

Report:

Demographic change and housing wealth

Key points:

- Between 2014 and 2039 the population of England is projected to grow by 17%, the equivalent of 9 million people, which is a similar rate to Denmark (16%) or Ireland (17%).
- Population growth in England will differ significantly in different areas with a North/South and urban/rural divide. Southern areas (including London) and larger metropolitan areas are expected to see a large increase in their population while northern regions and rural areas are projected to grow more slowly. Some local authorities in the North are even expected to see a decline in their population.
- Projected population growth also differs substantially by age. The biggest population increases will be among people aged 70 and above, and almost two thirds (63%) of population growth in the UK will be among people of pension age (65 and above).
- This will contribute to a demographic shift that will see the pension-age population grow from 18% in 2014 to 24% in 2039.
- This demographic shift will be more pronounced in the North of England where population growth will be mainly driven by a growth of the pension-age population and a decrease or no growth in the working-age population.
- While overall population growth in southern regions is much higher, this growth is more balanced between the working-age and the pension-age population.
- The demographic shift towards an ageing population will also be more pronounced in rural areas, where population increases are mainly going to be among people of pension-age. An increase in the working-age population is almost exclusively going to occur in urban areas.
- The demographic shift in the context of the housing crisis has far-reaching implications for generational questions of housing wealth.
- With declining homeownership rates among younger generations, housing wealth is increasingly becoming concentrated among older generations.
- However, the generational angle does not tell the full story. Housing wealth is distributed unequally and increases in housing wealth have mainly been captured by the top 20% owners of housing wealth, regardless of age.

Introduction

The population of England, as is the case with many other European countries, is undergoing some significant changes that will have far-reaching implications for the future of housing. Three of the key changes in this context are a fast population growth, an ageing population and an increasing social diversity, in cultural and ethnic terms but also in terms of household formation, such as the growth in one-person and lone-parent households. All these population changes are occurring at a time of considerable geographical and socio-economic division and will therefore impact very differently in different areas. Most importantly for England, these changes are happening within the context of a housing crisis which has seen a growing number of individuals and households struggling to access affordable, good quality accommodation. The housing crisis has also made it increasingly hard to access home ownership, especially for younger generations trying to buy their first home, which has sparked debates and questions around intergenerational fairness and equality. And while changes in the demographic structure of a society are rather the norm than the exception, current patterns of population change have important implications not just in terms of housing need but also in terms of housing wealth. This report explores the potential consequences of these transformations by mapping out demographic change across England and the UK and asks what these changes mean for the distribution of housing wealth within and across generations.

Demographic change in the UK and England: what are the drivers and what does it look like?

The three key determinants of population change in a given country are fertility, mortality and migration (Falkingham and Champion, p.2). Broadly, the average number of children born per family has been declining since the 1960s across Europe, to varying degrees. With 1.80 children born per woman, the UK ranks significantly above the EU average of 1.58¹. And it is not only fertility rates that have changed substantially over recent decades, but also household formation, with a growing number of couples having children at a later stage in their life compared to previous decades.²

Another key factor affecting both population changes and the age structure of a society is life expectancy. In the period between 1980/82 and 2013/15, life expectancy in England increased from 77 years to 83 years for females and from 71.7 years to 79.4 years for males. There are however some significant regional variations, reflecting the social, economic and health inequalities existent across England. For example, male life expectancy at birth ranges from 83.3 years for someone born in Kensington and Chelsea to 74.7 years for someone born in Blackpool, a difference of 8.6 years. Similarly, there is a big gap in female life expectancy,

ranging from 86.7 years in the Chilterns to 79.8 in Middlesbrough. Such inequalities not only have implications for overall population projections but, importantly, for health-related services that people will require as they grow older, especially as healthy life expectancy is lagging far behind total life expectancy.

The third factor contributing to demographic change is migration, both international but also national, such as urban-rural patterns of migration. (Net) international migration and net birth rates have contributed to increases or decreases of the UK's population to varying degrees over previous decades. While throughout the 2000s, increases in population were to a larger degree due to a higher rate of net migration, since 2008 both factors have contributed fairly equally to population growth. According to the Migration Observatory at the University of Oxford, 'overall, between mid-1991 and mid-2014 net migration resulted in an addition of 3.8 million people to the UK population, accounting for just over half (53%) of total population growth.'³ Migration has also increased the cultural and ethnic diversity of the UK's population. In 2015, 13.3% of the population living in the UK were born outside the UK, compared to 9.4% in 2005. Due to the below average age at which most international migrants arrive in the UK, in particular those moving to the UK from other EU member states, international migration has (at least in the short to medium term) contributed to a slowing down of the ageing trend in the UK. Importantly, international migration has contributed to population change to very different degrees in different regions of the UK. While London – as a global city – clearly stands out with more than 1 in 3 (36.8%) of its population being born outside the UK, the proportion of foreign-born nationals is only 1.6% in the North East.⁴

All three of these factors (fertility, mortality and migration) combined have already led to a significant change of the age structure of the population of the UK. For example, the median age has increased from 33.9 years in 1974 to 40.0 years in 2014, which represents an average increase of about 1.5 years per decade (Falkingham and Champion, p. 5-6). One of the fastest growing age groups in the UK has been people aged 90 and above, from 0.4% of the population in 1989 to 0.8% in 2014. However, with a median age of 40.0 in 2016, the UK lies well below the EU average of 42.6 years⁵. As the next section shows, this trend towards an ageing population is likely to continue in the future.

How will the population change in the future?

According to the latest population projections by the Office for National Statistics, between 2014 and 2039 the population of England is projected to grow by around 9 million people, which represents an increase of 17% or a rate of around 0.7% per year. Comparatively speaking, population growth in the UK ranks eighth in a European perspective and Eurostat

figures show a projected population growth of 16% between 2015 and 2040. The UK is thus expected to increase its population at a rate similar to Denmark (16%) and Belgium (15%) and a bit below Ireland (17%).

Table 1. Population growth in European countries (Top 10)

