
Chapter 3

Demographic and attitudinal characteristics of private renters

Overview

In 2012-13, the private rented sector overtook the social rented sector to become the second largest tenure in England, with 4.0 million households, equating to 18% of the total.

The private rented sector is the 'youngest' of the three tenures, with nearly three quarters of households having a household reference person (HRP)¹ under 45 years of age. The sector is chiefly associated with a working-age HRP, however a fifth (21%) are neither in full or part-time work, equating to over 800,000 households.

Over three quarters of households with an HRP in full-time education live in this sector and, in line with the younger age profile, the sector has the smallest proportion of retired households.

The most prevalent household types in the sector are younger 'one person' households, and 'couples without dependent children'. However, the proportion of 'couples with dependent children' living in the private rented sector is increasing.

A fifth of all households in the sector are neither British nor Irish nationals. Of all people in England described as foreign nationals, more than half are living in the private rented sector.

Private renters spend, on average, more of their gross income on rent than social renters and also more than owner occupiers spend on their mortgage. A quarter of private renters receive support from housing benefit.

Households in the sector have much shorter lengths of residence in their homes compared to social renters or households in owner occupation, on average just four years. Only half of private renters agree that living in their sector is a good way to occupy a home, rather lower than in the other two main tenure groups.

The chapter first provides a demographic profile of households in the private rented sector covering age, ethnicity and nationality. The types of household commonly

¹ The HRP is the person in whose name the home is rented and where there is a joint tenancy the higher earner is chosen. See the Glossary for more detail.

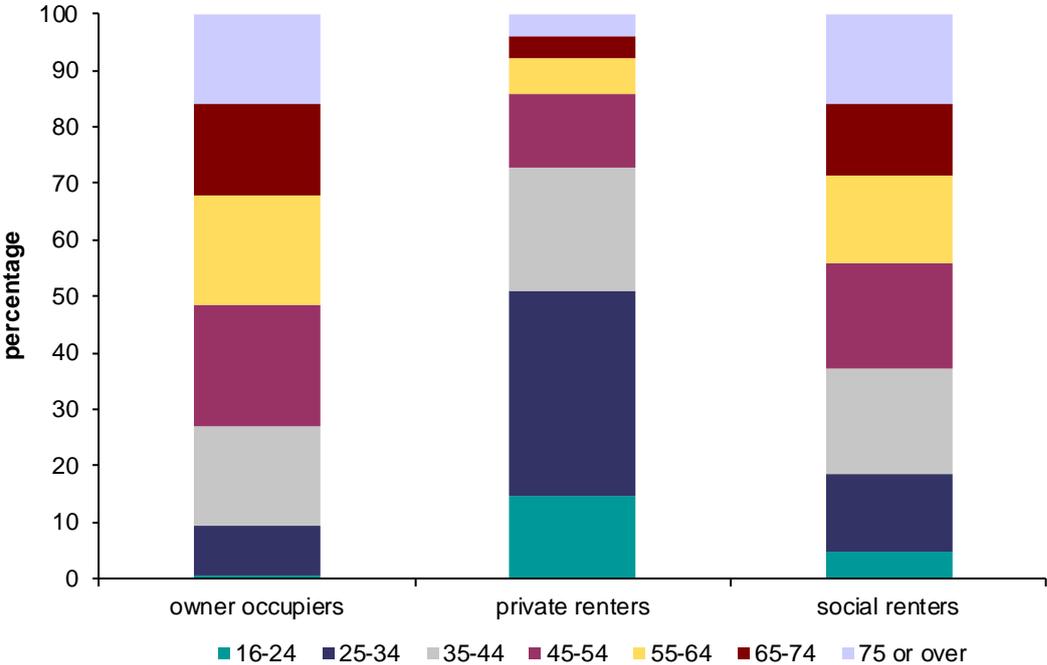
found in the sector are explored (whether the householders have children, for example) and whether the HRP is working, retired or unemployed. The income profile is also presented. The chapter then covers levels of satisfaction as reported by private renters in regard to their accommodation and their tenure, and whether they have aspirations to buy. Additional findings relating to the figures reported in this section can be found in web tables, under ‘Social and private renters’.
<https://www.gov.uk/government/statistical-data-sets/social-and-private-renters>.

Demographic characteristics

Age

- 3.1 In this section the age profile of private renters is examined, with the focus on the age of the HRP.
- 3.2 Private renters tended to be younger than both owner occupiers and social renters. The sector had a significant proportion (15%) of households in the youngest age-band (16 to 24). By comparison, 5% of social renters were in this age band and just 1% of owner occupiers.

