



---

*BLOCK HP.101*  
**WHAT HOUSING DO WE  
NEED?**

---

## **Preface**

This block looks at the variety of factors which determine what housing we need in Britain. Issues considered include the size of households; the nature of 'local' housing areas; how people get housing and the kinds of housing they need or prefer.

The block emphasises that there is a two-way interaction between the amount of housing need and the workings of housing policy.

## **Time allowance**

Studying this block should take approximately 8 hours including time for the activities.

## **Learning Outcomes**

After studying this block, you will be able to:

- identify the influences that affect housing demand;
- understand housing issues concerned with numbers of households and an aging population;
- relate the provision of housing services to the social, economic, cultural needs and characteristics of society.

# Contents

---

A.	INTRODUCTION	5
1.	How Much Housing is Needed?	5
2.	Where Should Housing Be?	5
3.	What Kind of Housing Should There Be?	6
4.	How Should Housing Be Provided?	6
5.	How Are Decisions About Housing Made?	6
B.	PEOPLE AND HOUSEHOLDS	7
1.	Population Size	7
2.	Age Structure of the Population	10
3.	Households	11
C.	HOUSING, LOCATION AND MIGRATION	21
1.	Migration	21
2.	Migration, Work and Home	22
3.	Local Housing Areas	25
D.	ACCESS TO HOUSING	31
1.	Housing Tenure	31
2.	Housing Tenure and Social Class	32
3.	Housing Tenure and Income	34
4.	Housing Tenure and Age	35
5.	Housing Tenure and Household Type	42
6..	Household Growth and Tenure	44
7.	Housing Need and Access To Housing	45
8.	Who Should Have Access To Separate Housing?	45
E.	HOUSEHOLDS AND HOUSING	49
1.	Changes in Household	49
2.	What Size of Housing Do We Need?	52
F.	HOUSING NEED AND HOUSING POLICY	59
1.	Definition of Terms	59
2.	Housing Policy	59
3.	Housing Demand and Market Led Policies	60



## A. Introduction

---

### 1. How Much Housing is Needed?

The question of ‘how much housing’ brings a first complication. In our society, and in all other societies for that matter, we do not live in houses only as individual people; we don’t all have a house each. All of us at some time in our lives live with others in groups. What are these groups? Usually we think of these groups as ‘families’, but family is a very imprecise term. A more useful term is ‘household’. A household is a group of people occupying a single living space. Most often they are related to each other, sometimes they are not. A first basic point to make is that in thinking about how much housing we will need, what we must think of is not that ‘housing houses people’ but rather that ‘housing houses households’.

Changes in the number of people to be housed will be the starting point but the changing ways in which people form households will also be considered in the first section, People and Households.

### 2. Where Should Housing Be?

The question of where housing should be raises the issue of location, and what is meant when we talk about local ‘housing needs’. What do we mean by local? When we talk about ‘the number of people in our local area’, this is something which will change over time. People are born and people die but another reason for the change is that people move around, because of what is referred to as migration. Migration is another complication in thinking about what housing we need. Some migration is over long distances: people moving from one region of the country to another, or even from one country to another. This kind of moving is usually linked in some way to how people make their living. They may be moving because of a change of job. They may be moving to find a job because they cannot find one where they are. They may be moving because they have retired and can now live in the area of their choice. On the other hand, a lot of migration is over shorter distances within a local area; this is much less likely to involve a change of job, and housing in itself is much more likely to be an important reason for moving.

Whatever the reasons for moving, the need for housing in any area will depend in part on these patterns of migration. These patterns and the reasons which give rise to them, together with the issue of what we mean by ‘local’, will be explored in the third section, Housing, Location and Migration.

### 3. What Kind of Housing Should There Be?

Another complication arises from the fact that housing is not all the same.

For one thing, housing varies in its cost and the ways in which it is made available to people. No-one has a completely free choice to live in any house they choose to. Most of us have many limitations on the housing we can get, on our access to housing. This brings another possibility of mismatch. While the number of houses may match the number of households, there may be a mismatch in terms of people's ability to meet the costs and conditions of access to this housing. This will be discussed in the fourth section of this part of the course, Access to Housing.

### 4. How Should Housing Be Provided?

Housing varies enormously in size, type and cost. It is possible that while there may be a good match between the total number of houses and the total number of households, there maybe a serious mismatch in size, type and affordability of housing available. This will be discussed in the fifth section, Households and Houses.

### 5. How Are Decisions Made About Housing?

Finally, questions about who needs housing, where that housing should be and the size and type of housing available involves issues of *choice*. Choices are made by people living in the housing, by organisations providing housing and by central and local government in relation to where housing can be built. Housing providers make choices about the kind of housing people want or what kind of housing is appropriate to their needs. In reality it is impossible totally to separate the question of what housing we need from decisions and choices about housing - from housing policy. This is explored in the final section, Housing Need and Housing Policy.

When we have looked at each of these issues in more detail, we are going to relate them to what at first sight is one of the most puzzling aspects of housing in Britain. For many years it has been apparent that there are now substantially more houses than there are households - that there is a crude *surplus* of housing. At the same time, we are painfully aware of people sleeping on the streets and of the ever-growing numbers of individuals and families presenting themselves to local authorities as homeless. There is every indication of a severe *shortage* of housing. This is the sharp end of the 'complications' which arise in addressing the question of 'what housing do we need?'

## B. People and Households

---

### 1. Population Size

While it may not be as simple as houses = people, the numbers of people to be housed, the size of the population, is an obvious starting point in looking at what housing we need.

#### 1.1 Sources of statistics on population

The collection of national statistics on population in Britain is the responsibility of a government official known as the Registrar General. There are basically two sources of population information used and presented by the Registrar-General. One is the **Census**, undertaken every ten years, (the most recent one was in 1991) which gathers information on every person in the country. Of course, a count of this size can never be 100% accurate, but it is the most accurate information on population which is collected. However, the Census is carried out only once every ten years and the information takes a long time to publish.

The second source of information makes use of the legal requirement to report births and deaths to the Registrar-General who uses this to estimate the population at the mid-point of each year - known as the '**mid-year estimates of population**'. These may be slightly less accurate than the Census count, but have the advantage of being available each year.

#### 1.2 Forecasts of population growth

There is another type of information on population which will be used here: forecasts of population into the future. These too are provided by the Registrar-General by projecting forwards the mid-year population estimates. Making population forecasts or 'projections' is a complex and technical task. Essentially, though, it is usually done by dividing the population into age groupings or 'age cohorts'. These cohorts are then moved forward into the future, and assumptions are made, based on past experience and trends, about how many children will be born to each age cohort and how many of the cohort will die. In this way the total population at a series of dates in the future is calculated together with the age structure of that population.

In making decisions about how much housing we will need, these forecasts or projections are particularly important. It must be borne in mind, though, that they are dependent on existing trends and patterns continuing and that unforeseen circumstances may make the future very different from that which has been predicted. In fact, it is probably true to say that forecasts of the total

population tend to be much more reliable than some of the other factors affecting the need for housing, such as forecasts of population movement and household size. By their very nature, though, forecasts are about probabilities, not certainties, and can only be relied upon so far.

So, bearing these points in mind, let's look at what the statistics tell us about the population of the United Kingdom.

**Table 1: United Kingdom Population, 1951-1991**

1951	50,290,000
1961	52,807,000
1971	55,928,000
1981	56,352,000
1991	57,649,000
1997	59,009,000

(Source: Registrar General's Mid-Year Estimates and Census 1991.)

**Table 2: Projected United Kingdom Population, 2001-2061**

2001	59,472,000
2011	60,493,000
2021	61,130,000
2031	60,720,000
2041	59,042,000
2051	56,656,000
2061	54,015,000

(Source: Office of National Statistics: National Population Projections - 1994 based.)

As can be seen, the population of the United Kingdom has increased steadily during the post war years, from about 50 million in 1951 to about 59 million in the late 1990s. Current forecasts suggest that it will go on rising to about 61 million around the year 2021 but will then begin to decline. However, this is actually quite a slow rate of growth and if you look more closely at the figures you will see that the rate of growth has diminished since the early post war years, and will decline further in the future. We can see this more clearly by looking at the annual average rate of change in population which is shown below for ten year periods from 1951 to 2051. The comparison is made more precise by showing the average annual population change as a percentage of the total population at the beginning of each ten year period.



**Table 3: Average Annual Population Change, 1951-2061, United Kingdom**

	population change	% change each year
1951-1961	252,000	0.50
1961-1971	310,000	0.59
1971-1981	42,000	0.08
1981-1991	130,000	0.23
1991-2001	182,000	0.32
2001-2011	102,000	0.17
2011-2021	64,000	0.11
2021-2031	-41,000	-0.06
2031-2041	-168,000	-0.28
2041-2051	-239,000	-0.40
2051-2061	-264,000	-0.46

*(Source: Office of National Statistics: National Population Projections - 1994 based.)*

### 1.3 Changes in population

The pattern of change is not an even one, but overall it shows a pattern of declining rates of population growth. It shows first of all the 'baby-boom' in the 1950s and 1960s, when rates of population growth were, for the UK, higher than at any time since the beginning of the century. Population growth fell dramatically in the 1970s. In the 1980s there was an increase again, which is forecast to last until the end of the century. This is a result of the 'cohort' of people born in the postwar baby boom themselves reaching the age at which they have children, though the levels of population increase are still much lower than in the 1950s and 1960s. During the early part of the 21st century, rates of population increase are forecast to fall away again, with population actually falling after 2021 (shown by the minus sign).

Even the rate of population growth in the 1950s and 1960s looks very modest when compared to the experience of other parts of the World. In the Third World, in much of Africa, Asia and South America, annual rates of population growth of more than 2% are common, and in some cases the rate of growth is more than 3% a year. By contrast, most First World countries, in Europe and North America, have rates of growth below 1% a year and in many cases much less than this.

## 2. Age Structure of the Population

It is not just the size of the population, the numbers of people, that affects what housing we need. The composition of the population is also important. A vital aspect of this is the age structure of the population. The same sources of information discussed above can also tell us something about how the population is divided into different age groups and whether this has changed over time.

The tables below show changes in the age structure of the United Kingdom population between the Censuses of 1951 and 1991, and forecasts of change in age structure between 2001 and 2031. What are your impressions?

**Table 4: Changes in Age Structure, 1951-1991, UK**

	1951 %	1961 %	1971 %	1981 %	1991 %
0-14	22.5	23.4	24.1	20.8	18.9
15-29	20.6	19.6	21.0	22.5	21.9
30-44	22.2	19.8	17.6	19.5	21.5
45-64	23.9	25.5	24.1	22.3	21.9
65-74	7.3	7.5	8.5	9.2	9.0
75 plus	3.5	4.2	4.7	5.7	7.0

(Source: Census.)