Source: Eurostat Population projections

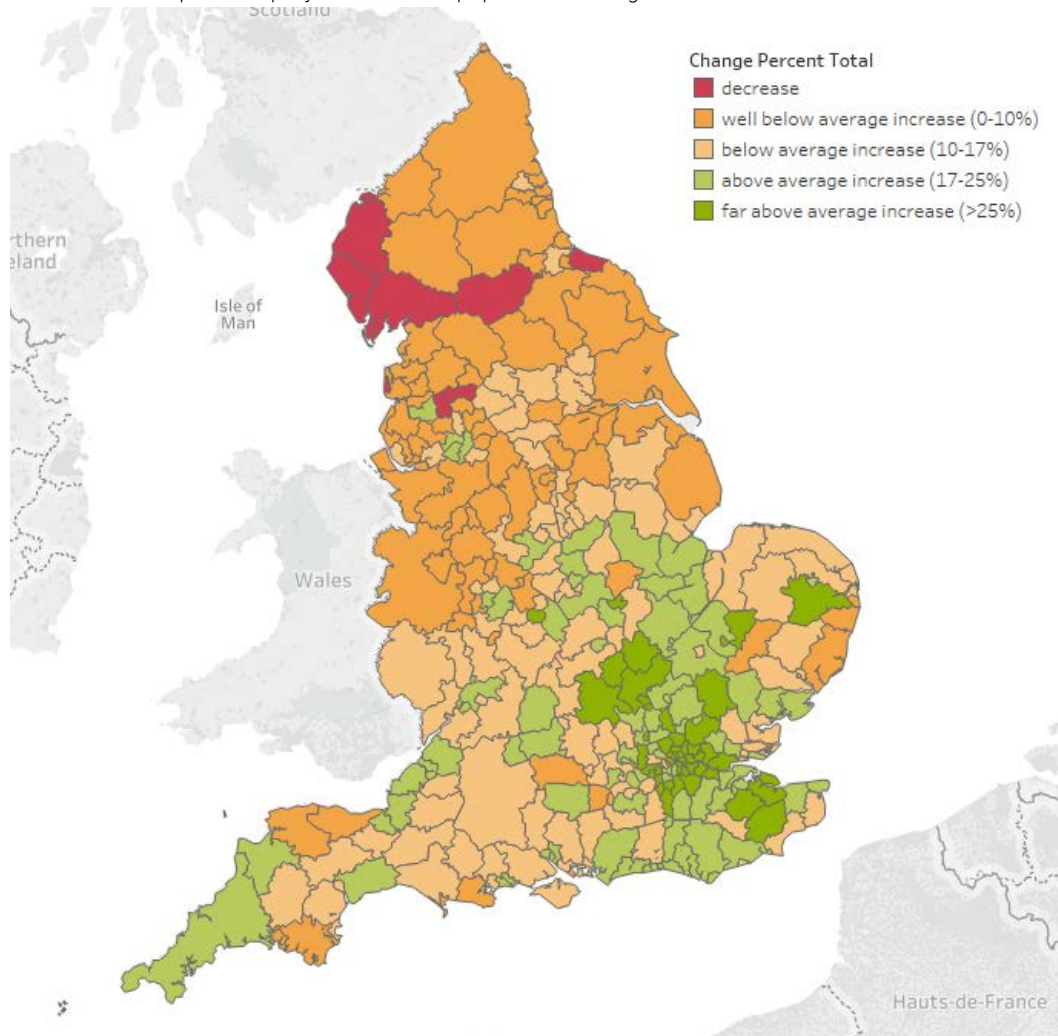
Country	Expected population growth between 2015 and 2040
Luxembourg	53%
Sweden	23%
Norway	21%
Malta	18%
Austria	18%
Ireland	17%
Denmark	16%
United Kingdom	16%
Belgium	15%
Cyprus	13%
The Netherlands	13%

Importantly, within the UK population, growth varies significantly, with the population in London (+29%) projected to grow more than four times as fast as the population in the North East (+7%). While all regions in England are expected to see an overall growth in their population there are some local authorities in the North West, the North East and Yorkshire and the Humber that are likely to see a decrease in their population. These include, for example, Barrow-in-Furness, Copeland and Blackburn with Darwen in the North West, Richmondshire in Yorkshire and Redcar and Cleveland in the North East.

In contrast, nine of the ten fastest growing areas in England are in London. With an estimated population increase of 48% up to 2039, Tower Hamlets ranks first, followed by Barking and Dagenham (+42%) and Redbridge (+36%). More generally, London, the South East and East of England are projected to see a much faster population growth than in the North of England. In fact, 59% of all the projected population growth in England is expected to take place in these three regions, with London accounting for more than a quarter (27%) of total projected growth in England.

Figure 1. Projected population change between 2014 to 2039, by local authority

Source: ONS Population projections 2016 (population of England)



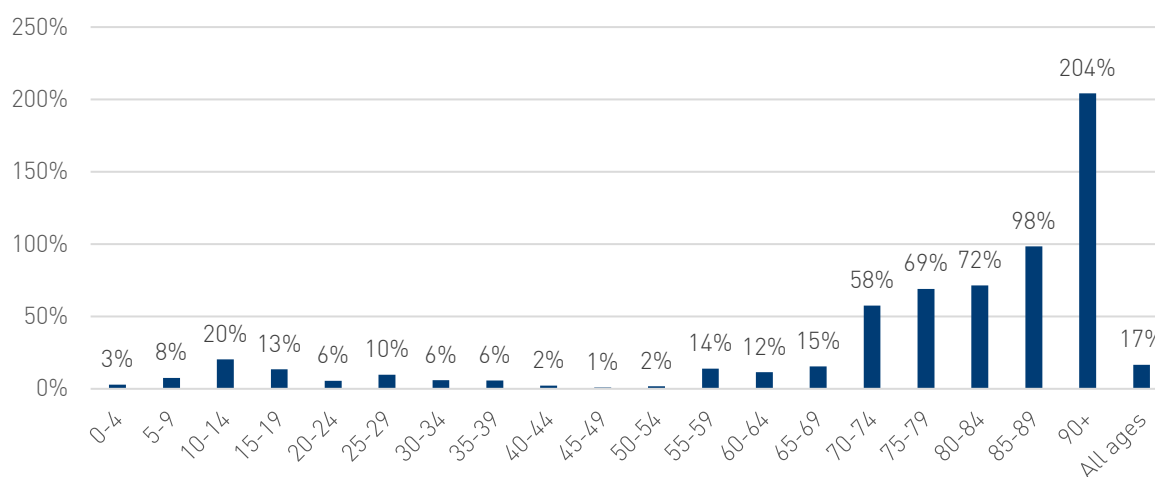
The population projections also show the continuing trend of urbanisation, with urban areas absorbing 83% of total population growth, and the remaining 17% expected to occur in rural areas. Crucially, while population projections are important indicators for potential future housing need, overall figures do not say anything about the type of population growth and hence the type of housing that may be needed in the future. Population projections by age are a much better indicator in this regard.

Demographic change and an ageing population

As noted earlier, between 2014 and 2039 the population of England is projected to grow by around 9 million people, from 54.3m to 63.3m, representing a 17% increase over the course of 25 years. Importantly, not all age groups are expected to increase at the same pace. By far, the fastest increase is going to occur among people aged 70 and above. More precisely, the older the age group, the faster the rate of increase is expected to be. For example, while the age group 70 to 74 years is projected to grow by 58%, the proportion rises to 98% for 85 to 89-year-olds. The number of those aged 90 and above is projected to triple in size (+204%) from around half a million today to one and a half million in 2039.

Figure 2. Population change in England: projected change by age group, 2014 to 2039

Source: ONS Population projections 2016 (population of England)



Put differently, of the projected population increase of nine million between 2014 and 2039, almost six million (63%) will be aged 65 and above, a bit more than two million will be of working age (25%) and there will be around a million more children aged 0 to 15 (12%).

