

PRESS RELEASE

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Oldies Stockpiling Space Deepens Housing Crisis

COVID-19 has exacerbated housing inequalities between the young and the old according to new research from the Intergenerational Foundation. While younger generations have lost their jobs, their homes and even their mental health during COVID-19, older generations have stockpiled space.

There are now 5.5 million second homes in England - a 50% increase between 2011 and 2020 – and they are owned primarily by older people. According to the think tank, 52% of owners now under-occupy their homes, with housing assets and space passing from renters to owners and from younger generations to older generations.

The report, which investigates the growing inequalities in housing assets and housing space between renters and owners, between rich and poor, and most significantly between older and younger generations, concludes that England now has two housing nations. The first nation is older, well-housed, often well-off, with space to work and self-isolate. The second nation is younger and live in cramped flats or shared homes with little or no access to outside space.

The report reveals that while the percentage of younger generations owning a home has declined since 2003, ownership by the over-55s has held steady, while the over-65s have increased their share.

As previous research has shown, as the pandemic has unfolded access to space has driven demand, with older and well-off people buying up larger and more expensive properties in larger numbers. London has led the trend with purchases of second homes outside the capital up 309% over 2019.

Furthermore, space inequality has also increased, with owner-occupied homes enjoying a third more space (108m²) on average than privately rented homes (76m²) and almost double the space as a social home, and just 7% of 55–65 year-olds reporting a lack of outside space compared to 21% of 25–34 year-olds.

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Previous IF research has revealed that, on a country level, before the pandemic struck, more than 1 million children were living in households with one bedroom less than the bedroom standard. Add a pandemic, and these households have experienced less space to move around in than older, more privileged households.

Colin Wiles, report author, comments, “As these figures make plain, as well as a housing affordability crisis, we have an under-occupation crisis. The failure to build enough new affordable homes for the young, combined with government policies that prevent the release of land, tackle the Green Belt, or build retirement homes for the old, have conspired to choke supply, push up prices, and encourage older generations to put off downsizing.

Angus Hanton IF Co-founder, add, “While some progress has been made on levelling the playing field between property investors and first-time-buyers, the government could do much more to incentivise the nation to use our housing stock better. The abolition of the council tax regime and the introduction of fairer property taxation, stamp duty holidays for downsizers, and a commitment to gently lower house prices for the young, are all tools available to policymakers, yet here we are, a decade later, revealing a worsening picture.”

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Note to Editors:

- All figures are for England
- The Bedroom Standard is a measure used to analyse the difference between the number of bedrooms needed to avoid undesirable sharing (given the number, ages, and relationship of the household members) and the number of bedrooms actually available to the household.
- Sources: English Housing Survey Tables FA1422; FT1101; FA5401
- Purchase price changes: Office for National Statistics (2020) Living Longer: Changes in housing tenure over time
- SDLT Transactions: HMRC UK Stamp Duty Tax statistics Table 6c
- London figures from Knight Frank

Angus Hanton, IF Co-founder and Colin Wiles, report author, are available for interview. Please contact:

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