**Table 5: Projected Changes in Age Structure, 2001-2031**

	2001 %	2011 %	2021 %	2031 %
0-14	19.0	17.2	16.6	16.1
15-29	18.8	19.3	17.8	16.7
30-44	23.0	19.9	18.7	18.8
45-64	18.9	20.9	21.1	18.1
65-74	13.0	15.2	17.2	19.6
75 plus	7.4	7.5	8.5	10.6

(Source: Office of National Statistics: National Population Projections - 1994 based.)

If you look closely at the figures you will see that, behind all the detail, emerging slowly year-by-year and decade-by-decade, there are fundamental changes in the age structure of Britain's

population. These changes are very simply put in the title of a recent publication on the social implications of population change in Britain: *Fewer Babies, Longer Lives*, Ermisch 1991.

Look at the top and the bottom of the tables above. First of all you will see a fairly small and irregular, but significant, decrease in the number of children. Secondly, at the bottom, you will see a more obvious increase in the proportion of elderly people, especially of the very elderly, i.e. those over 75.

### **2.1 Decline in birth rate**

In *Fewer Babies, Longer Lives*, Ermisch points out that a milestone was reached in the 1970s when the birth rate fell below the level at which the population is replaced. This level is a rate of 2.1 births over the lifetime of each woman. In the late 1980s the birth rate levelled out at about 1.8 births per woman. A whole range of factors have been identified as producing the decline in the birth rate: later marriage and child-rearing, effective contraception, the increase in employment and career prospects of women, and family breakdown. Many of these factors are related to each other. Ermisch suggests that there is little reason to suppose that these factors will change or that there will be a reversal of the decline in the birth rate. This is true not just of Britain but of most western countries - for example, the USA and most EU countries now have birth rates below the replacement level.

### **2.2 Increase in life expectancy**

The trend towards longer average lifespans is also likely to continue with a higher proportion of people surviving into old age. At the same time, the elderly will continue to become older, in the sense that a greater proportion of those above retirement age will be in their late 70s and 80s and beyond. In the 1980s life expectancy increased rather more for men than for women. In effect, this was an element of 'catching up', although it remains the case that on average women live longer than men by about six years) and that as a result a disproportionate number of elderly people are women.

## **3. Households**

As was said in the introduction, the number of houses we need is determined not by the number of people but by the number of households. Here we are moving on from considering the size and composition of the population to look at how that population divides itself into households. To begin with, though, we need to define what we mean by a household.

### 3.1 Definition of household

The following definition is the one used in the 1991 Census, (OPCS 1993):

*“A household is either one person living alone or a group of people (who may or may not be related) living, or staying temporarily, at the same address with common housekeeping if there was any regular arrangement to share at least one meal a day ... or if the occupants shared a common living or sitting room.”*

The criteria of a common living room or sitting room indicating common housekeeping had not been included in the 1971 Census, but was included in 1981. There is, in fact, no one simple agreed definition of a household. As can be seen, the precise definition has changed from one Census to another, and the definition may also vary slightly between the Census and other sets of statistics which use this concept.

In most cases these detailed differences are of little importance. In the overwhelming majority of cases the nature of the household is simple: an individual or a family group of whatever size form a household and occupy their own dwelling.

### 3.2 Houses in multiple occupation

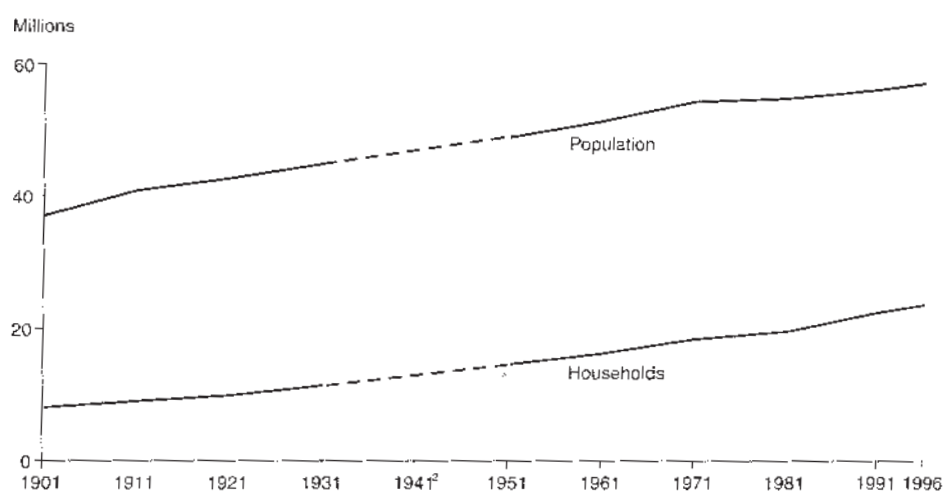
There are a number of situations, though, where the question of the precise definition of a household is important. The most difficult issues about the definition of household tend to arise in houses in multiple occupation, that is where houses, often large old terrace houses, have been sub-divided and converted into flats and bedsitters. It is in these situations that there is most uncertainty about what a household is: whether, for example, a group of unrelated people occupying rooms in a house in multiple occupation constitute a number of separate households or one single household. Changes in the ‘test’ applied may change the way a group of people in such a situation are defined. For example, the inclusion of ‘*sharing a living room or sitting room*’ as an indicator in the 1981 Census will have increased the number of groups who are defined as a single household as compared with the 1971 Census where only those ‘*sharing at least one meal a day*’ counted as a single household.

Issues about how groups of people in houses in multiple occupation are classified are likely to be of greater significance since 1995, when the payment of housing benefit to single people under 26 was restricted to the local reference rent for shared accommodation in houses of multiple occupation. It is also more likely to be of significance in certain areas, especially inner areas in larger cities or in areas where there are many students or young single adults living away from their parental home.

### 3.3 Household size and household types

How does the population of the country divide itself into households of different sizes and how has this distribution, and the average household size, changed over time?

**Table 6: Population and Private Households, Great Britain**



<sup>1</sup> See Appendix, Part 2: Households.

<sup>2</sup> No Census was taken in 1941.

Source: Census and population estimates, Office for National Statistics; Department of the Environment, Transport and the Regions; National Assembly for Wales; Scottish Executive

**Table 7: Average Household Size 1961-1991, Great Britain**

	1961	1971	1981	1991	1999
Persons/household	3.09	2.89	2.71	2.48	2.4

(Source: Census 1991 and Social Trends 2000.)

A simple calculation will show just how important these reductions in average household size are. Earlier in this section you looked at the growth in the population and found it to be relatively slow, and getting slower. How does this compare with the rate of change in the number of households? From the earlier figures on population you can extract those for the period 1961 to 1991. The table below gives the equivalent figures for the population:

**Table 8: Population in Great Britain. 1961-1999**

Year	Population
1961	51,284,000
1971	53,979,000
1981	54,147,000
1991	54,156,000
1999	57,500,000

(Source: *Census and Social Trends 2000 (HMSO).*)

### Activity 1

*If you divide the population by the average household size, this will give you the number of households for each of these years. Fill this in below and see if your answers agree with the next table:*

Population	Household Size	Number of Households
1961		
1971		
1981		
1991		
1999		

***Time allocation 15 minutes***

**Table 9: Number of Households in Great Britain, 1961-1999**

	Population	Household Size	Number of Households
1961	51,284,000	3.09	16,596,763
1971	53,979,000	2.89	18,677,854
1981	54,147,000	2.71	19,980,442
1991	54,156,000	2.48	21,837,096
1999	57,500,000	2.4	23,958,333

(Source: Census 1991 & Social Trends 2000.)

### Activity 2

The simplest way to compare the rate of increase in population and numbers of households is to compare the figures at the beginning and end of the period shown that is comparing 1961 with 1999. To do this for population, calculate the increase between 1961 and 1999 by subtracting the 1961 from the 1999 population figure. Express this increase as a percentage of the original population by dividing the increase by the population figure for 1961, then multiply by 100.

Repeat this for the figures for numbers of households in 1961 and 1999 and then compare the results:

Population 1961 (a)	Population 1999 (b)	Increase 1961-99 (b)-(a)	Percentage Increase $\frac{(b)-(a) \times 100}{(a)}$

Households 1961 (a)	Households 1999 (b)	Increase 1961-99 (b)-(a)	Percentage Increase $\frac{(b)-(a) \times 100}{(a)}$

**Time allocation: 30 minutes**

Check your answers against those below, but before you do that, think about what your results show.

**Table 10: Population Growth in Great Britain, 1961-1999**

Population 1961 (a)	Population 1999 (b)	Increase 1961-99 (b)-(a)	Percentage Increase $\frac{(b)-(a) \times 100}{(a)}$
51,284,000	57,500,000	6,216,000	8.25

(Source: Census 1991 and Social Trends 2000.)

**Table 11: Increase in Households in Great Britain, 1961-1999**

Households 1961 (a)	Households 1999 (b)	Increase 1961-99 (b)-(a)	Percentage Increase $\frac{(b)-(a) \times 100}{(a)}$
16,596,763	23,958,333	7,361,570	30.7%

(Source: Census 1991 and Social Trends 2000.)

From this mass of figures you have now extracted a valuable nugget of information, a simple and very dramatic comparison. In the last 40 years or so the population of the country has increased by only 8.25. During the same period, though, the number of households increased by 30.7%, nearly four times greater than the increase in population.

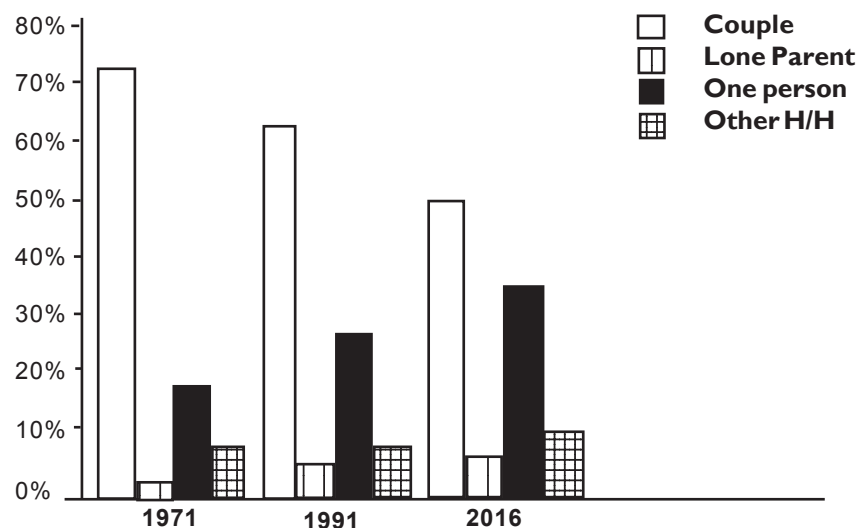
The significance of this can be seen if you think back to a point made at the beginning - 'housing houses households, rather than housing houses people'. Because of the decline in household size, the number of dwellings needed to house the population has increased very much more than would be expected from simply looking at the rate of increase in population size. Again, this is a pattern found in many first world countries, in Europe and North America, for example. It is declining household size and changing family structures, rather than population growth, which is the driving force behind the need and demand for more housing.



