

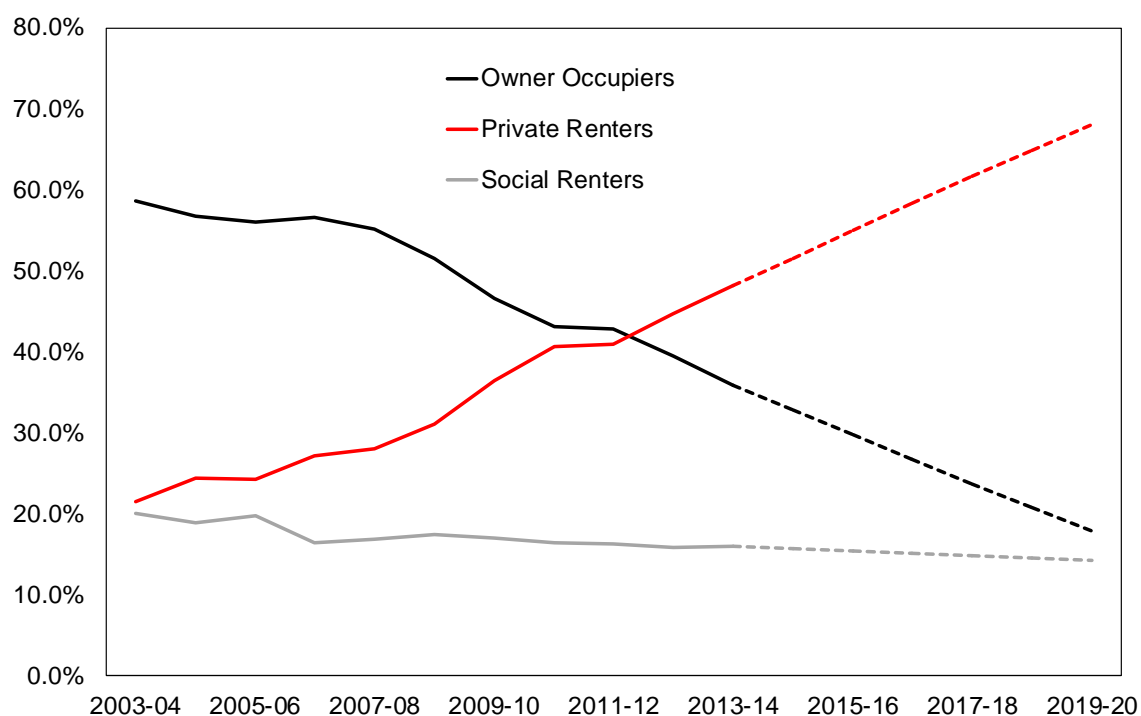
Tenure Projections: 25 to 34 year olds in England

The housing crisis in England has had a particularly acute effect on younger people. As growth in house prices has outpaced that of incomes, housing affordability has declined particularly for first time buyers¹. This has forced many young people to stay at home with their parents², or move into the private rented sector, where costs are high and conditions are often poor³. The high costs of renting can see people get stuck in the 'rent trap', unable to save enough to raise the deposit required to buy a home of their own, unless they have help from the 'Bank of Mum and Dad'⁴.

This has resulted in home ownership amongst younger households fall from nearly 60% in 2003-04 to just under 36% in 2013-14, whilst private renting has more than doubled from around 20% to 48% over the same period. If the trends of the past five years continue, our projections suggest that less than 20% of 25-34 year old households (around 600,000) will have made it on to the property ladder by 2019-20, whilst almost 70% (around 2.4 million) will be living in the private rented sector.

These projections demonstrate the possible consequences if the housing crisis is not addressed. It is vital that the next government takes meaningful steps to address the problem, and to start building the homes we need. Otherwise, the dream for many young people to one day own their own home will never be realised.

Figure 1: Projections of household tenure, 25-34 year olds, England



Source: English Housing Survey Annex Table 1.4, DCLG Live Table 401, Shelter Analysis

¹ [Affordability for first time buyers, Shelter \(2015\)](#)

² [The clipped wings generation, Shelter \(2014\)](#)

³ [Safe and Decent Homes, Shelter \(2014\)](#)

⁴ [The Flyers and the Triers, Shelter \(2015\)](#)

Methods

These projections estimate changes in tenure for 25 to 34 year olds in England between 2014-15 and 2019-20, based on the trends in tenure for this age group between 2008-09 and 2013-14 continuing.

