

Generations apart

The growth of age segregation
in England and Wales



A crisis for all generations

Are the generations in the UK growing apart?

New research from Legal & General (L&G) and the Intergenerational Foundation (IF) shows that the housing crisis is driving a geographic wedge between the generations. It means that older and younger generations are increasingly living apart.

- Since 1991, the population of rural areas has aged nearly twice as quickly as that of urban ones, largely because more of our young people are living in cities.
- But even in cities and towns, different generations are less likely to share the same neighbourhoods.
- Since 1991, the median age of neighbourhoods near the centre of cities has generally fallen by 5–10 years.
- Young people in cities are now much more likely to live in areas where there are other young people and fewer older people.
- The median age of parts of inner London fell by 10 years, while it rose by 10 years in parts of outer London.

Children now have a mere 5% chance of having someone aged over 65 living in their area compared to a 15% chance in 1991, while the level of segregation

between retirees and young adults has roughly doubled during the same period.

Why is this happening?

Our national housing crisis combined with demographic change is affecting young and old alike. Younger generations have become renters when they would rather be owners. They are living with mum and dad due to high house prices and lack of supply. While older generations face a last-time buying crisis due to a lack of supply and/or the unaffordability of appropriate downsizing accommodation.

Damage to society

Living apart is bad for intergenerational relations and understanding each other, bad for communities, and bad for our society as a whole. We need a housing market that can deliver the right kinds of housing in the right places, at the right price, for young and old alike, so that our communities can thrive and generations can understand and learn from each other's experiences, attitudes and pressures.

Cost to society

Generations living apart impose a range of costs on society. These include:

- Economic costs including higher unemployment as age segregation reduces people's opportunities to find work.
- Social costs due to the undermining of trust and the opportunity to share experiences between young and old.
- Care costs as living further apart makes it harder for young and old to look after each other, and having elderly people concentrated in certain areas puts a bigger strain on the NHS and social care.
- Political costs as it makes it harder for younger and older generations to see each other's points of view.

"We have created an unfair society where economic and social exclusion goes hand-in-hand with regional and generational inequality." Nigel Wilson, Group CEO, Legal and General.

This report is based on "[Generations Apart? The growth of age segregation in England and Wales](#)", published in 2016 by the Intergenerational Foundation www.if.org.uk

Generations apart

The plan to build a “property-owning democracy” has failed, leaving young people increasingly unable to afford to buy a home of their own. There are now a higher number of older outright homeowners than there are younger people buying with mortgages.¹

Almost half (46%) of 25–34 year-olds are now tenants, and half of them believe they will remain so all their lives.² Since renting tends to cost more than owning, the gap between the housing costs facing the young compared to the old has also widened.

Why does this matter?

Survey evidence shows that private tenants tend to be less satisfied with their accommodation – and have lower life satisfaction overall – than people living in other types of housing. So it is no surprise that two-thirds of young renters still dream of getting on the property ladder one day.³

Renting also makes it much harder to build up the wealth needed for a deposit on a first home. A typical family, containing two parents and one child, on average earnings,

would currently need to save for over 10 years to be able to afford a mortgage deposit in most parts of the country. In London it would take 25 years.⁴ If current trends continue only those receiving assistance from the “Bank of Mum and Dad” – who are already involved in nearly 60% of property purchases among the under-35s – who can afford to take their first step on the property ladder.⁵

The Old

Demographic change will see the number of people aged above 65 rise by more than 6.4 million over the next 25 years.⁶ As we pass retirement age our risk of disability and ill-health increases. We already have 6.5 million owner-occupiers aged over 65 in England alone, almost a quarter of whom have some kind of longstanding illness or disability and 10% of whom are providing round-the-clock care of over 100 hours per week. It means that our housing stock will have to adapt to the changing needs of an ageing population.⁷

Retirees possess nearly £1.2 trillion worth of housing equity, over 90% of which is owned outright. However, due to inadequate pension arrangements our older generation will be increasingly reliant on their housing wealth to support their old age.