### 3.4 Household formation

In talking about population in the section above, the question of population forecasting was introduced, and predictions made about population levels in the future were presented. Forecasts are also made about future numbers of households. These household forecasts or projections are carried out by the Department of the Environment, Transport and the Regions using the Registrar-General's population forecasts which we have talked about above. Forecasting numbers of households is more difficult than forecasting population: in effect you have to make predictions about how people will choose to live and who they will choose to live with. As a result, the Department of the Environment, Transport and the Regions has to revise its predictions of household numbers quite frequently. In 1995, the then Department of the Environment published new projections forecasting household growth for the 25 year period after 1991 (*DoE: Projections of Households in England to 2016, HMSO 1995*) which forecast an extra 4.4 million households by the year 2016, an increase of almost 23% over the number in 1991. These households will need to be housed. This forecast, which was substantially higher than the previous estimate, gave rise to concerns about where new housing could be provided and what form it might take.

As with population, though, the forecasts are not just about numbers. They are about the composition of households, that is the size and type of households within which people live. This is vital information for deciding what housing we need. While it may be difficult to be totally confident about predictions of the number of households in the future, the trends in the composition of households are very clear-cut. They can be seen in the diagram below:

**Figure 1: Household Projections, England**

(Source: DoE: Projections of Households in England to 2016, 1995.)

	1971 %	1991 %	2016 %
Couple	71.9	61.3	48.8
One person	18.5	26.6	36.3
Lone parent	2.4	5.1	5.3
Other households	7.3	7.0	9.5

(Source: DoE: Projections of Households in England to 2016, 1995.)

### 3.5 Changes in households

The picture is very clear. The proportion of households which consist of married and cohabiting couples is declining and may continue to decline. However, other household types will increase, particularly lone parent and one-person households, which may increase from 20.9% of households in 1971 to 41.6% in 2016. As well as this, 'other' households, especially households which include non-related sharers, will increase. This increase in the number of non-related sharer households will be stimulated by policies restricting housing and other benefits to single young people, which encourages them to share accommodation in Houses of Multiple Occupation (HMOs).

The increase in single person households which is perhaps the most important trend, involves people at both ends of the age spectrum. On the one hand young people are increasingly likely

to leave their parental home and establish their own household as a single person. On the other hand, a high proportion of the growing elderly population live on their own. In addition, the increased rate of divorce and relationship breakdown gives rise, not only to much of the increase in single parents but also to a stream of newly formed single person households. An understanding of household change, and its importance to the prediction of numbers of households is made more difficult by the fact that there is an increasing tendency for people to flow into and out of different household types. For example, people may begin by living in a single person household, then cohabit or marry and become a couple household, then divorce and return to either a single person household or a lone parent household. We will look at these changes and trends in household size and type in more detail in section E, Households and Houses, when we consider what kind of housing we need.

## Summary

---

1. The population of Britain has increased, but only slowly and the rate of increase is slowing down.
2. The age structure of the population is changing, with 'fewer babies, longer lives', and especially with more very elderly people.
3. Average household size is falling, and as a result the number of households to be housed is growing much more quickly than the size of the population.

## C. Housing, Location and Migration

---

So far we have been looking at population and household change at the national level. This is useful in giving us some idea of the general shape of things and of the general directions of change. However, what we are more likely to be interested in is change at the local level and at the question of what housing we need in the local area.

In the introduction, two points were raised in relation to the 'where' of housing need: what is meant by local in talking about housing needs and the importance of *migration* in determining the level of local housing needs.

It might seem to make sense to begin with the question 'What is meant by local?' However, as you will see this is in fact closely linked to the question of migration. Understanding something about migration and the reasons for migration help to provide a way of defining the local in looking at local housing needs, so we will start with an examination of migration.

### 1. Migration

In general, you can say that, as we move from the national to the local level, issues to do with migration - the movement of people from place to place - begin to become more and more important to the question of how much housing is needed.

#### 1.1 Policy decision affecting demand for housing

As we begin to take account of issues such as patterns of migration it begins to become obvious that the need for housing in an area is in itself affected by policy decision. An example can illustrate this:

##### **(a) New Towns**

In the 1940s, and again in the 1960s, a whole series of New Towns were created in Britain. There may well be an example near you: places like Bracknell and Crawley in the South East, Milton Keynes and Telford in the Midlands, Runcorn in the North West, Washington in the North East and Cumbernauld and East Kilbride in Scotland. In most cases, these New Towns were built virtually from scratch, with at most a few villages in the area which was to become the town. They were built to meet housing needs (amongst other reasons) but in most cases it was to meet the housing needs of nearby cities or conurbations - London, Glasgow, Merseyside, etc. - not to meet a 'local' housing need.

Here you have a situation where the sequence is the opposite way around to the one we have been working on. It is not 'predict future population and then meet their housing needs' but 'build the housing and then move in the population to occupy it'. This is an essential point to grasp. Questions about meeting housing need are not just about **predictions**, they are also about decisions. Housing policies are a response to housing needs but will also themselves affect the nature and distribution of those needs. This relationship is discussed in more detail in the section on Housing Need and Housing Policy but it is something which must be borne in mind in talking about migration.

***(b) Impact of national policy decisions at local level***

An interesting point about the role of national policy decisions in determining future housing need is that what is a matter of policy decision and choice at one level, will be an unchangeable given at another level. The example of the New Towns is a good illustration of this. These were the product of national level policies. Decisions about them were taken by national government, and by local authorities in the affected areas, although they might have been consulted, essentially had to accept the establishment of a New Town in their area. On the other hand, some decisions affecting local housing needs might be taken at a more local level - by a local authority, for example. In this case, however, these decisions may then be something which an even more local level, such as a housing sub-area or neighbourhood office, has to accept as given.

## **2. Migration, Work and Home**

We will move on now to consider migration within the United Kingdom. Perhaps the most important and common distinction which is made in thinking about how and why people move or migrate within the country is that between long distance migration related to work, and short distance migration related to the home.

Think about the relationship between work and home. If you change jobs from one office in the city centre of Birmingham to another office in Birmingham city centre, you will not have to move house. On the other hand, if you move from a job in Birmingham to one in Glasgow you certainly will have to move house - and in this case your reason for moving will be the change of job. The move to another house will be a by-product of the change of job. This is **long-distance, job-related migration**.

Suppose, on the other hand, you move jobs within Birmingham. The change of job brings a big increase in salary and you decide to move from your current Victorian terrace house to a semi-

detached house in the suburbs. This will be an example of short-range, **home-related migration**: the reason for moving will be to change your housing conditions.

Think about your own experience of moving house. Can you distinguish between moves made for employment reasons (either your own or other members of the family) and moves made for housing reasons?

## **2.1 Other examples of job-related migration**

When you begin to think about it, either in relation to your own experience or thinking more generally about how and why people move house, you may begin to find examples which don't fit neatly into these two categories.

### **(a) Retirement**

You may, for example, think about older relatives who moved when they retired. Where does that fit it? It depends what kind of move and why. Moving to another part of the country on retirement, for example moving from the industrial Midlands to a retirement area on the South Coast or to the Lake District, can perhaps be seen as long-distance job-related migration. The definition of job-related can be extended to include retirement in the sense that on retirement you are no longer tied to the area in which you work. Breaking the link between home and the workplace is the main reason for moving.

### **(b) Students**

'Job-related' can be extended in other ways to accommodate other kinds of movement: for example, a student moving to another town to study at the local university.

## **2.2 Other examples of home-related migration**

### **(a) Retirement**

Going back to the case of movement on retirement, in some cases retired people move but not to another area of the country. For example, they may want to move to less expensive housing because of their reduced income, or to move to smaller, more manageable accommodation - perhaps into sheltered housing. If they do this within their local area, this can be seen as short-distance, home-related migration: changing their housing conditions is the purpose of the move.

### **(b) Changing neighbourhood**

But what about reasons which are related to neither work nor the house? For example, what about a family who want to move to another part of the town because they want their children to go

to a particular local school? Again, it is possible to accommodate this example by extending the definitions a little - in this case the definition of home. The home is not just the house itself but the whole range of opportunities and the quality of life which come from living in a particular place. Seen in this way, moving house to be near a particular school is 'home related'. So too would be the decision to exchange house in a 'boring' suburb for the liveliness, style and trendiness of an apartment in the new 'marina village' in an old docklands area. This is a home-related move.

So despite the very wide range of reasons people have for moving house, this distinction between long distance, job -related and short, distance, home-related movement can explain most examples of migration.

### 2.3 New Towns

There are, of course, exceptions. Going back to the example of the New Towns, these were deliberately created to provide both better housing and new job opportunities for the people of large cities like Glasgow and Liverpool. Moving to a New Town was often seen as a fresh start by people looking for a new environment both to live and work in. In that sense it was both job and home related. Nevertheless, in reality people often had to find a job in the New Town before they were allowed to move there. In that sense it could be said that work took precedence and that this was an example of long distance, job-related migration.

### 2.4 Relationship between distance and migration

One final issue is the question of distance. We have been assuming that job-related moves are over a shorter distance. In general, this is true. It can be thought of in terms of a threshold. Within limits, you can change your job and travel on a daily basis to your new place of work without having to move house. Beyond a certain point, though, daily travel becomes impractical and you will need to move to a house nearer the place you are working, that is **outside** the threshold set by travel to work in your old area. On the other hand, if you are moving home for housing reasons - you want a bigger house when you start a family, for example - your area of search for that house will be limited by the need to travel to the places where you and/or other members of your family work. In this case your move will be **within** the threshold set by travel to work.

So, moving house for job reasons is on average over longer distances than moving house for housing reasons. However, this does not necessarily mean that job-related moves are over longer distances than all housing-related moves. An example can illustrate this.



Someone working in Leeds is transferred by their company to their branch in Manchester, and moves house from Leeds to Manchester. This may involve a movement of perhaps 25 to 30 miles. On the other hand, someone working in Leeds decides that they would like to enjoy life in the Yorkshire Dales. They move to a Dales village some 25 miles from Leeds but continue to commute to work in Leeds. Although these are moves over the same distance, they are of essentially different kinds - the first is a work-related move, the second is home related.

### 3. Local Housing Areas

What is meant by 'local' when it comes to making decisions about housing needs and, in particular, when considering the effects of migration on housing needs? There is no single answer to this but two factors are of particular importance:

- The links between home and work.
- The ways in which housing is provided.