Table 2. Projected population change in England between 2014 and 2039 by age group

Source: ONS population projections 2016 (population of England)

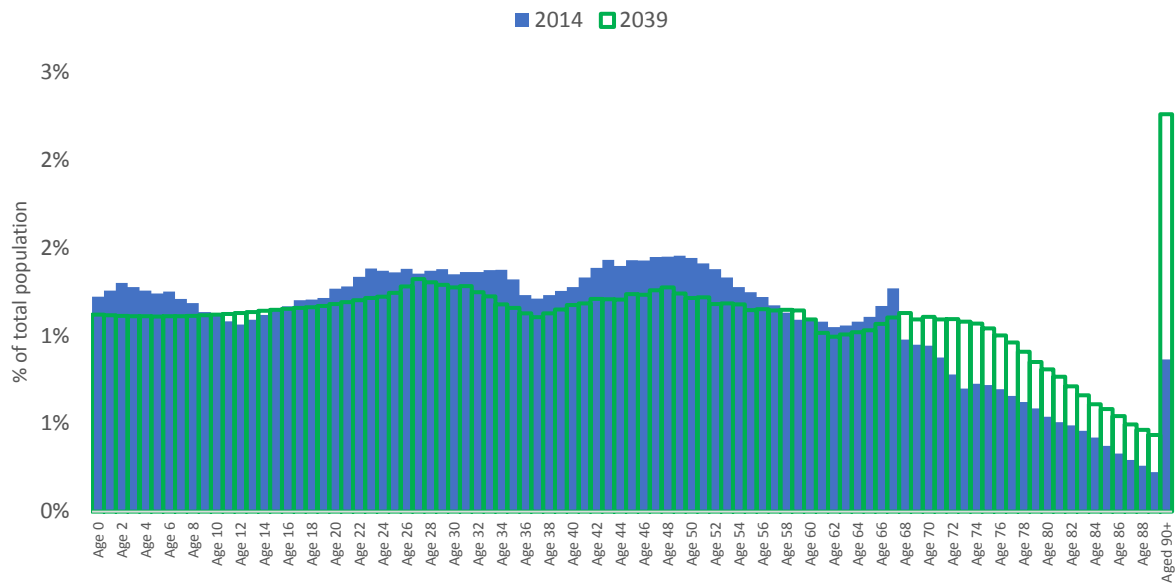
Age group	Absolute change	Percent of total increase
Aged 0 to 15	+1.05m	12%
Aged 16 to 64	+2.23m	25%
Aged 65+	+5.65m	63%
Total	+8.96m	100%

In relative terms this means that a considerably higher proportion of the population of

England will be of pension age, a demographic shift that has been described as an ageing population. As figure 3 illustrates, current projections show a proportional increase among all ages from 68 years and above, with a few negligible exceptions (ages 11 to 14 and ages 58 and 59).

Figure 3. Population projections: relative proportions by age in 2014 and 2039

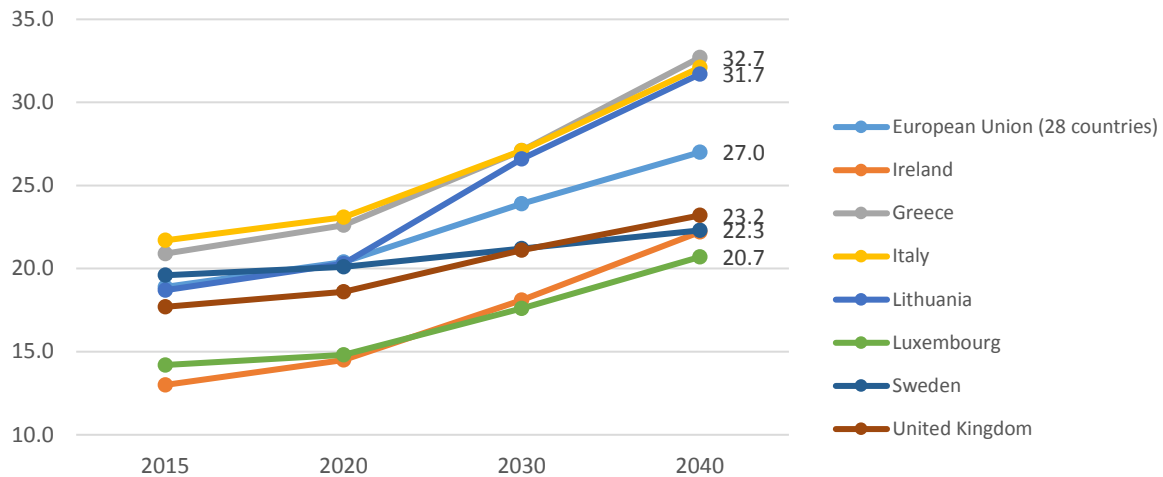
Source: ONS population projections 2016 (population of England)



This demographic change will mean that the English population of pension age (65 and above) will rise from 18% in 2014 to almost a quarter (24%) in 2039, or to 23% taking into account the entire UK. While this is a considerable shift in the age profile of the population, in a European context, the UK ranks below the projected European average of 27% (in 2040). As figure 4 shows, other European countries face a much more rapid ageing of their population. Greece, Italy and Lithuania – countries that have seen a large number of their young and in many cases highly skilled population moving to other countries – are the three countries expecting the most rapid ageing of their population. In these countries, almost a third of their respective populations are expected to be aged 65 and above by 2040, a proportion that lies almost 10% above the one expected for the UK. By contrast, the countries with the lowest projected proportions of people aged 65 and above are Luxembourg, Ireland and Sweden.

Figure 4. Projected proportion of population aged 65 years and over 2015 to 2040 (top and bottom 3 and UK)

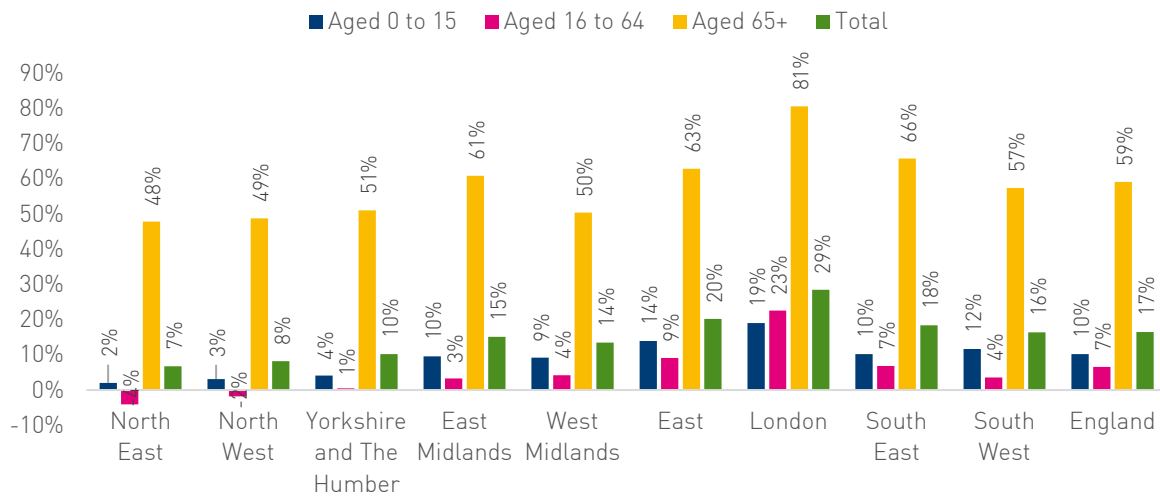
Source: Eurostat population projections 2015 (population of the EU)



The national average however hides important geographical variations. The projected 65 and above population in 2039 ranges from 16% in London to almost double that figure (29%) in the South West. This is a result of varying increases and decreases of different age cohorts. Looking at the changes for these different age cohorts (pre-working age, working age, and pension age) it is noticeable that all regions are expected to increase their pension age population by at least half, ranging from 48% in the North East to 81% in London. More broadly, in line with a general stronger increase in population in London and the South, the pension age population is expected to grow more strongly in southern regions. However, regions such as London, the South East and the East will also see a substantial increase in their working age population and their population aged 0 to 15. In contrast, the North East and the North West are projected to see a decline in their working age population, which will further shift the age profile towards older age groups in these regions. In other words, despite a faster growth of the pension age population in southern regions, population growth in these regions is likely to be more age-balanced than in northern regions, which are expected to see a growth predominantly of their pension-age population.

