

Multiple perspectives in evaluating housing affordability: The case of housing association sector in England

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Housing association (HA) in England

	Council housing by local authorities	Social housing by HAs	Total number of social housing
1976	5 million; 95% of all social housing	281,000	5.3 million; 31% of all dwellings
2006	2.1 million; 53% of all social housing	1.85 million	3.9 million; 18% of all dwellings

Source: *UK Housing Review 2007/08* Tables 17a and b (<http://www.ukhousingreview.org.uk/>)

- 2007/08: 1,700 HAs owning 2,296,368 units for rent in England

Data

- Household characteristics
 - **C**ontinuous **R**ecording of HA new lettings (CORE) – new HA tenants only; net income; HB paid for rent
 - **F**amily **R**esources **S**urvey (FRS) – existing HA tenants; gross income; total housing costs

	Existing tenants		New tenants
	2001 Census	2006-07 FRS	2006-07 CORE
1 elder	24.1	24.9	7.6
2 elders	n.a.	7.2	3.4
1 adult	20.2	18.4	36.5
2 adults	12.9*	10.0	6.6
1 adult & 1+ children	19.7	18.4	24.0
2+ adults & 1+ children	17.3	17.9	14.9
Other	5.7	3.3	7.1

* The two-adult households include two young as well as old adults (one male and one female), or two adults (same sex).

Rent-to-income ratios by region, 2006/07



	Existing tenants	New tenants
London	23%	47%
South East	23%	37%
South West	21%	34%
East of England	21%	34%
East Midlands	20%	35%
West Midlands	22%	35%
North West	21%	34%
Yorkshire & the Humber	22%	33%
North East	19%	32%
ENGLAND	22% (N = 1,607)	36% (N = 89,231)

Sources: 2006–07 FRS for existing tenants and 2006–07 CORE for new tenants.

Rent-to-income ratios by household type – *existing* tenants

		All households	Non-HB dependent households*	HB-dependent households*	
				Before HB	After HB
Single adult	1 elder	28%	26%	27%	21%
	1 non-elder	29%	33%	27%	21%
Two adults	2 elders	19%	16%	17%	15%
	2 non-elders	17%	17%	16%	14%
Family with children	1 parent	27%	24%	24%	19%
	2 parents	16%	15%	16%	14%
All households		22%	21%	18%	17%
		N=1,607	N=325	N=354	