#### 3.1 Links between home and work

##### **(a) Short distance home-related migration**

We mentioned above that an understanding of migration and the way it links home and work could give a lead to defining what is meant by 'local' in relation to housing needs. One very helpful and widely-used definition of 'local' is the distinction made above between long distance, job-related migration and short distance, home-related migration. That is to say that the former is migration **between** local areas, the latter is movement **within** a local area. In this way, the local housing area can be seen as the area within which short distance, home-related migration takes place. You may say to yourself: "What about some of the complications raised above? Doesn't this make it impossible clearly to define this local area?". It is true that a local area cannot be defined in these terms in a way which covers every individual case, or has absolutely clear and unchanging boundaries. Nevertheless, it is possible to divide the country up into areas which are relatively self-contained in the sense of a population living and working in the same space - separate from the other local areas around them.

##### **(b) Local labour market**

One term which is used to describe such an area is a local labour market. This reflects the importance of work in defining the area: it is the local space within which people would normally look for work.

**(c) Travel to work area**

Another description used to describe such an area is a travel-to-work area. Again, the emphasis is on work, but here it is the ability to travel to work on a day-to-day basis that defines the limit of the area.

The classic local area of this kind is centred on a major town or city with its concentration of jobs. It stretches out, however, to include a commuter zone from which many people travel to work in the central town or city. Of course, this pattern doesn't apply to everyone. There are also problems about where exactly the boundaries are between neighbouring local labour market areas and travel-to-work areas. For example, where is the boundary between the commuter zones of Birmingham and Coventry, Newcastle and Sunderland, Exeter and Plymouth? There are no right answers, but researchers have developed methods to make a best estimate of where these boundaries are and to divide the country into these local areas. You may like to think about your own area. How would you define it in these terms? What are the neighbouring areas and where are the boundaries?

**(d) Local labour market areas**

One such way of dividing the country is into 'local labour market areas' a classification devised at the Centre of Urban and Regional Development Studies at Newcastle University. This classification has been used to analyse many aspects of population change and its links with both employment and housing.

When changes in population between the Censuses of 1981 and 1991 are looked at in terms of these local labour market areas, very large variations in growth and decline in local populations can be seen. Examples of the extremes of population growth and decline are shown in the table below:

**Table 12: Population change 1981-91, extreme local labour market areas**

Milton Keynes	+37.0	Liverpool	-8.8
Horsham	+21.0	Glasgow	-7.5
Peterborough	+17.4	Greenock	-7.0
Bracknell	+17.3	Coatbridge & Airdrie	-6.8
Huntingdon	+16.7	St. Helens	-6.2
Newton Abbot	+16.6	Manchester	-6.1
Launceston	+16.0	Paisley	-6.1
Redditch	+15.8	Sunderland	-5.1
Inverness	+15.1	Bathgate	-4.9
Cardigan	+14.8	Smethwick	-4.8

(Source: from *Population Census in A. G. Champion et al: Changing Places; Britain's Demographic, Economic and Social Composition*, Edward Arnold, 1987.)

*(i) Changes In local labour market areas*

Two basic patterns of change are evident. The first is the trend of population movement from large cities. This involves not only population movement to, and growth in, areas on the edge of large cities, and especially New and Expanded Towns, but also in more rural areas, even in many of the more remote rural areas such as in the South-West and East Anglia. The second basic change is the North-South divide, with decline especially in the old industrial areas of the North and of Wales and Scotland.

*(ii) Effect of changes on housing*

So, migration produces very different trends in population change in different local labour market areas; some experience growth, some decline. What do these areas have to do with housing? Well, the first point is that - as suggested above - these are the most important units for understanding the idea of local housing need. In effect, a local labour market area is also a local housing market area: it is the place within which those working in the local area will normally look for housing.

Secondly, the level of local housing needs, and the pressure on the availability of housing expressed in such things as local house prices and the lengths of local housing waiting lists, will be affected by what is happening in the local labour market area. The greater the increase in the number of households in the local area, the greater the housing need. This will be largely a result of the level of migration into, or out of, the local area. This will, in turn, be largely a result of what is happening to employment in the local economy and the availability of employment. - except in areas strongly affected by other pressures such as retirement, holiday homes or second homes.

This does not mean, however, that there will not be housing needs which are more localised than a local labour market area or its equivalent.

### **3.2 Ways in which housing is provided**

One reason for this is the way that our system of housing provision works. The idea of dividing the housing system into different types of tenure will be discussed in more detail in the section on Access to Housing. However, it can broadly be said that the local housing market area which we have looked at above is essentially the housing market for owner-occupied housing. Other forms of housing work in different ways and within different areas. The most obvious example is council housing. Generally, people are only eligible for housing by the council in the local authority in which they live. Usually labour market and housing market areas go beyond the boundaries of one local authority. The most extreme

example is London, where the London local labour market area contains several dozen London borough councils - each providing council housing mainly to their own local residents. In this situation the 'local' area for council housing is effectively much smaller than for owner occupation. While this is true of owner occupation in general, there are sub-markets which are more restricted in area - such as the market for very cheap old housing in inner city areas.

### **3.3 Local housing needs**

Apart from these factors which relate to the availability of different kinds of housing, there are also a whole range of reasons why people may be tied to an area much smaller than the labour and housing market area and may have a much more local housing need.

#### ***(a) Low pay***

One factor is employment. While the idea of a local labour market may suggest that people are free to look for work throughout this area, this does not necessarily apply to everyone. In particular, the low paid may not be able to afford high travel costs and may have to live relatively near their place of work. It is usually those higher up the social scale who have the widest horizons for both work and housing.

#### ***(a) Family and community ties***

There are other kinds of ties - family connections or the desire of people from an ethnic minority to be near other people from their community - which may lead people to want to meet their housing needs within a much more local area.

#### ***(b) Family and community ties***

There are other kinds of ties - family connections or the desire of people from an ethnic minority to be near other people from their community - which may lead people to want to meet their housing needs within a much more local area.

#### ***(c) Rural areas***

One situation where these considerations are often important is in a rural area. Often housing need is seen in terms of people wanting to find housing within their own village. This may often conflict with the desire of a rural local authority, for example to concentrate its provision of housing in a small number of larger villages or small towns, or with the pressure from outside if their village is attractive and the target for wealthy incomers.

## Summary

---

1. **Moving housing - migration - can be either long-range for reasons related to work, or short-range for reasons to do with the home.**
2. **The 'local' area can best be seen as the area within which a relatively self-contained labour market and housing market operates - the area within which most short-range migration takes place.**
3. **Local areas defined in this way have very different rates of growth and decline. This relates largely to their economic role and level of prosperity, and to the resulting patterns of long-range migration into or out of the area. This will in turn affect the pressure of local housing need~**
4. **Other factors can create more localised housing needs.**



## D. Access to Housing

---

In the introduction, the obvious point was made that housing is not all the same. In the next section we will look at variations in the physical characteristics of housing: variations in size, form and so on. There is, though, another important way in which housing varies - it varies in the ways in which it is provided and made available to the people who live in it. The key issues here are who owns the housing and how it is paid for.

In meeting local housing needs, it is clearly not enough that sufficient housing actually exists - people must have access to that housing.

### 1. Housing Tenure

The term which is most commonly used to refer to the different ways in which housing is provided in Britain is housing tenure. As we have seen there are four main tenure categories usually identified in our housing system:

- (i) Owner occupation, which includes those who own the house they live in outright, and those who are in the process of buying their house with a mortgage (who actually account for about 60% of all owner-occupiers).
- (ii) Local authority or council housing, where the housing is owned by and rented from the local council.
- (iii) Private rented housing, where the house is rented from a private landlord - who might be an individual, a private company or another organisation (a church trust, for example) renting the housing on a commercial basis.
- (iv) Housing association housing, where the house is rented from a housing association, a private but non-profit housing organisation.

There are, in addition, a variety of less important tenure categories - such as housing provided with employment to people such as farm workers and those in the police or armed forces.

#### 1.1 Relative size of different tenures

Over time the relative size of these different tenures has changed considerably.

**Table 13: UK. Housing Stock by Main Tenure Types 1950, 1980, 1990, 1997**

Tenure Group	1950	1980	1990	1997
Owner Occupation %	29	55	67	67
Local Authority %	18	31	24	17
Private Rented %	45	11	7	10
Housing Association %	-	2	3	5

(Source: *Housing Finance Review 1999/2000*. J.R.F. Foundation and General Household Survey (HMSO 1998).)

As you are aware, owner occupation has grown continuously and is now by far the largest tenure category. Local authority renting is the next largest category but one which declined during the 1980s and 1990s. Private renting has declined continuously from having been the largest tenure, and now represents only a minor part of the total housing stock. Housing association renting, despite its growth, remains small.

It is not the intention in this section to talk in detail about housing tenure, how the different housing tenures work and how they have been affected by housing policies. This will be done in a later block of this Unit. The intention here is rather to make the point that different tenures tend to provide for different sections of the population, and this must be taken into account in considering housing needs.

The tables and diagrams below look at different aspects of the question 'Who gets what in housing?' They examine the extent to which there is an association between housing tenure and different groups or categories within the population.

## 2. Housing Tenure and Social Class

The table below is taken from the *General Household Survey*, an annual survey produced by central government based on interviews with a sample of households from the whole of Great Britain. The table uses one of a number of possible classifications of social class or - as it is referred to here - socio-economic group. Such classifications are intended to reflect the differences in social status and rewards derived from different types of occupation. The categories are arranged in what is seen as a descending order of status. The first four categories are non-manual, white-collar occupations. They range from the higher ranked occupations - professionals such as doctors, architects and employers and senior managers, through intermediate non-manual staff such as



technicians and junior management, to junior non-manual workers which would include clerical workers and sales staff. The last three categories are manual, blue collar occupations, ranging from skilled craftsmen and supervisors to unskilled workers and labourers. In order to attach a socio-economic group label to the whole household in which more than one person may be in employment, the occupation of the head of household is taken. The final category of 'inactive' refers to households where the head of household is not employed, most often because they are retired.

**Table 14: Tenure by Socio-Economic Group of Head of Household, 1996, Great Britain**

Socio-Economic Group	Owner Occupied	Council	Unfurn. Private	Furn. Private	Housing Assoc.	Total
Professional%	86	1	8	4	1	100
Employer/Manager%	87	3	6	2	2	100
Inter. Non-manual%	81	4	8	4	2	100
Junior Non-manual%	70	16	7	4	4	100
Skilled Manual%	77	14	6	1	3	100
Semi-skilled Manual%	55	25	10	4	6	100
Unskilled Manual%	38	39	10	4	8	100
Inactive%	55	30	6	2	7	100

(Source: General Household Survey 1996 (HMSO 1998).)

