

# What happens when there aren't enough homes?

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Shelter

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# Introduction

You won't see families with children sleeping on the streets, so it might surprise you to know that at the end of last September, across England, Wales and Scotland, around 93,000 children woke up homeless.<sup>1</sup>

They're hidden away in hostels and other types of temporary accommodation, often without basic kitchen facilities. They often don't know how long they will have to stay there, making it impossible to plan for the future. Some families will be sent to live miles away and forced to leave school and friends or endure marathon commutes to try and retain a sense of normality.

Sadly some families will be stuck in temporary accommodation for years, simply because we don't have enough affordable homes to rehouse them properly in.

And homelessness is just one of the consequences of our housing shortage. The acute lack of affordable homes affects millions of us – whether we face being priced out of homeownership, are forced to pay unaffordable rents, or find ourselves with nowhere to go.

The solution is simple, but won't be easy to achieve: the government must urgently build more genuinely affordable homes, where they are needed most. If we don't start building more affordable homes, even more children will spend their childhoods stuck in insecure, cramped accommodation.



When Francesca, 27, became homeless, she had to live in a hostel with her two children for eight months.

1. The number of children in temporary accommodation figures for Britain are generated from a snapshot of those in temporary accommodation on the last day of:  
Q3 2014 in England – this figure is published by the Department for Communities and Local Government.  
Q3 2014 in Scotland – this figure is published by the Scottish Government.  
Q3 2014 in Wales – this figure is estimated by applying an average number of children in a homeless household (derived from information published by the Welsh Government) to the number of households with children in temporary accommodation in Wales (also published by the Welsh Government).

# Because we don't have enough homes...

## House prices go up.

We haven't been building enough homes – to buy, or for social rent – for the past 30 years.

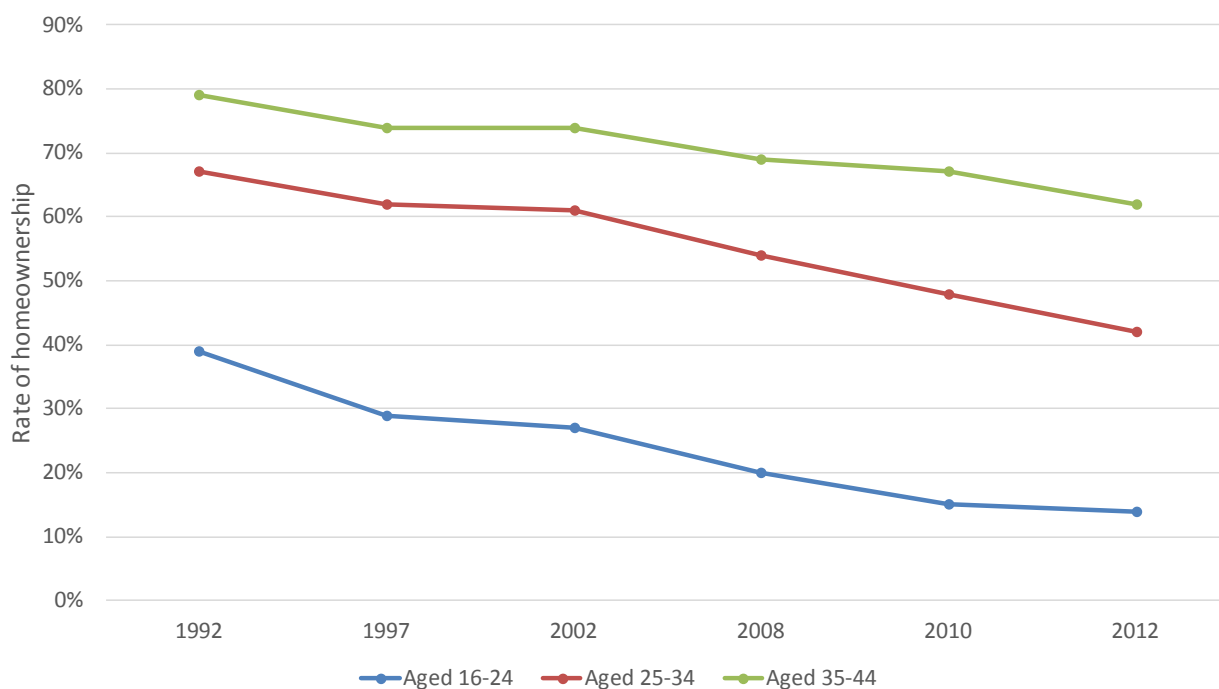
The shortage means there are fewer homes to go around. It means more competition for the homes that are available, which makes them more expensive. Over the last decade, average wages have stayed the same<sup>2</sup> while house prices have grown by over 60%.<sup>3</sup> Higher prices mean people have fewer options when it comes to choosing where to live. Families are being left with no option but to move away from jobs, schools and family networks.

