

## **Title:**

# **The Changing Landscape of Rent, Income, and Homeownership in England**

## **Goal :**

The goal is to examine the changing landscape of homeownership and renting, analyze regional differences, and discuss recommendations to improve housing affordability.

## **Data Sources:**

Private rental affordability 2022 England Wales

Household-characteristics-by-tenure-england-and-wales-  
census-2021

# Act 1: The Cost-of-Living Challenge

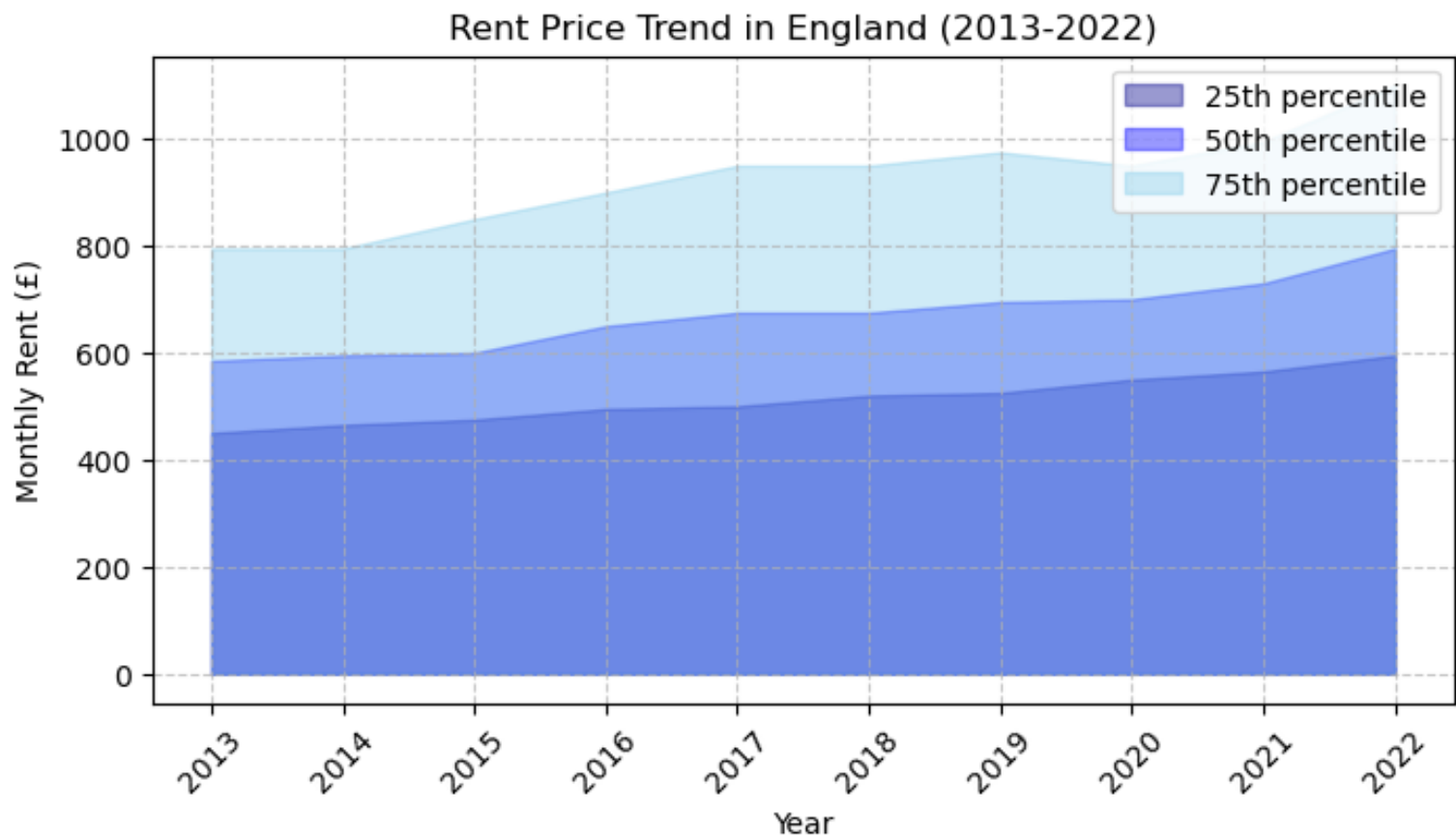
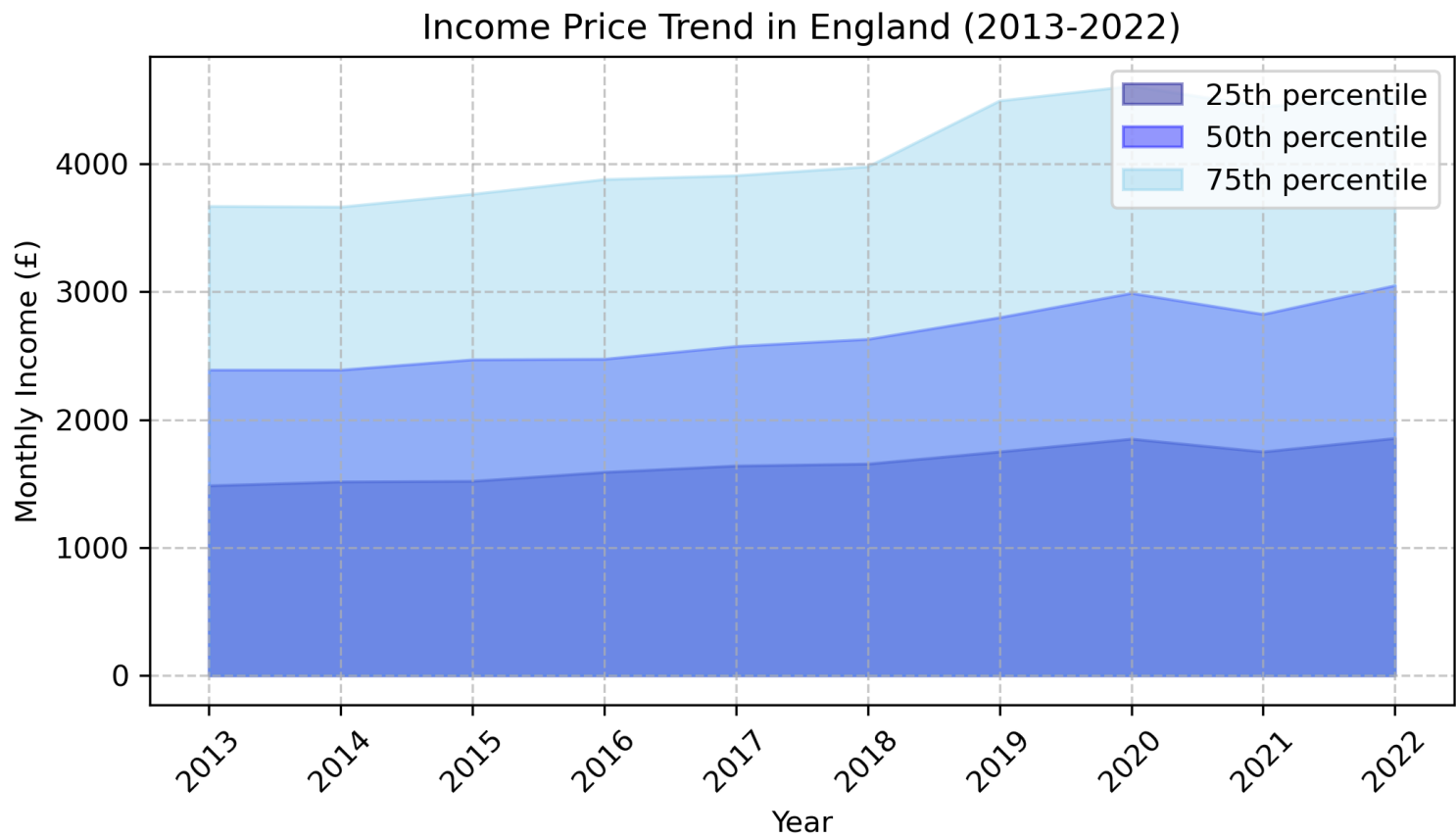


