

# Planning for smaller Households

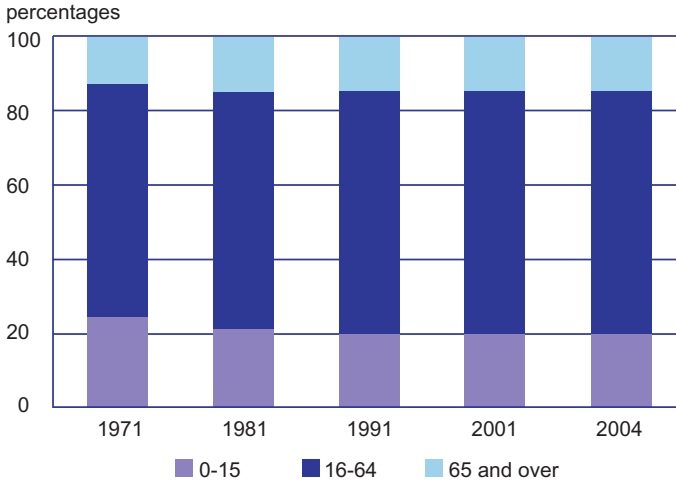


## Introduction

Official Census data shows that the population of England and Wales is projected to steadily increase, as is the percentage of the population of retirement age and over, whilst owner-occupation is expected to grow by 2.5m by 2021.

### Aging

16% of UK population are aged 65 or over



1. Source: Office for National Statistics

The 2001 Census shows a substantial increase in the number of one person households over the last ten years to 30%. Nearly half of these are one-person households (3.1 million) consisting of a single pensioner, three-quarters of whom (2,366,000) are women living on their own).

This demographic shift in the population can reasonably be expected to have a significant impact on both future household composition and the size of dwellings, with implications for policy makers planning for the future provision of housing. Government policy has tended to concentrate on the housing needs of smaller households, and assume that they are generally those in need of a first home. The size of the older-aged smaller household, and their housing needs, has generally been overlooked in policy formation.

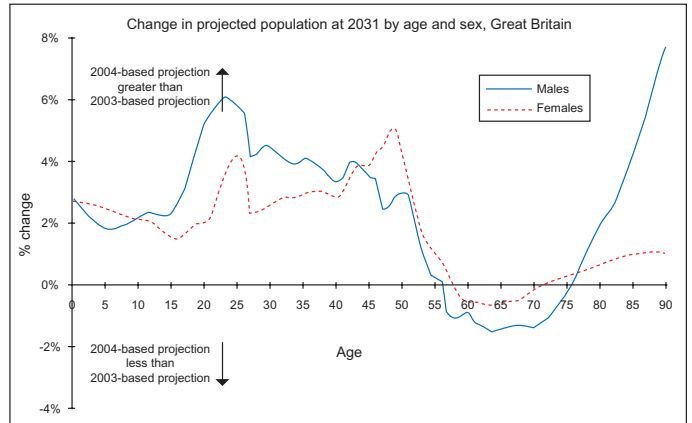
Leading demographer, Professor Dave King of Anglia Ruskin University was commissioned to examine the relationship between the age of households and the size of the houses they live in and the housing requirements of the population aged 65 and over, for England and Wales (*"Housing requirements of the retired population 2001-2021"*, Anglia Polytechnic University, 2005). This leaflet summarises that research.

## Background

Figures published by the Government Actuary on 20 October 2005 showed that the number of people over state pension age will rise by 9.3% from 11.1 million in 2004 to 12.2 million in 2010, and will reach 15.3 million by 2031. The number of pensioners is projected to exceed the number of children from 2007.

### 2004-based population projections for Great Britain

Comparison with previous projections, Great Britain

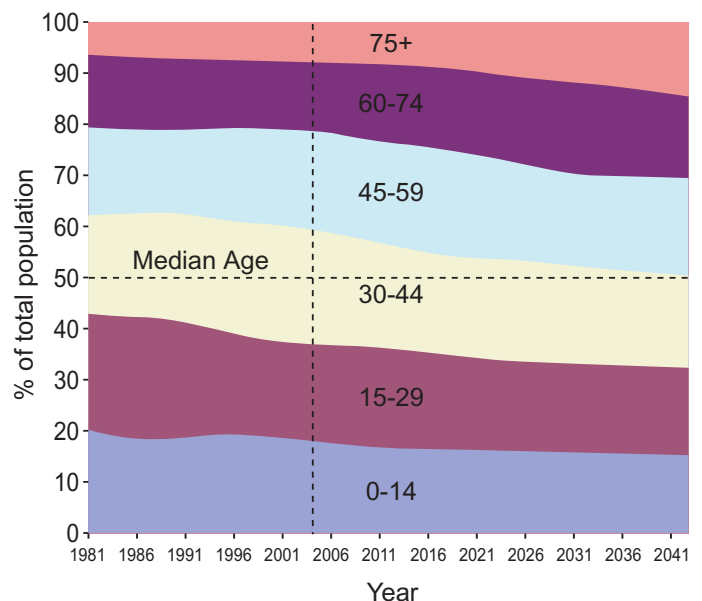


2. Source: Government Actuary's Department.

Other up-to-date information comes from the mid-2004 population estimates, published by the Office of National Statistics on 24 August 2005. This shows the continuing ageing of the population, with a net increase of 3.4 million in the number of adults aged over 65, a key factor being the fall in mortality rates, particularly at older ages.

