

## Housing

- Between 1971 and 2004 the number of dwellings in Great Britain increased by 35 per cent, to 25.3 million. (Figure 10.1)
- In 2004 London had the highest proportion of new dwellings built on previously-developed land (excluding conversions), at 94 per cent. The region with the lowest proportion was the East Midlands, at 52 per cent. (Figure 10.4)
- Between 1999/2000 and 2003/04 the number of UK households that owned second homes abroad increased by 45 per cent to reach almost 257,000. Almost half of these homes were located in Spain and France. (Table 10.8)
- Between March 2003 and March 2005 the total number of homeless households in England living in B&B hotels fell by 45 per cent to 6,800. (Figure 10.12)
- In 2003, 36 per cent of vulnerable households in England were living in non-decent homes, compared with 55 per cent in 1996. (Page 155)
- In 2004 annual house price inflation was highest in the North East at 26 per cent, although average property prices here were still lower than in any other region of England. (Table 10.21)

A person's home and housing conditions will be strongly influenced by a range of socio-economic factors such as income, employment and household type. The type of home people live in, its tenure and its condition can have a major impact upon their health and well-being.

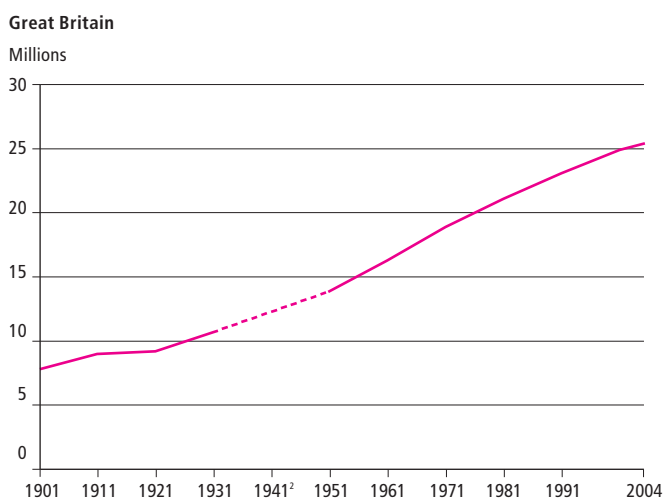
## Housing stock and housebuilding

During the past century the number of dwellings in Great Britain increased substantially, from 7.7 million in 1901 to 25.3 million in 2004 (Figure 10.1). The rise in housing stock in part reflects the increase in the population during this period (see Chapter 1: Population). However since the early 1970s, the trend towards smaller households led to a greater demand for housing and an increasing pressure on land use. Between 1971 and 2004 the number of dwellings in Great Britain increased by 35 per cent. During the same period the number of households also increased by 30 per cent from 18.6 million to 24.2 million (see Table 2.1).

There have been considerable regional variations in the growth in housing stock. Between 1994 and 2004 the English regions with the largest percentage increases in stock were the South West (10 per cent), East Midlands (10 per cent) and the East of England (9 per cent). The smallest growth in stock occurred in the North East (4 per cent).

Much of the housing stock in the United Kingdom reflects over 100 years of housebuilding, with one sixth having been built before the end of the First World War (Table 10.2). Between the two World Wars there was a shift in the type of

**Figure 10.1**  
**Dwelling stock<sup>1</sup>**



<sup>1</sup> See Appendix, Part 10: Dwelling stock.

<sup>2</sup> No census was undertaken in 1941.

Source: Census, Office for National Statistics; Office of the Deputy Prime Minister

**Table 10.2**

## Type of accommodation: by construction date, 2004/05

United Kingdom	Percentages					All
	Before 1919	1919–1944	1945–1964	1965–1984	1985 or later	
<b>House or bungalow</b>						
Detached	14	11	15	27	33	100
Semi-detached	10	25	29	23	14	100
Terraced	29	16	20	24	12	100
<b>Flat or maisonette</b>						
Purpose-built	6	9	24	35	25	100
Conversion	66	20	7	4	3	100
<b>All dwellings<sup>1</sup></b>	<b>17</b>	<b>17</b>	<b>21</b>	<b>25</b>	<b>20</b>	<b>100</b>

<sup>1</sup> Includes other types of accommodation, such as mobile homes.

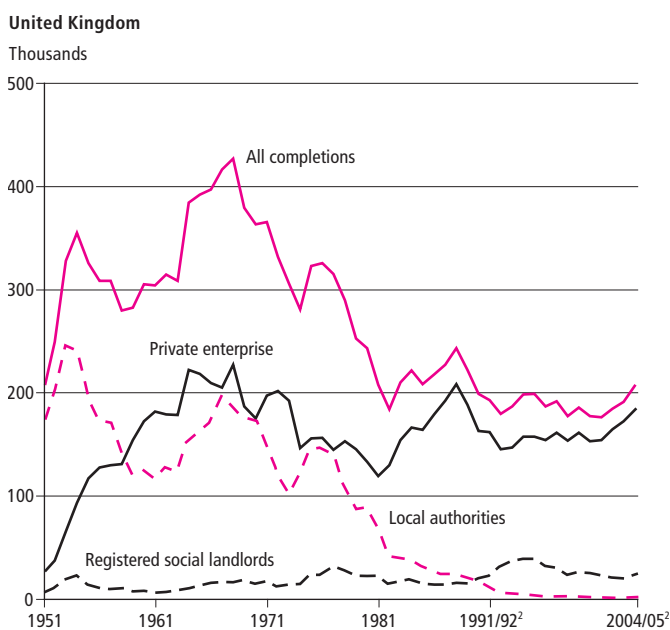
Source: General Household Survey, Office for National Statistics; Continuous Household Survey, Northern Ireland Statistics and Research Agency

home being built, from terraced to semi-detached dwellings. From the mid-1960s there was a further shift towards the building of detached houses and purpose-built flats. Six in ten purpose-built flats and maisonettes were built after 1964 and fewer than one in ten were built before 1919. In contrast, two thirds of the stock of conversion flats and maisonettes were built before 1919.