Fig 1. Shows a Stacked Area Graph of the rent price trend for England from 2013 to 2022. Showing how rent prices have changed over time across the different quartiles.

**Key Insights:**

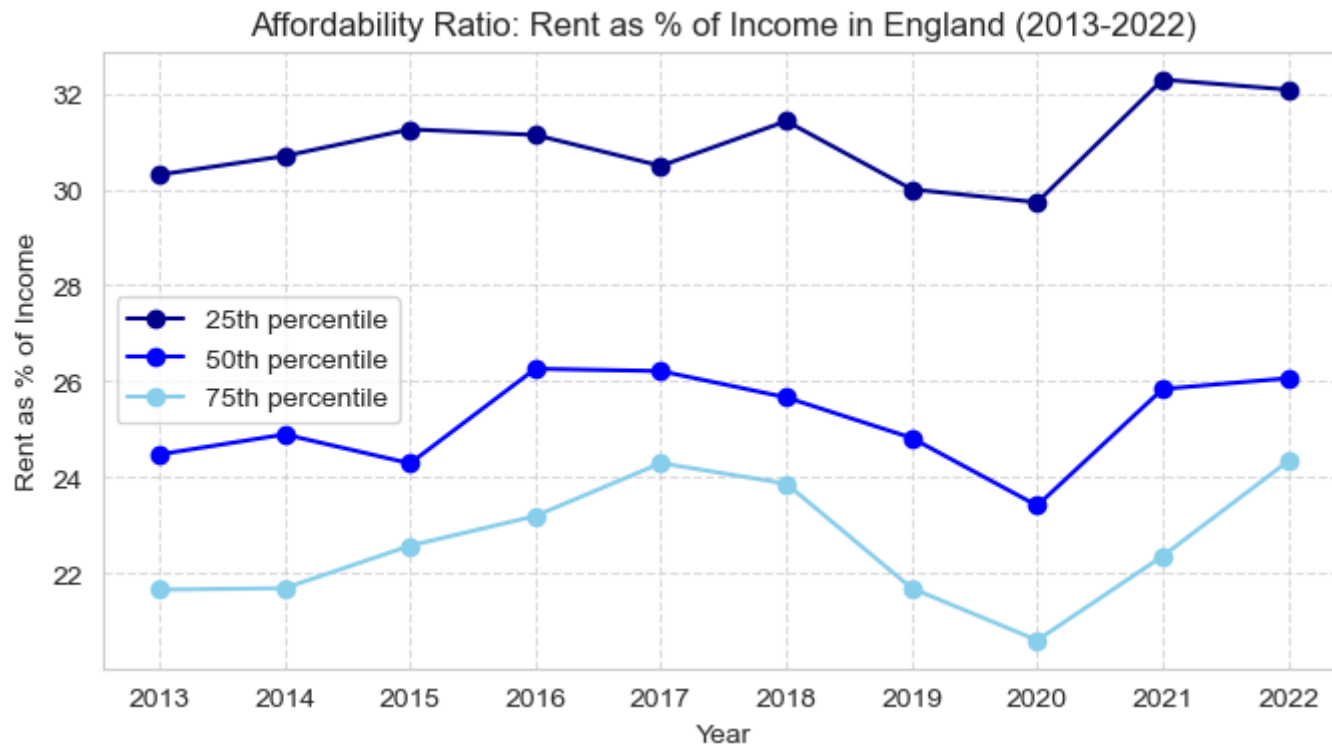
- Rent prices have consistently increased over the years, with notable rises in the upper quartiles.
- The gap between the 25th, 50th, and 75th percentiles has widened slightly, suggesting that higher-end rentals are increasing at a faster rate.
- Post-2020, rent prices appear to have risen more sharply, possibly due to economic changes and housing demand shifts.