## Fewer people are able to buy.

High prices mean that it takes much longer to save up for a deposit – and a growing number of people are no longer able to buy a home of their own at all. First time buyers often need a sizeable deposit, which they may struggle to save, especially if they are caught in the 'rent trap.' The high cost of renting means two-thirds of private renters are unable to save a single penny towards a deposit on a home of their own.<sup>4</sup>

For the first time in history, the proportion of people who own their own home is falling. In 2012-3 the overall number of owner occupiers reached its lowest level since the 1980s.<sup>5</sup> Homeownership in the UK is now below the European Union average. The chances of owning are higher in Greece, Spain, Italy, the Netherlands, Sweden, Norway and Portugal.<sup>6</sup>

Rate of homeownership by age over time



Source: UK Housing Review analysis of Labour Force Survey

2. ONS, 13 February 2013. 'Real wages fall back to 2003 levels'. Available: <http://www.ons.gov.uk/ons/rel/mro/news-release/real-wages-fall-back-to-2003-levels/realearn0213.html>
3. Table 544: Average house price in the UK between 2003 and 2013, Live tables on housing market and house prices <https://www.gov.uk/government/statistical-data-sets/live-tables-on-housing-market-and-house-prices>
4. The survey was undertaken by YouGov Plc. Total sample size was 4,490 adults, 575 of whom were renting privately. 66% of respondents who were renting privately were not saving anything towards a deposit. Fieldwork was undertaken between 20th and 24th June 2014. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).
5. English Housing Survey, 2012-2013 [page 16](#)
6. Eurostat, Distribution of population by tenure status, type of household and income group. [http://www.appssso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_lvho02&lang=en](http://www.appssso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_lvho02&lang=en)

## The queue for social housing



**1,685,804** households on waiting list for social housing in 2013.

**10,140** new homes built for social rent in 2013/14.

Source: Department for Communities and Local Government, Live tables on affordable housing supply, Table 1009  
Department for Communities and Local Government, Live tables on rents, lettings and tenancies, Table 600

### Case study – Fiona

By the time Fiona got married, started earning a good income and was ready to buy a home, she realised that she had been priced out:

*“I’ve always wanted a home not an asset...when my salary improved, prices had moved on even further. Now I am resigned completely to never owning my own home. That wouldn’t necessarily have to be too much of a problem if I felt my needs were being well-served by renting privately but as a mother of three children, that is patently not the case.”*

## Fewer people can get a social rented home.

In 2013 there were 1,685,804 households in England on waiting lists for social housing.<sup>7</sup>

Some might get a social home after waiting for years. But the sad reality for many is that they may never get one, as there are just too few to go around.

The effects of the shortage can be devastating. For example, we recently worked with Colin, who lost his flat whilst he was in hospital, and because he had nowhere to go, spent months in hospital long after he was well enough to leave.

Thankfully, our advisor was able to help Colin secure a council property – but, sadly, there are many more vulnerable people we just can’t help, because there aren’t enough affordable homes to go round.