The damage caused to the nation's housing stock during the Second World War made the provision of new housing a post-war government priority. Local authorities undertook the majority of housing construction in the early post-war years. Private enterprise housebuilding increased dramatically during the mid-1950s, and has been the dominant sector for housebuilding since 1959. The peak for housebuilding completions was in 1968 when 426,000 dwellings were completed, 53 per cent by private enterprise and 47 per cent by the social sector, primarily local authorities (Figure 10.3). In 2004/05 there were 206,000 completions, of which 89 per cent were by the private enterprise sector. Since the 1990s registered social landlords (RSLs) – predominantly housing associations – have dominated building in the social sector, accounting for 99 per cent of social sector completions in 2004/05.

There is an increasing focus on using land for housebuilding more efficiently, both to maximise the number of homes available and to make them more affordable. The Government target for England is that by 2008, 60 per cent of new dwellings should be built on previously-developed land and through conversions of existing buildings.

**Figure 10.3**  
**Housebuilding completions:<sup>1</sup> by sector**



1 See Appendix, Part 10: Dwelling stock, and Dwellings completed.  
 2 From 1990/91 data are for financial years.

**Source:** Office of the Deputy Prime Minister; National Assembly for Wales; Scottish Executive; Department of the Environment, Northern Ireland

In 2004, 70 per cent of new dwellings in England were built on previously-developed land (including conversions of existing buildings) (see also Figure 11.18). Between 1994 and 2004, on a comparable basis that excludes conversions, there were wide regional variations in the increase in the proportion of new homes built on previously developed land. In the South East, the South West, West Midlands, and Yorkshire and the Humber the proportion of new homes built on previously developed land increased by more than 20 per cent (Figure 10.4). Regions with the lowest increases since 1994 were the East of England and North East. In 2004 London had the highest proportion of new dwellings built on previously developed land (excluding conversions), at 94 per cent. The region with the lowest proportion was the East Midlands at 52 per cent.

The density at which new homes have been built has also been increasing. In 2004 new dwellings in England were built at an average of 40 per hectare, compared with 25 per hectare in 1997. The density of newly built homes was highest on previously developed land, at 46 per hectare, compared with 32 per hectare on land that had not previously been developed. At 83 per hectare, the density of new dwellings in London was higher than in any other region. Yorkshire and the Humber was the region with the lowest density of newly built homes at 32 per hectare.

**Figure 10.4**  
**New dwellings built on previously developed land:<sup>1</sup> by region**



1 As reported by Ordnance Survey. Data exclude conversions of existing buildings.

**Source:** Office of the Deputy Prime Minister

The increase in the density of new dwellings constructed over the past ten years has been reflected in changes to the type and size of home. There has been a shift away from house building to flat building. This trend in part reflects the increasing number of single person households (see Table 2.1). In 2004/05, 40 per cent of new dwellings completed by private enterprise in England were flats, compared with 13 per cent in 1996/97 and 21 per cent in 1991/92 (Table 10.5 overleaf).

There has also been an increase in the number of bedrooms. In 1991/92 only 9 per cent of all new dwellings completed by private enterprise were two bedroom flats; by 2004/05 this had risen to 30 per cent. Although the proportion of new houses with four or more bedrooms also rose between 1991/92 and 2003/04, from 23 per cent to 31 per cent, in 2004/05 it fell back to 25 per cent. The overall rise in the number of bedrooms may reflect an increased desire that each child have a separate bedroom, as well as the aspiration to purchase homes with an extra room that could be used as a spare bedroom, office or for storage.

Although there has been a recent shift towards flat building by private enterprise, since the 1990s new dwellings built by registered social landlords (RSLs) in England have been more evenly balanced between houses and flats. In 2004/05, 47 per cent of new dwellings completed by RSLs in England were

**Table 10.5**  
**Housebuilding completions:<sup>1</sup> by number of bedrooms**

England	Percentages		
	1991/92	1996/97	2004/05
<b>Houses</b>			
1 bedroom	4	1	-
2 bedrooms	22	19	7
3 bedrooms	30	37	28
4 or more bedrooms	23	30	25
All houses	79	87	60
<b>Flats</b>			
1 bedroom	11	5	9
2 bedrooms	9	7	30
3 bedrooms	1	1	1
4 or more bedrooms	-	-	-
All flats	21	13	40
All houses and flats (=100%) (thousands)	132	121	138

<sup>1</sup> By private enterprise.

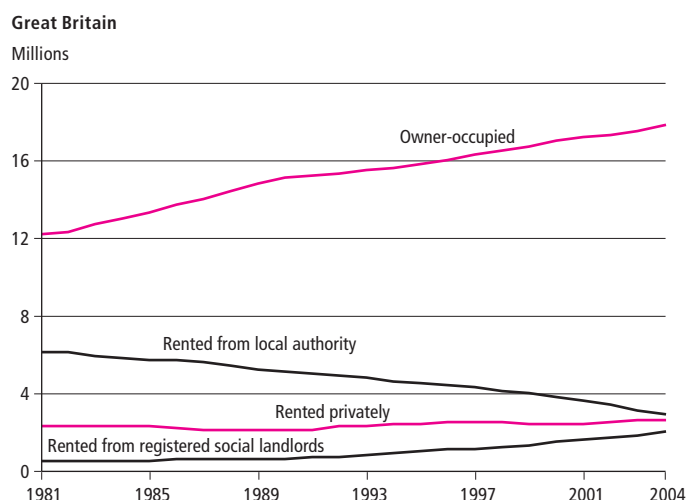
Source: Office of the Deputy Prime Minister

houses and 53 per cent were flats. The trend to include more bedrooms in newly built dwellings has also been evident among RSL constructions. However in contrast to private enterprise completions, this has been concentrated in a shift from one to two bedroom flats. In 1991/92 one bedroom flats accounted for 35 per cent of all RSL completions and two bedroom flats for 19 per cent. By 2004/05 the proportions were 17 per cent and 34 per cent respectively.

