

Housing tenure disparities among young parents in England and Wales, 2001-2011

Background

Between 2003-04 and 2013-14 the proportion of young adults renting privately in England rose from 21% to 48% as homeownership declined, sparking heated debates about 'Generation Rent'⁽¹⁾. There are mounting fears that these aggregate trends could signal deepening housing inequality and restricted social mobility as less advantaged young people are increasingly constrained to rent privately by the financial difficulties of entering homeownership and the scarcity of social housing. This growing reliance on private renting could be particularly challenging for less advantaged young parents seeking residential stability, as privately rented accommodation is typically less secure, less affordable and more likely to be poor quality than housing in other tenures. The Generation Rent phenomenon could therefore have unequal and potentially long-term implications for the prosperity and well-being of current and future generations of young Britons.

Aim

This study examines whether the recent expansion of private renting has deepened housing tenure disparities among young families as less socio-economically advantaged young parents have been disproportionately channelled into the private rental sector.

Key findings

1. The proportion of young parents aged 25-34 raising children in the private rental sector increased by 150% from 11.1% to 27.6% between 2001 and 2011. This trend was mostly counterbalanced by falling homeownership, as well as reduced social renting amongst lone parents.
2. The smallest reduction in homeownership and the least pronounced growth of private renting between 2001 and 2011 was for young parents in dual earner couples working in higher managerial, administrative and professional occupations. There was a much more prominent shift from homeownership to private renting between 2001 and 2011 amongst lone parents with advantaged jobs, couples with one earner, and couples employed in routine and manual occupations.
3. Deepening housing disparities between young families may be an integral feature of Generation Rent, as constrained access to other tenures disproportionately channels less advantaged young parents into the less secure, less affordable and often lower quality accommodation supplied by the private rental sector.

Study design

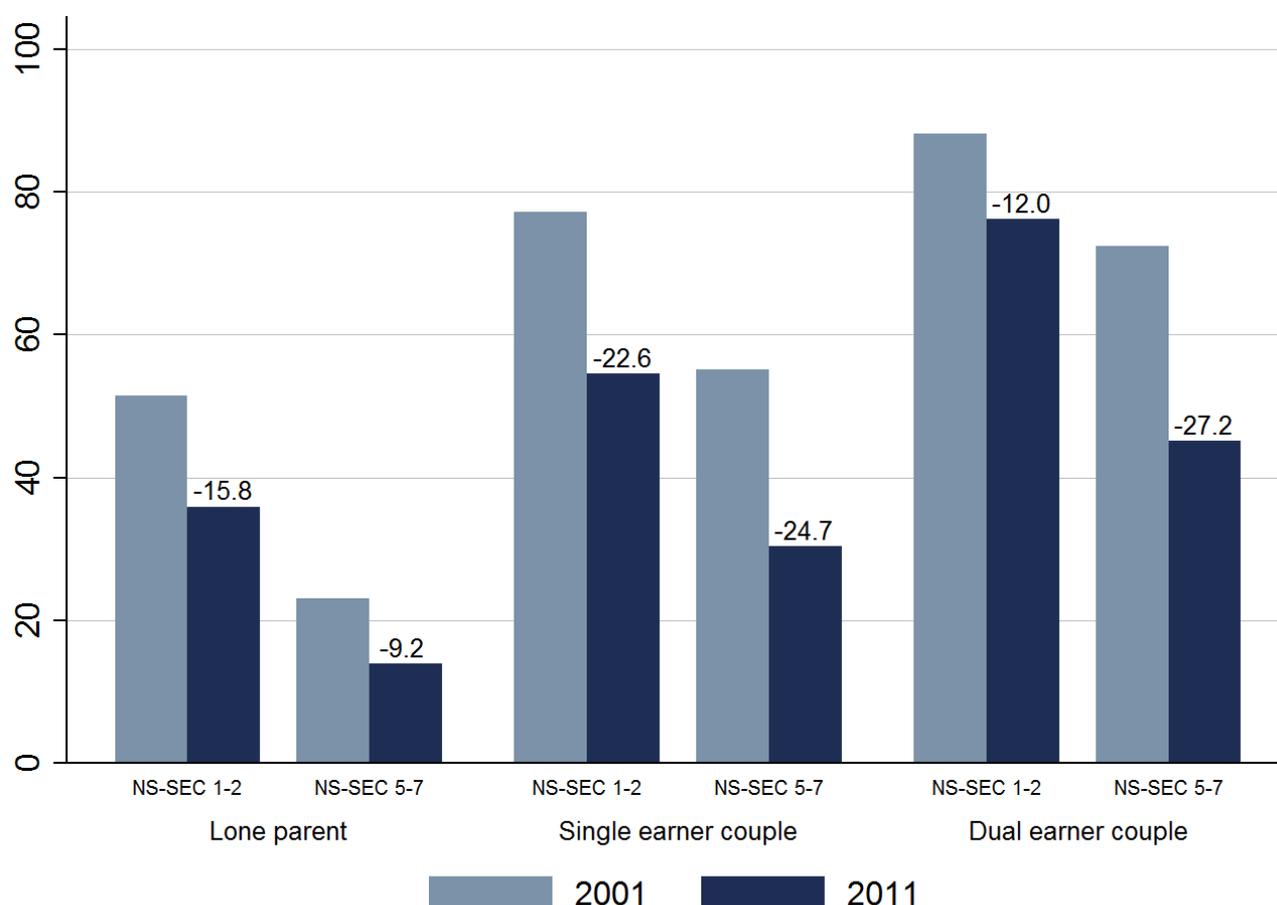
The study used data from the Office for National Statistics Longitudinal Study of England and Wales. This database contains the anonymised linked census records of a 1% sample of the population of England and Wales from 1971 to 2011. Census data on demographic attributes, living arrangements, qualifications, employment, health and housing are available and used in this study.