Savills research suggests that 20% of older homeowners would potentially be interested in selling their current properties, but our failure to build enough new housing since the 1980s means that there is an acute lack of suitable properties for them to downsize.⁸

Savills estimate that the UK needs to build 78,000 specially adapted new homes for older residents each year over the next decade. Currently we are only managing to deliver around 7,000 last-time buyer homes each year.

¹ DCLG (2016) *English Housing Survey Headline Report 2014-15* London: DCLG.

² Ibid.

³ Ibid.

⁴ Shelter (2015) *A Home of Their Own* London.

⁵ Legal and General (2016) *The Bank of Mum and Dad*.

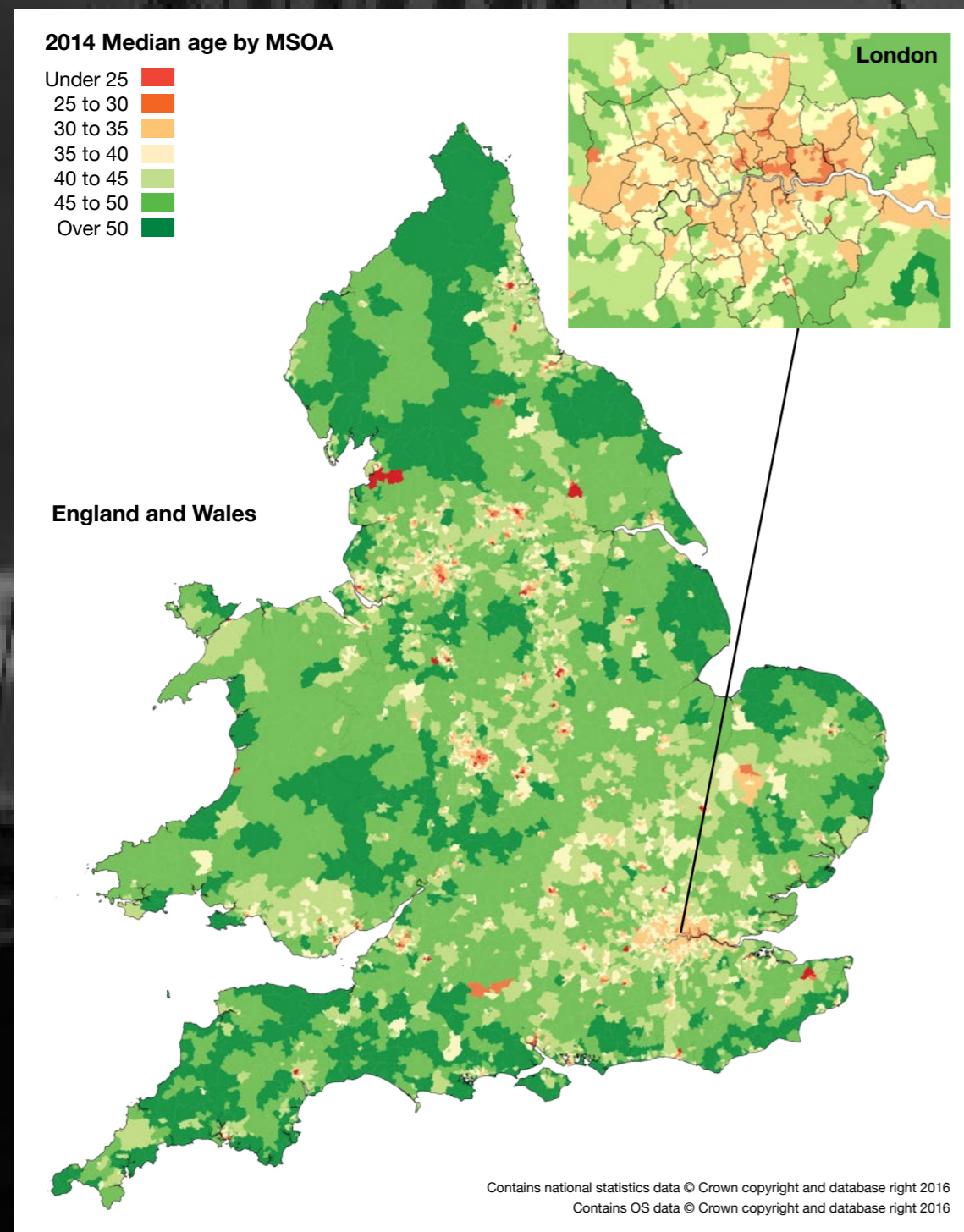
⁶ ONS (2014) *Subnational Population Projections, 2012-based projections*.