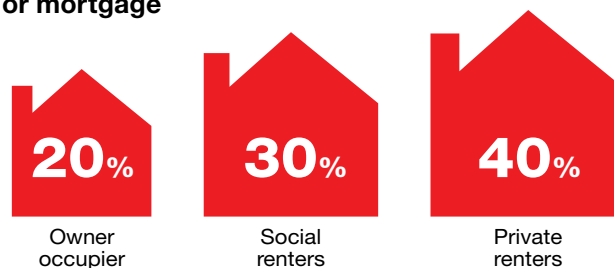
## More people are forced to rent privately.

More and more people who are desperately trying to save for a home of their own, or waiting for an offer of scarce social housing, end up renting from a private landlord.

There are nearly 9 million renters across Britain, and one in three renting households (32%) are now families with children.<sup>8</sup>

However, renting privately can be very expensive: on average private renters spend 40% of their income on rent – twice the average of owner occupiers.<sup>9</sup>

### Proportion of household income spent on rent or mortgage



Source: Department for Communities and Local Government, English Housing Survey, 2012-13

7. Department for Communities and Local Government, Live tables on rents, letting and tenancies

8. Department for Communities and Local Government, English Housing Survey, p37, 2012-2013

9. Department for Communities and Local Government, English Housing Survey, p43, 2012-2013

More than a million private renters are struggling financially<sup>10</sup> and there is evidence that renting families are having to cut back on essentials like food in order to pay the rent.<sup>11</sup>

On top of the cost, private rented homes are often in poor condition and the short-term contracts used by private landlords don't provide the security that families need. Landlords often prefer not to let to families, as a group of sharers can pay higher rents between them, and many landlords will not let to people on housing benefit at all.

With more people forced to compete for homes, Shelter is increasingly hearing from families who are struggling to find a property they can afford. In fact, although two in ten households rent privately in England, four in ten of the calls to our helpline are from private renters.

### Case study – Katharine

Katharine works in a call centre and is a mum of two. She currently rents privately but is struggling to keep up with the rent.

*"I love the home I'm in, the area is nice, the landlord is fantastic – but I can't afford the rent anymore, I'm having to look for somewhere cheaper and it's very difficult."*

Moving area will mean pulling her children out of school and starting all over again. Staggeringly, half of Katharine's wages go on the rent and she's having to make some difficult decisions when paying bills:

*"The rent is my main priority and for other bills I've had to say 'no I can't pay yet'."*

*"It's absolutely horrible trying to juggle like this. It comes down to thinking 'I have to pay that bill because I've got to keep the roof over our heads. What don't I pay this week, who can I pay that week?'"*

## Even homeowners can struggle to keep their home in difficult times

On average, homeowners have to spend less of their income on housing costs – but high house prices mean many can still find themselves struggling to keep up payments.

**We're hearing from more and more families who are living on a financial knife-edge, having to spend more than they can afford on their rent or**

**mortgage. It can then take just one thing, like a job loss or falling ill, for them to get behind with their bills and in the worst cases end up homeless.**

### Case study – Bill



Bill was a bus driver with National Express but had to stop working when his sight deteriorated because of his diabetes. The loss of income meant Bill was unable to meet the repayments on a loan secured against his home and the company took him to court to repossess his home.

*"I used to love my job driving the buses. I'd be doing it with a smile, but I just can't do it anymore. I've got no sight whatsoever in one eye and have to use a magnifying glass for the other. I'm absolutely gutted... I've only got seven years left on my mortgage. I'm not after sympathy it's just life – those are the cards you get dealt."*

Bill called Shelter and was given help to navigate the court process and defend himself against the loan company.

*"When we got to court they were so surprised that we actually turned up to argue our case. If it wasn't for the help of Shelter and the fortitude of my wife Sandra I'd have lost my house."*

## Councils are struggling to find families without a home somewhere to live.

When people are struggling to keep their home, and have exhausted all options, they may have to turn to the council for help. But not everyone who becomes homeless gets rehoused. The majority of people, including those who are already homeless, can only get help or advice. To get rehoused by the council, homeless people must pass a range of legal tests and meet certain criteria.