## 2.1 Links between housing tenure and social class

The tenures which show a clear relationship with social class are owner occupation and council renting. In the case of owner occupation, the higher the socio-economic group, the higher the proportion who are owner occupiers. The picture for council renters is the exact reverse of this. Nevertheless, because owner occupation is now by far the largest tenure, a substantial proportion of manual workers are owner occupiers. This is especially true of skilled manual workers, but applies even to unskilled workers. The reverse is not true: very few non-manual workers are council tenants. The socio-economic profile of owner occupation and council renting is a mirror image, but one which is skewed by the greater number of owner occupiers in total.

Looking at the relationship between socio-economic group and other tenures, the position is less clear. There does seem to be a pattern for housing association renting which is similar to that of council housing - that is the lower the socio-economic group, the higher the proportion in housing association renting. Another feature housing associations have in common with council housing is the relatively strong representation of the economically

inactive - principally the elderly. However, because the housing association sector as a whole is so small, the numbers here are too small for us to be confident about their accuracy. The figures for the private rented sectors too are very small - although even leaving this problem aside it is hard to see any clear relationship between socio-economic group and the two forms of private renting.

The table below shows a different way of looking at this data. This represents what proportion of each tenure is made up of households in each socio-economic group.

**Table 15: Socio-Economic Group by Tenure, Great Britain, 1996**

Socio-Economic Group	Owner Occupied %	Council %	Unfurn. Private %	Furn. Private %	Housing Assoc. %
Professional	5	0	5	7	0
Employer/ Manager	18	2	13	12	5
Inter. Non-manual	9	2	9	14	4
Junior Non-manual	6	5	6	8	4
Skilled Manual	20	13	16	8	10
Semi-skilled Manual	7	11	13	13	11
Unskilled Manual	1	4	3	4	4
Inactive	34	63	35	34	62
Total	100	100	100	100	100

(Source: General Household Survey 1996 (HMSO 1998).)

The most striking feature of this table is that for council and housing association renting a high proportion of households - approaching two-thirds - are headed by someone who is not economically active - usually an elderly person.

White-collar workers account for very few council and housing association tenants. In these tenures most of those who are working are manual workers. In contrast, a high proportion, 38% of owner occupier heads of household are white collar workers. Interestingly, the same is also true for tenants of furnished private renting - although these are more likely to be in junior non-manual occupations.

### 3. Housing Tenure and Income

The socio-economic group categories used above are based not only on the different levels of economic rewards derived from different occupations but also things such as the different social status of occupations and the levels of education and training required for

entry. In practice, there is a great variety of income levels within a single socio-economic group and considerable overlap in incomes between groups. For example, both a junior hospital doctor and a senior consultant would be classed as 'professional', but would have very different incomes. Equally, a trainee architect would be classified as a professional, but might earn very much less than a skilled manual worker such as a self-employed plumber.

Nevertheless, the different income levels of different occupations is an important factor in accounting for the patterns of tenure. This can be seen more clearly in data on the mean (that is the average) weekly incomes of different tenure groups. The data below, again from the *General Household Survey*, gives income in two ways: total household income and income of the head of household. This is to make allowance for the fact, discussed below, that there is variation between tenures in the average size and type of household. However, the picture which emerges is essentially the same for both sets of figures:

**Table 16: Tenure by Income, Great Britain, 1996**

	Owner occupied	Council	Unfurn. Private	Furn. Private	Housing Assoc.
Mean weekly household income	£460	£181	£303	£329	£195
Mean weekly income	£326	£131	£223	£222	£145

(Source: *General Household Survey 1996 (HMSO 1998).*)

Again, the sharpest difference is between owner occupation and council renting, with both sets of figures showing the very much lower incomes of council tenants. Housing association tenants have similarly low incomes; the tenants of the private rented sector are in an intermediate position.

## 4. Tenure Polarisation and Social Exclusion

### 4.1 Employment, income and tenure polarisation

The links which have been discussed above between housing tenure, social class and income have become more pronounced in recent years, resulting in marked social polarisation between owner occupation and council renting. In the years since the introduction of Right to Buy in 1981, council renting has become more and more the tenure of the very low paid or those not in employment. Tables 17 and 18 below shows the relationship between employment and tenure.

**Table 17: Percentage of economically inactive heads of household by whether owner occupier or social renter 1981-1996**

	1981	1996	% increase
Owner Occupier %	25	33	8
Council %	42	63	21
Housing association %	51	62	11

(Source: General Household Survey 1996 (OATS 1998).)

Table 17 show heads of households who are economically inactive - outside of the labour force. This includes people who are retired, long-term sick or disabled, house-parents and students. Not only is the proportion of economically inactive higher for the council and housing association sectors than for owner occupiers, but it has increased more between 1981 and 1996, especially among council tenants

Nor are social rented sector tenants more likely to be economically active, but in addition those tenants who are within the labour force are much more likely to be unemployed than owner occupiers ('economically active' - that is within the labour force - is defined as those in work plus those unemployed and seeking work). This can be seen in table 18 below.

**Table 18: Unemployed rate among economically-active heads of households by whether owner occupier or social renter 1996/97**

Owner Occupier %	3.1
Council%	26.0
Housing association %	25.1

(Source: H. Green, K Deacon & D. Down / Office of National Statistics: Housing in England 1996/97 Stationery Office 1998.)

Changes in average incomes in social renting and owner-occupation are shown in Table 19:

**Table 19: Mean weekly income of head of household by whether owner occupier or council renter 1981 - 1996**

	1981	1996	% increase
Owner Occupation	£122.00	£324.00	166
Council	£76.00	£131.00	72
Housing Association	£75.00	£141.00	88

(Source: General Household Survey 1.996 (ONS 1998).)

Again, not only is average income for those in social renting much lower than for owner occupiers but their incomes have risen much less so that the gap has increased, especially between owner occupiers and council tenants. In 1981 the average income of heads of households in council housing was 62% of that of owners, by 1996 it was only 40%.

This difference in incomes arises in part because, as we have seen, those social renters who are in employment tend to be in lower status and lower paid occupations as compared with owner occupiers. More important still, though, is the fact that there is now a concentration in social housing of heads of household who are not in employment and therefore dependent on welfare benefits of one kind or another. This includes the unemployed, and those who are economically inactive, with certain groups of people such as lone parents and those with limiting long term illness over-represented in social housing. The reasons for, and implications of this will be discussed later in this section.

It is also clear that the gap has been widening. There has been a process of polarisation in terms of the economic welfare of social renters and owner occupiers.

#### **4.2 Tenure polarisation and social exclusion**

This polarisation has played a large role in the development of what has become known as social exclusion - the inability of some people to participate in, or receive the benefits of contemporary society. Social exclusion itself has a spatial dimension and is focused particularly on inner urban areas of social housing.

Social exclusion is a term which has increasingly come into use in recent years in the discussion of social deprivation and disadvantage. One important reason for this is that it is the terminology used by the European Union (EU) in dealing with these issues. Its adoption in the UK was demonstrated most clearly in the summer of 1997 when the new Labour government

established a high-profile Social Exclusion Unit. One of the first issues to be targeted by the Social Exclusion Unit was the problem of the ‘worst’ council estates.

There is no clear definition of the term ‘social exclusion’, and there has been some controversy and debate surrounding the use of this term. On the one hand, some would suggest that it is a euphemism for ‘poverty’, which seeks to draw attention away from issues of low income and economic inequality. On the other hand, supporters of the use of the term would suggest that it is useful in providing a wider view of the problems of deprivation and disadvantage.

It can be thought of as referring to exclusion from many of the everyday activities and services which most people take for granted. Exclusion from the labour market and the benefits which come from working is an obvious example, and as we have seen, labour market exclusion is strongly evident in areas of social rented housing. However, society and its benefits cannot be viewed entirely in terms of work; other services and activities also form part of contemporary urban life in Britain. For example, banking and shopping facilities are central to normal daily living for most of us. However, few banks exist on the deprived social housing estates, and local shops and other services are being withdrawn from such areas, as businesses see them as high-risk areas to service.

Within areas of council renting, especially in inner urban areas, we see concentrations of unemployed people living in places without many of the everyday services most people take for granted. If life can be so difficult in such places, you may ask the question ‘why don’t they leave?’ That can only be answered by looking at two issues, first the types of people who find themselves in council rented housing, and second, the reasons for them being housed in that least popular tenure.

#### **4.3 Who is in council renting?**

Within these spatial concentrations of exclusion, we find particular groups of people over-represented. They are the people who do not have any choice over where they live and are forced to accept council renting. Lone parents are often found in council renting, as are larger families, the elderly and the long term ill, and, as we have seen, the unemployed.

#### **4.4 Why are they there?**

There are a number of reasons why people find themselves in council rented property. They include urgency of need, poor availability of private or housing association property and lack

of money. Ultimately, what it boils down to is lack of choice. This lack of choice is often brought about by urgency of housing need. For example, as families break up, it is often no longer possible for the family home to be kept on. In areas where there is little private rented stock lone parents may have no option but to turn to the council for housing. Family stress and lack of money can mean that it is not possible for young people to stay in the family home. They too may need to turn to the council for housing.

As an exercise you might like to think of the reasons people would have urgent need of housing and then consider where they might turn in your area and what options might be open to them. Is there much private rented property? Are there any housing associations? Have they any vacant stock, or do they have long waiting lists? Even if there is private rented property, it may not be easy to access it. Many private landlords require bonds and deposits which may be too expensive for people in a crisis situation to find.

Unable to remain in a family home, and without the money to access private rented accommodation, or in the absence of private rented property, some people must present themselves to the council as being homeless or at least in urgent need of housing. If they fall into one of the groups identified as vulnerable, such as families with children, the council is obliged to find them accommodation.

#### **4.5 What are the problems?**

For many reasons, much of the remaining council stock which becomes available is in less attractive areas of high turnover. In such places, the community is not stable, neighbours change regularly. Such areas often suffer from high crime rates and a high degree of vandalism and misuse of the environment. The anti-social behaviour of some 'problem' tenants on such estates became an increasing concern throughout the 1990s.

In some cities, despite the shortage of housing in general, there may be many empty properties in inner city council estates. These issues lead to a stigmatising of the neighbourhood, which in turn makes people less willing to accept property there or to settle there for any longer than they must. Eventually others such as employers and other landlords begin to associate the neighbourhood, with problems. Many areas of council rented housing have become abandoned by service providers who see the residents as high-risk customers to serve. People living in the area may be discriminated against when applying for employment, credit, insurance, etc. - what is sometimes referred to as 'postcode discrimination'.



So we can see that the income polarisation between owner occupiers and council renters has resulted in only the poorest people with little choice and often with urgent need of housing going into council rented property. Because the council rented stock has diminished so much since 1981, the remaining property which is likely to be available is in poor neighbourhoods with high levels of social problems. Often, once people find themselves in council rented housing, a combination of their circumstances and the social conditions of the neighbourhood contrive to make leaving difficult.