#### Key Insights:

- Income has increased over time across all quartiles, though the rate of increase varies.
- Higher-income earners (75th percentile) have seen a more consistent rise in income, while lower-income earners (25th percentile) have experienced a slower growth rate.
- The gap between income quartiles has widened slightly, which may indicate increasing income inequality.

Fig 2. Shows a Line Area Graph of the income trend for England from 2013 to 2022. Showing how income have changed over time across the different quartiles.

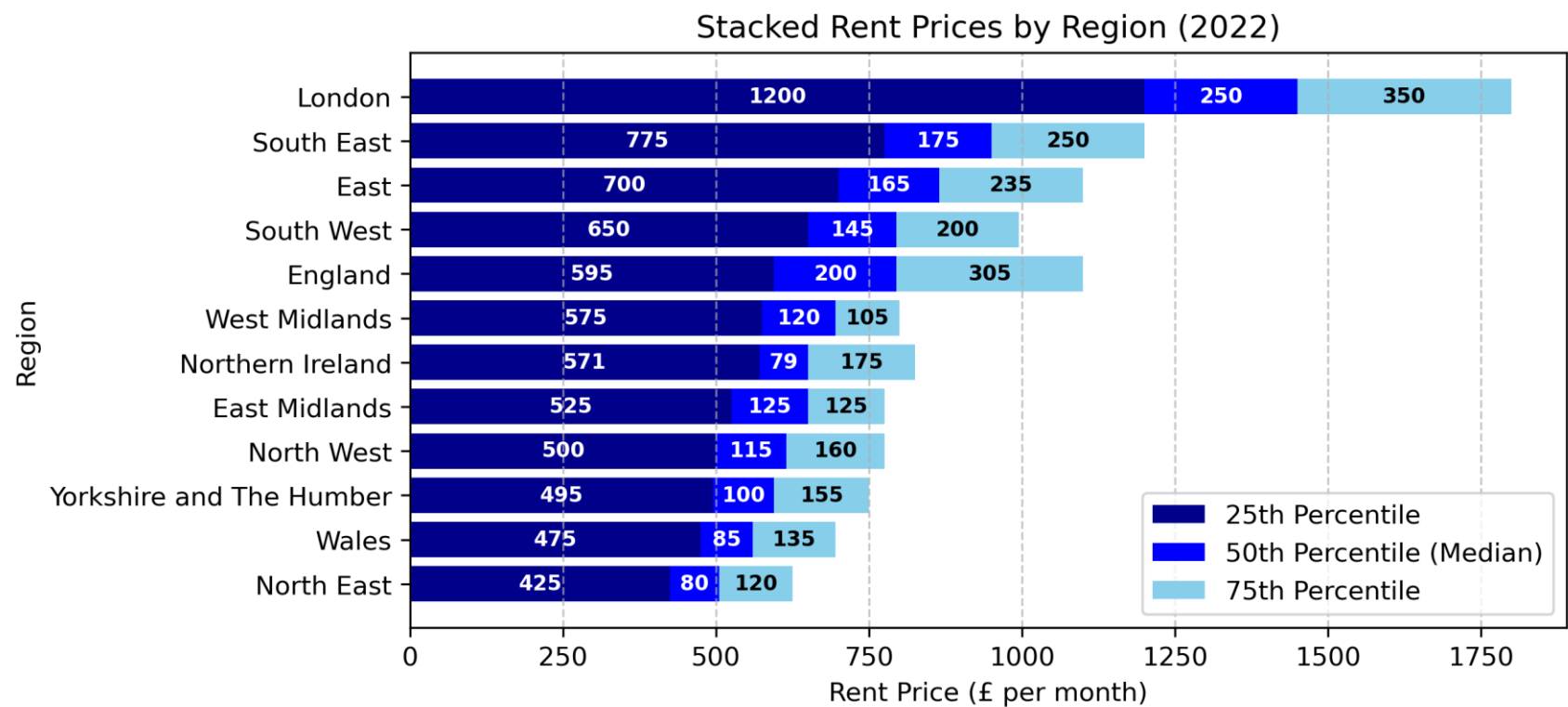


**Key Insights:**

- Lower-income renters (25th percentile) consistently spend a higher proportion of their income on rent, indicating affordability challenges.
- The percentage has increased over time for all income groups, showing that rent growth has outpaced income growth.
- The gap between quartiles has widened slightly, suggesting that lower-income renters are being disproportionately affected.

Fig 3. Show a Line Graph of the affordability ratio in England. Displaying rent as a percentage of income for different income quartiles in England from 2013 to 2022.