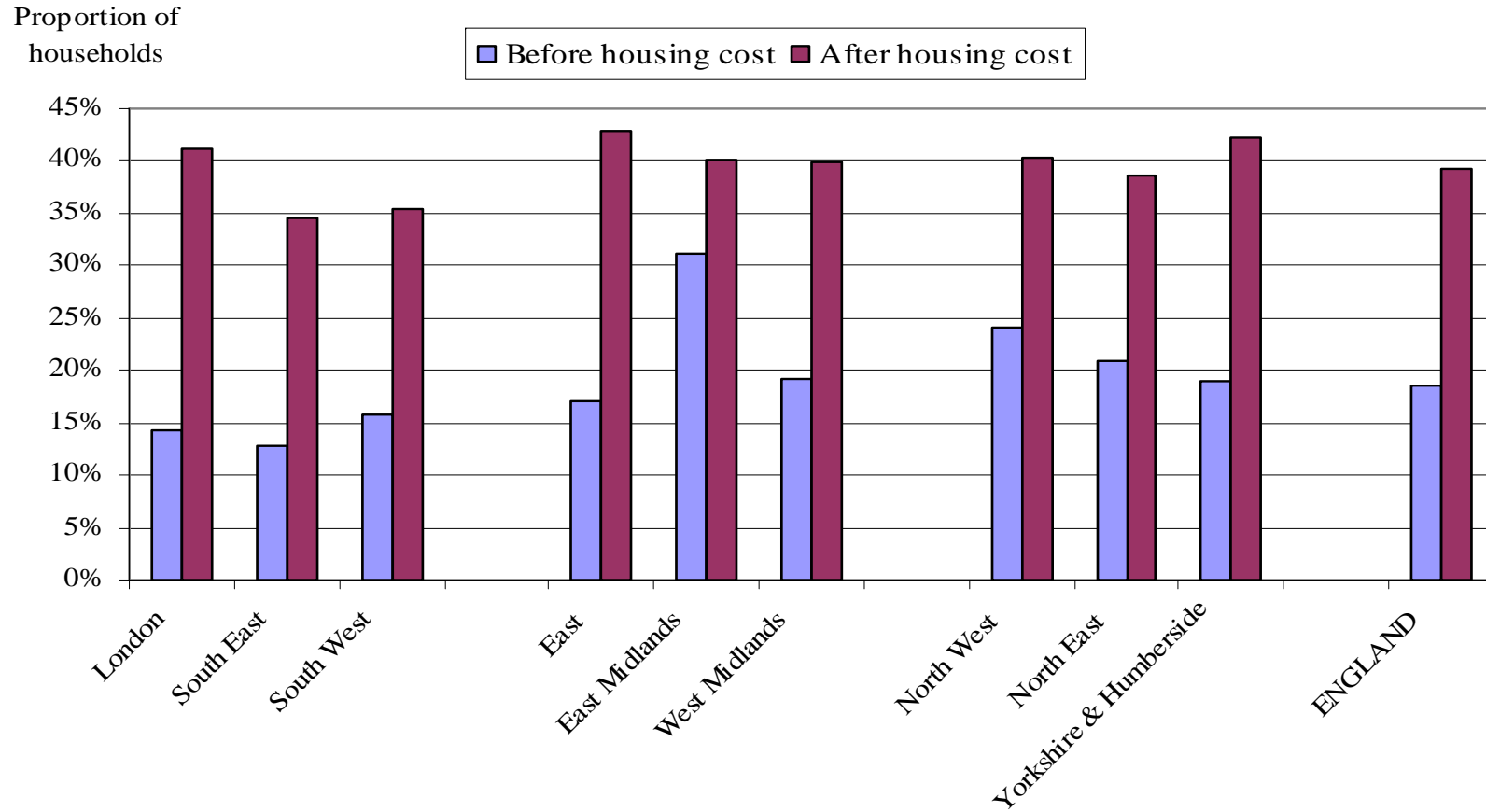
* Non-HB dependent households were those households who did not qualified for HB to pay rent and service charges while HB-dependent households were those who qualified for HB.

Rent-to-income ratios by household type – *new* tenants

		All households	Non-HB dependent households	HB-dependent households	
				Before HB	After HB
Single adult	1 elder	26%	28%	57%	45%
	1 non-elder	33%	25%	84%	50%
Two adults	2 elders	16%	17%	34%	27%
	2 non-elders	17%	18%	53%	39%
Family with children	1 parent	24%	21%	46%	33%
	2 parents	15%	18%	34%	28%
		21%	21%	52%	37%
All households		N=89,231	N=28,540	N=60,691	

* Non-HB dependent households were those households who did not receive HB to pay rent and service charges while HB-dependent households were those who required HB paid for rent and service charges.

Residual income by region – *existing* tenants (60% of median income)



* Equivalised values of 60% contemporary median income for the total population in UK in 2006–07 were £226 per week Before Housing Costs and £193 After Housing Costs (DWP, 2008, Figs. 2.1 and 2.2).

Source: Author's calculation based on total household income drawn from 2006–07 FRS

Residual income by household type – *existing* tenants (60% of median income)



Source: Author's calculation based on total household income drawn from 2006–07 FRS. Equivalised values of 60% contemporary median income for each household type from DWP (2008, Table 2.4ts).

Residual income by region – new tenants (120% Income Support standards)

