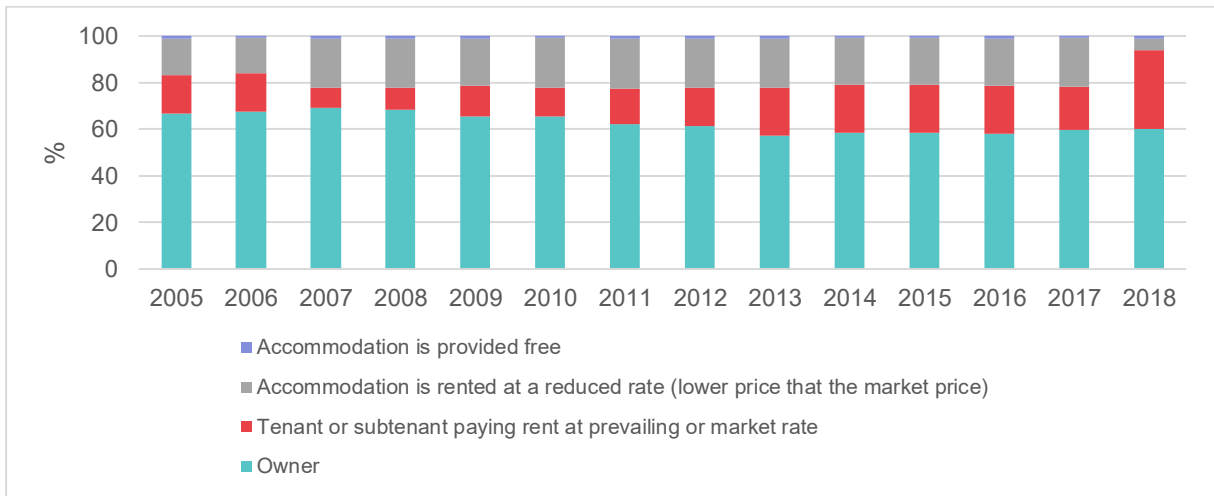


Figure UK 54: Tenure structure by type of urbanization densely populated areas (2005 – 2020).
 Source: compiled by authors, own elaboration based on data from EU-SILC

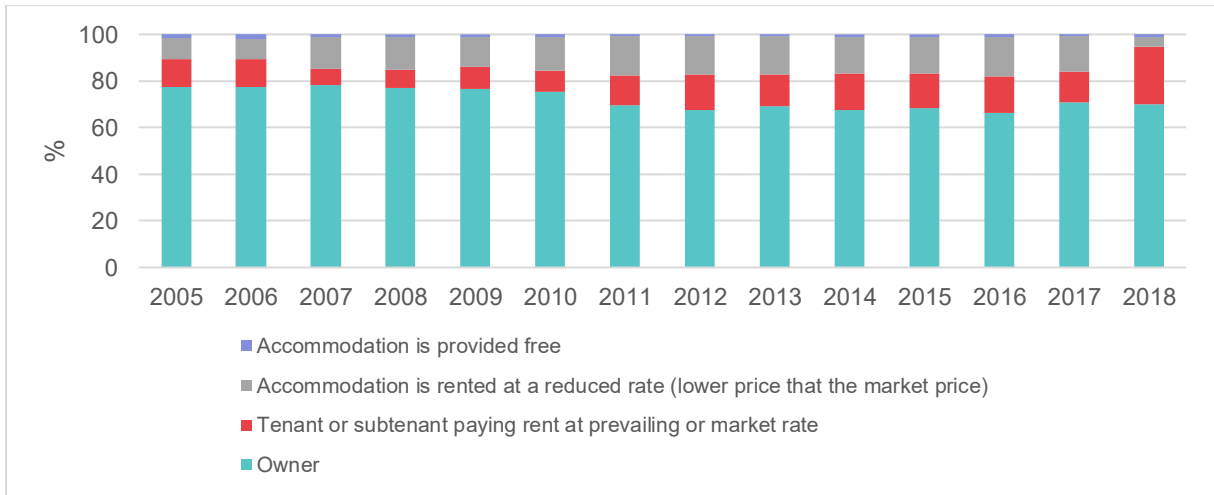


Figure UK 55: Tenure structure by type of urbanization - intermediate populated areas (2005 – 2020).
 Source: compiled by authors, own elaboration based on data from EU-SILC

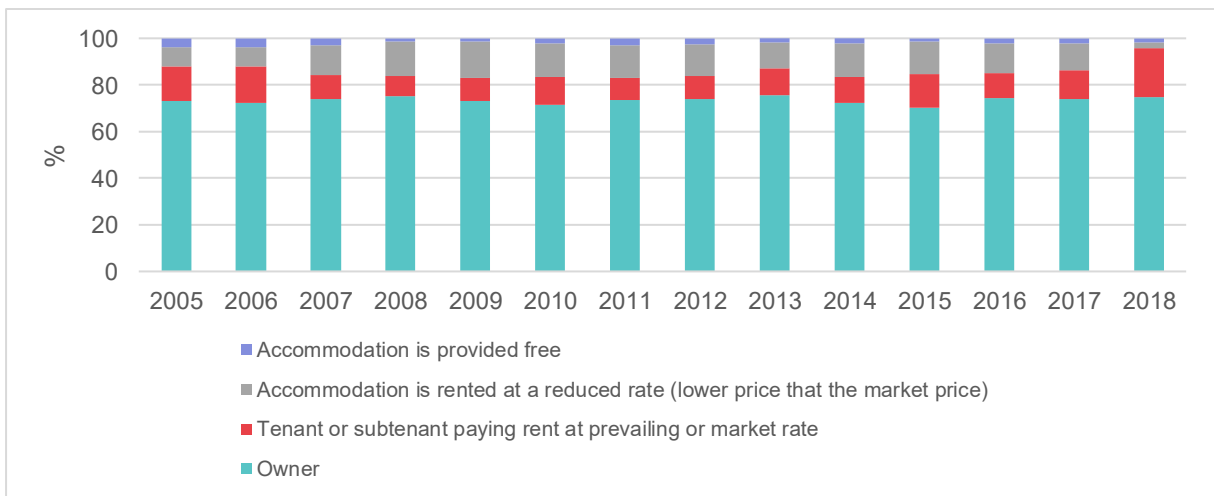


Figure UK 56: Tenure structure by type of urbanization thinly populated areas (2005 – 2020).
 Source: compiled by authors, own elaboration based on data from EU-SILC

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