### **Activity 3**

*Imagine you are out of work, suddenly going to have to leave your home, you have no money, no one to borrow any money from, and have to rely on housing benefit. Now think about the area you live in. Make a list of the housing options available to you. How much private rented property is there in your area? What is its condition and cost? Would you need a bond and deposit? Are there any housing associations operating in your area? How long are there waiting lists? List what you think your options would be if you needed to find a new home quickly under these circumstances.*

***Time allocation: 10 minutes***



**Table 20: Tenure by Age of Head of Household, Great Britain 1996**

Age of Head of Household	Owner occupied	Council	Unfurn. Private	Furn. Private	Housing Assoc.
Under 25 (%)	26	25	20	22	7
25-29 (%)	53	19	13	9	6
30-44 (%)	70	16	7	3	4
45-59 (%)	77	14	4	1	3
60-69 (%)	70	22	4	0	4
70+ (%)	56	28	4	1	7

(Source: General Household Survey 1996 (HMSO 1998).)

Again, it is necessary to bear in mind the effects of the variations in the overall size of different tenures, so that for all age groups owner occupation is the largest single tenure, because of its dominant position overall. Nevertheless, there are clear differences between tenures, especially between owners and renters. It is households with household heads in the middle years of life who are more likely to be owner occupiers. On the other hand, renting is more common for younger and for more elderly households. This is true of council housing, housing association housing and unfurnished private renting. The furnished private rented sector shows a different pattern: it is strongly concentrated among younger households. These patterns can be seen in the following tables, which show the proportion of each age group making up each tenure category:

**Table 21: Age of Head of Household by Tenure, Great Britain 1996**

Age of Head of Household	Owner occupied %	Council %	Unfurn. Private %	Furn. Private %	Housing Assoc. %
Under 25	1	4	11	29	5
25-29	7	8	17	29	11
30-44	30	24	31	29	27
45-59	29	19	16	7	17
60-69	8	8	4	1	6
70+	9	14	9	2	14

(Source: General Household Survey 1996 (HMSO 1998).)

## 5. Housing Tenure and Household Type

The distribution of household types by tenure can be best seen by showing the composition of each tenure in terms of household types. The classification of household types is that used in the General Household Survey.

**Table 22: Household Type by Tenure, Great Britain 1996**

Tenure	Household Type*						
	1 %	2 %	3 %	4 %	5 %	6 %	7 %
Owner occupied	9	17	21	6	16	18	12
Council	2	8	19	10	9	15	27
Unfurn. Private	20	19	23	4	9	9	16
Furn. Private	37	25	12	3	17	0	5
Housing Assoc.	14	7	25	8	7	12	27

(Source: General Household Survey 1996 (HMSO 1998).)

So what can you see? Owner occupation appears to have a concentration of younger couples and of families with fewer single people and the elderly. Council housing also has a strong representation of families but fewer younger couples without children, and more elderly people, especially single elderly people. The private rented sector contrasts with both owner occupation and council renting in having a much smaller representation of families. Most people in this sector are in small, non-family households. The furnished and unfurnished sectors differ though in that - as we have seen - the furnished sector is dominated by younger households, especially single people, while unfurnished private renting has many more elderly households. Housing associations come somewhere in between: more families, especially small families, than private renting but again many non-family especially single person, households and a high proportion of the elderly.

This section on Access to Housing has provided you with a very detailed picture of how the different tenures in our housing system tend to provide for different kinds of people. It is time now to think about the possible implications of this.

#### **Activity 4**

*Look back at the information in this section and try to construct a 'profile' of the kinds of people catered for by the different tenures.*

*Owner occupation:*

*Council renting:*

*Unfurnished private renting:*

*Furnished private renting:*

*Housing association renting:*

***Time allocation: 30 minutes***

These are some of the points that you might have noted:

### **5.1 Profile of people catered for by different tenures**

#### **(a) Owner occupation:**

Owner occupation tends to cater more for those in higher status employment and with higher incomes. Owner occupiers are more likely to be couples or family households and in the middle years of life.

#### **(b) Council renting:**

Council housing has a particular concentration of people in lower status jobs and with lower incomes. It houses families with children but has more single young people than owner occupation. It has a noticeably higher proportion of elderly people.

#### **(c) Unfurnished private renting:**

There is no very clear relationship with occupational status. Incomes are lower than in owner occupation but higher than in council housing. Characterised most clearly by catering for small, non-family households, many of them elderly.

#### **(d) Furnished private renting:**

Again, not a very clear relationship with occupational status, although has a relatively high proportion of white-collar workers. Again average earnings are intermediate between owner occupation and council. Very strongly linked to housing for small, young non-family households.

#### **(e) Housing association renting:**

Very similar to council housing. Concentration of those with low incomes but with a particular emphasis on the elderly.

## **6. Household Growth and Tenure**

Think about the picture given in the section **People and Households** of where the growth in households is coming from. What kinds of household are increasing? How does this relate to what we have seen about the kinds of household which are catered for by different tenures?

There are some interesting issues here. The main growth is in small households, especially single person households, which are often either young people or the elderly. Larger family households are declining as a proportion of the population. In general, too, the categories of households that are increasing in number - the young and the elderly, single parents and the divorced - are likely to have relatively low incomes. As we have seen, though, the dominant tenure - owner occupation - is less likely to house such households.

Owner occupiers are more likely to be in middle life and in family households, to have higher status jobs and higher incomes. But is it a tenure to which those kinds of household which represent the 'growth areas' in our population will have access?

## **7. Housing Need and Access to Housing**

In response to a new system for controlling spending on housing by local authorities, the question of identifying and measuring housing need was given new urgency in England in the late 1970s and early 1980s, and the government issued advice on this subject (something similar happened in Scotland in the mid 1970s based upon research conducted in Dundee).

Traditionally, local authorities had measured the need for council housing from their housing waiting list. However, it was felt that local authorities needed to take a wider view of measuring and meeting housing need and to look beyond their own council housing. In its first attempt to advise on how to assess housing needs, the Department of the Environment (DoE 1977) suggested, therefore, that rather than using the housing waiting list an approach similar to that discussed in the first two sections above - based on forecasting future local population and numbers of households - should be used.

However, this approach had the obvious limitation that it did not really take into account the question of access to housing or of the tenure of housing. In a sense it looked at 'how much' but ignored the 'how' of housing provision. A later guidance booklet, (DoE 1980) attempted to remedy this and remains a good starting point for methods of examining local housing need. It agreed that the starting point should be population and household forecasts to establish the total number of households needing housing. It suggested, though, that beyond this indicators should be used to estimate demand for housing in different tenures. These would include direct indicators (e.g. numbers of people on housing waiting list, numbers of homeless), and indirect indicators (e.g. numbers of people on low incomes, numbers of elderly people). The booklet also suggested that it was useful to try to estimate the proportion of households who could meet their needs through owner occupation and those who would be looking to rented housing.

## **8. Who Should Have Access to Separate Housing?**

In addition to the question of how different sectors of our housing system provide access to housing for different kinds of people, another issue of crucial importance to the identification of housing need is 'who should be regarded as needing access to separate housing?' This involves what is usually referred to as 'concealed

households'. Concealed households describe a situation where a group of people are living together in a single dwelling but where part of the group normally would, or should, have a separate dwelling space.

### **Activity 5**

*Which of these do you think is a 'concealed household'?*

- *A young married couple with a baby, living with parents. An infirm elderly woman living with the family of one of her children.*
- *A young man of 20 living with his parents, engaged to be married but unable to find housing for himself and his fiancée who also lives with her parents.*
- *A boy of 16 who would like to leave home because of the poor relationship with his parents.*
- *A girl of 17 with a baby, living with her parents.*
- *A young homeless man of 24, sleeping on the couch in a flat belonging to friends.*

***Time allocation: 15 minutes***

There are no right or wrong answers in these cases. Whether you see the situation as involving a concealed household is a matter of judgement. It is important, though, because the idea of a ‘concealed’ household brings with it the presumption that the housing system *should* be providing a separate dwelling or living space for the household. An important element in local housing need therefore may involve identifying and meeting the housing needs of concealed households.

The issue of concealed households is one which shows up very clearly the point made elsewhere in this section of the course that housing need cannot be seen as something which simply exists independently of choices and decisions about housing policy.

This is important in thinking about one of the key features of change affecting our housing system identified in People and Households: the growing number of smaller households. Several of the examples you were asked about above are typical of the factors causing the growth in small households: the elderly living alone, the young person leaving home. Such households cease to be ‘concealed’ and form separate households only if there is housing available to allow them to do so (or other services such as home-based care for the elderly). As one writer puts it:

*“The relationship between population and a topic such as housing is complex because causality does not act in only one direction. The numbers of people who form (or dissolve) households affects the provision of housing, but availability and type of accommodation affects fertility, nuptiality (the rate of marriage) and mortality, as well as household formation.”*

(Source: M. Murphy: “Housing the People: from Shortage to Surplus” in H. Joshi (ed.): *The Changing Population of Britain*, Blackwell, 1989.)

Indeed, in recent years there have been examples of government policies designed directly to affect the rate of formation of households. In particular, the government has reduced social security and housing benefits to young people in an attempt to persuade them to remain in their parental home and not to form a separate household. There is little evidence that this has succeeded in reversing the trend for young single people to leave home, but it does show the way in which there is a two way relationship between housing policy and household formation.

## Summary

---

1. The different forms of housing tenure tend to give access to housing to different kinds of people, in terms of occupational status, age and household types.
2. Owner occupation has become the dominant tenure but the household types which are increasing most quickly, young single people, single parents, the elderly, are the ones which are the least likely to be housed in owner occupation.
3. Owner occupation is the most preferred tenure, although less so amongst the elderly.
4. The issue of who should be housed in separate accommodation and of housing for concealed households, raises the question of the interaction between housing policy and the number of households.



## E. Households and Housing

---

The question ‘What kind of housing do we need?’ has a range of dimensions, not all of which can be discussed here. There are, for example, questions about the following: the

- **design** of housing and what forms of housing in terms of density, height or layout are regarded as acceptable;
- **size** of housing and the kind of living space provided;
- **equipment and amenities** the way in which housing provides for heating, food preparation, washing and sanitation; and
- **repair and condition** of housing and when it should be regarded as unfit to live in.

Some of these issues will be covered later in the course. The amenities and condition of housing will be discussed in a later block of the Local Housing Environment on housing conditions. A later unit on housing development will consider in much more detail the design of housing.

Discussion in this section will concentrate on one aspect of the question ‘What kind of housing?’, that is:

- The size of housing and the match between household size and dwelling size.