Figure 5. Projected population change between 2014 to 2039, by region

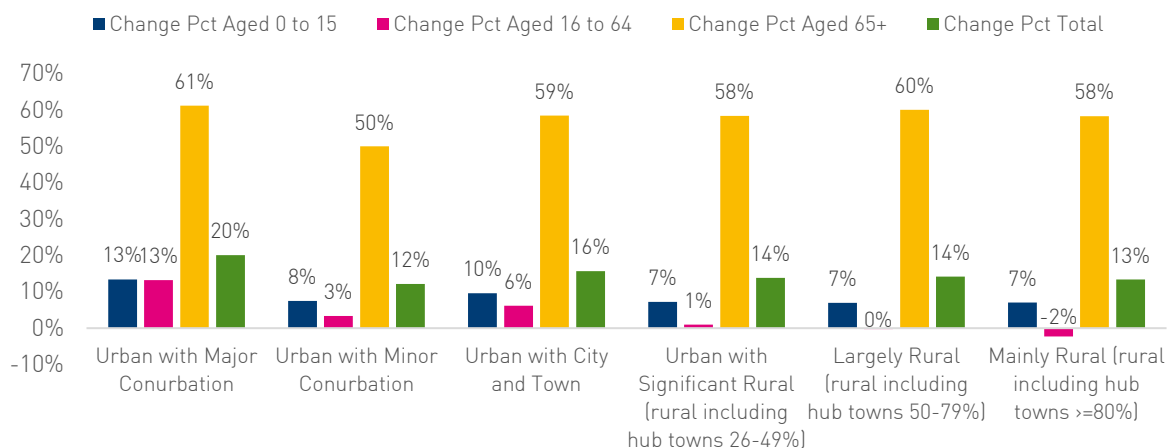
Source: ONS population projections 2016 (population of England)



Looking at the same data from an 'urban/rural' perspective, what stands out is the continuing trend of urbanisation. More precisely, there is likely to be a disproportionate growth of the largest cities in England, like London, Birmingham and Manchester, all of which are expected to see a population growth of around 20% up until 2039. While rural areas are also projected to grow (+13 to 14%), this growth is likely to be below the national average of 17%. Crucially, while overall population growth is expected to be higher in urban areas compared to rural areas, the nature of this demographic change looks different too. Both urban and rural areas will see a disproportionate increase in their pension-age population, ranging from 61% in the most urban areas to 58% in the most rural areas. As such, the demographic shift towards an ageing society is both a rural and an urban phenomenon.

Figure 6. Projected population change between 2014 and 2039 by urban/rural classification

Source: ONS population projections 2016 (population of England)



However, due to the higher numbers (and proportions) of people of working age and of young persons (aged up to 15 years) expected to live in urban areas, this demographic shift is likely to be more balanced in urban areas. In contrast, rural areas will see a more significant shift in their demographic profile. While the increase in those aged 65 and above does not vary significantly between urban and rural areas, rural areas are expected to see an actual decline or a zero growth of their working age population, which will accelerate the demographic shift towards an ageing population in these areas. While this trend of urbanisation has been underway for almost two decades now, it is noteworthy to point out that in the 1980s and 1990s, de-industrialisation caused around a third of all cities in the UK to see a decline of their population (Champion 2016: 131-137). The recent urban recovery and the disproportionate growth of the UK's urban population has therefore also been described as a process of 're-urbanisation'.

These demographic changes will create very different housing needs in different parts of the country. In a nutshell, economically thriving areas around London and the South East as well as other urban areas, many of which are already experiencing high pressure on their housing markets, are likely to be faced with a continuing and rising demand for housing across all age groups. These are areas where many people are already struggling to find affordable accommodation. Local authorities with higher barriers to housing and services⁶ (a measure that includes a range of indicators such as affordability, overcrowding and homelessness) are in fact areas that are expected to see a stronger population growth. This demographic trend, if not addressed, could worsen problems around affordability, overcrowding or even homelessness.

The growth and ageing of Britain's population not only has far-reaching implications for future housing need but also poses some important questions for the context of the current housing crisis. The lack of affordable housing options has meant that while many existing homeowners will have benefited from rising house prices, many others – especially younger people – are struggling to buy a home. These changes have certainly contributed to a widening generational gap in housing wealth. A common narrative has identified this gap as one of the defining features of England's current housing crisis. However, as the following section shows, there is not only a growing divide between generations but also within them.

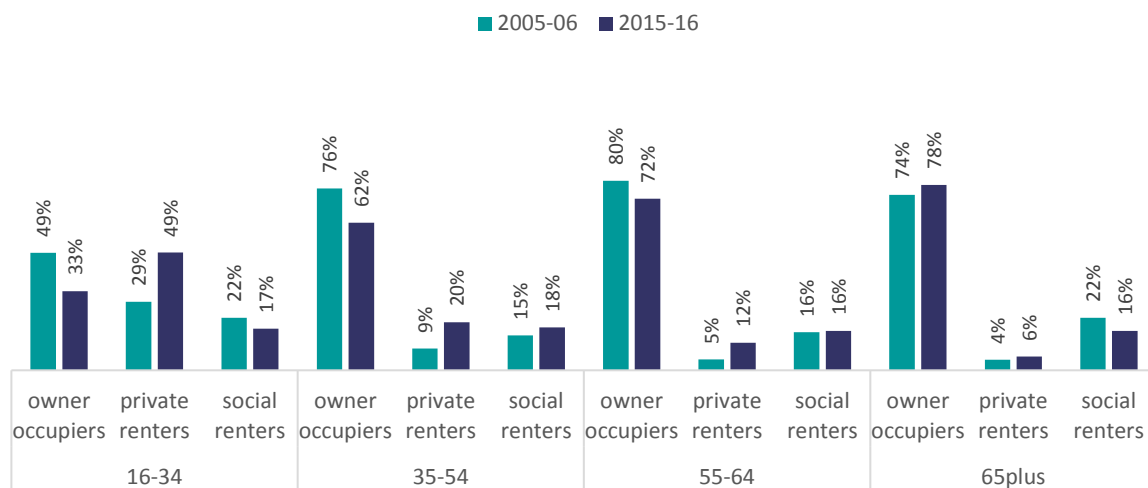
An ageing population, tenure change and the implications for housing wealth

Over the last decade, households in England have experienced a substantial tenure shift, in particular from owner-occupation towards private renting. This shift has been most notable among younger age groups, who have seen a big increase in private renting and a stark decrease in owner-occupation. For example, while in 2005/06 around half (49%) of all 16 to

34-year-olds were living in owner-occupation, the proportion in 2015/16 has fallen to 33%. Over the same time period, the proportion of those aged 16 to 34 renting privately has increased rapidly, from 29% in 2005/06 to 49% in 2015/16. Owner occupation has also dropped among all other age groups except those of pension-age, amongst whom it has reached a record high (78%).