Figure 3.1: Age of HRP by household tenure, 2012-13



Base: all households
Note: underlying data are presented in Annex Table 2.1
Source: English Housing Survey, full household sample

- 3.3 More broadly, three quarters (73%) of private renters were aged under 45 compared with 37% of social renters and just one quarter (27%) of owner

occupiers. Only 8% of private renters were over the age of 65, Figure 3.1 and Annex Tables 3.2 and 2.1.

Growth in the private rented sector

- 3.4 The private rented sector has grown by 889,000 households since 2008-09. Many of these new households were aged 25-34, with 434,000 additional households in this age band.
- 3.5 In 2008-09, a third (31%) of all households in the 25-34 age band rented privately; by 2012-13 this had increased such that 45% of households in this age band were renting privately, Figure 3.2 and Annex Table 3.3.

Figure 3.2: 25-34 year olds renting privately, 2008-09 to 2012-13



Base: all households with household reference person aged 25 to 34

Note: underlying data are presented in Annex Table 3.3

Source: English Housing Survey, full household sample

Ethnicity

- 3.6 In this section the ethnic profile of households in the private rented sector is investigated, with the focus on the ethnic group of the HRP.
- 3.7 In 2012-13, in the private rented sector, 16% of households were from an ethnic minority, higher than the proportion of owner occupiers from a minority ethnic group (9%) but the same as the proportion of social renters (16%), Annex Table 3.2.

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- 3.8 In the private rented sector the largest non-white group was 'other' (7%) while in the social rented sector households of a black ethnic background formed the largest non-white ethnic group (8%).

Nationality

- 3.9 In this section the nationality of privately rented households is explored, with the focus on the nationality of the HRP. Households are categorised into one of two classes; British/Irish or 'other nationalities'.
- 3.10 Private renters were more likely to be a nationality other than British or Irish than the other two tenure groups. In the private rented sector a fifth (20%) of households were 'other nationalities' (not British or Irish). In comparison 3% of owner occupiers and 7% of social renters were 'other nationalities', Annex Table 2.1.
- 3.11 In 2012-13, of all people described as foreign nationals (neither British nor Irish), 55% were living in the private rented sector.

Economic status

- 3.12 The economic status of a household captures the main work-related activity of the HRP. Three fifths (61%) of private renter HRPs were in full time work. This was higher than the proportion of social renters (23%) and owner occupiers (54%) in full time work. Additionally, 84% of HRPs paying a mortgage were in full time work, Annex Table 3.4.
- 3.13 The private rented sector had the largest proportion of full-time student HRPs: 5% compared with 1% of social renting households.
- 3.14 Some 6% of private renter HRPs were unemployed; lower than the proportion of social renters (10%) but higher than the proportion of owner occupiers (1%).
- 3.15 Of the 889,000 households that have been added to the private rented sector since 2008-09, the majority of HRPs were working full-time, accounting for 545,000 additional households. However as a proportion of the sector, HRPs in full-time work have remained unchanged at 61% of the sector.
- 3.16 The proportion of HRPs in the sector working part-time has increased from 9% to 11% between 2008-09 and 2012-13.

Gross household income

- 3.17 Gross household income is the sum of income from all adults in the household before any deductions.

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- 3.18 Just under a third (30%) of all private renter households had a gross income that exceeded £700 a week, Annex Table 3.4. This was lower than the proportion for owner occupiers (47%) but higher than for social renter households (8%) who earned over £700 a week.
- 3.19 Only 13% of private renter households earned less than £200 a week, lower than among social renters (31%) but higher than among owner occupiers (5%).

Household type

- 3.20 Each household is characterised by the number and relationship of the adults living together and whether there are dependent children.
- 3.21 Couples with no dependent children were the most common household type in the population as a whole, with 36% of all households in this group. This covers both younger couples before parenthood and older couples where any children have left the family home (known as empty nesters).
- 3.22 Among private renters, a quarter (25%) of households were couples with no dependent children, Annex Table 3.4. The couples were chiefly from younger age groups.
- 3.23 Of the three tenures, the private rented sector had the highest proportion of single person households under 60 (23%)². The sector is also marked by relatively high proportions of lone parents with dependent children (12%) and other multi-person households (14%), all groups chiefly associated with younger age bands.
- 3.24 In 2008-09, 12% of private renters were couples with dependent children; by 2012-13, this had increased to 20%. In comparison, 39% of mortgagors were couples with dependent children in 2012-13.