### Tenure and accommodation

The increase in owner occupation has been one of the most notable housing trends since the early 1980s. Between 1981 and 2004 the number of owner-occupied dwellings in Great Britain increased by 46 per cent to reach 17.8 million (Figure 10.6). Over the same period the number of homes rented from local authorities fell by just over 50 per cent to 2.9 million. The decline in renting from a local authority is partly explained by the increase in owner occupancy, but there has also been a growing number of homes rented from RSLs, and this has been steadily increasing since the early 1990s. By 2004, 2.0 million homes in Great Britain were rented from RSL landlords compared with 0.5 million in 1981. At around 2.6 million, the number of privately-rented dwellings has remained fairly similar since the mid-1990s.

**Figure 10.6**  
**Stock of dwellings:<sup>1</sup> by tenure**



<sup>1</sup> See Appendix, Part 10: Dwelling stock. Data for England and Wales are at 31 March, and for Scotland they are at 31 December the previous year, except for 1991, where Census figures are used.

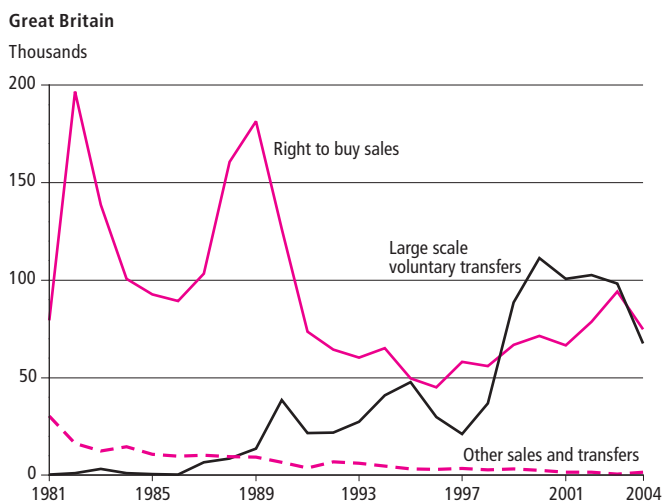
Source: Office of the Deputy Prime Minister

A number of schemes that aim to increase low-cost home ownership have contributed to the growth in the number of owner-occupied dwellings in Great Britain. Since the early 1980s, public tenants with secure tenancies of at least two years' standing have been entitled to purchase their home. This scheme, known as 'the right to buy' was particularly popular during the 1980s, following more buoyant conditions in the housing market and changes in legislation that enabled more tenants to buy. There were peaks of over 180,000 sales in both 1982 and 1989 (Figure 10.7). In 2004 there were 75,000 sales of right to buy properties, a decrease of 21 per cent on the previous year. Other low cost ownership schemes involve, for example, buying part of a house and renting the remainder from an RSL.

An increasing number of households are becoming owners of second homes. In 2003/04, 1.1 million households in England owned a second home. Almost half (552,000) of these were the main residence of someone else. Of the total number of second homes owned by households in England, 72 per cent were located in England, 5 per cent in Wales and Scotland and the remaining 23 per cent outside of Great Britain.

In recent years the increasing affordability and accessibility of foreign property markets has contributed to a rise in the number of UK households that own second homes abroad. Between 1999/2000 and 2003/04 the number increased by 45 per cent to reach almost 257,000 (Table 10.8). Spain was the most popular location, accounting for 27 per cent of all second homes owned abroad, followed by France, where 20 per cent were located.

**Figure 10.7**  
**Sales and transfers of local authority dwellings<sup>1</sup>**



<sup>1</sup> Excludes new town and Scottish Homes sales and transfers. See Appendix, Part 10: Sales and transfers of local authority dwellings.

Source: Office of the Deputy Prime Minister; National Assembly for Wales; Scottish Executive

In 2003/04 just over a third of all homes owned abroad were located outside of Europe, with almost 15,400 in the United States. Property ownership outside of Europe was also common in countries such as Australia, Canada, within the Caribbean islands, India, New Zealand, Pakistan, South Africa and Sri Lanka. By 2003/04 it was estimated that UK households had invested £23.2 billion in second homes abroad. Almost 80 per cent of this investment had been made in properties located within Europe.

**Table 10.8**  
**Ownership of second homes abroad: by country<sup>1</sup>**

	Numbers				
	1999/2000	2000/01	2001/02	2002/03	2003/04
<b>Europe</b>					
Spain	47,650	49,204	55,321	57,802	69,284
France	35,296	36,448	40,979	42,816	51,322
Portugal	3,530	3,645	4,098	4,282	5,132
Italy	1,765	1,822	2,049	2,141	2,566
Other European	26,472	27,336	30,734	32,112	38,491
All Europe	114,713	118,455	133,181	139,153	166,795
<b>Non-Europe</b>					
United States	10,589	10,934	12,294	12,845	15,397
Other non-European	51,180	52,849	59,419	62,084	74,417
All non-Europe	61,769	63,783	71,713	74,929	89,814
<b>All countries</b>	<b>176,482</b>	<b>182,238</b>	<b>204,894</b>	<b>214,082</b>	<b>256,609</b>

<sup>1</sup> Ownership by UK households. See Appendix, Part 10: Ownership of second homes abroad.

Source: Office of the Deputy Prime Minister; Office for National Statistics

Within Great Britain tenure varies by socio-economic status. In 2004/05, 57 per cent of households with a reference person who was economically active were buying their home with a mortgage and 18 per cent owned their home outright (Table 10.9 overleaf). Households with a reference person in the large employers and higher managerial group were the most likely to be buying their home with a mortgage (75 per cent). Those who had retired were the most likely group to own their home outright (65 per cent), reflecting the time it may take to repay a mortgage.

Those in routine and semi-routine occupations, those who have never worked and the long-term unemployed were the least likely to be owner occupiers and the most likely to rent from the social sector. This was particularly notable among those who had never worked or were long-term unemployed with 25 per cent owning their home and 58 per cent renting from the social sector. In contrast to other tenures, the proportions of households renting privately were far more similar across the socio-economic groups.

Tenure also varies by ethnic group. In 2005 there were high proportions of households in England renting from the social sector where the reference person was of Black African or Black Caribbean background. The highest rates of owner occupation were among Indian households, at 75 per cent, while White British households were the most likely to own their home outright (32 per cent).