⁷ Lloyd, J. and Parry, W. (2015) *Older Owners* London: Strategic Society Centre.

⁸ Savills (2015) *Spotlight: Housing an ageing population*.

Generations divided?

The housing crisis is affecting relationships between the generations.



Generations Apart reveals that age segregation has worsened over the past 25 years, both between cities and rural areas, and within cities themselves.

Young people are now increasingly likely to live in certain neighbourhoods within big cities – particularly in central areas where rental accommodation tends to be found – while rural areas and the suburbs of big cities have been ageing.

As the map shows, a pattern emerges in which urban areas are now more youthful than rural ones. Half the population in the centres of London, Birmingham, Manchester and other big cities is now under 30 years of age, while coastal areas and National Parks are predominantly inhabited by the over-50s.

London demonstrates a trend characterised in many of our other large cities:

- Extremely youthful neighbourhoods are concentrated around the centre of the city.
- Suburban areas tend to be much older.
- Areas of Newham where half the population is under 25 years of age are barely twelve miles away from neighbourhoods in Havering where the median age is over 45.

Why are young people drawn to city centres?

Previous research has suggested that London tends to attract a substantial inflow of young workers from the rest of the country, who then relocate to other towns and cities in the South East when they reach their 30s and 40s.⁹

Young people have also been attracted to live in large cities by:

- The expansion of universities.
- Better job prospects.
- The regeneration of former industrial areas into “cultural quarters” with nightlife, restaurants and shops.

⁹ Centre for Cities (2014) *Cities Outlook 2014*.

Changing times

Age segregation is getting worse over time.

Between 1991 and 2014 the median age of rural areas increased nearly twice as rapidly as urban ones.

Across England and Wales, the number of neighbourhoods in which half the population was aged over 50 rose sevenfold. In 1991 there were just 65 such neighbourhoods. This rose to 485 in 2014, 60% of which are rural.

Every neighbourhood where half the population is under 30 is now urban.

There is a growing divergence between the median age of urban areas – especially the cores of cities – where it is falling, and rural and coastal areas where it has gone up by as much as 15 years.