### 2004-based population projections for England

Percentage age distribution, England, 1981-2044



3. Source: Government Actuary's Department.

The 2004 figures show that, whilst overall the population grew by 7% in the last thirty years, the percentage of people under age 16 has fallen from 25% in mid-1971 to 19% in mid-2004, and the percentage of the population aged 65 and over has increased from 13% to 16%. The 85-year-old plus age group increased from 873,300 to 1,111,600 between 1991 and 2004 and now makes up 1.9% of the population. Amongst those aged 65 and over, the proportion aged 85 and over has risen from 7% in mid-1971 to 12% in mid-2004.

National Statistics says that the ageing of the population will continue during the first half of this century, since the proportion of the population aged 65 and over will increase as the large numbers of people born after the Second World War and the 1960s baby boom generation become older. The working age population will fall in size as the baby boomers move into retirement and are replaced by the relatively smaller generations of people who have been born since the mid-1970s.

### Population Estimates

Population by Age and Gender mid - 2004



4. Source: Office for National Statistics

The demographic shift can reasonably be expected to have a significant impact on both future household composition and the size of dwellings.

The research carried out by Professor Dave King of Anglia Ruskin University ("*Housing requirements of the retired population 2001-2021*") examines the relationship between the age of households and the size of the houses they live in, the housing requirements of the population aged 65 and over for England and Wales, including the relationship between household composition, tenure and housing consumption in terms of size of dwelling. He looks at past patterns and trends and goes on to create future scenarios for the period up to 2021, on the basis of known patterns, processes and trends.

The report uses the 1981, 1991 and 2001 Censuses of Population as its main datasets and the Census definition of dwelling size, which counts the number of rooms (including kitchens, but excluding bathrooms).

### Household size - Demographic processes influence housing consumption

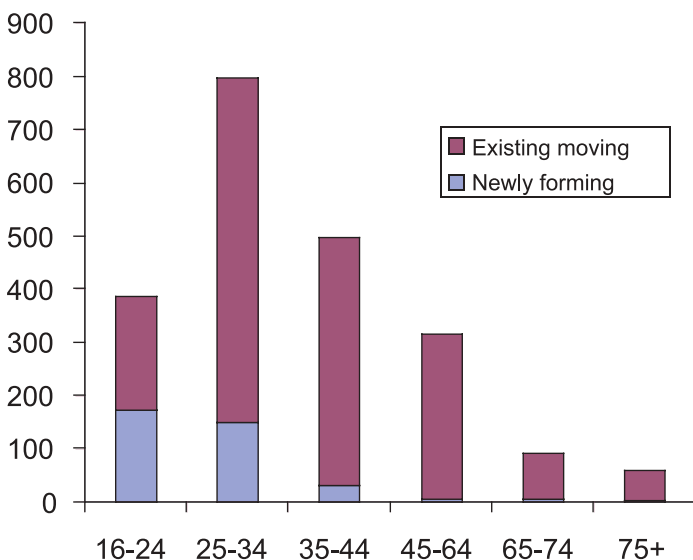
Professor King finds that demographically-related processes can be used to explain trends in the consumption of housing, and provide a framework for considering possible future patterns. Those relevant to the 65 and over age group are:

- household lifecycle (including marriage, divorce, family rearing and so on)
- life chances/tenure-related processes, in which access to tenure in early adulthood helps "determine" patterns of housing consumption in later life
- cohort/generation and housing career, in which those in owner-occupation are likely to want to stay in owner-occupation as they get older for instance and, as a household gets older, the likelihood of moving house decreases. Households "headed" by those in their 50's tend to remain in their "family" home into their 60's and 70's.