Table 10.9

Socio-economic classification:<sup>1</sup> by tenure, 2004/05

Great Britain					Percentages
	Owned outright	Owned with mortgage	Rented from social sector	Rented privately <sup>2</sup>	All tenures
<b>Economically active</b>					
Large employers and higher managerial occupations	15	75	1	9	100
Higher professional occupations	22	63	1	13	100
Lower managerial and professional occupations	15	66	5	13	100
Intermediate occupations	19	56	10	15	100
Small employers and own account workers	23	56	8	12	100
Lower supervisory and technical occupations	14	64	15	7	100
Semi-routine occupations	16	41	30	13	100
Routine occupations	20	39	29	12	100
Never worked and long-term unemployed	12	13	58	18	100
All economically active	18	57	12	13	100
<b>Economically inactive</b>					
Retired	65	6	25	4	100
Other	16	12	55	17	100
All economically inactive	51	8	34	8	100
<b>All socio-economic groups</b>	<b>30</b>	<b>39</b>	<b>20</b>	<b>11</b>	<b>100</b>

1 Based on the current or last job of the household reference person. See Appendix, Part 1: National Statistics Socio-economic Classification.

2 Includes rent-free accommodation.

Source: General Household Survey, Office for National Statistics

Table 10.10

## Household composition: by type of dwelling, 2004/05

Great Britain						Percentages
	House or bungalow			Flat or maisonette		All dwellings <sup>2</sup>
	Detached	Semi-detached	Terraced	Purpose-built	Other <sup>1</sup>	
<b>One person</b>						
Under pensionable age	9	22	26	33	10	100
Over pensionable age	17	30	23	26	4	100
<b>One family households</b>						
Couple <sup>3</sup>						
No children	31	33	23	10	3	100
Dependent children <sup>4</sup>	28	35	29	7	1	100
Non-dependent children only	30	40	28	2	1	100
Lone parent <sup>3</sup>						
Dependent children <sup>4</sup>	9	28	42	18	3	100
Non-dependent children only	12	35	36	16	2	100
<b>Other households<sup>5</sup></b>	<b>10</b>	<b>25</b>	<b>33</b>	<b>23</b>	<b>9</b>	<b>100</b>
<b>All households<sup>6</sup></b>	<b>22</b>	<b>31</b>	<b>27</b>	<b>16</b>	<b>4</b>	<b>100</b>

1 Includes converted flats, part of a house and rooms.

2 Includes other types of accommodation, such as mobile homes.

3 Other individuals who were not family members may also be included.

4 See Appendix, Part 2: Families. May also include non-dependent children.

5 Comprising two or more unrelated adults or two or more families.

6 Includes a very small number of same sex couples.

Source: General Household Survey, Office for National Statistics

The type of home that people live in often reflects the size and type of their household and what they can afford or are provided with. Overall, 80 per cent of households in Great Britain lived in a house or bungalow in 2004/05 (Table 10.10). Among households with dependent children, couples were more likely than lone parents to live in a house (92 per cent compared with 79 per cent). The majority of couples with dependent children lived in detached or semi-detached houses (63 per cent). Over a quarter (29 per cent) lived in terraced houses compared with 42 per cent of lone parents with dependent children. Lone parents with dependent children were almost three times as likely as couples with dependent children to live in a purpose-built flat or maisonette (18 per cent compared with 7 per cent).

Compared with family households, one-person households were far more likely to live in a flat. Among those under pensionable age, 43 per cent lived in either a purpose-built or converted flat compared with 30 per cent of those over pensionable age.

### Homelessness

Those who are homeless constitute some of the poorest and most disadvantaged members of society. People may experience or be at risk of becoming homeless for a variety of reasons. Risk factors include a loss of income through redundancy, relationship breakdown, eviction, and drug, alcohol and mental health problems.

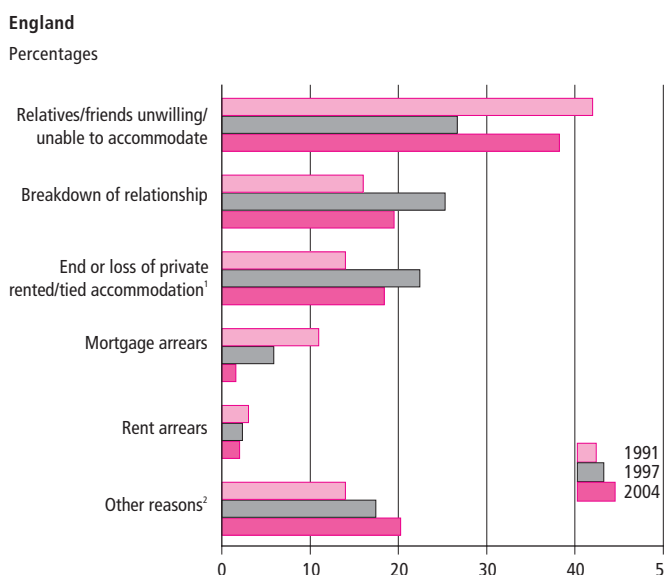
Local housing authorities have a statutory obligation known as the 'main homeless duty' to ensure that suitable accommodation is available for applicants who are eligible for assistance, have become homeless through no fault of their own, and who fall within a priority need group. Such groups include families with children, and households that include someone who is vulnerable, for example because of pregnancy, domestic violence, old age, or physical or mental disability.

During 2004/05, 120,860 households were accepted as homeless and in priority need in England under the homelessness provisions of the Housing Act 1996, 11 per cent fewer than in 2003/04. This represented 45 per cent of all decisions on applications. The primary reason for households that were accepted as being in priority need was the presence of dependent children (51 per cent). A further 11 per cent of acceptances were households that included a pregnant woman. Other acceptances included applicants who were vulnerable young people (9 per cent) or vulnerable because of mental illness (9 per cent), domestic violence (5 per cent), physical disability (5 per cent) or old age (3 per cent).

