Leaving home in contemporary Britain: The role of parents and local house prices

Background
In Britain, the proportion of young adults living with a parent has risen since the late 1990s. Although changing lifestyle preferences and more frequent “boomerang” returns may have contributed to this trend, research suggests that enhanced economic pressures generated by the limited availability of secure well-paid work, large student debts and declining public welfare provision mean that young people are also finding it increasingly difficult to move out of the parental home. Public debates about Britain’s “housing crisis” highlight that these difficulties are being amplified by growing problems of housing access and affordability, which are particularly acute in certain parts of the country. This is fuelling concern that young people’s opportunities to leave home and enter the housing system are strongly influenced by their family background and the characteristics of local housing markets.

Aim
This study examines how (1) parental attributes and (2) house prices in Local Authority Districts (henceforth districts) shape young adults’ departures from the parental home.

Key findings
1. Parental factors have different effects on young adults’ departures from the parental home to different residential destinations. While parental background has little impact on the probability that young people leave home to form partnerships, parental socio-economic advantage significantly reduces the likelihood that young people leave home to live alone or share accommodation.

2. Higher local house prices significantly reduce the likelihood that young adults exit the parental home. These patterns are particularly pronounced for departures to partnership and departures to live alone or in shared accommodation.

3. Importantly, the effects of local house prices are somewhat less pronounced than is commonly assumed in public debates. Individual level factors exert a very strong impact on patterns of home leaving in contemporary Britain.

Study design
This study uses the first five waves of the United Kingdom Household Longitudinal Study (UKHLS, also known as Understanding Society <https://www.understandingsociety.ac.uk/>) covering the period 2009-2014. UKHLS is a large nationally representative panel survey collecting annual data about individuals and households in Britain. The sample consisted of all young people aged 16-30 who were living with a parent at one interview (denoted as t) and who were interviewed again in the following survey sweep (denoted t+1). Using information about young people’s living arrangements and labour force participation, we distinguish three potential routes out of the parental home between t and t+1: (1) exiting as a full-time student (results not discussed here); (2) exiting to live with a partner, but not as a student; and (3) exiting to live alone or with others, but not as a student.
Multilevel models were then fitted to examine how a number of factors influence the risk that young people leave home to each of these different residential destinations between waves $t$ and $t+1$. Each model includes a range of individual and parental variables that are known to shape young adults’ residential pathways (e.g. age, gender, ethnicity, labour force status and income plus measures of parental income, parental education and parental housing tenure). In addition, information on mix-adjusted district house prices obtained from the UK House Price Index datasets collated by the Land Registry (<http://landregistry.data.gov.uk/app/ukhpi>) were included in the models to capture the effects of local housing costs.

**Findings**

Figures 1 and 2 use the models described above to derive the predicted annual probabilities that a hypothetical young man and woman with a fixed set of personal attributes leave home to form a partnership (Figure 1) or live alone/live in shared accommodation (Figure 2). To isolate how parental factors and local house prices shape departures, each plot shows how the probability of home leaving varies for the hypothetical man and woman when we change only their parental background and the price of housing in their origin district. In these plots an *advantaged* parental background is defined as living with both biological parents, having at least one parent with a degree, parental homeownership and having a parental income of £4500/month. The *disadvantaged* profile is defined as not living with both biological parents, having no parent with a degree, parental social tenancy and having a parental income of £1750/month. The *low cost* district is defined to have a mean house price of £121000 (similar to 2015 prices in Bridgend, South Ayrshire or Wakefield), while the *high cost* district has a mean of £225000 (similar to 2015 prices in Barking and Dagenham, Edinburgh or Worthing).

![Figure 1. Predicted probability of leaving home to partnership](image)

*Notes: Derived from own analysis of UKHLS. 95% confidence intervals for predicted probabilities.*

Figure 1 shows that young women have a higher annual probability of leaving home to form a partnership than their male peers. For both genders, the probability of departing the parental home...
to form a partnership within a given housing cost bracket is very slightly greater for the disadvantaged profile. Indeed overall, the model estimates (not shown) show that parental factors have a much weaker effect on exits to partnership than on the other routes out of the family home. Higher local house prices are also associated with a slightly lower probability of leaving the parental home to form partnerships, although the magnitude of this effect is rather small.

**Figure 2. Predicted probability of leaving home to live alone or with others**

![Figure 2](image)

*Notes: Derived from own analysis of UKHLS. 95% confidence intervals for predicted probabilities.*

Figure 2 shows the predicted probabilities of leaving home to either live alone or live in shared accommodation. Once again, the figure shows that young women have a higher propensity to leave home than their male counterparts. Varying the parental background of young people while holding local house prices constant also has a considerable effect on the predicted probability of leaving home to live alone or in shared accommodation. Parental advantage reduces the probability of departing to live alone or in shared housing, with the model parameters suggesting that a “feathered parental nest” (characterised specifically by homeownership and the presence of both biological parents) may reduce the relative appeal of leaving home to live outside a family. In addition, young people from a given background have a somewhat lower predicted probability of leaving home if they live in a high rather than a low cost district.

**Summary and implications**

1. Parental background significantly influences the likelihood that young adults leave home to all destinations except partnership. Although the model parameters (not shown) show that parental higher education generally accelerates departure, the overall probability of leaving home to live alone or in shared accommodation is lower for children with advantaged family backgrounds than for their peers with less advantaged family circumstances. This suggests that a “feathered parental nest” - characterised particularly by parental homeownership and a stable long-term parental union - may reduce the relative appeal of leaving home.
2. Higher local house prices significantly reduce the likelihood that young adults exit the parental home to form co-residential partnerships or live alone/in shared accommodation. However the magnitude of the house price effect is relatively small, although small price effects on annual transition rates can of course compound over time to create large cumulative disparities in young people’s life course trajectories.

3. Public debates may be overstating the extent to which problems of housing access and constrained housing affordability are preventing young people from leaving home. After controlling for local house prices, the models show that individual level factors such as age, ethnicity, partnership status, income and labour force position strongly influence when and how young people leave home. This suggests that changes in the young adult population produced by structural trends such as delayed family formation, increasing ethnic diversity, prolonged educational enrolment, a weak youth labour market and the reduction of public welfare support are probably a key reason for delayed home leaving and the growth of parental co-residence in recent years.

4. As local house prices only slightly reduce the annual probability of exiting the parental home, housing policy interventions to boost supply and affordability are unlikely to dramatically alter patterns of household formation in young adulthood, at least in the short-term. Indeed, the countervailing thrust of other policy domains - for example reductions in public welfare provision, a continuing emphasis on labour market “flexibility”, and changes to student finance – is likely to form one of the principal barriers to the success of housing policy interventions that seek to reduce the economic difficulty of leaving home and living independently in young adulthood.

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