### 1. Changes in Household

#### 1.1 Household size

In the earlier discussion in People and Households, the declining average size of households in Britain was identified as a crucial factor in increasing the number of dwellings. These were needed at a much faster rate than the increase in the size of the population. Between 1961 and 1996 the average household size fell from 3.09 to 2.43 persons. As average household size declines, this may also affect the type of housing which is needed. This possibility can be seen more clearly by examining household size and household types, and how these have been changing.

The major change has been the increase in the number of small households-especially of single person households which increased from 12% in 1961 to 27% in 1996. At the same time medium-sized households of three or four persons have declined as a proportion of the population. Large households of five people and more have declined even more rapidly, but these have always represented only a fairly small proportion of the population.

## 1.2 Household composition

Changes in the nature of the households to be housed can be seen even more clearly when an examination is made of changes in household types over time. In the following tables this is shown in two ways. The first table shows what proportion of households in Britain fall into various categories. The second table shows what proportion of people live in particular kinds of households.

**Table 23: Households by household type, Great Britain 1961-1998/99**

Great Britain	Percentages				
	1961	1971	1981	1991	1998-99
<b>One person</b>					
Under pensionable age	4	6	8	11	14
Over pensionable age	7	12	14	16	15
<b>Two or more unrelated adults</b>	5	4	5	3	2
<b>One family households<sup>2</sup></b>					
Couple					
No children	26	27	26	28	30
1-2 dependent children <sup>3</sup>	30	26	25	20	19
3 or more dependent children <sup>3</sup>	8	9	6	5	4
Non-dependent children only	10	8	8	8	6
Lone parent					
Dependent children <sup>3</sup>	2	3	5	6	7
Non-dependent children only	4	4	4	4	3
<b>Multi-family households</b>	3	1	1	1	1
<b>All households</b>					
(=100/o)(millions)	16.3	18.6	20.2	22.4	

(Source: *Social Trends 2000* (HMSO).)

The first point to make about this table is that it challenges one of the basic assumptions we tend to have about what constitutes the typical household type in Britain, an assumption upon which much of our housing provision has been based. This is the idea that the typical household is a family with children, or more specially a two parent family with dependent children. Even in 1961 this was not true: only about 40% of households were of this type. By 1999 this type of family accounted for only about 25% of households.

At the same time the number of single person households, both elderly and non-elderly grew as did single parent families with dependent children.

If we look at these changes in another way, at the kinds of households in which people live, the same patterns of change are seen:

**Table 24: People in Private Households, by Type of Household, Great Britain 1998-1999**

Great Britain	Percentages				
	1961	1971	1981	1991	1998-99
<b>One family households</b>					
Living alone	4	6	8	11	12
Couple					
No children	18	19	20	23	26
Dependent children <sup>2</sup>	52	52	47	41	39
Non-dependent children only	12	10	10	11	8
Lone parent	3	4	6	10	11
<b>Other households</b>	12	9	9	4	4
<b>All people in private households</b> (=100%)(millions)	..	53.4	53.9	55.4	..
<b>People not in private households</b> (millions)	..	0.9	0.8	0.8	..
<b>Total population</b> (millions)	51.4	54.4	54.8	56.2	57.5

(Source: *Social Trends 2000* (HMSO).)

In 1961 it remained true – just – that the traditional family with dependent children was the household type in which the majority of people lived. Just over 50% of the population lived in households of this type. By 1999, though, more than 60% of the people were living in other kinds of households. The most striking change is the increase in the percentage of people living alone or in lone parent households.

## 2. What Size of Housing Do We Need?

So what are the implications for housing of these changes in the size and types of households? It would seem to imply that what is needed is more, but smaller, houses. Generally, though, there has not been a reduction in dwelling size to match the reduction in household size.

As a result, in general we now occupy our housing much less 'tightly' than we did in the past. One consequence is that one of the major problems of housing in the past, overcrowding, has become very much less significant.

### 2.1 Overcrowding and under-occupation

In the past, there were levels of overcrowding in Britain which are almost inconceivable now. For example, in the late 1920s in Newcastle upon Tyne, 35% of the population lived at a density of occupation of more than two persons per room. Tyneside was one of the worst areas in England but in some places, especially in Scotland, overcrowding was even worse. This measure of density - more than two persons per room - would now be regarded as so extreme that it would be irrelevant as a measure (at least in a country such as Britain). Nowadays a density of one or more persons per room is regarded as overcrowded, and 1.5 persons per room is seen as severe overcrowding. Applying these measures, in 1991 4% of the population of Great Britain lived at a density of between 1 and 1.5 persons per room, and less than 1% lived at a density of over 1.5.

For some time there has been concern about the opposite problem: under-occupation - where the dwelling is considered to be too large for the household. There has been concern about under-occupation in council and housing association housing in particular which then led the Department of the Environment to commission research on this issue almost ten years ago. (*DoE: Under-occupation in Local Authority and Housing Association Housing, HMSO 1992.*)

### 2.2 The bedroom standard

In the following sections we will examine the issue of the density of occupation and the relationship between the size of household and the size of dwelling. The information is taken from the General Household Survey, which uses a more sophisticated measure of density of occupation than 'persons per room': what is known as 'the bedroom standard'. The bedroom standard works on the principle that the crucial indicator of whether the housing space fits the household is the availability of bedrooms. This is not just an issue of household size - different kinds of household will need different numbers of bedrooms. The bedroom standard used in the General Household Survey is described as follows:

*“The Bedroom Standard*

*This concept is used to estimate occupation density by allocating a standard number of bedrooms to each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allocated to each married couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex, and each pair of children under 10. Any unpaired person aged 10-20 is paired if possible with a child under 10 of the same sex or, if that is not possible, is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms (including bedsitters) available for the sole use of the household, and the deficiencies and excesses tabulated.”*

*(Source: General Household Survey 1989, p.249, HMSO 1992.)*

**2.3 The bedroom standard and housing tenure**

It was mentioned above that official concern with under-occupation concentrates on council and housing association housing. The table below looks at the extent to which households equal, or come above or below the bedroom standard, for each of the major tenure types.

**Table 25: Difference from Bedroom Standard, by Tenure, Great Britain 1996**

	Owner occupier %	Council %	Unfurn. private %	Furn. private %	Housing assoc. %
1+ below equals standard	2 19	4 49	3 36	5 59	4 65
1 above	40	33	38	21	25
2+ above	39	14	23	15	6

*(Source: General Household Survey 1996 (HMSO 1998).)*

Only 3% of the housing stock as a whole is overcrowded in the sense of falling below the bedroom standard, while almost 70% of the households are above the bedroom standard. This varies considerably by tenure and it is in fact the owner occupied sector which has the ‘least tight’ fit of households to housing space. Almost 80% of owner occupied housing is under-occupied in the sense of exceeding the bedroom standard, and almost 40% exceeds the standard by two or more bedrooms.

In contrast, the local authority and housing association sectors have rather more overcrowding. In particular they have a much higher proportion of households who equal the bedroom standard. Far fewer are under-occupied, especially in the housing association sector.

The two types of private renting are very different. The unfurnished sector is similar to owner occupation with a lot of under-occupation. In contrast furnished renting has the most overcrowding and the least under-occupation. As we have seen, both tend to house small households - unfurnished renting caters for many elderly people, while tenants of furnished accommodation are mostly young.

However, the furnished sector with its predominance of subdivided houses with flats and bedsitters clearly provides less living space.

Further interesting contrasts arise when changes in density of occupation over time are examined:

**Table 26: Households with Two or more Bedrooms above Standard, by Tenure, Great Britain, 1971-1996**

	Owner occupied %	Council %	Unfurn. Private %	Furn. Private %	Housing Assoc %
1971	27	12	20	7	12
1996	39	14	23	15	6

(Source: General Household Survey 1991 (HMSO 1993) & General Household Survey 1996 (HMSO 1998).)

During the 1970s and 1980s there was a substantial increase in the proportion of 'under-occupied' houses in the owner occupied sector, and increases too in private renting. In council housing, though, there was almost no change, and in housing association housing the 'tightness of fit' was actually increased - presumably through the continuing provision by associations of small dwellings for the elderly.

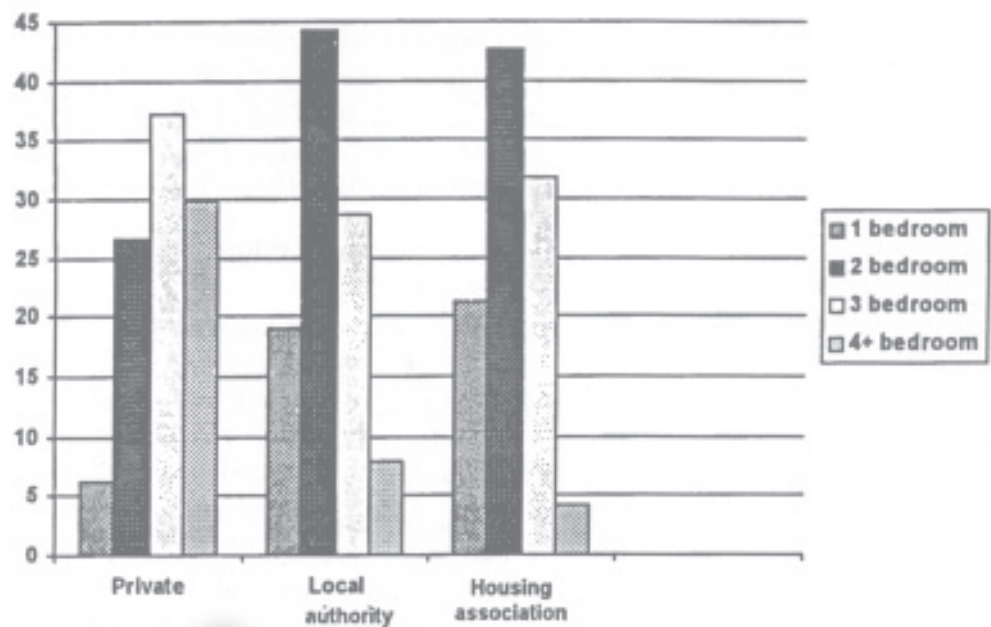
## 2.4 Housing stock and the match with housing size

It seems, then, that in general there has not been a readjustment of the size of the housing stock in Britain to compensate for the reduction in average household size. One reason is that because housing lasts such a long time, much of the housing we have is inherited from the fairly distant past. Additions in the form of new

building or conversions of existing houses are usually very small in comparison with the size of the existing stock. It therefore takes long time to adjust the housing stock.

This also assumes that the changes in the stock as a result of new building are in line with changes in household size, but in fact this is not the case. The diagrams below show the size distribution of new housing built in England in 1996 (a fairly typical year) in the private, council and housing association sectors.