Among households accepted as homeless by local authorities in England in 2004/05, the most common reason was that parents, relatives or friends were no longer able or willing to accommodate them – 38 per cent of these households (Figure 10.11). A further 20 per cent of households became homeless as a result of the breakdown of a relationship, two thirds of which involved violence. There has been a decline in the number of households made homeless due to mortgage arrears. In 2004/05 only 2 per cent of households became homeless for this reason, compared with 11 per cent in 1991. This reflects trends in the number of properties repossessed in the United Kingdom, which peaked at 75,540 in 1991 during a period of high mortgage interest rates, but had steadily fallen to 6,230 in 2004.

Most households accepted as homeless are provided with temporary accommodation arranged by local authorities. Since the mid-1990s there has been a steady rise of these households from 41,000 in 1997 to 101,000 in 2004/05. This is mainly the result of a decline in the number of social sector lettings available in areas of high demand. In 2004/05, 47 per cent of the 101,000 households living in temporary accommodation in England were living in self-contained properties leased in the private sector and a further 27 per cent were accommodated in social landlord housing let on a

**Figure 10.11**  
Households accepted as homeless by local authorities: by main reason for loss of last settled home

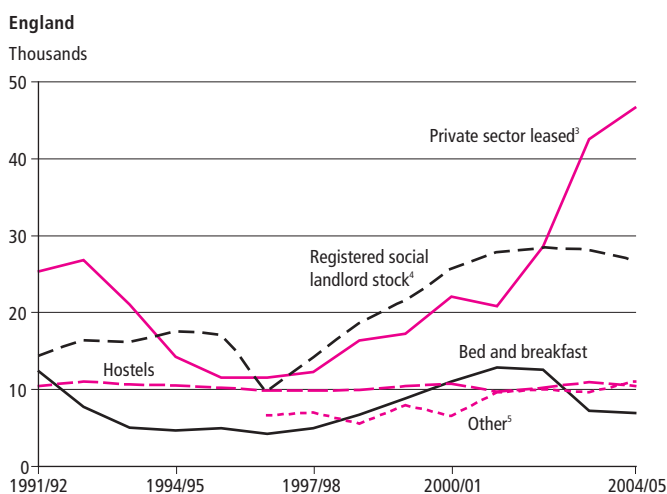


1 Mainly the ending of an assured tenancy.  
2 Includes households leaving an institution (such as hospital, prison or a residential home), and those returning from abroad, sleeping rough or in hostels, or made homeless by an emergency such as fire or flooding.

Source: Office of the Deputy Prime Minister



Figure 10.12

Homeless households<sup>1</sup> in temporary accommodation<sup>2</sup>

1 Excludes 'homeless at home' cases. See Appendix, Part 10: Homeless at home.

2 Data are as at 31 March, and include households awaiting the outcome of homeless enquiries.

3 Prior to March 1996, includes those accommodated directly with a private sector landlord.

4 Prior to March 1996, includes all 'Other' types of accommodation.

5 From March 1996, includes mobile homes (such as caravans and portacabins) or being accommodated directly with a private sector landlord.

Source: Office of the Deputy Prime Minister

temporary basis (Figure 10.12). Under the *Homelessness (Suitability of Accommodation) (England) Order 2003*, local authorities can no longer place families with children in B&B accommodation for longer than six weeks. Between March 2003 and March 2005 the total number of homeless households living in B&B hotels fell by 45 per cent to 6,800. Over the same period, the use of self-contained property leased from the private sector increased by 64 per cent, and by March 2005 accounted for almost half of all temporary accommodation.

## Housing condition and satisfaction with area

Overcrowding is an important indicator of housing conditions. This is commonly measured by the bedroom standard, which compares the number of bedrooms actually available to a household against the number required, given the household's size and composition (see Appendix, Part 10: Bedroom standard). Overall, only 3 per cent of households in Great Britain were below the bedroom standard and hence defined as overcrowded in 2004/05, compared with 7 per cent in 1971. Overcrowding was greatest among lone parent with dependent children households with nearly one in ten living in overcrowded housing (Table 10.13). In contrast, under-

Table 10.13

Under-occupation<sup>1</sup> and overcrowding:<sup>2</sup> by selected types of household, 2004/05

Great Britain	Percentages	
	Under-occupied	Overcrowded
<b>One person</b>		
Under pensionable age	32	.
Over pensionable age	39	.
<b>One family households<sup>3</sup></b>		
<b>Couple</b>		
No children	62	-
Dependent children	19	6
Non-dependent children only	20	4
<b>Lone parent</b>		
Dependent children	5	8
Non-dependent children only	14	6
<b>All households<sup>4</sup></b>	35	3

1 Two or more above bedroom standard. See Appendix, Part 10: Bedroom standard.

2 One or more below bedroom standard. See Appendix, Part 10: Bedroom standard.

3 Other individuals who were not family members may also be included.

4 Also includes two or more unrelated adults and multi-family households.

Source: General Household Survey, Office for National Statistics

occupation was most common for households comprising couples with no children and one-person households above pensionable age. These households include people whose children have grown up and left the home. Overcrowding varies according to the tenure of the household. In 2004/05 it was lowest among owner occupiers at 1 per cent. In contrast, 5 per cent of households renting from the social sector and 4 per cent of private-renter households lived in accommodation below the bedroom standard.

To be considered 'decent' a dwelling must meet the statutory minimum standard for housing: it must be in a reasonable state of repair; have reasonably modern facilities and services; and provide a reasonable degree of thermal comfort.

Between 1996 and 2003 the number of non-decent homes in England fell from 9.1 million to 6.7 million (from 45 per cent to 31 per cent of all dwellings) (Table 10.14). Over this period the proportion of non-decent homes in the social sector fell at a faster rate than in the private sector, halving the gap from 10 percentage points to 5 percentage points. The Government target, set out in the 2003 Sustainable Communities Plan, is to bring all social housing in England up to a decent standard by 2010. The Plan also includes action to improve conditions for



**Table 10.14****Non-decent homes:<sup>1</sup> by tenure**

England	Percentages		
	1996	2001	2003
<b>Private sector</b>			
Owner-occupied	40	29	28
Privately rented	62	51	48
All private sector	43	32	30
<b>Social sector</b>			
Local authority	54	42	40
Registered social landlords	48	33	29
All rented from social sector	53	39	35
<b>All tenures</b>	45	33	31

<sup>1</sup> See Appendix, Part 10: Decent home standard.