Professor King finds that, in young adulthood, households inhabit relatively small dwellings in terms of number of rooms, and that most owner-occupiers reach the top of their housing "career" (when they are occupying the largest house they will ever own) at 45-54. As these households age they tend to get smaller because children are more likely to have left home and marriages may have dissolved because of separation, divorce or widowhood. Consequently there are likely to be more one-person households and more couples in two person households at older ages and, generally, the trend shows that these households will continue to occupy the home they were living in at the top of their housing career for the rest of their lives

The tendency for households to stay put in their own home into old age is partly reflected in the very low residential mobility rates experienced in older ages. Those owner-occupiers aged 45-54 in 1991 took their high levels of consumption of seven or more rooms with them into the 55-64 age group in 2001. A similar effect is experienced as the 55-64 year olds in 1991 age-on to 65-74 in 2001.

**Number of households moving 2001-2002, England.**



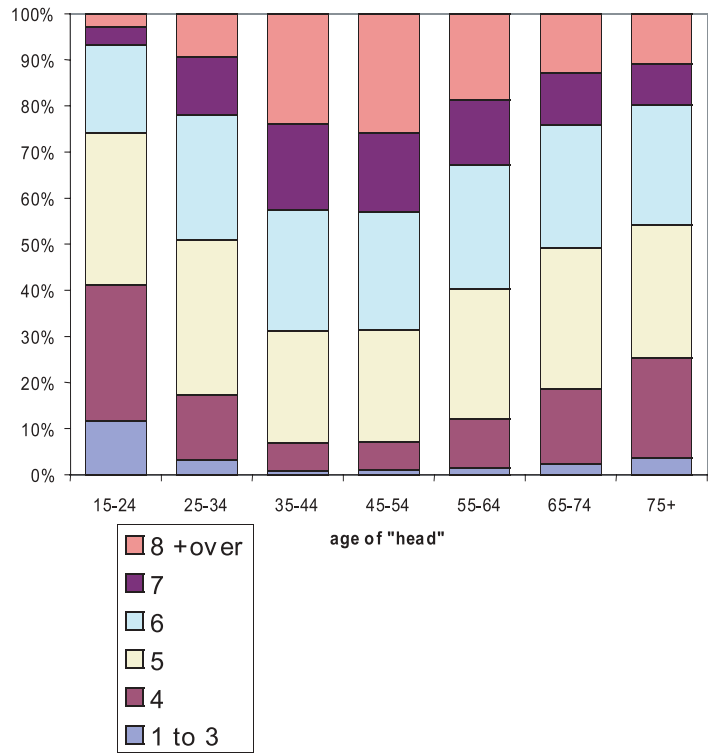
5. Source: survey of English Housing

"Average" one-person households, including those of 65+, occupy at least four rooms, against all other households' average of 5+ rooms.

The "average" one-person owner occupier aged 65 and over occupies a 5 roomed home. 33% of households headed by those aged 65+ occupies dwellings of six rooms or more (compared with 45% of owner-occupier households of the same age).

So, although the research shows that the average household size is falling and, in particular, the number of one-person households is increasing (which has led to the policy conclusion that the future provision of dwellings should be smaller) the analysis shows that not all small households consume small dwellings.

*Dwelling size (by number of rooms) of married couple owner-occupiers by age of "head" of household, England and Wales, 2001.*



6. Source: author's own estimates using 1991 SARS propensities fitted to 2001 Census tenure-specific row/column totals.

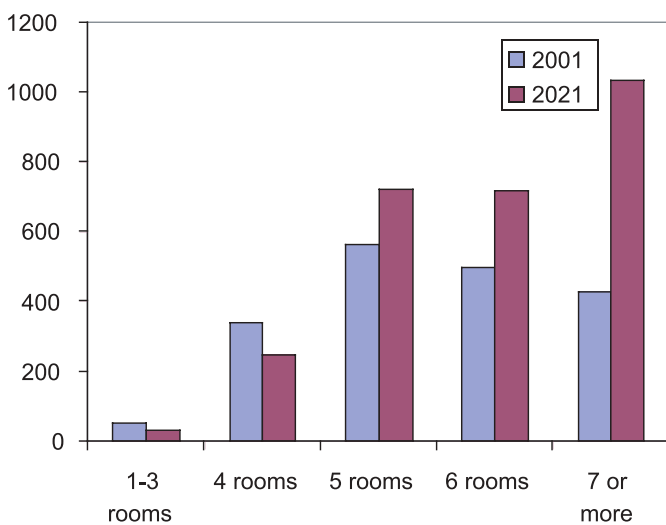
Professor King also considered likely future trends based on either the assumption that current tenure and dwelling size patterns remain unchanged or that the trend observed between 1991-2001 continues. The latter seems more probable, as it is based on the assumption that housing consumption will continue to change as the population ages, becomes wealthier and that owner occupation

will continue to grow. This would also assume that today's 45-54 year olds move into older age and retirement as owner occupiers, just as those aged 45-54 and 55-64 in 1991 took their owner occupancy rates with them as they became older.