**Figure 2: Percentage of New Housing by Number of Bedrooms, Built In the Private, Council and Housing Association Sectors In England 1996.**



As can be clearly seen, although construction in the council and housing association sectors has concentrated on small dwellings, in the private sector, building mostly for owner occupation, the emphasis has remained on building houses with at least three bedrooms. As the council and housing association sectors built 8,100 and 15,200 in 1991, respectively, while the private sector built 125,000 dwellings the overall impact has been to continue high provision of family sized housing.

## 2.5 Reasons for under-occupation

How does under-occupation come about? There seem to be two elements: **household change and choice**. The research on under-occupation in council and housing association housing mentioned above noted that, in these sectors, most tenants under-occupy because children or other household members have left.



Under-occupation tends to be higher in certain household types and lower in others. Families with children, and especially single parent families, are least likely to under-occupy. Couples without children living with them are most likely to under-occupy, especially couples in late middle age.

It might also be assumed that, in the private sector at least, those with higher incomes would choose to occupy larger housing than they 'need'. In fact, for all households in the private sector there is little relationship between income and under-occupation. However, for families in owner occupation there is a link. The average weekly income of households living at or below the bedroom standard is £383, while those with two or more bedrooms above the standard earn £630.

The bedroom standard, or something very similar to it, may well be familiar to you. Many local authorities and housing associations use this kind of criteria in judging the adequacy or otherwise of the current housing conditions of their housing applicants in awarding points when allocating housing and, sometimes, in deciding what size housing to allocate to the household.

## **2.6 The bedroom standard and its usefulness in assessing housing need**

How useful is this kind of measure in deciding what size housing is needed? There are a number of objections which could be made to the assumptions built into this standard. It could also be criticised for its lack of relevance to modern priorities and to preferences in housing as the three illustrations below might show:

- The bedroom standard explicitly includes 'bedsitters' as a valid and acceptable bedroom space. In the past, bedsitters have been extensively used by those agencies, especially housing associations and local authorities, building sheltered accommodation for the elderly. However, those of you with experience of housing for the elderly may well be aware of a high degree of unpopularity of bedsitters amongst elderly people. You may also know that more recently-built housing for the elderly is more likely to provide a separate bedroom space, and that some 'bedsitter' accommodation is actually becoming difficult to let. The idea of living and sleeping in the same room - efficient as this may seem - appears to offend the sense of what is proper and acceptable for many elderly people.
- The bedroom standard assumes that pairs of children can share bedrooms except for adolescent children of the opposite sex. Issues of 'propriety' are implied to be the only limitation on children sharing bedrooms. However, studies



of people preferences in housing design have shown a very high priority attached to giving the children of the household separate bedrooms, even when they are of the same sex. The reasons for this relate to social changes which have led to children's bedroom typically being used as a space for a range of activities other than sleeping. One factor is central heating - a warm bedroom is more usable. Another is the range of consumer goods many children now have: their own computer, television or stereo. Compared to a generation ago when for most people family life took place in the 'living' rooms, children (more so than adults) now undertake their own activities in their own space in their bedroom. Parents now want to provide such a private space for each child, if they can.

- The bedroom standard makes no allowance for a spare room or guest room. Our society is becoming more and more geographically mobile. No longer can it be assumed that for most people friends and relatives will live nearby. More and more people need a spare bedroom for the visits of grown up children living or studying elsewhere or of friends or relatives from another town. Another sort of visit is also becoming more and more common as the rate of divorce and marital breakdown increases. Parents may live apart, but their children may live part of the time with each parent. Each parent will therefore need the space to accommodate their children.

No doubt you could think of other kinds of social change which affect the ways in which people live and the living space they need. What the points above perhaps do is to question the idea of a fixed standard of density of occupation of housing. Clearly, where people have the choice, owner occupiers in particular, they are in effect, choosing to take advantage of the decline in household size to fit their housing more loosely and have more living space.

In fact, the research mentioned above on under-occupation in council and housing association housing suggests that tenants who are categorised as 'under-occupiers' do not generally see themselves this way. They often make use of their 'spare' rooms and do not want to leave their present accommodation.

So while considerations of efficiency might point to the need for smaller housing and a 'reshuffling' of households, people's preferences do not support this. There is no automatic link between household size and the size of housing we need: it is a matter of policies and of choices.

## Summary

---

1. The increase in the number of small households would suggest that housing size could be reduced.
2. A high proportion of households have spare housing space in comparison with official space standards, especially in owner occupation. Councils and housing associations - but not the private sector - have been building small housing units.
3. People's preferences, and lifestyle changes, suggest that few small households want to reduce the housing space they occupy.

## F. Housing Need and Housing Policy

---

### 1. Definition of Terms

Throughout this section we have used the term ‘housing need’ and asked the question: How much housing do we need? without thinking too much about what this term actually means. In looking at how to assess housing need, Pat Niner (P. Niner: *A Review of Approaches to Estimating Housing Needs*, CURS Working Paper 4, University of Birmingham, 1976) suggested that a useful starting point would be to distinguish housing need from two other terms which might sometimes be used to mean the same thing - but which are in fact different. These other terms are housing desires, and housing demands.

Housing need involves the identification of official minimum standards of housing provision for each household, dependent on the size and type of household. Housing need exists if all households do not already meet that standard, or if more households in the future have to be provided with that standard.

#### 1.2 Housing demand

Housing demand is an economic concept. Housing demand, sometimes referred to as ‘effective’ demand, exists in a housing market to the extent that consumers want and have the money to pay for the housing available. In this precise economic definition, therefore, demand only exists if individuals have the resources to pay the market price. It is completely different from the idea of housing need.

#### 1.3 Housing desire

Housing desire (or want) relates to people’s preferences in housing. These may differ from officially-defined ‘needs’, and may also encompass things other than physical housing standards: preferences for a particular form of housing tenure, for example.

### 2. Housing Policy

In some ways, these three terms suggest three different political approaches to the provision of housing:

- Housing **needs** suggests a rather ‘paternalistic’ approach in which a public agency effectively decides what minimum standards of housing people should have. This is the approach associated in particular with the development of council housing and perhaps more generally with the idea of the welfare state.

- Housing **demand** is linked to the policies of the free market with housing simply a commodity which individuals buy according to what they want and can afford.
- Housing **desires** can be linked to ideas about participatory democracy and a consumer orientation in that it gives more attention to what people actually say they want rather than what a public agency believes they need.

## 2. Housing Demand and Market Led Policies

As you will no doubt be aware (and as will be discussed elsewhere in the course) government policies in Britain in recent years have been strongly characterised by a preference for the market-led approach, which would suggest an emphasis on the idea of housing demand. Of course, taken to its ultimate conclusion, such an approach would make the idea of asking ‘What housing do we need?’ entirely irrelevant. Indeed, it would make irrelevant your taking of this course and our writing of it, because all questions of housing provision would simply be left to the operation of the market. In reality, though, despite the greater emphasis on the private sector and on market mechanisms concerns about housing need and the availability of housing of an adequate standard remain a concern of public policy.

At the same time, there has been a growing concern that in the provision of housing, as with other services, the consumer should be listened to more and people’s preferences should be taken into account. Of course, there is often a conflict between these preferences and the resources available.

### 2.2 Inter-relationship between housing need, housing desire and housing demand

In reality, the question ‘what housing do we need?’ must take account of housing needs, housing desires and housing demand. This can be seen in the progression of questions about housing need that we have looked at.

#### (a) Number of households

We began with the question of population in People and Households. We saw that, while population growth has been quite slow for the country as a whole, the population has been dividing itself up into a larger number of smaller households, so the number of households to be housed had increased much more than the size of the population. It should be borne in mind, though, that there is a link between the formation of households and housing policy. This was discussed at the end of the section on Access to Housing. To some extent, separate households will form only if there is housing to allow them to do so; there is an *interaction* between the number of households and the amount of housing.

**(b) Importance of the local economy**

The second section - Housing, Location and Migration, showed how the growth in the number of households in a local area depended to a very large extent on the movement or migration of people between areas: some areas were growing, others declining. When looked at in terms of local labour market area, which could also be thought of as local housing markets, it was clear that a major factor influencing growth and decline was the economic role and fortunes of the area and that these would very much influence the pressures of local housing needs and the demand for housing in the local housing market.

**(c) Role of different housing sectors**

The question of 'What housing do we need?' is not, however, simply to do with how many households there are to be housed. There is also the question of *how* these households are to be housed which we discussed in the section on Access to Housing. As we have seen, our housing system is divided into different sectors or tenures which tend to provide for different sections of the population. This means that some consideration has to be given to the provision of housing in different tenures in order to meet the needs of the different kinds of households to be housed.

**(d) Groups not provided for by the housing market**

In this section we saw an interesting and complex combination of housing need, demand and desires. Our housing system, and certainly the policies of central government in Britain, has tended to give more and more emphasis to owner occupation and the provision of housing through the market. There is also a clear desire and preference amongst a very high proportion of the population for housing of this kind. However, there is a major question posed by the kinds of changes in household structure seen in the section on People and Households. The growth areas in the formation of additional households are concentrated among just those kinds of households, young single people, the elderly, single parent families, who are least likely to gain access to housing through owner occupation.

One useful way of looking at housing need in relation to tenure and at access to housing is to try to differentiate between those who can adequately meet their housing requirements through the market - especially through owner occupation - and those who cannot and who will look to other tenures to meet their needs.

**(e) Impact of the decline in household size**

Looking at the question of what kind of housing we need in Households and Housing, we again saw there was an interaction between need, desire and demand. There is also a major issue raised by the changes in household structure described in People and households. The question is what are the implications of the decline in household size for the size of houses we have? As far as the owner occupied sector is concerned, it seems that the demand is not for smaller houses and many households have spare housing space. In council and housing association housing there is concern about under-occupation, the fact that households need less housing space than they have. This clearly does not equate however with tenants' own concerns and preferences, nor with our evolving styles of living.

**(f) Surplus housing and homelessness**

Finally, let's return to an issue raised in the introduction; the paradox, that for many years in Britain there has been a surplus of houses over numbers of households but at the same time we have record numbers of homelessness and people sleeping on the streets.

Some of the reasons for this begin to become clear when the different issues discussed above are considered - especially, perhaps, the Where? What? and How? of providing the housing we need. First of all the growth in population and of pressure on the availability of housing varies from place to place and houses may not be where people need them. Secondly, as households and their preferences change, the housing stock we have may be very different from what we need but generally the housing stock can only be changed quite slowly. Finally, and most crucially, there is the issue of access to housing. Housing may exist but may be inaccessible to those who need it and the kinds of households increasing most quickly make this problem particularly acute.

## Summary

1. It is useful to distinguish between housing needs, housing demands and housing desires.
2. Recent government policy, emphasizing the role of the market, is concerned mainly with housing demands.
3. The question 'what housing do we need?' must take into account housing needs, demands and desires.