Figure 7. Tenure split by age in 2005/06 and 2015/16

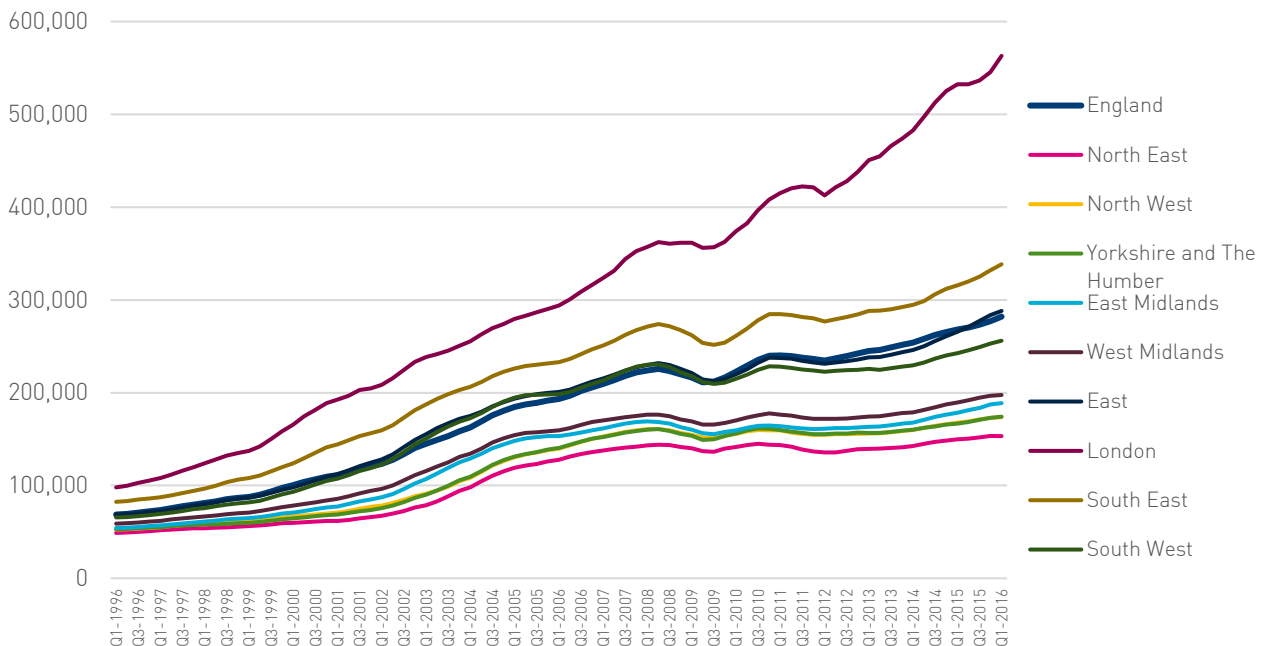
Source: EHS 2005/06 and 2015/16 (all households in England)



Undoubtedly, one of the main reasons for this tenure shift is the rapid increase in house prices over previous years. For example, in the last decade the average price of a home in England has risen by around £10,000 per year, from £180,000 in 2005 to £280,000 in 2015. Crucially, these averages mask substantial geographical variations. In London, for example, the average annual rise in house prices in this decade has been around £25,000, doubling the average price of a home from £250,000 in 2005 to half a million in 2015. In contrast, the average house price in the North East has increased from £126,000 in 2005 to £156,000 in 2015. So while homeowners in some parts of England have seen a substantial increase in their housing wealth, others have only seen small increases, if at all. In those areas that have seen a substantial increase in house prices, some homeowners have profited greatly, but these rises mean it has become increasingly hard for others to access homeownership. Given that older generations are more likely to have owned their home for a longer period of time, much of this uplift in value has been among older generations.

Figure 8. Mean house prices paid by English region, 1996 to 2016

Source: ONS, Land Registry



Hence, while generally there is nothing surprising in the fact that older people have higher levels of housing wealth – as they accumulate wealth over time – the windfall gains in house prices, in combination with tenure shift and an ageing population, have meant that older generations have seen a disproportionate increase in their housing wealth. But how much of this change in the distribution of housing wealth is related to changing population demographics, and how much is a result of other socio-economic divides?

Housing wealth across the generations

The expansion of homeownership in the decades following World War II up until 2000 saw a growing number and proportion of households in England becoming owners of property wealth. This trend reversed in the 2000s, when owner-occupation stalled at around 70% and then declined to a current rate of 63% of all households. This shift has been predominantly due to a decline in mortgage owners. In fact, in 2013/14 outright ownership (33%) surpassed mortgage ownership (31%) for the first time (DCLG Table FT1101 (S101): Trends in tenure). Taken together, the tenure shift among younger people, combined with a higher number and proportion of older people being homeowners has shifted property wealth towards older generations.

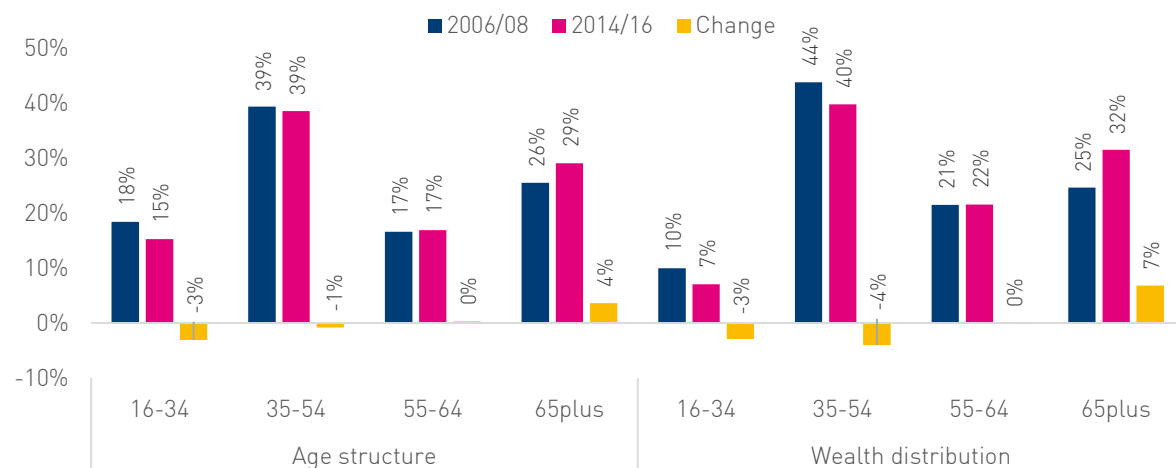
Population changes and the already discussed ageing of the population are long-term social transformations. However, even within the relatively short period between 2006/08 and

2014/16, the data shows a slight shift in the age structure, with a growing proportion of Britain’s population among older age groups. Theoretically, the ageing of the population would thus lead to a growing proportion of housing wealth being held by older age groups, regardless of changes in house prices or tenure. But, as shown by the data, the shift in housing wealth towards older age groups is disproportionately big. More specifically, while the proportion of the population who are of pension age⁷ has grown by around 4% between 2006/08 and 2014/16, the share of housing wealth of this age group has grown by 7%. The opposite is true for all age groups from 16 to 54 years. The share of housing wealth owned by these age groups has fallen if seen in relation to the proportion of these age groups in the population. The share has stayed broadly the same for those aged 55 to 64 years.

Hence, the data illustrates that while in 2006/08 around a quarter (25%) of total housing wealth was owned by households of pension-age (accounting for around 26% of the population), pension-age households now own almost a third (32%) of total housing wealth (while accounting for 29% of the population). The shift in housing wealth towards older generations is therefore more pronounced than the demographic shift (i.e. the growing number of pensioners), suggesting that older age groups have disproportionately benefited from increases in house prices.