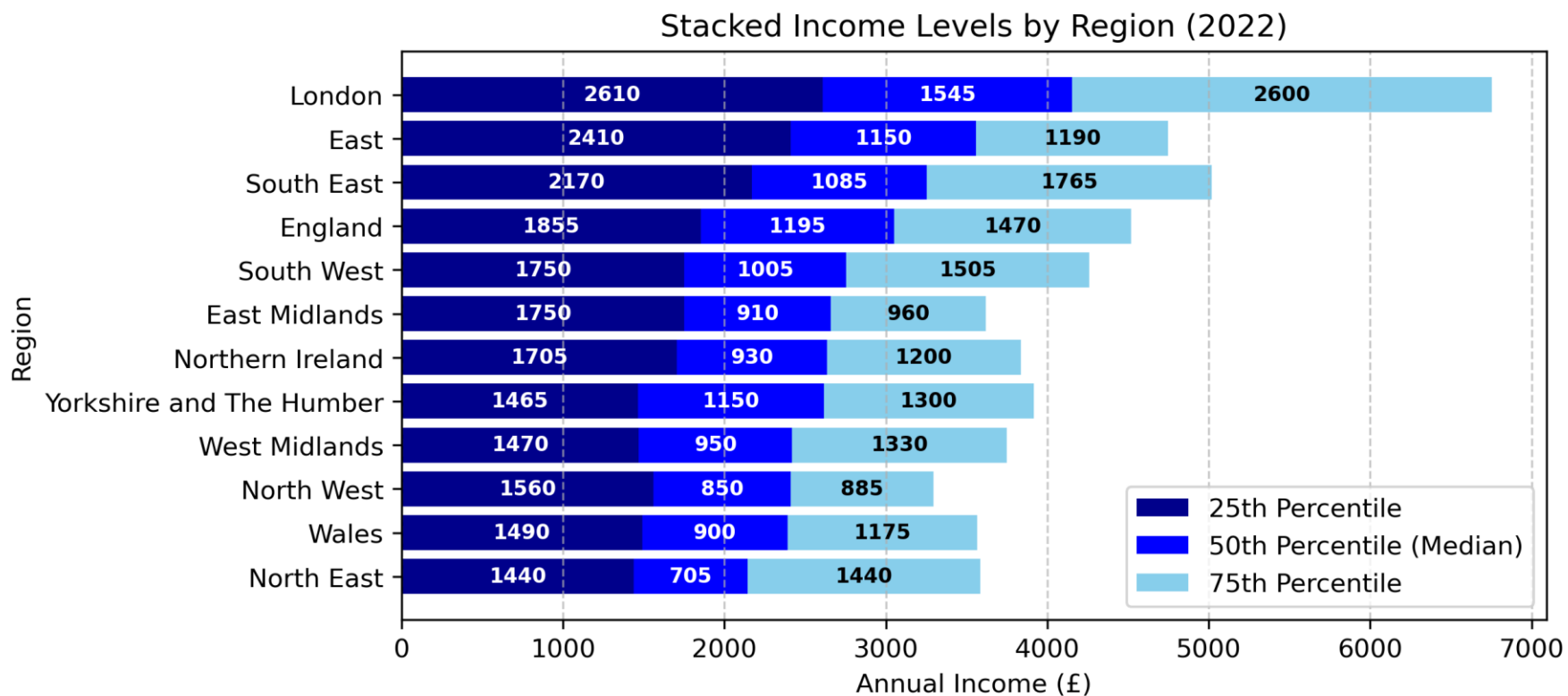
## Act 2: The Regional Divide



### Key Insights:

- London has the highest rent prices across all percentiles, with a significantly larger gap between the 50th and 75th percentiles.
- Regions in the South East, East of England) also have relatively high rents, though more evenly distributed.
- The North East and North West remain the most affordable regions, with all percentiles positioned lower.
- England's overall rent values are in the mid-range, capturing the national average.

Fig 4. Shows a Stacked Bar Chart of the 25th, 50th (median), and 75th percentile rent prices by region for 2022, including England and Wales



**Key Insights:**

- London has the highest income levels across all percentiles, with a noticeable jump at the 75th percentile.
- The South East and East of England also show relatively high income levels, consistent with higher rent costs in these regions.
- The North East and North West have the lowest income levels, which aligns with their lower rent prices.
- England's overall income levels sit in the mid-range, capturing a national average.

Fig 5. Shows a Stacked Bar Chart of the 25th, 50th (median), and 75th percentile Income by region for 2022, including England and Wales.