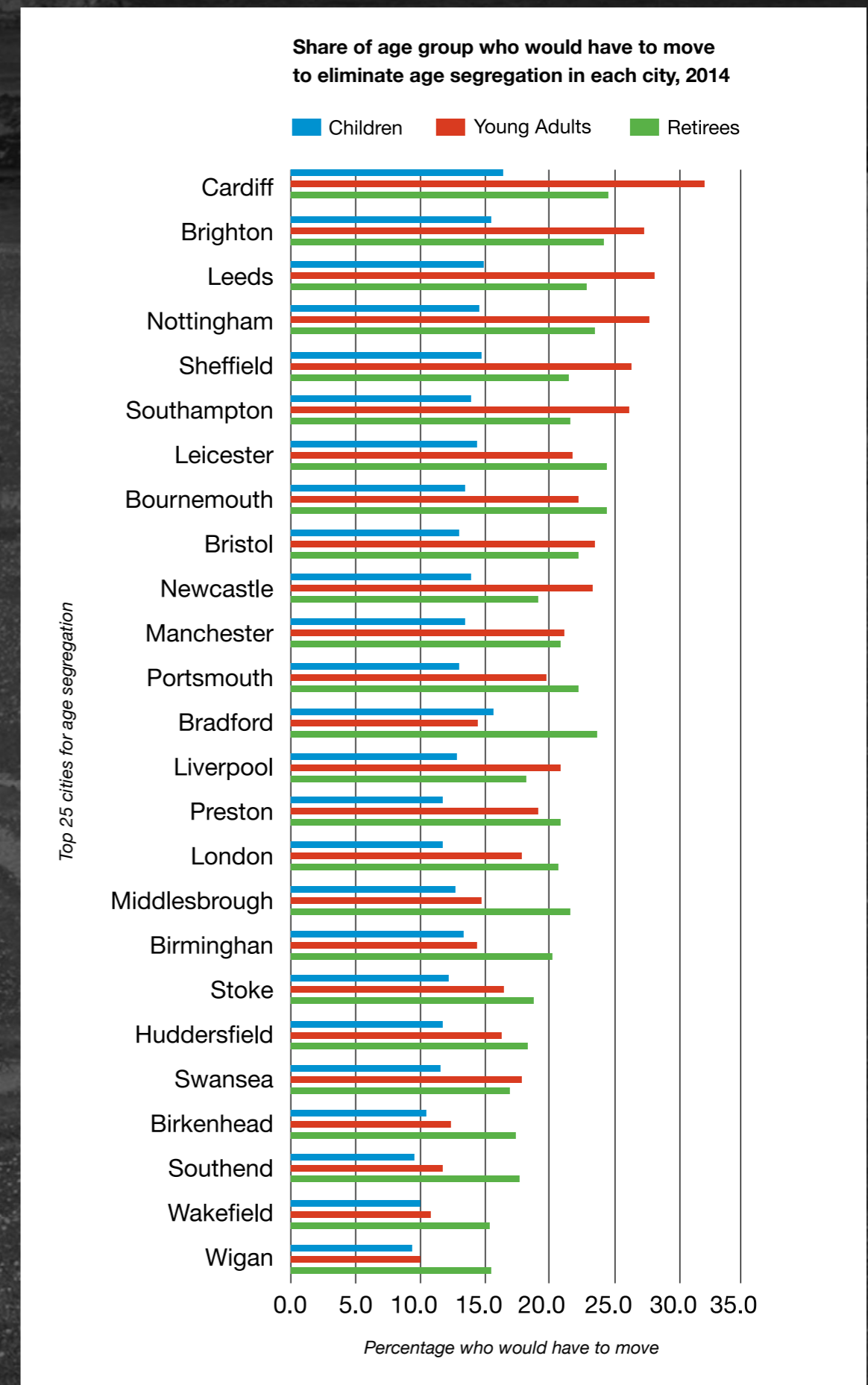
Which cities are the most segregated?

According to our research, Cardiff is the most age-segregated city in England and Wales. As the median age of neighbourhoods in the city centre has fallen the population has become more youthful. In contrast outer-lying neighbourhoods have aged.

The regeneration of Cardiff Bay created homes for many young renters attracted by a renaissance in restaurants and nightlife.

Findings based on median ages of each of Cardiff's neighbourhoods or LSOAs, which are subdivisions of MSOAs containing 1,000-3,000 individuals.

Top 25 cities for age segregation



Chance encounters?

We analysed the relationships between three different age groups in the 25 largest urban areas in England and Wales and discovered consistent trends in how the generations live together or apart.

Children

- Over the past 15 years children and the over-65s have become less likely to live near each other.
- A child now has just a 5.5% chance of living in the same neighbourhood as someone who's aged over 65 today. In 1991 it was 15%.
- On average, just over one third of over-65s would need to move for them to be evenly distributed among children.