Figure 9. Age structure vs. proportion of total housing wealth by age group in 2006/08 and 2014/16

Source: WAS 2006/08 and 2014/16 (all households in Britain)

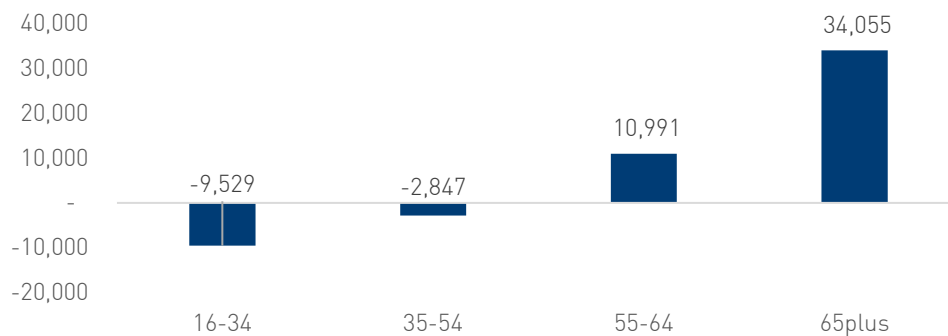


This change of housing wealth towards older age groups is also reflected in the changes in the average housing wealth within each of these age groups. In fact, there is a clear relation between age and changes in housing wealth. Between 2006/08 and 2014/16, average (mean) housing wealth among 16 to 34-year-olds has declined by around £9,500 and by around £2,800 among 35 to 54-year-olds. In contrast, the increase in average housing wealth was

most pronounced among households of pension age, who have seen their average wealth increase by £34,000, and among 55 to 64-year-olds, who are better off by around £11,000.

Figure 10. Change in average housing wealth between 2006/08 and 2014/16, by age group

Source: WAS 2006/08 and 2014/16 (all households in Britain)



As this data shows, there has indeed been a growing divide in housing wealth between the generations, both in relative and absolute terms. This transformation has been described as a newly emerging generational housing divide. However, while the generational dimension is certainly key to understanding the implications of recent shifts in housing wealth, it is equally important to look at the variations and the changes that have occurred within different age groups and across society at large.

Housing wealth within the generations

If we divide all British households into five equally sized groups each representing 20% of all households, ordered by the amount of housing wealth they own (quintiles), the following picture emerges. In 2014/16, 60% of housing wealth was owned by 20% of all households, which represents an increase of 4 percentage points since 2006/08. This increase has been at the expense of all other quintiles, indicating that over the last decade those with already high levels of housing wealth have seen their wealth grow disproportionately more than the remaining 80% of the population, who now own 40% of total housing wealth.

Figure 11. Distribution of housing wealth in 2006/08 and 2014/16 by quintiles

Source: WAS 2006/08 and 2014/16 (all households in Britain)

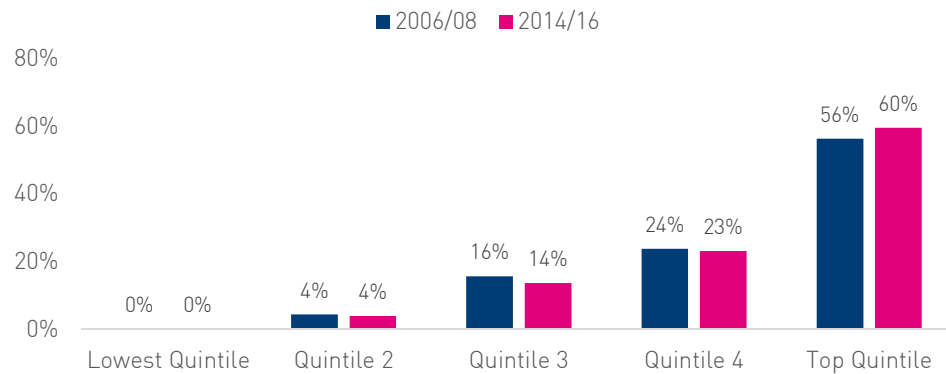
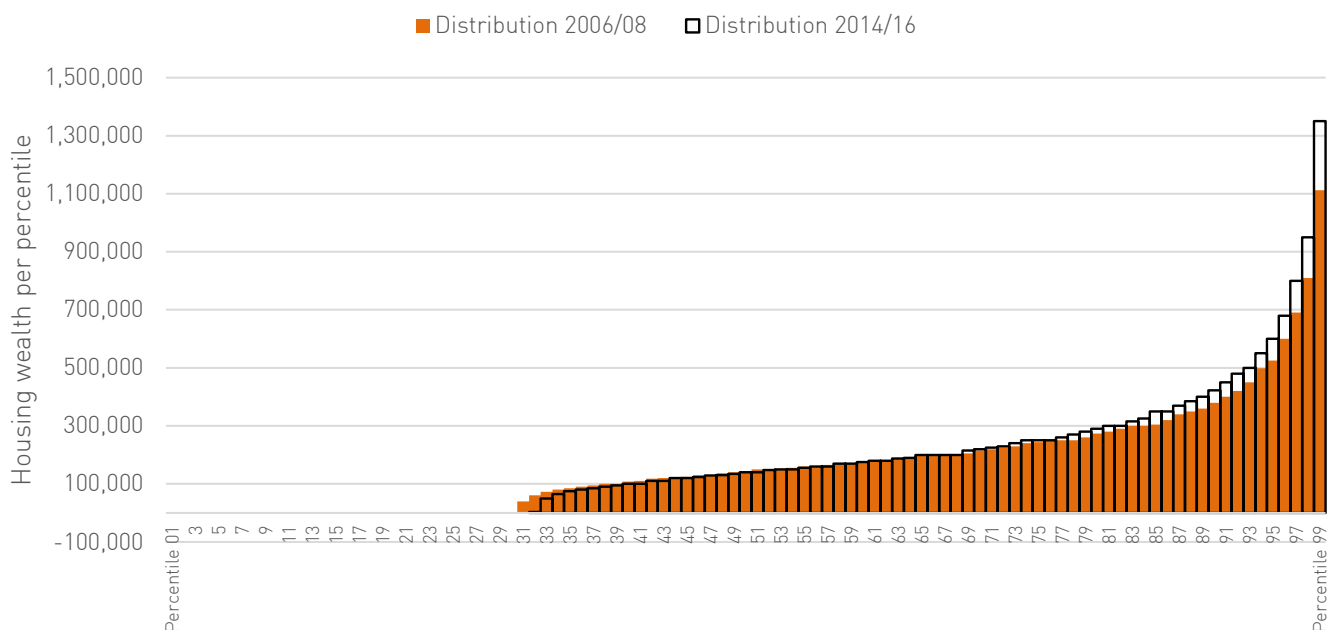


Figure 12 illustrates the disproportionately large increase for the top owners of housing wealth in more detail. The graph also shows the growing proportion of households in Britain who do not own any housing wealth, now accounting for about a third of the population. This is not least a reflection of the growing number of rented households.