Source: English House Condition Survey, Office of the Deputy Prime Minister

vulnerable people in private housing. Those living in vulnerable households (defined as those in receipt of the main means tested and disability-related benefits) are more likely than others to live in non-decent homes. In 2003, 36 per cent of vulnerable households in England were living in non-decent homes. However this was considerably lower than in 1996 when the proportion was 55 per cent. The 18 percentage point gap in 1996 between the proportion of vulnerable households and other households living in non-decent homes in the private sector halved to 9 percentage points in 2003.

The most common reason for dwellings to fail the decent home standard in 2003 was that they did not provide a reasonable level of thermal comfort. This affected 5.25 million dwellings in England. Between 2001 and 2003 the overall reduction in the number of non-decent homes mainly resulted from improvements to the level of thermal comfort, particularly in the social rented sector where there was a 20 per cent fall in the number of homes failing on this criterion. In 2003 compared with dwellings in other tenure groups, privately rented homes were the most likely to fail to meet the decent home standard either for thermal comfort or for other reasons including disrepair, fitness and modernisation. (Table 10.15).

Owner-occupied homes were the most likely to meet the decent home standard, with those that were owned with a mortgage being more likely to meet it than those that were owned outright. This difference in part reflects the likelihood that those people who are buying their home with a mortgage are more likely than those who own outright to be working

**Table 10.15****Dwellings that fail the decent home standard:<sup>1</sup> by tenure and reason for failure, 2003**

England	Percentages		
	Reason for failure		
	Thermal comfort only	Other <sup>2</sup>	Decent
<b>Owner-occupied</b>			
Owned outright	19	11	71
Owned with mortgage	15	11	75
All owner-occupied	16	11	73
<b>Rented from social sector</b>			
Local authority	22	16	61
Registered social landlords	20	8	72
All rented from social sector	21	13	66
<b>Privately rented</b>	23	23	54
<b>All tenures</b>	18	12	70

<sup>1</sup> See Appendix, Part 10: Decent home standard.

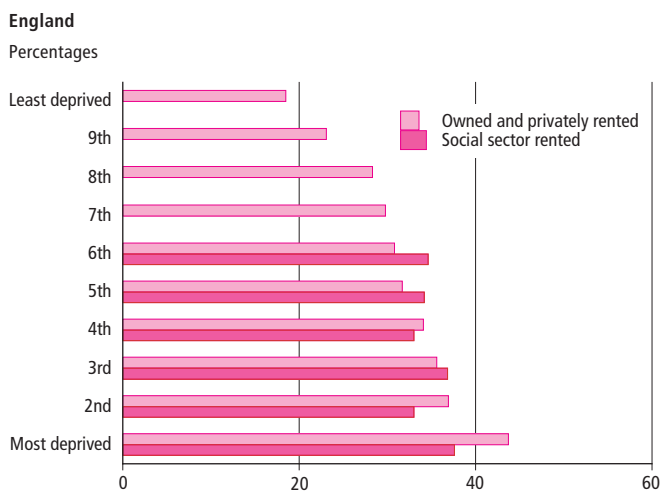
<sup>2</sup> Includes disrepair, fitness and modernisation.

Source: English House Condition Survey, Office of the Deputy Prime Minister

rather than retired and therefore better able financially to maintain their home. In 2003 around 75 per cent of owner-occupied homes where the oldest person in the household was aged 25 to 59 were decent, compared with just under 70 per cent where the oldest person was aged 75 to 84 and less than 60 per cent where they were aged 85 and over. There was also a relatively low proportion of decent owner-occupied homes among younger households where the reference person was aged 16 to 24, at just over 60 per cent.

The concentration of non-decent homes varies by the level of neighbourhood deprivation and tenure (see Appendix, Part 10: Index of Multiple Deprivation, which uses Super Output Area geographies). In 2003 social sector non-decent housing stock in England was highly concentrated in the more deprived areas with 30 per cent of all non-decent stock located in the 10 per cent most deprived areas identified by the Index. The proportion of social sector non-decent housing was very similar in each of the six most deprived areas ranging between 33 per cent and 38 per cent. Private sector (defined as those owned and privately rented) non-decent stock was found across a wider range of locations, including more affluent suburban areas, with 46 per cent being located in the 50 per cent least deprived areas. However in the 10 per cent most deprived areas in England, 44 per cent of private sector homes were non-decent,

**Figure 10.16**  
**Concentration of non-decent homes: by area deprivation<sup>1</sup> and housing sector, 2003**



<sup>1</sup> See Appendix, Part 10: Index of Multiple Deprivation.  
 Source: English House Condition Survey, Office of the Deputy Prime Minister

over twice the proportion of those in the 10 per cent least deprived neighbourhoods (Figure 10.16).

As well as the standard of housing, the quality of the immediate environment may also influence how content people are with their homes. A poor quality environment includes areas with significant problems related to the upkeep, management and misuse of the surrounding public and private buildings or space; significant problems related to road traffic and other forms of transport and problems associated with abandonment or intrusive use of property for non-residential purposes. In 2003, 3.3 million (16 per cent) households in England were assessed as living in homes with a poor quality environment. Areas with poor quality environments are particularly concentrated in urban areas and associated with high density of population and land use.

The environmental problems most frequently reported were fear of burglary, litter and rubbish in the street, problems with dogs or dog mess, the general level of crime and heavy traffic (Table 10.17). Residents living in neighbourhoods with poor quality environments were more likely to report these problems than those living in neighbourhoods whose environment was 'not poor'. Regardless of the quality of the environment, the fear of being burgled ranked as a major concern for all residents. Among those living in environments classified as not poor, problems with dogs and dog mess ranked third, higher than among residents of poor quality environments where it was ranked sixth.

