

PRESS RELEASE

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Downsizing could save £5,000 a year in energy bills

New figures reveal that downsizing from larger to smaller homes could save 8 million homeowners up to £5,000 a year in lower energy bills.

While owner-occupiers of all ages tend to live in larger homes than social or private renters, more than two-thirds of older owner-occupiers were under-occupying in 2020/2021: nearly all (96%) older owner-occupied households have properties with two bedrooms; and 46% have at least three bedrooms. Furthermore, only 38% of over-65s households live in dwellings which are energy efficient.

By analysing house size, age, under-occupation and energy consumption, IF researchers compared different downsizing scenarios and energy costs in order to help older generations to appreciate the energy savings they could make from downsizing.

Angus Hanton, Co-founder of the Intergenerational Foundation comments, "Downsizing is a really smart move for many brick-rich, cash-poor older people in the face of aggressive rises in living costs and energy prices."

The research finds that reducing floor space and having better insulation are among the best ways to reduce energy consumption and therefore bills. The larger the dwelling, and the higher the number of bedrooms, the more substantial the increase in energy consumption. For example, if an older household downsized from a three-bed dwelling with an Energy Performance Certificate (EPC) rating of E to a one-bed dwelling with a C, their annual energy bill would fall from around £4,000 to £1,600, an annual saving of around £2,400. If the largest households, with 5 or more bedrooms, and EPC ratings of E, downsized to two-bed dwellings with EPC ratings of B, then their bills could fall by £5,000 a year. Half a billion pounds a year could be saved in energy costs if 100,000 older households moved from 5-bed E-rated dwellings to a two-bed home.

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Alec Haglund, report author, concludes, “Downsizing is a win-win for all generations as it is good for the pocket, good for the planet, and good for younger generations: it reduces energy bills for the old; reduces carbon consumption for all; allows for energy-efficient renovations; and would increase the supply of family homes for young families.”

The Intergenerational Foundation calls on the government to incentivise downsizing, address the market failure in the retirement housing sector, and build more housing across all tenures.

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Note to Editors:

- All figures are for England
- Older homeowners mean anyone over 65 years of age
- 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
- English Housing Survey defines under-occupation as having two or more spare bedrooms
- Number of bedrooms figures: English Housing Survey 2022
- 8 million owner-occupied under-occupying homeowners: English Housing Survey 2021
- 67% under-occupation among owner-occupying over-65s in 2020/21: English Housing Survey 2022
- IF under-occupation and space inequality report: <https://www.if.org.uk/research-posts/stockpiling-space-how-the-pandemic-has-increased-housing-inequalities-between-older-and-younger-generations/>

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