The main effects of this second scenario are seen among owner-occupier married couples over the age of 65 (a net increase of 0.9 million) and to a lesser extent, among owner-occupier one-person households (a net increase of 0.6 million) of a similar age. The shift towards owner-occupation is particularly pronounced among those aged 75 and over. The growing numbers and proportion of older people in the total UK population is a critical factor not only in the increase in numbers of households but also the composition of those households and their housing consumption.

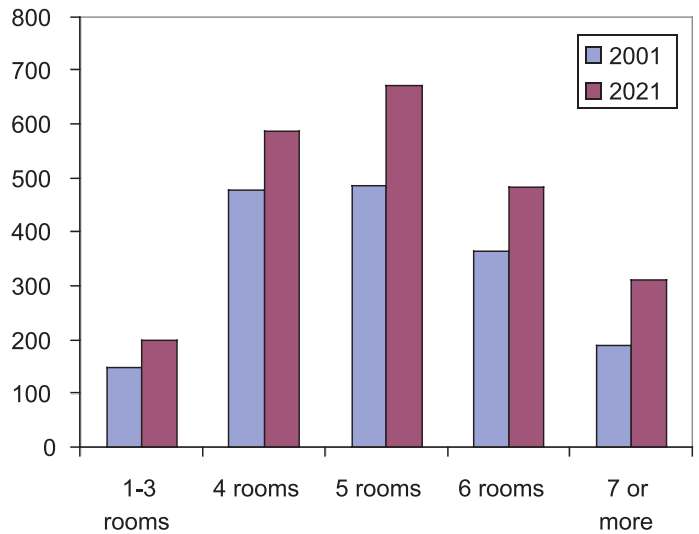
This shift towards owner-occupation would inevitably imply a shift towards larger dwellings among those households with heads aged 65 and over. Of the 2.5 million net increase of owner-occupier households 2001-2021, 37% are projected to occupy seven rooms or more whilst only 18% of the net increase of owner-occupier households 2001-2021 is projected to occupy four rooms or less.

**Married couple owner-occupier households with "heads" aged 65 and over – projected dwelling size using cohort-based tenure and dwelling size propensities 2001 and 2021; England and Wales.**



7. Source: author's own projections applying "cohort effect" room consumption propensities for the owner-occupier sector and constant room consumption propensities for the other tenures, to "cohort" projections of tenure and household composition.

**One-person owner-occupier households with "heads" aged 65 and over – projected dwelling size using cohort-based tenure and dwelling size propensities 2001 and 2021; England and Wales.**



8. Source: author's own projections applying "cohort effect" room consumption propensities for the owner-occupier sector and constant room consumption propensities for the other tenures, to "cohort" projections of tenure and household composition.

**Conclusions**

The research shows that the average household size is falling and, in particular, that the number of one-person households is increasing. This has led to the policy conclusion that the future provision of dwellings should be smaller. However, as this analysis by Professor King shows, not all small households occupy small dwellings.

If, as seems likely, the trends observed between 1991-2001 continue as the population ages, becomes wealthier and owner occupation grows, the shift towards larger dwellings amongst owner occupiers, particularly those aged 65-74, will become quite dramatic.

The 45-65 generation is particularly large and their life expectancy is growing. As a result much of the existing stock of larger homes is likely to be "blocked" by existing owners. This is an issue which needs to be addressed by policy makers, who have tended to see the growth of smaller households as being almost exclusively amongst younger age groups and have therefore aimed at delivering housing suitable for them.



Until now it has not been recognised that a very sizeable proportion of single and small person households are of retirement age (in the last ten years nearly half of all one person households consisted of single pensioners) and many occupy family-sized housing.

This important information should be factoring into planning for housing and, in particular, used to ensure that appropriate housing provision for smaller households recognises and acknowledges the composition of those households e.g that a large percentage of them are already housed in family sized units.

This will require a shift in perspective for policy makers. Planning for appropriate accommodation suitable to the needs of the older people, who make up such a large proportion of small person households, and some of whom require support to maintain an independent lifestyle, would make an important contribution to meeting Government policy goals by allowing them to maintain independence and quality of life for longer, whilst also freeing up family-sized housing for larger households.

*This leaflet summarises a report commissioned by the Retirement Housing Group in 2004 and published in 2005. The report was written by Professor Dave King and Janet Hayden of the Population and Housing Research Group at Anglia Ruskin University.*

## Footnotes

1. Office for National Statistics
- 2, 3. Government Actuary's Department
4. Office for National Statistics
5. Survey of English Housing
- 6, 7, 8. *Housing Requirements of the Retired Population 2001 - 2021*— author Dave King and Janet Hayden, Population and Housing Research Group, Anglia Ruskin University formerly Anglia Polytechnic University, 2005

## Acknowledgments

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*For more information about the group and its work contact Vivien Aldred (01603 507855)*