Housing in Young Adulthood: Changing Choices, Constraints and Challenges

Date: 14:00-18:30, 12th September 2017
Venue: Places for People, Cheapside, London

Overview
This workshop brought together a diverse group of 25 researchers, policy professionals, housing practitioners and stakeholders to (1) share and discuss the latest evidence about young adults’ housing in Britain and (2) debate how to create a housing system that works for current and future generations of young people. The afternoon was divided into two themed sessions, with each session comprising four research presentations followed by a chaired roundtable discussion.

Session 1: Contemporary trends and challenges
Roger Wilshaw (Places for People) opened the afternoon with a broad description of the origins and consequences of the housing challenges facing contemporary young adults. He outlined the main issues in each tenure and emphasised how difficulties accessing secure and affordable housing are impacting upon demographic trends and the wider economy (for example by reducing disposable incomes and possibly discouraging family formation).

Ann Berrington (University of Southampton) then spoke about austerity and how housing is bound up with deepening social inequality in transitions to adulthood. She argued that growing uncertainty in young people’s lives should not be attributed solely to changes in the housing system (for example difficulty entering homeownership), but also to wider trends in labour markets, student finance and public welfare provision.

In the third presentation Anna Clarke (University of Cambridge) discussed her work on youth homelessness. She noted the paucity of existing data and a particular lack of information about the numbers of young people who are homeless but not sleeping rough (such as ‘sofa surfers’ staying temporarily with friends/relatives). Her survey results indicate that homelessness in young adulthood is a far more common experience than is suggested by official statistics.

Finally, Sait Bayrakdar (UCL) talked about how local house prices and parental background influence when young adults leave home. He emphasised that local housing costs are a relatively minor factor in home leaving decisions and that individual circumstances are the main determinants.

The presentations were followed by a lively debate chaired by Mike Oxley (University of Cambridge). Mike opened the discussion by pointing out the interactions between the dynamics of housing systems and trends in other life course domains. In the ensuing debate, a consensus emerged that the principal housing issues for young adults are: (1) ensuring access to preferred tenures; (2) addressing the ways in which housing amplifies economic inequalities; and (3) the housing implications of transformations in other aspects of young adults’ lives (for example their education, work and partnership pathways). These themes were repeatedly returned to during the afternoon.

Several delegates expressed concern about framing the housing problems facing young adults as an issue of intergenerational justice. It was argued that the root cause of the ‘housing crisis’ lies in the distribution of housing across society more broadly, with rising economic inequality at the heart of the problem. In this context, increasing the stock of dwellings might have limited value for young
people unless this new construction is genuinely affordable. Expanding the provision of social housing was also seen as a policy priority. Furthermore, various ways of restructuring the tax system to efficiently tax housing assets were suggested as a means to dampen the inequality generated by real house price inflation and uneven levels of homeownership (note that some participants doubted whether this would work and expressed concern that capital gains/land taxes might have adverse unintended consequences unless they are phased in). Delegates also noted the need to consider incentives to encourage later life downsizing to free up housing resources.

Delegates also discussed how to tackle problems of housing quality, affordability and security in the private rental sector as this is the only realistic housing option for many young people. Some participants remarked that lessons can be learnt from the actions of the devolved Scottish/Welsh administrations and local initiatives (for example in the London borough of Newham). Finally, the session concluded with a discussion about the role of stakeholders in policy making. Participants did not agree about whether housing experts should propose radical debate-shifting ideas to restructure the housing system, or work with policy makers and respond to what they already consider to be the most pressing priorities. Some argued that political actors will be forced to respond to the needs of young renters in the coming years as they become a larger share of the electorate.

Session 2: Long-term trends and challenges

After a coffee break, Lindsay Judge (Resolution Foundation) presented innovative work reconstructing the long-term tenure and household experiences of different generations. Her analysis suggested that (1) the recent decline of homeownership is unlikely to continue, but that (2) the ‘millennial’ cohorts are likely to take longer and probably have lower overall levels of eventual homeownership than their ‘Baby Boom’ counterparts.