10. Gaps in the housing safety net, Shelter, p35. [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0005/960314/Final\\_summary.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0005/960314/Final_summary.pdf)

11. The survey was undertaken by Yougov Plc. In July 2014 found that that over one third (37%) of working parents in England are cutting back on buying food in a bid to help pay their rent or mortgage. Fieldwork was undertaken between 17th – 23rd July 2014. Total sample size was 10,174 adults. The survey was carried out online. The figures have been weighted and are representative of all English adults in work and with dependent children.

In 2013/14, local councils assisted more than 209,300 cases of people needing help and advice because they were at risk of becoming homeless, or were already homeless – that’s in addition to the 53,150 households that councils accepted that they needed to rehouse under their legal duties.<sup>12</sup>

**Only a small proportion of homelessness cases are accepted as homeless**



Source: Department for Communities and Local Government, Homelessness Prevention and Relief: England 2013/14  
Department for Communities and Local Government, Live tables on homelessness, Table 775

Just under three in ten of the households that councils accepted as homeless at the end of September last year had lost their home simply because their private landlord decided to stop letting it to them. In London the figure was even higher, at 38%.<sup>13</sup> Insecurity in the

private rented sector is now the leading single cause of homelessness.

**Families get stuck in temporary accommodation.**

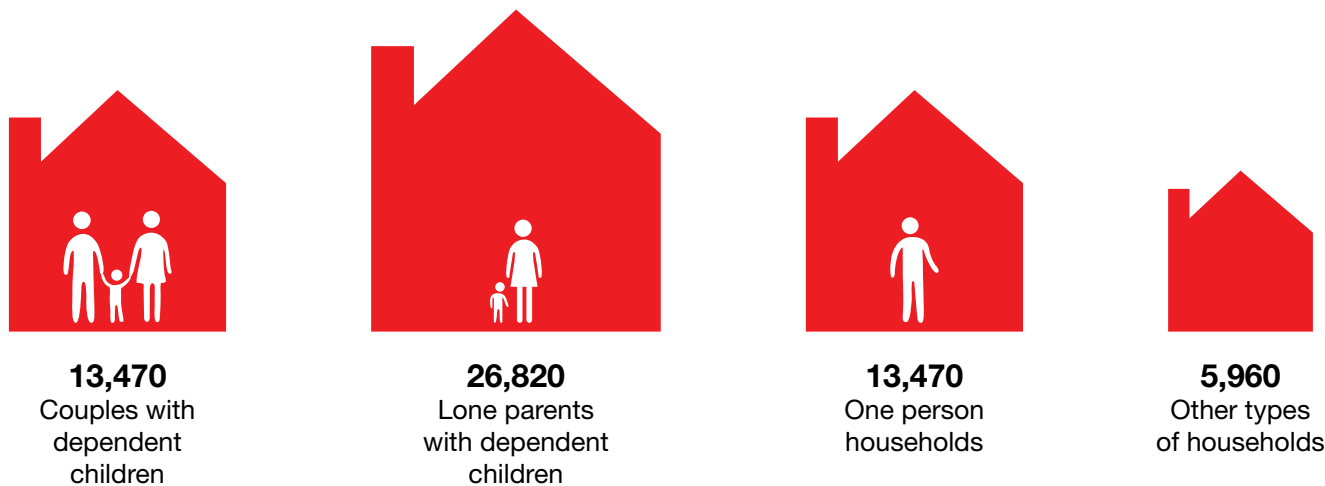
There are many reasons why people lose their home including eviction, repossession and relationship breakdown. When the council has accepted its duty to rehouse a homeless family, it must provide temporary accommodation while the family waits for a suitable, permanent home to become available.