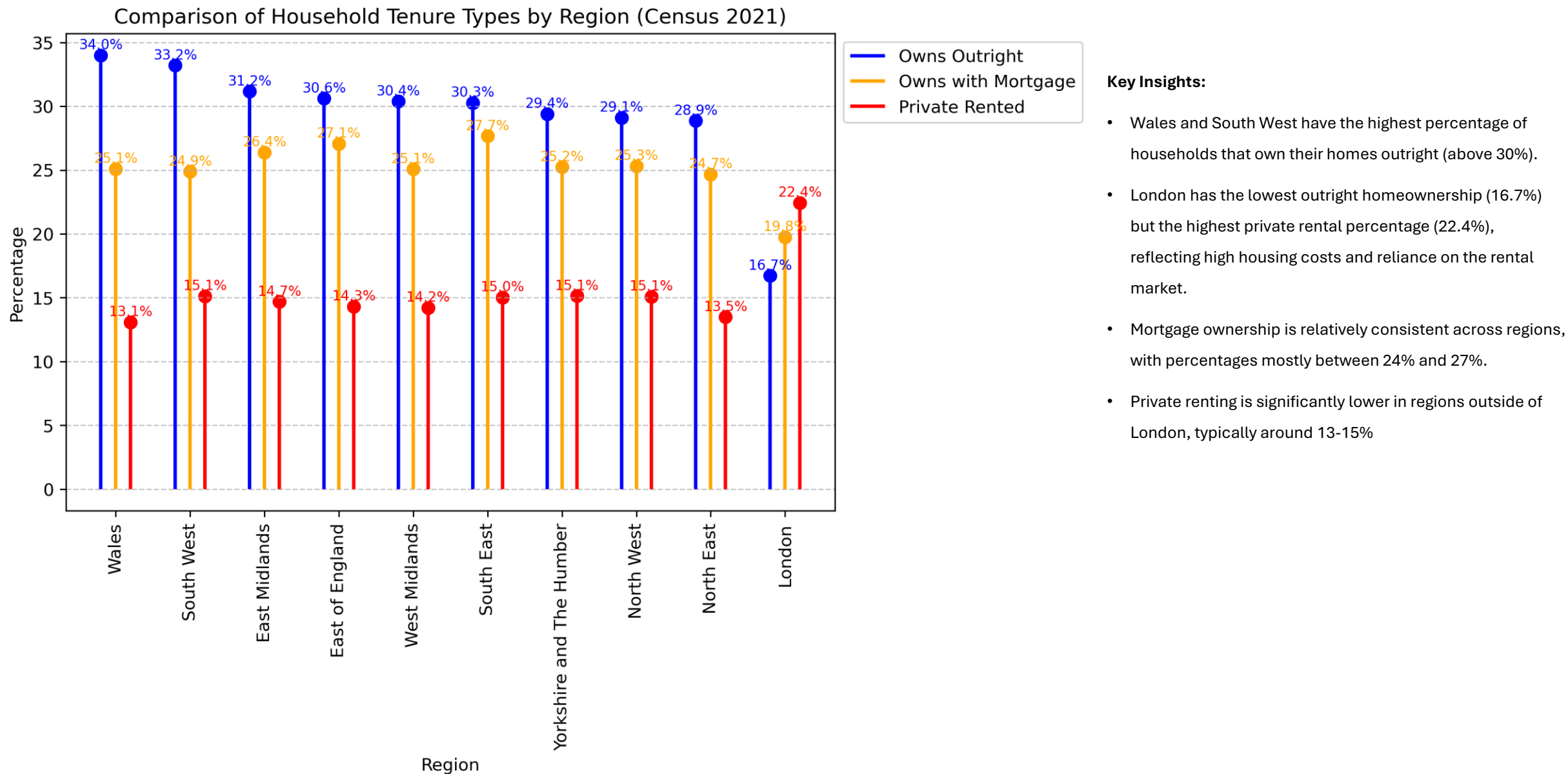


Fig 6. Lollipop Chart showing the comparison of household tenure types by region for 2022, including Wales.

## Map of Outright Ownership Per Region (County)

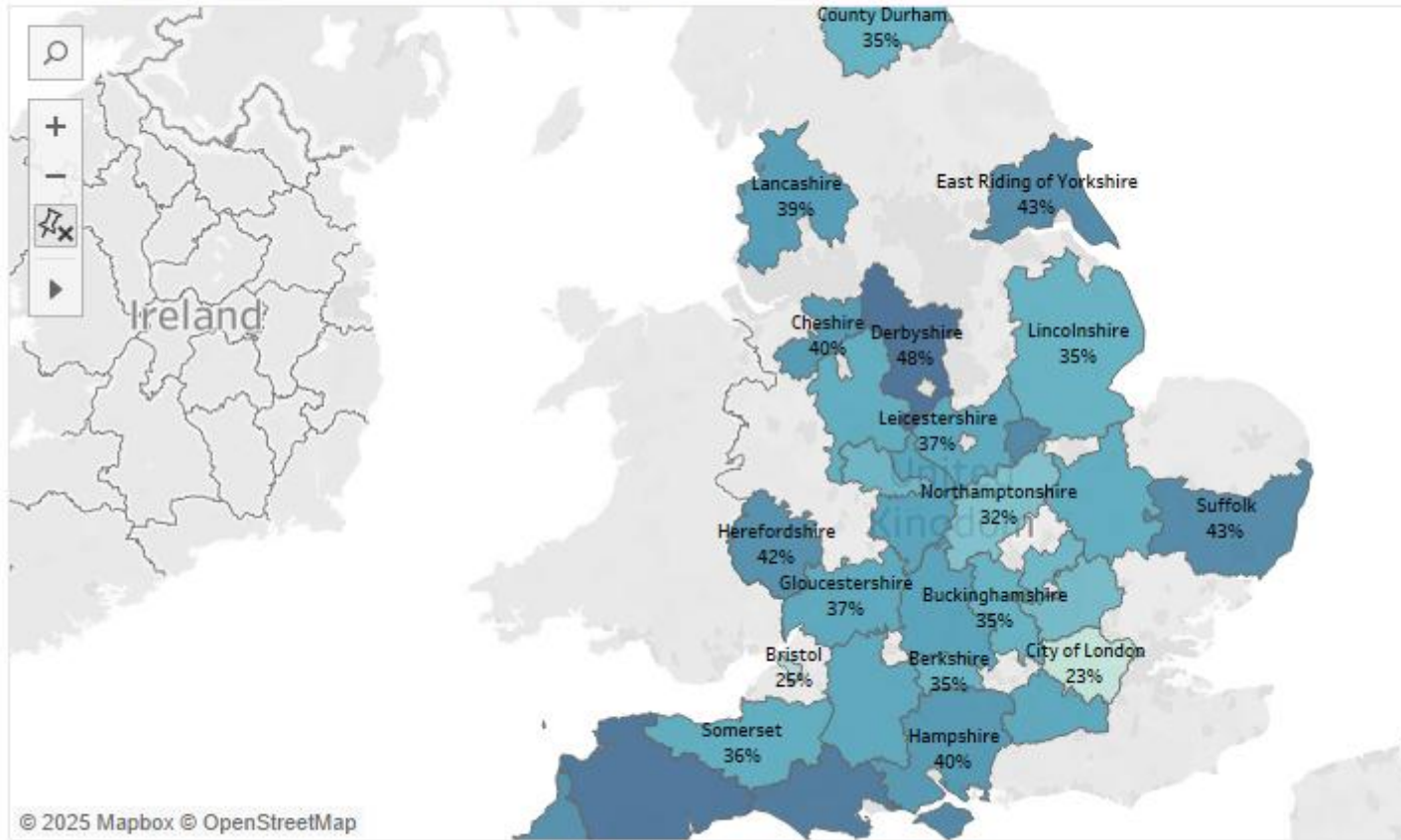


Fig 7. Shows a Layered Map of outright ownership by counties in the England

### Key Insights:

#### Geographic Trends in Outright Homeownership

- High Ownership Areas:
  - Derbyshire (48%), Dorset (46%), Cornwall (47%), and Isle of Wight (44%) have some of the highest outright ownership percentages.
  - These regions might have an older population, a higher number of retirees, or a culture of purchasing homes outright.
  - Coastal and rural areas like Dorset and Cornwall are traditionally known for high outright ownership due to retirement migration.
- Low Ownership Areas:
  - City of London (23%) and Bristol (25%) have the lowest outright homeownership rates.
  - Urban areas often have higher property prices, making mortgage financing a more common option.
  - A younger population, job mobility, and a high proportion of rented housing contribute to lower outright ownership in these locations.

#### Urban vs. Rural Divide

- Rural counties such as Dorset, Cornwall, and Derbyshire have higher outright ownership rates, likely due to lower property prices and more retirees.
- Urban areas like City of London and Bristol have lower outright ownership rates, driven by expensive housing markets, high rental populations, and younger demographics.