The projections are based on ratios of changes in tenure, calculated using data from the English Housing Survey⁵. These ratios were applied to future household projections published by the Department of Communities and Local Government (DCLG)⁶.

The ratios were calculated from English Housing Survey data based on:

- changes in tenure for 25-34 year olds between 2008-09 and 2013-14, relative to changes in tenure for all households; and
- changes in tenure for all households between 2008-09 and 2013-14, relative to the change in the overall number of households.

These ratios were then applied to the future projected change in overall households in England as published by DCLG, to project the change in tenure amongst the 25-34 year olds between 2014-15 and 2019-20.

Current situation

In 2003-04 in England there were almost triple the amount of 25 to 34 year olds that owned their own home, compared to those that were renting. There were over 1.8 million households that had got onto the property ladder in this age group, 59% of all households in this age group. Whilst just over one in five households were living in the private rented sector, with around the same amount living in social housing.

However, over the past decade a lot has changed. In 2013-14, home ownership amongst this age group has fallen by over a third, to just under 1.2 million households. Private renting households has increased by 137% over the same period to 1.6 million, with almost half of younger households now living in the private rented sector. The number of social renters has fallen by around 100,000, to 16% of households in this age group.

Table 1: Household tenure, 25-34 year olds, England

	Owner Occupiers		Private Renters		Social Renters	
	Number	Share	Number	Share	Number	Share
2003-04	1,848,380	58.6%	675,049	21.4%	629,617	20.0%
2004-05	1,596,428	56.7%	686,214	24.4%	532,038	18.9%
2005-06	1,685,772	56.0%	728,697	24.2%	595,180	19.8%
2006-07	1,662,765	56.5%	796,270	27.1%	482,539	16.4%
2007-08	1,490,540	55.2%	756,766	28.0%	453,982	16.8%
2008-09	1,649,036	51.5%	994,626	31.0%	559,723	17.5%
2009-10	1,487,223	46.6%	1,161,035	36.4%	540,440	16.9%
2010-11	1,369,132	43.1%	1,288,708	40.6%	518,824	16.3%
2011-12	1,394,636	42.8%	1,334,126	40.9%	530,766	16.3%
2012-13	1,264,022	39.5%	1,428,492	44.6%	507,144	15.8%
2013-14	1,188,818	35.8%	1,600,346	48.2%	528,418	15.9%

Source: English Housing Survey Annex Table 1.4

⁵ 2013-14 English Housing Survey, Annex Table 1.4

⁶ DCLG live table 401

Looking forward

If the housing crisis is left unchecked, it is likely that the challenges for younger households to get on to the property ladder will only continue to get worse than they already are.

To try and understand the impact this could have on younger households, we have projected the tenure for 25-34 year olds, based on the changes in tenure that have taken place over the past five years. If these trends continue, by 2019-20 less than 20% of younger households will own a home of their own, whilst almost 70% will be privately renting. That is just over 600,000 younger households on the property ladder, with over 2.3 million households living in the private rented sector.

Table 2: Projections of household tenure, 25-34 year olds, England

	Owner Occupiers		Private Renters		Social Renters	
	Number	Share	Number	Share	Number	Share
2013-14	1,188,818	35.8%	1,600,346	48.2%	528,418	15.9%
2014-15	1,095,604	32.8%	1,723,030	51.6%	522,078	15.6%
2015-16	1,000,307	29.7%	1,848,455	54.9%	515,596	15.3%
2016-17	902,699	26.6%	1,976,923	58.3%	508,956	15.0%
2017-18	807,229	23.7%	2,102,576	61.6%	502,462	14.7%
2018-19	711,838	20.7%	2,228,126	64.8%	495,974	14.4%
2019-20	616,584	17.8%	2,353,496	68.0%	489,494	14.1%

Source: English Housing Survey Annex Table 1.4, DCLG Live Table 401, Shelter Analysis