Three quarters of households in temporary accommodation are families.<sup>14</sup> Under homelessness legislation they are prioritised for rehousing, along with other specified groups of homeless people.

Temporary accommodation includes a variety of different types of property – from flats, hostels and old nursing homes, to ‘bed and breakfast accommodation’ where families might share one room with no kitchen.

Temporary accommodation is there to keep families off the streets in an emergency while the council finds them somewhere permanent to live. However, in reality this accommodation can be anything but temporary: our research found that more than one in five homeless families in London had been in temporary accommodation for five years or more.<sup>15</sup> This means thousands of children growing up today will have never lived in a home they can call their own.

**Households in temporary accommodation**



Source: Department for Communities and Local Government, Live tables on homelessness

12. Department for Communities and Local Government, Homelessness Prevention and Relief: England 2013/14 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/336048/Homelessness\\_prevention\\_and\\_Relief\\_England\\_201314\\_updated.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336048/Homelessness_prevention_and_Relief_England_201314_updated.pdf)

13. 2014, Quarter 3. Department for Communities and Local Government, Live tables on homelessness, Table 775.

14. Ibid.

15. Temporary Accommodation in London, Shelter, 2014. [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0004/919093/Temporary\\_Accommodation\\_.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0004/919093/Temporary_Accommodation_.pdf)

## We shouldn't be in a situation where we're leaving children in temporary accommodation for years on end:

- **It's insecure.** Families never know how long they will be in temporary accommodation. In the experience of our frontline advisors, some families get as little as one week's notice that they will have to move. The impact on children can be devastating – families tell us that being homeless really affects their children's mental and emotional health. We know that homeless children have ended up suffering from depression and panic attacks.
- **It's unsuitable for families.** Bed and breakfast type temporary accommodation can mean families having to share kitchens, bathrooms or living rooms with strangers. An entire family may all have to sleep in one room.<sup>16</sup> Bed & breakfast type accommodation is so unsuitable for families that it's actually against the law for councils to house families in it unless it's an emergency and short-term only. But even then some councils end up breaking the law because of the lack of homes. Most families get self-contained temporary accommodation, but because there are no specific standards, it is often of poor quality.
- **It's increasingly out-of-area.** Because there aren't enough affordable homes in their local area, our services are finding more and more families being sent away to cheaper areas. Our own research found families who lost their home in London and were uprooted from their families and support networks and sent to live in Birmingham, because their council had nowhere else to put them.<sup>17</sup> In the run up to Christmas 15,260 homeless households were placed out of their local area. The situation is only getting worse: in the last three years the number of homeless households being placed out of their local area increased by 123%.<sup>18</sup> This wouldn't happen if we had enough affordable homes.

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16. Nowhere to go, Shelter, 2013. [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0009/727290/Nowhere\\_to\\_go\\_CHRISTMAS\\_2013.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0009/727290/Nowhere_to_go_CHRISTMAS_2013.pdf)

17. Temporary Accommodation in London, Shelter, 2014.

18. 2014, Quarter 3. Department for Communities and Local Government, Live tables on homelessness, Table 775.



## The number of families in temporary accommodation is one of the worst symptoms of the housing crisis.

Councils are struggling to find more permanent homes for families to move into and don't have enough social housing to rehouse them.

The Localism Act 2011 broke the well-established principle that homeless households should be offered permanent social housing to stop families who have become homeless cycling through a series of short-term, insecure houses. Households accepted as homeless can now be rehoused in a 12 month private tenancy instead. The Act also changed the law on social housing waiting lists, so in some areas homeless families might not even be eligible to go on the list and wait for a secure home.

This means that families will be stuck in temporary accommodation until the council can find a suitable private rented home for them.

But with so many private rented homes in such poor condition, and with landlords often unwilling to rent to the homeless or to benefit claimants, or to offer 12 month tenancies, councils can struggle to find a place for these families to live.