# Act 3: Homeownership Trends by Age, Ethnicity, Family Size & Composition

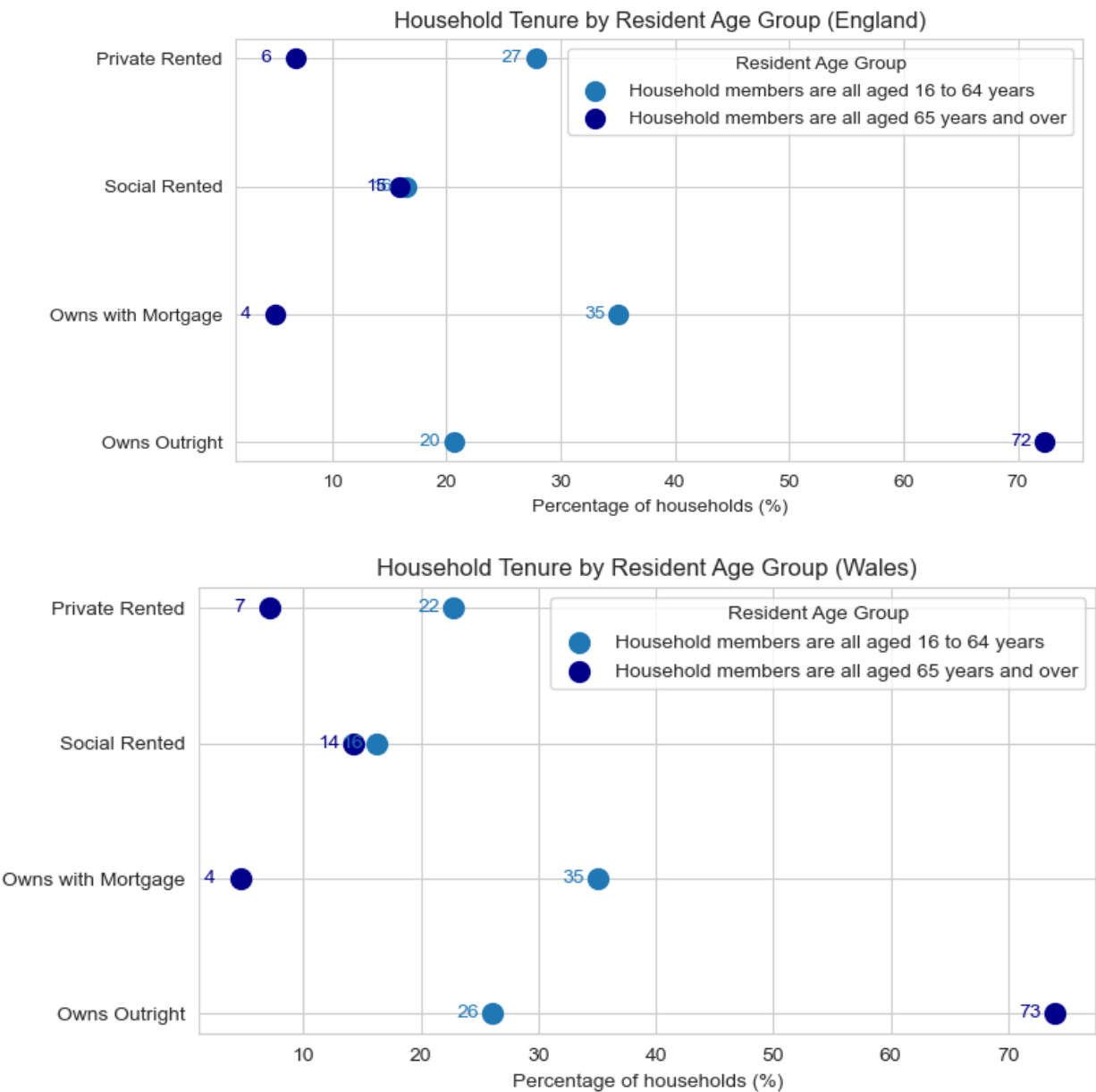


Figure 8a & 8b Shows a Scatter plot of Household Tenure by Resident Age in England and Wales

## Key Insights :

### England:

#### High Outright Ownership Among Older Households:

- 72% of households where all members are aged 65+ own their homes outright, compared to just 20% for younger households (16-64 years).

#### Higher Mortgage Dependence in Younger Households:

- 35% of younger households in England own homes with a mortgage, compared to just 4% for older households.

#### Private Renting is More Common Among Younger Households:

- 27% of younger households rent privately, while only 6% of older households do.

#### Social Housing Usage is Similar:

- Social renting is relatively close for both groups, with 16% for younger and 15% for older households

### Wales:

#### Slightly Higher Outright Ownership for Older Households:

- 73% of older households in Wales own their homes outright, slightly higher than England (72%). Among younger households, outright ownership is at 26%, higher than England's 20%.

#### Similar Mortgage Dependence:

- 35% of younger households in Wales own homes with a mortgage, identical to England.
- However, only 4% of older households in Wales have mortgages, mirroring the trend seen in England.

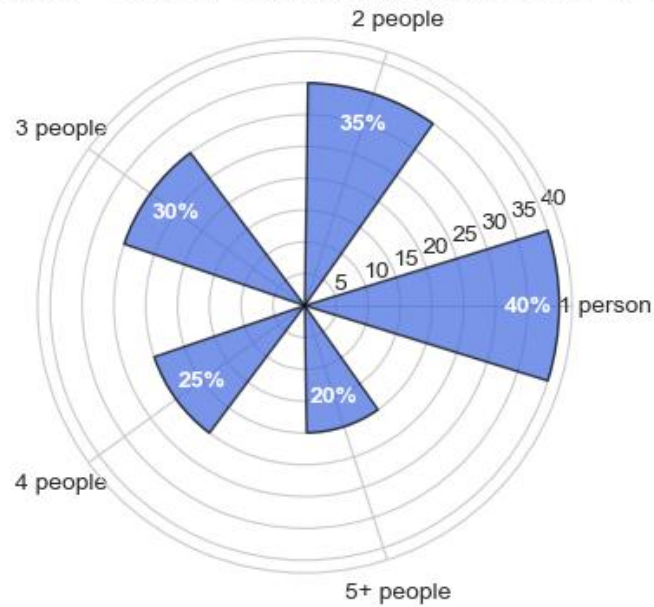
#### Private Renting Slightly Lower Among Young Households:

- 22% of younger households rent privately in Wales, lower than England's 27%.
- This could suggest slightly better housing affordability in Wales.