Rory Coulter (UCL) then explored how parental social class and housing tenure influence young adults’ propensity to become homeowners in different housing markets. He argued that parental resources seem to have stronger effects on access to homeownership in more costly and constrained areas (suggesting uneven social mobility), but that individual factors are of paramount importance for becoming a homeowner.

Next, Mike Oxley (University of Cambridge) presented several examples of how housing providers are combatting poverty in young adulthood. He pointed out the positive impact of these programmes and the ways in which housing providers can support young people to live independently. However, Mike also stressed that some housing providers are uneasy about taking responsibility for tackling youth poverty and that relatively little is known about the long-term efficacy of their initiatives.

In a provocative talk, Andy Green (UCL) argued that young people are facing a deep housing and economic crisis that requires radical policy interventions to reduce intergenerational and socio-economic inequality. Andy suggested that it is essential to reduce house prices and wealth inequality through reforms to property taxation and the council tax system. He argued that
housebuilding will only benefit young people if the homes that are built are genuinely affordable. Drastic reforms to improve tenure security and dwelling quality in the private rental sector are also necessary to help younger and poorer households.

Presentations in the second session were then followed by a debate chaired by Roger Wilshaw. Delegates discussed current housing regulations and products as well the policy recommendations proposed by some of the speakers. The debate began with an evaluation of the value of shared homeownership schemes for younger people. Delegates felt that for many people shared ownership is superior in quality and affordability to the private rental offer, but some were concerned about the long-term sustainability of the product as few households ‘staircase up’ out of shared ownership. Further research is certainly required here.

The discussion then turned back to tackling housing inequality and whether this could be achieved by just increasing the supply of dwellings (delegates did not agree on this point). There was much debate about taxing housing/land more effectively to curb house price growth. Many delegates agreed that reforming the council tax system is essential as this is a regressive tax which does little to incentivise downsizing or the efficient use of housing space. Transaction taxes on housing were viewed less favourably by many participants as they can impede relocation. Some delegates proposed using stamp duty concessions to encourage the redistribution of housing resources (for example by exempting downsizers from payments).

This discussion fed into a detailed debate about inheritance, pension provision, the costs of later life care and the taxation structures that should govern wealth transmission within families. Concern was expressed that inheritance of property by older affluent people is likely to exacerbate social inequality in the coming years. Young people’s housing options are also likely to be becoming increasingly dependent on the resources of their (grand)parents, deepening the divide between haves and have-nots. There is remarkably little clarity on whether the Westminster government considers this to be a problem or not.

Finally, a persistent theme of both sessions was the unclear causal relationship between family dynamics and changes in housing systems. This was felt to be an area in need of much more research. Some delegates pointed out that affordability constraints are pushing many young people into forming families in the private rented sector, which then often fails to provide the stable, high quality environment that many parents want. Regional differences in housing markets as well as employment opportunities were also discussed and concerns were voiced that uneven housing markets are making it hard for people to migrate for work. Furthermore, several delegates reminded the group that well paid employment is often unavailable for young people living in cheaper housing markets. This means that many young people have to trade-off access to housing against their career progression as it is difficult to satisfy both housing and job preferences in the same location.

Final remarks

Rory Coulter wrapped up the afternoon by thanking delegates for their contribution and inviting Sian Berry to speak about her role chairing the London Assembly’s Housing Committee. Sian began by sharing her experience of housing issues in her work for Camden council. She noted that residents of her ward were mostly concerned about the difficulty of accessing social housing and their many problems with private rental accommodation. She then listed hidden homelessness, community-led housing development, reforming rental regulation and fire safety as some of the most important issues on the London Assembly’s housing agenda. She concluded by inviting everyone to share their research and expertise on these topics with the London Assembly Housing Committee.
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