Young adults

- Young adults are more likely to live with their own age group than other generations.
- This is especially so in student cities such as Cardiff, Nottingham, Leeds and Sheffield.
- On average, half of all over-65s would need to move for them to be evenly distributed among young adults.

Over-65s

- Retirees have become increasingly segregated from both children and adults.
- Since 1991, the degree of separation between young adults and older people has virtually doubled.
- Older generations are more likely to live in suburban neighbourhoods where the population profile is ageing, as fewer young people can afford to live in them.

Social implications - age segregation is not a benign or “natural” process. It imposes economic, social, political, and care costs on society.

Economic

Ethnic, socio-economic and age segregation together cost the economy more than £6 billion a year. It increases unemployment by decreasing access to job opportunities, and incurs higher health and social care costs due to increasing isolation, loneliness and anxiety felt by those separated from wider society.¹⁰

Social

Age segregation weakens the social bonds between the generations, as day-to-day interactions at the bus stop, out shopping or in the park, decrease.¹¹ This leads to a lack of understanding of, and empathy for, other generations. It also perpetuates media stereotypes that often reinforce negative messages about other generations.¹²

Political

Age segregation increases competition between different generations for political attention and public spending. It leads to an over-articulation of need if only one age group's voice is heard. It also encourages lobby groups for both young and old to argue for their own needs to be met over others.¹³

Care

Age segregation imposes costs on all generations by making it harder to care for family members divided by geography. Research has shown that both parents and adult children do less caring and child-minding for each other when they live further apart.¹⁴

¹⁰ The Social Integration Commission (2014) *2nd Report - Social Integration: A wake-up call*.

¹¹ Dorling et al. (2008) *Changing UK: The way we live now*: The University of Sheffield.

¹² Leach, J. (2011) *The poor perception of young people in the UK*: Intergenerational Foundation.

¹³ Graham, E. and Sabater, A. (2015) *Population change and housing across the lifecycle: Demographic perspectives, methodological challenges and emerging issues* ESRC Centre for Population Change, Working Paper Series; no.64.

¹⁴ Chan, T.W. and Ermisch, J.F. (2011) *Intergenerational exchange of instrumental support: dynamic evidence from the British Household Panel Survey* Paper presented at the British Society for Population Studies, University of York.

Generations together

We can help to bring the generations together if we fix our housing crisis. Our 10 point plan lays out how:

1. Build more homes to buy

We need to build many more homes to buy for all types of people, especially affordable homes for young people and first-time buyers.

2. Build more homes for downsizers

We need to build the right homes, in the right location, at the right price to encourage older generations to downsize in mixed communities. L&G's research shows that what downsizers mainly want are smaller two-bedroom homes near their family and friends, with small gardens, good transport links and easy access to shops and GPs' surgeries.¹⁵

3. Build more homes to rent

We need many more affordable homes to rent. We should encourage the entry of large-scale institutional landlords into the rental market, who can provide long-term security and fair pricing.

4. Deliver modern building concepts

Modern building concepts such as modular housing can enable homes to be built quickly, at a competitive cost and to high environmental standards. This helps overcome any potential shortage of labour and building materials.

5. Encourage downsizing-in-situ

We need to share our neighbourhoods better and encourage older generations to subdivide their homes.

6. Combat nimbyism

We need to accept that providing homes for our younger family members may mean building close to where we live.

7. Give up some greenbelt

We need an honest discussion about freeing up environmentally poor parts of the greenbelt for housing.

8. Live together

We need to share our homes more with other generations and encourage greater intergenerational living.

9. Build to share

We need new mixed housing developments that encourage different generations to live together.

10. Increase density

We need a new vision of intergenerational living that is based on increased density incorporating shared outside spaces.

"Limited supply of housing denies access to the young and the old. It has created massive intergenerational unfairness. We all need to step up: building 250,000 homes each year by 2020 is an achievable goal."

Nigel Wilson, Group CEO, Legal and General.

¹⁵ L&G (2015) *Last Time Buyers* London: L&G.

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