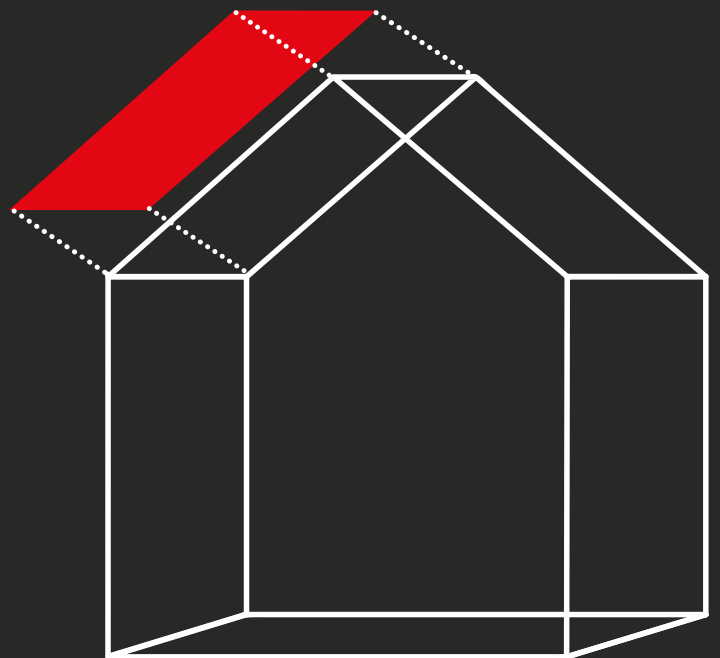


1 Affordability

A home could meet all the needs of the household – decent conditions, stability, sufficient space and in a suitable neighbourhood. However, if it is not also affordable it cannot meet the Living Home Standard. Affordability was consistently rated as amongst the most important aspects of an acceptable home.



Through the research we explored two ways to think about affordability:

- **Housing costs as proportion of income**
- **The burden of paying housing costs, and its impact on wellbeing**

We discussed both of these approaches with the public, which revealed that they found the burden of paying housing costs much more meaningful and easier to engage with than thinking about housing costs as proportion of income. The public identified with the real-life impacts of paying housing costs and the trade-offs that unacceptably high housing costs would force you to make that would affect wellbeing.

This approach was also a better means of measuring the acceptability of housing costs for an individual household. Measures of housing costs as a proportion of income are frequently used in analysis, and are the basis of work on

‘living rents’ and other similar work on affordability. However these tend to use fixed measures of income such as local average earnings. They don’t work as well as means of assessing affordability across a wide range of individual households. For example, the impact of housing costs for people on low incomes who struggle to afford their rent even with help from housing benefit will be very different to people on very high incomes who may choose to put a large proportion of the income into paying for their home without it having a detrimental impact on their wellbeing.

To create a meaningful measure of affordability for the Living Home Standard, we focused on the burden of housing costs. Our discussions with the public revealed that they found this idea more meaningful and easier to engage with than thinking about housing costs as proportion of income. The public identified with the real-life impacts of paying housing costs and the trade-offs that unacceptably high housing costs would force you to make that would affect wellbeing.

Essentials

- **Can meet the rent or mortgage payments on the home without regularly having to cut spending on household essentials like food or heating**

Being able to live healthily was seen as fundamental to wellbeing, and it was widely agreed that meeting housing costs should not come at the expense of being able to afford to maintain a healthy lifestyle. Various aspects of health were explored during the research, including the costs of healthcare like dental appointments, opticians and being able to participate in sports or visit a gym. These were however not included in the final statement the public did not think these were universal enough.

The final statement is centred on expenditure which impacts healthy living – specifically heating your home and paying for food, which the public felt were most essential and also reflected real-life “heating or eating” trade-offs which people were familiar with, either through their own experience or anecdotally.

- **Not worried that rent or mortgage payments could rise to a level that would be difficult to pay**

The public voiced concerns that increasing housing costs damaged their ability to plan for the future and that this increased insecurity, preventing them from putting roots down in their neighbourhood, saving up for larger purchases and causing concern about the costs of keeping their children in particular schools.

“My rent is up 3% this year, I think that’s fine for now but appears it could go up randomly and at different times. This is unpredictable and doesn’t give you stability.”

“It’s like anything in life; you buy it based on the affordability at the time... People can’t make decisions on things if there can be constant change.”

Tradables

A home must meet 1 of 2 of these statements to meet the Living Home Standard.

- **Can meet rent or mortgage payments on the home without regularly preventing participation in social activities**

People felt that having the choice to participate in social activities that enhanced day-to-day lives made a big contribution to physical and mental health and therefore they believed measures of affordability in the Standard should take into account the extent to which housing costs prevent this. This included parents being able to afford a babysitter occasionally, being able to take children on short holidays and being able to afford to take up a hobby.

“Aside from a home over their head, each person should be in a position to afford modest everyday experiences which add to their mental and physical wellbeing.”

“It can’t be just surviving: you have to fully live.”

- **Can meet the rent or mortgage payments on the home without regularly being prevented from putting enough money aside to cover unexpected costs**

The public identified that the inability to afford one-off or unexpected costs could lead to anxiety and stress. They felt it was important to have a ‘contingency plan’ or ‘rainy day’ money, to fix household items if they broke and to maintain the property if they were home owners.

“I think people should be able to afford to have savings. Even if it’s small, at least it’s something. Everyone should have rainy day money not matter how small.”

People also discussed being able to save up for things like holidays, however this is in part covered by the statement on being able to participate in social activities, and was felt to be potentially too generous a definition.

**“ It can’t be just
surviving: you have
to fully live. ”**