**Table 10.17**  
**Residents' views of problems in their neighbourhood: by whether living in a poor quality environment,<sup>1</sup> 2003**

England	Percentages		
	Quality of environment		All households
	Not poor	Poor	
Fear of being burgled	41	50	43
Litter and rubbish in the streets	38	55	41
Problems with dogs/dog mess	35	39	36
General level of crime	33	44	35
Heavy traffic	32	46	34
Vandalism and hooliganism	28	40	30
Troublesome teenagers/children	25	34	26
Pollution	19	32	21
Presence of drug dealers/users	18	27	20
Poor state of open space/gardens	17	29	19
Graffiti	15	24	16
Problems with neighbours	12	17	13
All households	84	16	100

<sup>1</sup> See Appendix, Part 10: Poor quality environments.  
 Source: English House Condition Survey, Office of the Deputy Prime Minister

**Housing mobility**

In 2004/05 around a tenth of all households in Great Britain had been resident in their homes for less than 12 months. The most common types of move of such households in England was from one owned property to another or from one privately rented property to another (Table 10.18). Overall movement within each of the three most common types of tenure was more likely than movement between them; 55 per cent of households that owned their home outright had previously done so, while 1 per cent of such households had previously rented from a registered social landlord (RSL). Almost two fifths of all those moving had previously been in privately-rented accommodation, showing how important this sector is in facilitating mobility within the housing market. Among newly formed households, half moved into the private-rented sector, while just over a quarter became owner occupiers and just over a fifth social sector renters.

People have different reasons for moving. In 2004/05 the most common reasons given for moving in England in the year before interview were for personal reasons (21 per cent), of which 7 per cent of all moves were because of divorce or

**Table 10.18**

**Households resident under one year: current tenure by previous tenure, 2004/05**

England

Percentages

	Previous tenure						All tenures
	New household	Owned outright	Owned with a mortgage	Rented from local authority	Rented from registered social landlord	Rented privately <sup>1</sup>	
<b>Current tenure</b>							
<b>Owner-occupied</b>							
Owned outright	4	55	30	2	1	8	100
Owned with a mortgage	15	5	48	1	1	29	100
<b>Rented from social sector</b>							
Local authority	22	2	4	48	7	17	100
Registered social landlord	24	6	5	18	28	19	100
<b>Rented privately</b>							
Unfurnished	18	5	14	3	3	57	100
Furnished	28	3	5	2	2	60	100
<b>All tenures</b>	<b>18</b>	<b>8</b>	<b>23</b>	<b>8</b>	<b>4</b>	<b>38</b>	<b>100</b>

<sup>1</sup> The split between privately rented unfurnished and privately rented furnished is not available for previous tenure.

Source: Survey of English Housing, Office of the Deputy Prime Minister

separation and 5 per cent marriage or cohabitation; the desire for different accommodation (20 per cent); to live independently (11 per cent); and to move to a better area (11 per cent) (Figure 10.19). Reasons for moving varied by tenure. Among owner occupiers, 24 per cent who owned outright had moved because they wanted a smaller or cheaper house or flat, reflecting the high proportion of this group who had retired. However among those buying with a mortgage, 21 per cent had moved because they wanted a larger or better home. A far higher proportion of private renters than any other tenure group gave job-related reasons for their move (17 per cent).

The mobility of owner occupiers is also linked to the housing market. Over the past 40 years the economy and the housing market have mirrored one another closely, with booms and slumps in one also occurring in the other. The number of residential property transactions that took place in England and Wales rose during the 1980s, mainly as a result of existing owner occupiers moving home (Figure 10.20 overleaf). Market activity by first-time buyers and public sector tenants (right to buy purchases) (see Figure 10.7) were also factors, but contributed to a lesser extent. Changes to the credit market in the 1980s may also have contributed to the 1980s property

**Figure 10.19**

**Main reasons for moving, 2004/05**

England

Percentages

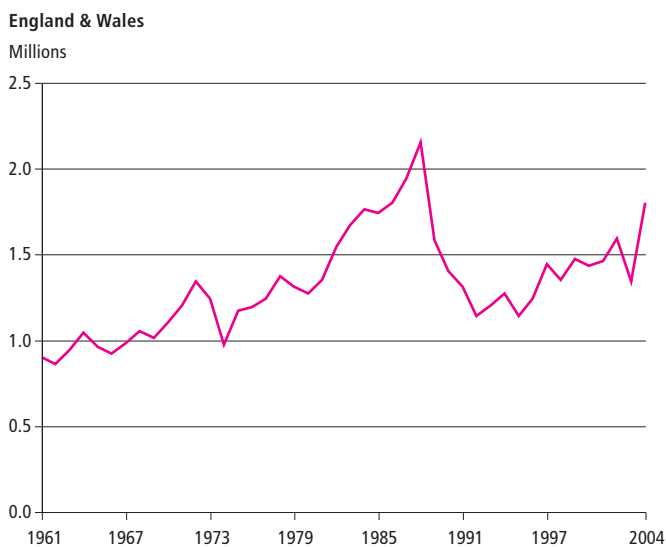


<sup>1</sup> Includes divorce or separation, marriage or cohabitation, and other personal reasons.

<sup>2</sup> Includes those wanting a larger or better house or flat, and those wanting a smaller or cheaper house or flat.

Source: Survey of English Housing, Office of the Deputy Prime Minister

Figure 10.20

Residential property transactions<sup>1</sup>

<sup>1</sup> See Appendix, Part 10: Property transactions.

Source: HM Revenue and Customs

boom, when new households opted for ownership rather than renting. In 1988, when interest rates rose and the economic recession set in, the number of transactions fell from a peak of 2.2 million to 1.1 million by 1992, after which it fluctuated for several years.

## Housing costs and expenditure

In 2004 the average price for a dwelling in the United Kingdom was £173,000, an increase of almost 12 per cent compared with 2003. This was slightly less than the increase between 2002 and 2003 when prices rose by 16 per cent. Property prices across the United Kingdom vary according to region and the type of accommodation. Although London, the South East, East of England and the South West remained the most expensive regions to purchase a property in 2004, they also recorded the lowest year on year price increases (Table 10.21). Annual house price inflation was highest in the North East at 26 per cent, although average property prices here were still lower than in any other region of England. Between 2003 and 2004 there were also increases of over 20 per cent in property prices in the North West, Yorkshire and the Humber, Wales and Scotland.