#### Social Renting More Common in Wales:

- 16% of younger households and 14% of older households rent from social housing, which is slightly like England.

## England - Owned Outright by Household Size



## Wales - Owned Outright by Household Size

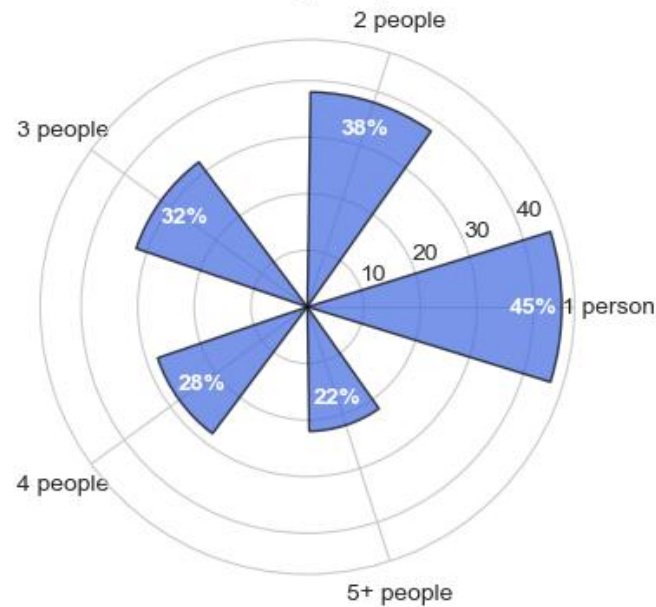


Fig 9. Shows Radial Bar Charts comparing owned outright tenure to household size in England and Wales

### Key Insights

#### General Trend Across Household Sizes

- In both England and Wales, the percentage of households owned outright decreases as the household size increases.
- Single-person households have the highest outright ownership rates, while larger households (5+ people) have the lowest.

#### England vs. Wales - Key Differences

- Wales has a higher outright ownership percentage across all household sizes compared to England.
- The gap between England and Wales is more noticeable in single-person and two-person households, where Wales leads by 5 and 3 percentage respectively.

#### Single-Person and Two-Person Households Dominate Ownership

- Single-person households:
  - England: 40%
  - Wales: 45%
  - Many of these may be retirees or older adults who have paid off their mortgages.
- Two-person households:
  - England: 35%
  - Wales: 38%
  - This group likely includes couples who have lived in their homes for many years and paid off their mortgages

# Household Tenure by Ethnic Group in England and Wales

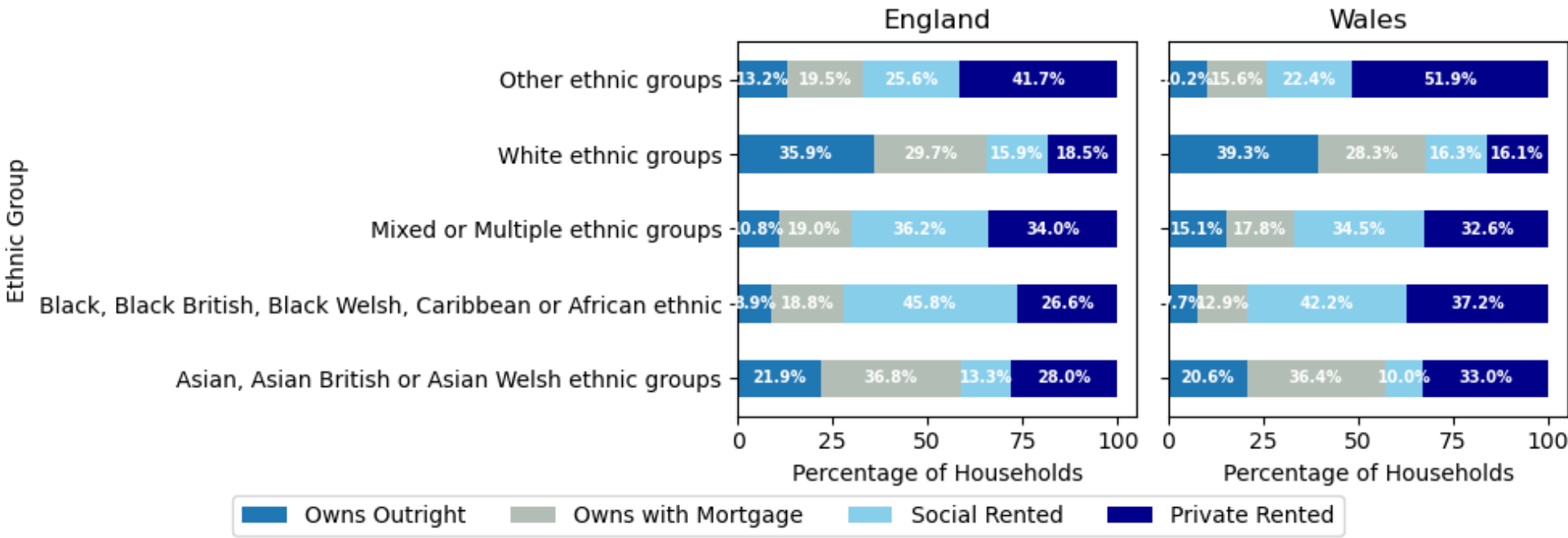


Fig 10. Shows a 100% Stacked Bar Chart comparing household tenure by ethnic group in England and Wales

## Key Insights:

### Homeownership Trends:

- Higher among White British households, indicating generational wealth and financial stability.
- Lower among minority ethnic groups (e.g., Black African communities), likely due to income disparities and migration patterns.