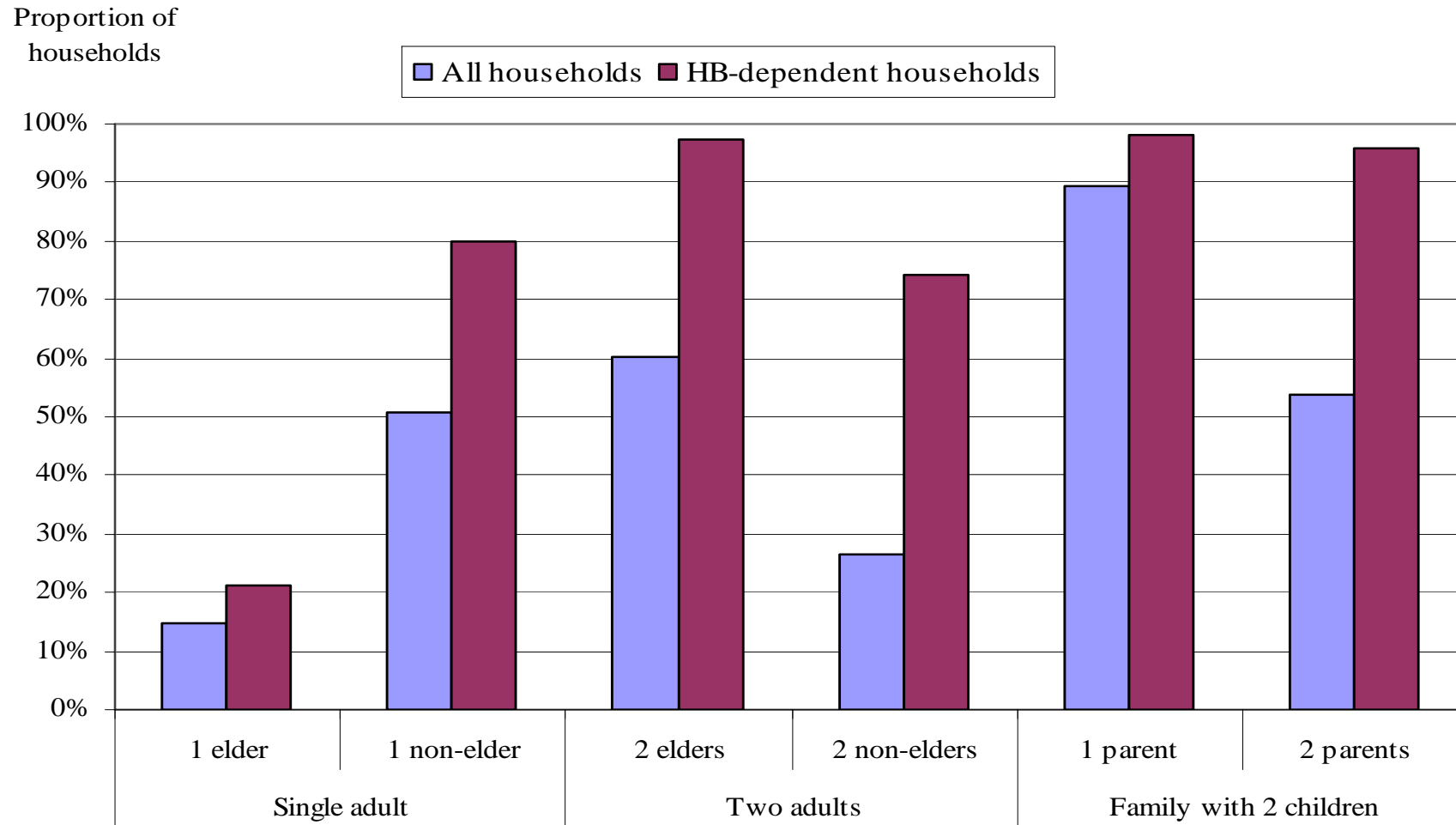
Proportion of households



* Excluded new tenants who did not report incomes in CORE. HB-dependent tenants were those new tenants who received HB to pay their rents.

Source: Author's calculation based on 2006–07 CORE.

Residual income by household type – *new tenants* (120% Income Support standards)



Source: Author's calculation based on 2006–07 CORE

Housing affordability in HA sector, 2006/07

- Limitations
 - Small sample size of the existing HA tenants
 - Different definitions of incomes and subsequently different residual income measures for two types of tenants
- Regional: HA tenants in London experienced the largest rent-to-income ratios and very low residual incomes as those living in the northern regions
- Household group: families with children, in particular lone parents with dependent children

Further studies

- Measure affordability ratios and residual incomes over a number of years and compare them to a single year's result
- Data and method triangulation to provide triangulation results is a more secure basis for drawing conclusions than using single dimensions

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<http://www.dataspring.org.uk>