Figure 12. Distribution of housing wealth in 2006/08 and 2014/16 (percentiles)

Source: WAS 2006/08 and 2014/16 (all households in Britain)

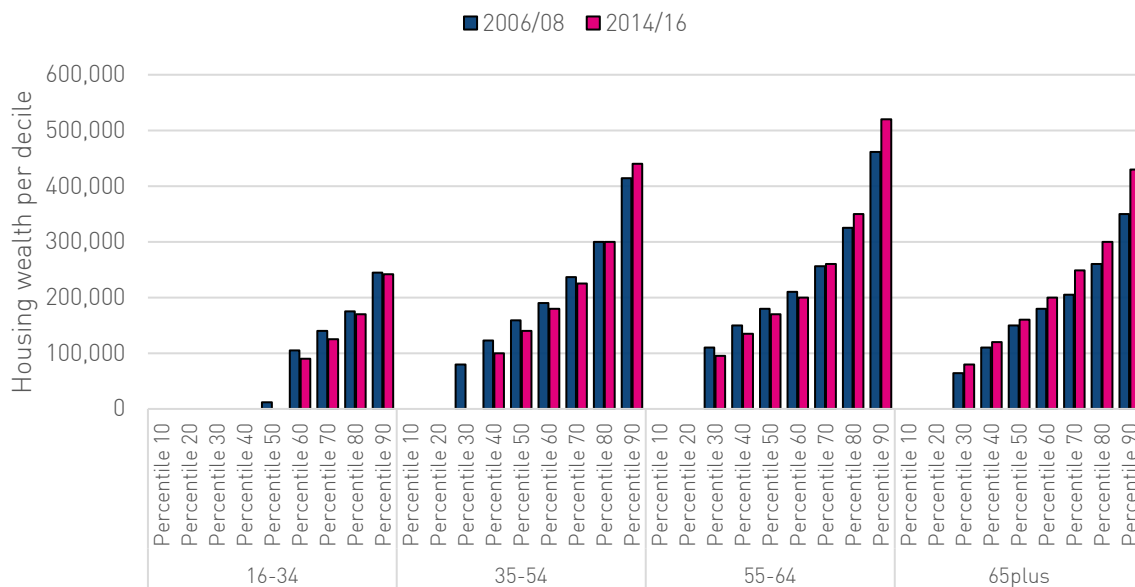


Crucially, there is a substantial divide in housing wealth also within different age groups and this divide has increased over recent years. More precisely, figure 13 illustrates that the wealth divide has not only increased across the total population but also within the age groups, the only exception being those aged 16 to 34 years old. This age group has in fact seen a decrease in housing wealth across the entire spectrum. Hence, in line with what has

been said before, the biggest increases in housing wealth have occurred among those with the highest levels of housing wealth and this is true for all age groups from 35 years and above.

Figure 13. Distribution of housing wealth within age groups (percentiles)

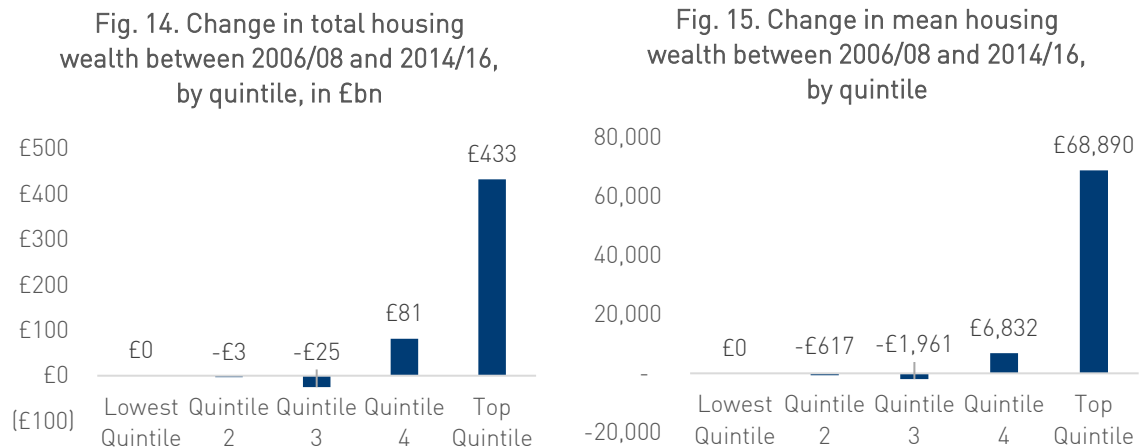
Source: WAS 2006/08 and 2014/16 (all households in Britain)



The continuing divergence in the distribution of housing wealth becomes even clearer by looking at the changes in absolute figures. The 20% of households in possession of the highest levels of housing wealth have seen their wealth grow by £433bn in the years from 2006/08 to 2014/16, followed by the second highest quintile (20%) of households, who now collectively hold an additional £81bn. Housing wealth changes for the remaining 60% of the population are negative or zero. Put differently, 84% of all the uplift in housing wealth has been captured by the top 20%. For the average households this has meant a rise in housing wealth of around £69,000 for the top 20% and a plus of £6,800 for the second highest 20%. In short, housing wealth is not only distributed unequally but the level of inequality has increased over recent years, with the top owners of housing wealth pulling further away from the rest of the population. In historical terms, due to the expansion of homeownership in the decades after WWII, housing wealth had been distributed more equally than other forms of wealth, such as financial or pension wealth (Crawford et al. 2016). The described changes in the distribution of housing wealth are set to reverse this trend.

Figure 14 and 15. Change in total housing wealth (Fig. 14) and mean housing wealth per household (Fig. 15) between 2006/08 and 2014/16, by quintile

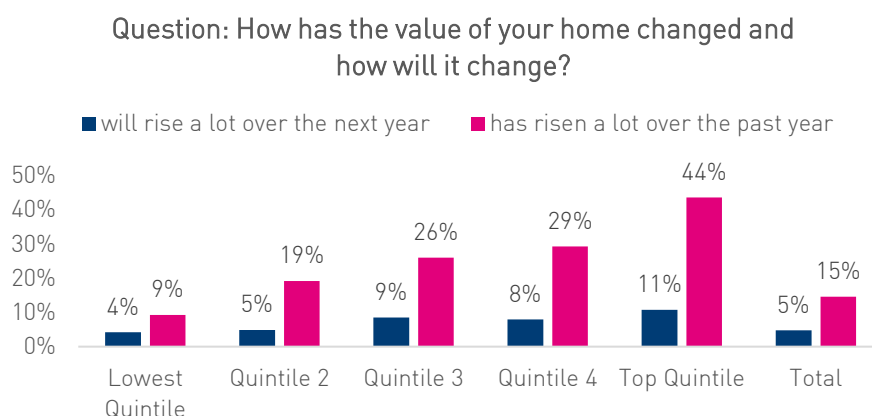
Source: WAS 2006/08 and 2014/16 (all households in Britain)



A very similar picture emerged when homeowners were asked about the estimated change in the value of their homes over the last year. The higher someone's housing wealth, the more likely they were to say that the value of their home has increased a lot over the past year. 44% of the top 20% owners of housing wealth said that the value of their home had increased a lot. In contrast only 9% of homeowners with the lowest levels of housing wealth said this. While expectations about further substantial rises in housing wealth are significantly lower, there is still a gradient between the expectations of owners of high and low levels of housing wealth. 11% of homeowners in the top 20% think that the value of their home will rise a lot also in the next year, compared to 4% among the bottom 20% owners of housing wealth.⁸

Figure 16. Personal evaluation of change in property value, by quintile

Source: EHS 2015/16 (homeowners only, in England)