### Mortgage vs. Outright Ownership:

- White British households have higher outright ownership.
- Ethnic minorities (e.g., Asian/British Asian) rely more on mortgage-based ownership.

### Private Renting Trends:

- Black African and other minority groups have higher private renting rates.
- White British households show a lower preference for renting, favouring ownership.

### England vs. Wales:

- Higher homeownership in Wales (especially among White groups) due to lower property prices.
- More renting in Wales for some ethnic groups, possibly due to housing policies or affordability.

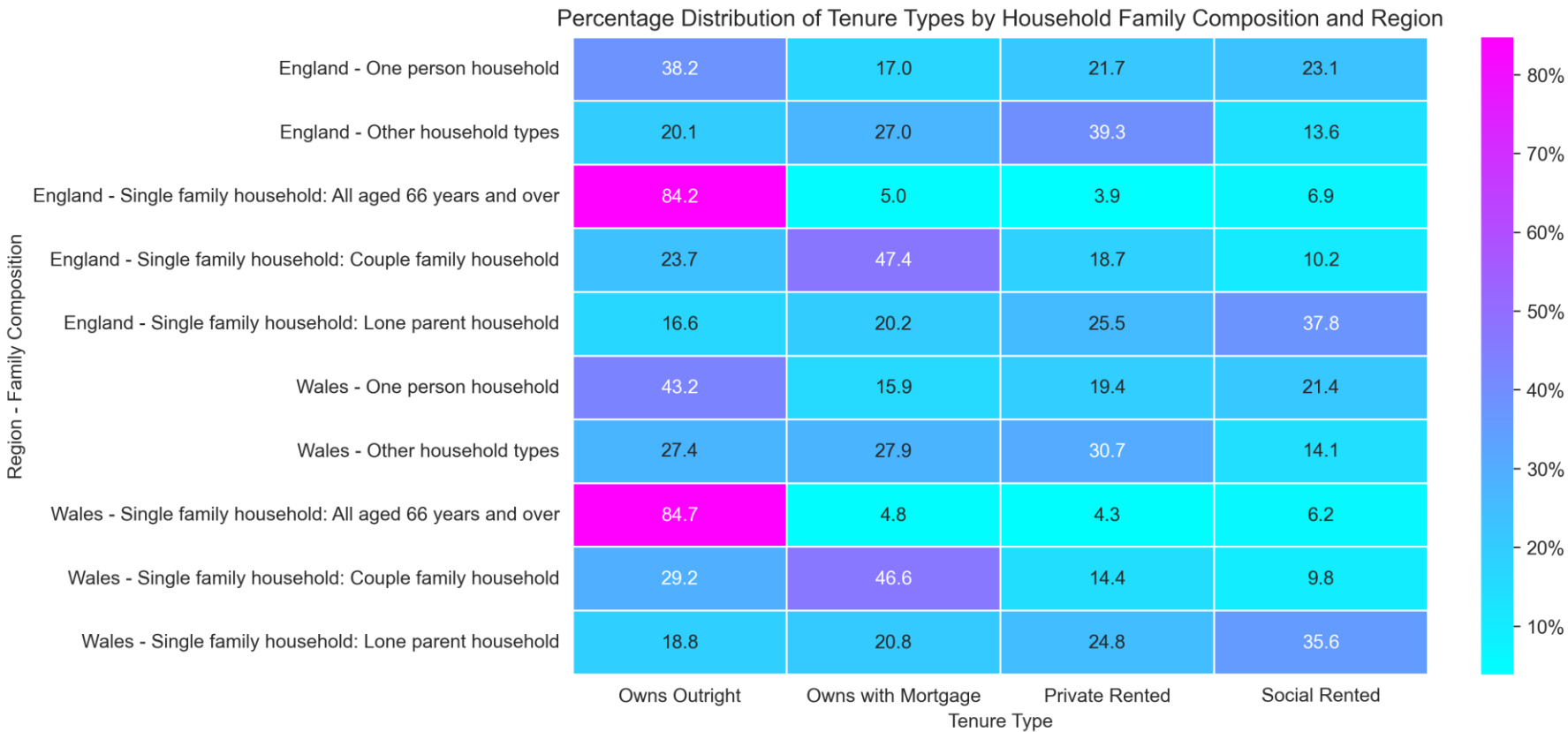


Fig 11. Shows a colour-coded Heatmap of the percentage distribution Tenure Types by Family composition and Region in England and Wales

**Key Insights:**

**Homeownership Trends:**

- Outright ownership is highest among elderly couples and retirees, especially in aging regions.
- Mortgaged ownership is more common in younger families with children, indicating ongoing loan repayments.

**Renting Patterns:**

- Social renting is higher among single parents and low-income families, especially in urban and lower-income areas.
- Private renting dominates among young professionals, cohabiting couples, and students, particularly in high-cost urban areas.

**Regional Differences:**

- Affluent regions have higher homeownership rates and fewer renters.
- Urban areas have more renters due to high property prices, while rural areas see greater homeownership.

**Socioeconomic Influences:**

- Social housing policies impact rental rates, with higher social renting where support is strong.
- Younger generations face greater homeownership challenges due to rising property costs and economic uncertainty.

## **Challenges to Highlight:**

1. Affordability crisis for younger and larger households
2. Rising rent and mortgage burdens for families
3. Disparities in homeownership by region and demography

## **Recommendations for Addressing Housing Affordability Challenges**

1. Increase Affordable Housing Supply
2. Improve Rent Control and Tenant Protection
3. Support First-Time Homebuyers
4. Address Income Disparities
5. Regional Policy Adjustments
6. Encourage Long-Term Solutions

## **Conclusion:**

### **Key Takeaways:**

Housing affordability is a growing issue, especially for larger families and younger individuals. Regional and demographic disparities highlight the need for targeted solutions.

The housing crisis is complex, but with targeted interventions, a balance between affordability and economic growth can be achieved. Collaboration between the government, private sector, and communities is essential to create sustainable housing solutions for the future.