The sample consisted of all parents aged 25-34 with co-resident children who were identified as either solely or jointly heading a census family unit in either 2001 or 2011 (n=59560). The dependent variable used information on intra-household relationships and housing tenure to code sample members as homeowners, social tenants, private tenants or resident in the parental home. The principal independent variable classified sample members by family type. This indicator distinguishes lone parents from parents living with a partner and also separates parents heading single and dual earner couple families. The National Statistics Socio-Economic Classification (NS-SEC) of employed parents was then used to further disaggregate families by socio-economic status. This briefing compares those working in higher managerial, administrative and professional occupations (NS-SEC 1-2) with those employed in routine and manual occupations (NS-SEC 5-7).

Findings

Figures 1 and 2 compare the percentage of young parents heading different types of census family unit who were homeowners (Figure 1) or private tenants (Figure 2) in 2001 and 2011. Equivalent plots comparing the proportion who were social tenants or living in the parental home are not presented as there were less pronounced changes in these outcomes. Further modelling work shows that the patterns displayed in the figures persist after taking into account observed changes in the composition of young parents in different types of family between 2001 and 2011 (for example in terms of their age, ethnicity, education, health, region of residence and parental background).

Figure 1. The percentage of young parents in homeownership in 2001 and 2011 by family type.



Notes: Source ONS LS, own analysis. Figures denote percentage point change 2001-2011.

Figure 1 shows that young parents in all types of families were considerably less likely to be homeowners in 2011 than 2001. Across the entire sample homeownership amongst young parents fell by 15.5 percentage points or around 24% during the study period. The smallest absolute drops were for dual earner couple families with higher (NS-SEC 1-2) occupations and lone parents working in routine and manual jobs (NS-SEC 5-7) who had low ownership levels in 2001. In absolute terms, homeownership declined most precipitously for parents living in couples employed in routine and manual occupations (NS-SEC 5-7) or where only one partner was working.

Figure 2. The percentage of young parents renting privately in 2001 and 2011 by family type.



Notes: Source ONS LS, own analysis. Figures denote percentage point change 2001-2011.

Figure 2 indicates that declining homeownership has been primarily counterbalanced by expanded private renting. Relatively few young parents rented privately in 2001 but private renting increased by 16.5 percentage points or around 150% in the decade to 2011. In absolute terms, private renting increased most dramatically for young parents in single earner couples and for couples where the partners worked in NS-SEC 5-7 jobs. Growth was also strong amongst lone parents due to falling homeownership and declining reliance on social housing (the latter was particularly evident for lone parents with NS-SEC 5-7 jobs). By contrast, there was a much smaller rise in private renting amongst young parents living in dual earner couples with NS-SEC 1-2 occupations. Overall, the figures suggest that constrained access to other tenures – most notably homeownership – has disproportionately channelled less advantaged young families into the private rental sector.

Summary and implications

1. In a dramatic reversal of post-war trends, the proportion of young adults rearing children in the private rental sector increased strongly in the ten years to 2011. This counterbalanced declines in homeownership and to a lesser extent social renting. The magnitude of these shifts, as well as housing preference data, suggest that young parents' growing reliance on private renting is driven more by intensified constraints accessing other tenures than by new patterns of housing choice.

2. The growing concentration of young parents in private rental housing is concerning because the sector is not very 'family friendly' as it remains oriented towards providing flexible, short-term housing to mobile population groups. Although anyone can be adversely affected by the issues of poor dwelling quality and constrained affordability that disproportionately afflict the private rental sector, the housing insecurity generated by short private tenancies is a particular problem for parents seeking to establish a stable home environment and keep their children in the same school.

3. Increased private renting amongst young parents is not just an issue of intergenerational equity as housing divisions are also deepening within 'Generation Rent'. The shift from homeownership to private renting between 2001 and 2011 was more pronounced for parents living in couples with one earner and those working in less advantaged occupations than for parents in dual earner couples with advantaged jobs. Between 2001 and 2011 affordable social tenancies also gave way to less secure and often higher cost private tenancies amongst young lone parents with routine and manual jobs. Constrained access to other tenures means that less advantaged young parents are increasingly facing the challenge of raising children in the private rental sector as homeownership becomes more confined to work rich and socio-economically advantaged couples.

References and acknowledgements

(1) Cole I, Powell R and Sanderson E (2016) Putting the squeeze on 'Generation Rent': Housing benefit claimants in the private rented sector - Transitions, marginality and stigmatisation. *Sociological Research Online* 21 (2): 9. <http://dx.doi.org/10.5153/sro.3909>.

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