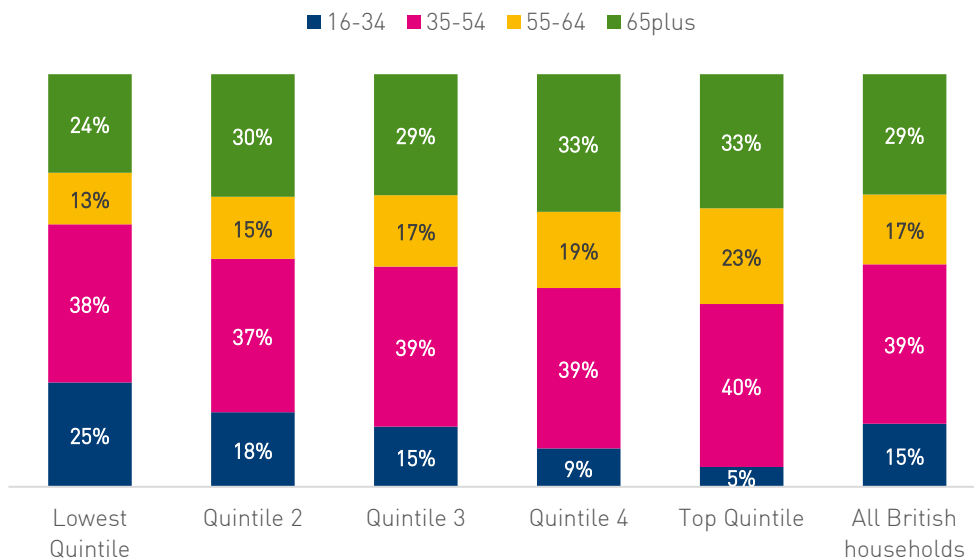


If growth in housing wealth has occurred predominantly among the top 20% and to a lesser extent among the second highest 20% owners of housing wealth, the question remains

whether these top quintiles are predominantly older age groups – and where do they live? By bringing age back into the equation, we see that households of pension-age are overrepresented among the owners of high housing wealth (i.e. in Quintile 4 and 5). Moreover, there is also a higher proportion of those aged 55 to 64 among owners of high housing wealth. Conversely, there is a disproportionately high number of younger households among those with the lowest levels of housing wealth and only a small fraction among the top. However, figure 17 also shows that older age groups are represented in all wealth quintiles, making up for example around a quarter (24%) of all households also in the lowest wealth quintile with no housing wealth at all.

Figure 17. Housing wealth and age

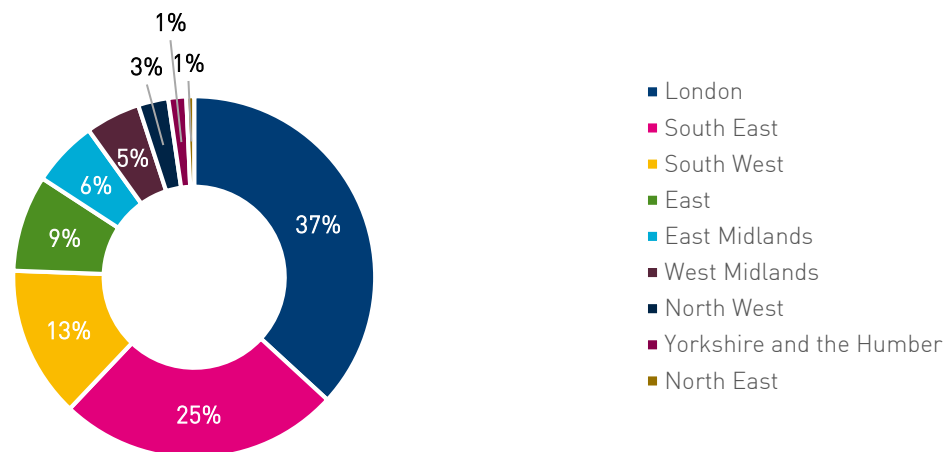
Source: WAS 2006/08 and 2014/16 (all households in Britain)



As noted earlier, there is also a strong geography to these changes in housing wealth. Not only is a disproportionate amount of housing wealth owned by households in London and the South East, but, as is shown, these high-value homes have also seen the biggest uplift in value. Crucially, a big majority of owners of high housing wealth are concentrated in London and the South East. In fact, 62% of the top 20% owners of housing wealth live in these two regions while it is only a negligible proportion in the North East (1%), in Yorkshire and the Humber (2%) or the North West (3%). Put differently, the growing social divide between the top and the bottom owners of housing wealth has also reinforced the geographical north-south divide in England.

Figure 18. Where do the top 20% owners of housing wealth in England live?

Source: EHS 2015/16 (homeowners only, England)



Conclusion

Unsurprisingly, population changes determine current and future housing need. As is shown, changes in population vary a great deal and will impact very differently on different areas. While some areas are already facing a rapid increase in their population there are also areas where there will be hardly any growth or an actual decrease. More importantly, population changes are going to be mainly driven by an increase of people of pension age. While this is strongly the case for many rural areas and northern regions, demographic change looks different in urban areas and in southern parts of England, where the working-age population is likely to grow significantly.

While there is always a degree of uncertainty as to how populations are actually going to change in the future, current projections are the best estimates that are available and can provide an important framework for planning responses to newly emerging housing needs. In particular when it comes to the growing number of older people, housing providers will be faced with a series of challenges which not only include the provision of homes but also with issues around care and health.

Moreover, there is a growing divide in housing wealth both across generations but, crucially, also within generations. Recent increases in housing wealth have been captured primarily by those who already own substantial amounts of housing wealth. These findings have important implications for future generations. In the context of the current housing crisis this means that accessing homeownership is increasingly determined by whether someone is able to access other financial resources than their own. This has been evidenced by the latest

English Housing Survey, which shows that a growing proportion of first-time buyers are drawing on family wealth (EHS 2015/16, First Time Buyer report). This trend is likely to increase existing socio-economic divides. As such, housing increasingly operates as an 'engine of inequality' (see also Stephens et al. 2015) furthering the gap not only across generations but also within generations, as the ability to access family wealth is strongly dependent on someone's socio-economic background.

The findings also pose questions as to the idea of asset-based forms of welfare, that is, the idea that individuals or households build up housing wealth over time on which they can draw in later life, especially in terms of funding potential care needs. As this report has shown, housing wealth is distributed very unequally, geographically and by age and hence the assumption of an expansion of homeownership and a growth of housing wealth across society no longer holds true.

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Notes on methodology

This report uses data from the Wealth and Assets survey (WAS), Waves 1 and 4, collected in 2006/08 and 2014/16 and the English Housing survey 2015/16 (EHS). All data have been weighted with the household weight. Housing wealth from the Wealth and Assets survey in this report is defined as the sum of all housing property owned by a household (variables DVPropertyW1 from the 2006/08 survey and DVPropertyW4 from the 2014/16 survey). The comparable variable in the English Housing Survey (2015/16) is PrptVal1, which is the current value of the home, regardless of mortgage payments. As such, this definition of housing wealth does not take into account any mortgage payments. The rationale for using this definition of housing wealth is to eliminate the life-course effect of mortgage payments, that is, the fact that there is a 'natural degree of inequality considering that equity is built up slowly over the life-course as the mortgage matures' (Arundel 2017: 187).

Endnotes

¹ http://ec.europa.eu/eurostat/statistics-explained/index.php/Fertility_statistics

²

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2016#dependent-children-were-most-likely-to-be-living-in-married-couple-families>

³ <http://www.migrationobservatory.ox.ac.uk/resources/briefings/the-impact-of-migration-on-uk-population-growth/>

⁴ <http://www.migrationobservatory.ox.ac.uk/resources/briefings/migrants-in-the-uk-an-overview/>

⁵ http://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing

⁶ For a more detailed explanation of the Index of Multiple Deprivation and the Barriers to Housing and Services subdomain see:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464485/English_Indices_of_Deprivation_2015_-_Technical-Report.pdf

⁷ These figures are based on the age of the household reference person and may therefore differ slightly from official population statistics. A household reference person (HRP) is defined as the person in whose name the dwelling is owned or rented or who is otherwise responsible for the accommodation. In the case of joint owners and tenants, the person with the highest income is taken as the HRP.

⁸ Please note that this includes only homeowners