Homeless families often rely on housing benefit to pay their rent until they get back on their feet. Cuts and changes to housing benefit mean the amount they can get is shrinking, at a time when rents are rising. Even those landlords who will let to them are starting to look for new tenants elsewhere. And with high house prices keeping more would-be first time buyers in the private rented sector, families on low incomes are often out bid and last in line.

As a result of these combined factors, families face longer waits in temporary accommodation and at the end of their wait might only get a 12 month private tenancy rather than a permanent social home. This puts them at the mercy of the expensive and insecure private rental market once again – making the prospect of repeat homelessness increasingly likely.

### Case study – Samantha

Samantha is a mum of three. She became homeless because her private landlord evicted her, after deciding that he wanted his property back. The council had a duty to help her but could only offer her somewhere in Birmingham, miles away from her children's schools.

*"I went down there on the day I was evicted and the first thing they did was offer me a place in Birmingham. I said, I've got a job here, my children's school is here, I've just had a baby, all my family support, my connections are here, everything. I need to be in London, I can go out a bit but it needs to be London, how can I work otherwise?"*

Samantha and her children spent the next five months sleeping on her mum's living room floor on blow up beds, before someone suggested she contact Shelter. The council found her a private rented property, which the family moved into in July 2014.

For a few months they were very happy – the property was near their children's school, they had enough space and a communal garden. But, in January 2015, Samantha was evicted again after her landlord requested the property back. The family has now been rehoused, but out of their local area.



# Conclusion

## How can we get families out of temporary accommodation?

To help the 93,000 children left homeless in temporary accommodation we need to face up to our national housing shortage. For too long we've failed to build enough homes, especially secure, affordable homes.

To solve the housing shortage we need to greatly increase house building of all types of homes: to buy, to rent and for shared ownership.<sup>19</sup>

But to help homeless families and children, we especially need to build much more genuinely affordable social housing.

We need to double the amount of new homes built in England each year, and Shelter recommends that 30% of new housing should be for social rent, 20% for intermediate tenures like shared ownership and affordable rent, and 50% for market sale or private rent.<sup>20</sup> Specifically, as advocated by Shelter and KPMG, the next government must:

- Increase investment to allow housing associations and councils to build new social housing. We recommend an additional £1.22bn per year is

allocated for new affordable housing over the next parliament.<sup>21</sup>

- Set up a new National Housing Investment Bank to reduce the borrowing costs of housing associations and allow them to build thousands more affordable homes.<sup>22</sup>
- Give councils the powers to lead new Dutch or German style urban redevelopments and extensions which prioritise social housing, alongside new infrastructure like schools, transport and healthcare facilities.<sup>23</sup>
- Build new garden cities. Shelter designed a prizewinning garden city for Kent which included 30% social rented housing, as well as plots for custom builders, new jobs and apprenticeships and better transport links.<sup>24</sup>

The housing shortage is a national scandal which has built up under successive governments and now affects us all. We can solve the housing shortage within a generation, but it will take real leadership, reform and investment. If we do not build the affordable homes our country needs, we will continue to condemn thousands of families to homelessness.

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19. In The Mix, Shelter, October 2014 [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0016/1024315/In\\_the\\_Mix.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0016/1024315/In_the_Mix.pdf)

20. Ibid.

21. Increasing Investment in Affordable Housing, Shelter, 2014 [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0011/799769/2014\\_capital\\_economics\\_shelter\\_summary.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0011/799769/2014_capital_economics_shelter_summary.pdf)

22. Ibid.

23. Building the Homes We Need, KPMG and Shelter, 2014. <http://www.thehomesweneed.org.uk/>

24. Wolfson Economics Prize, Shelter and PRP, 2014 [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0007/941326/WolfsonPrize\\_Summary\\_WEB.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0007/941326/WolfsonPrize_Summary_WEB.pdf)

Shelter helps millions of people every year  
struggling with bad housing or homelessness –  
and we campaign to prevent it in the first place.

We're here so no one has to fight bad housing  
or homelessness on their own.

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