Steep increases in house prices have made affordability a particular concern to first-time buyers. One important reason for this is their need to fund deposits from savings, gifts or loans rather than being able to do so from the profit made from the sale of an existing home. In 2004 the average deposit

Table 10.21

Average dwelling prices:<sup>1</sup> by region, 2004

	All dwellings (£)	Percentage change 2003–04
United Kingdom	172,788	11.8
England	184,987	11.0
North East	121,260	26.2
North West	133,647	21.6
Yorkshire & the Humber	131,279	21.5
East Midlands	151,339	14.0
West Midlands	154,758	15.5
East	197,187	7.1
London	257,266	7.2
South East	227,726	6.4
South West	191,426	10.6
Wales	130,648	24.1
Scotland	110,266	21.4
Northern Ireland	109,184	10.6

<sup>1</sup> See Appendix, Part 10: Mix adjusted prices.

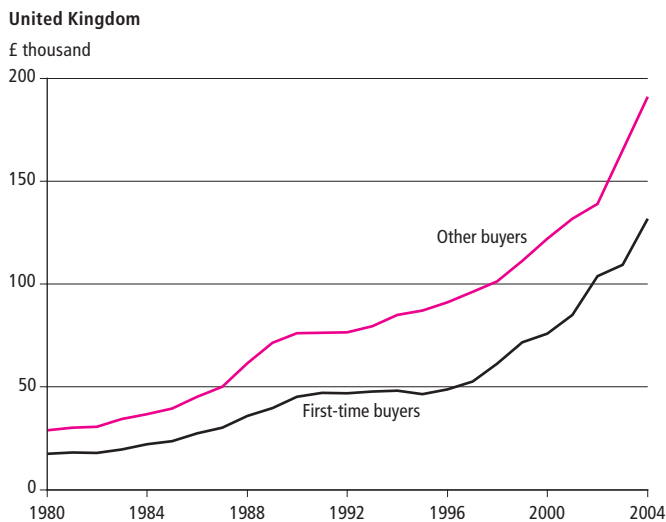
Source: Survey of Mortgage Lenders; Office of the Deputy Prime Minister

paid by first-time buyers in the United Kingdom was 21 per cent of the purchase price, compared with only 10 per cent in 1996. These factors have in recent years led to an increasing gap between prices paid by first-time buyers and former owner occupiers. In 2004 the average price paid by first-time buyers in the United Kingdom was £131,700, 20 per cent higher than in 2003 (Figure 10.22). In contrast former owner occupiers paid £191,000 on average in 2004, 16 per cent higher than in the previous year.

Since the late 1990s the proportion of first-time buyers entering the housing market has fallen sharply. In 2003 and 2004, 29 per cent of new mortgage loans in the United Kingdom were to first-time buyers, an all time low since records began in 1974. The highest proportions of first-time buyers occurred in 1993 and 1994 at 55 per cent. Another factor contributing to the fall in the proportion of new mortgages obtained by first-time buyers has been the substantial increase in the buy-to-let market. By the end of 2004 there were over 525,000 buy-to-let mortgages outstanding in the United Kingdom, more than seven times the number at the end of 1999.

Although UK base interest rates have been at low levels, repaying mortgages can still account for a substantial

**Figure 10.22**  
Average dwelling prices:<sup>1</sup> by type of buyer



<sup>1</sup> Uses simple average prices. See Appendix, Part 10: Mixed adjusted prices.

Source: Office of the Deputy Prime Minister

proportion of a person's income. In 2004 first-time buyers spent 22 per cent of their income on mortgage repayments and former owner occupiers spent 20 per cent. However during the last property boom in 1990, mortgage repayments

consumed more than a quarter of average household income, in part due to the higher level of mortgage rates.

Regardless of tenure, housing constitutes a significant proportion of a household's budget. In 2004/05 households in the United Kingdom spent an average of £127.00 per week on housing related costs. The largest proportion of this was the £46.30 spent on mortgages (interest, protection premiums and capital repayment) (Table 10.23). Household alterations and improvements accounted for £23.70 per week, charges (including council tax (or domestic rates in Northern Ireland), water charges, refuse collection) £21.80 and net rent payments £14.40 per week.

Housing expenditure varies by socio-economic status. Those households with a reference person in the higher managerial group spent almost £140 a week on mortgage payments in 2004/05, twice the amount for those in the own account workers group and three and a half times the amount for those in the routine occupation group. As spending on mortgages decreased, spending on charges (which include council tax and water charges) also decreased. Those in the higher managerial group also spent more than any other group on household alterations and improvements. Students spent more than any other group on net rent, but had the lowest weekly expenditure for all other housing related items.

**Table 10.23**  
Expenditure on selected housing costs:<sup>1</sup> by socio-economic classification,<sup>2</sup> 2004/05

United Kingdom	£ per week				
	Higher managerial	Own account workers	Routine	Students	All <sup>3</sup>
Mortgage <sup>4</sup>	137.50	69.20	38.20	10.60	46.30
Household alterations and improvements	44.20	38.20	18.20	2.70	23.70
Charges <sup>5</sup>	29.80	24.70	20.90	11.50	21.80
Net rent	24.60	9.80	25.40	96.10	14.40
Household maintenance and repair	11.50	10.20	4.60	2.80	7.40
Household insurances	7.50	5.70	4.30	1.70	5.00

<sup>1</sup> Includes average expenditure on all items allocated across all households in the sample, with every household being attributed a weekly expenditure on net rent and a mortgage. See Appendix, Part 10: Housing expenditure.

<sup>2</sup> Based on the current or last job of the household reference person. See Appendix, Part 1: National Statistics Socio-economic Classification.

<sup>3</sup> Includes retired people and occupation not stated or not classified.

<sup>4</sup> Includes interest, protection premiums and capital repayment.

<sup>5</sup> Includes council tax or domestic rates, water charges and refuse collection.

Source: Expenditure and Food Survey, Office for National Statistics

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