Household size

- 3.25 People tend to live alone in early adulthood before forming partnerships and families, and also towards the end of their lives, when partnerships have ended, through bereavement for example. Single person households in the private rented sector were more likely to be from the younger age groups than in the other tenures.
- 3.26 In 2012-13, just under a third (29%) of private renters lived alone, lower than the proportion in the social rented sector (43%), Annex Table 3.4. Amongst outright owners a third lived alone (34%).

² EHS headline report, 2012-13, Annex Table 2.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284649/Headline_Report_tables_and_figures.xls

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- 3.27 A third (34%) of private renters lived in two person households. A similar proportion (30%) of households paying a mortgage were of this size. Only 25% of social renters were in two person households.
 - 3.28 Just over a third (37%) of private renting households comprised households of three persons or more. A similar proportion (33%) of social renters, but a higher proportion (55%) of mortgagors formed larger households.
 - 3.29 Only 6% of all private renters lived in households of five persons or more, similar to other tenures.

Attitudes and satisfaction

- 3.30 In addition to factual or demographic questions, the English Housing Survey (EHS) also includes questions on people's attitudes. This section examines responses to questions assessing respondents' satisfaction with their accommodation and local area, and attitude toward their current tenure. Subjective questions like this are important for revealing how people feel about their living conditions, as well as their housing needs.
- 3.31 Households were asked to rate their levels of satisfaction using a five-point scale from 'very satisfied' through to 'very dissatisfied'.

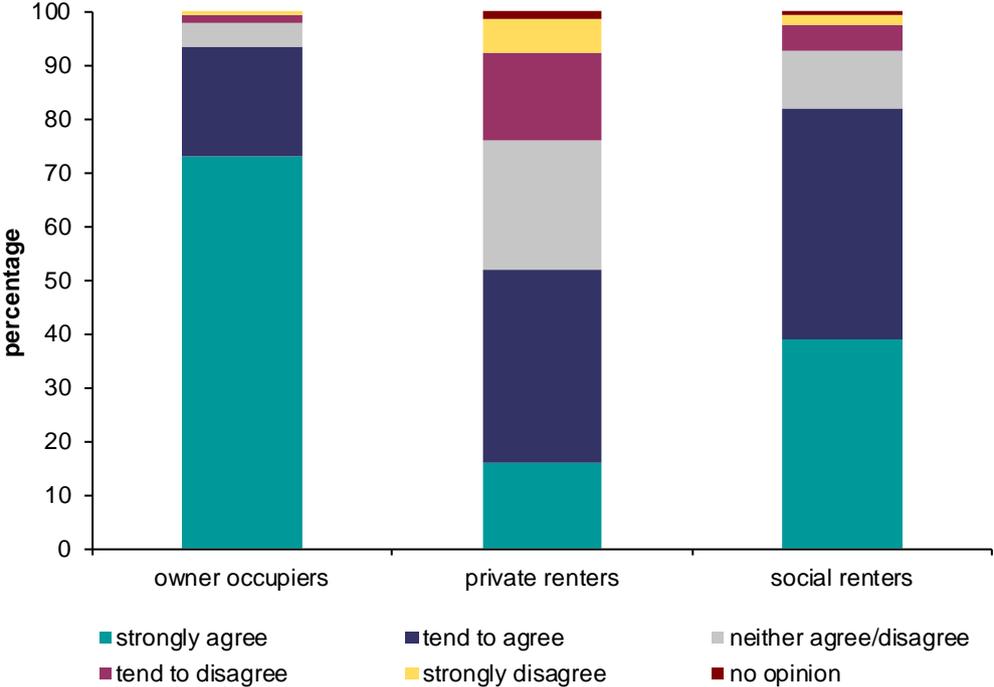
Satisfaction with accommodation

- 3.32 Overall, 84% of private renters said that they were very or fairly satisfied with their accommodation, with 10% either slightly or very dissatisfied, Annex Table 3.5. This was lower than the proportion of owner occupiers (95%) but slightly higher than the proportion of social renters (81%).

Attitudes toward tenure

- 3.33 Private renting is viewed by many as a starter or interim tenure, typically lived in prior to buying a home. The EHS includes a question that asks whether respondents consider being a private renter is 'a good way of occupying a home'.
- 3.34 Around half (52%) of private renters agreed (either strongly or tending to) that their current tenure was 'a good way of occupying a home', Figure 3.3, Annex Table 3.5. This was much lower than among social renters (82%) and owner occupiers (93%).
- 3.35 A quarter (24%) of private renters stated that they neither agreed nor disagreed that it was 'a good way of occupying a home'. A further quarter (23%) disagreed with the statement.

Figure 3.3: Current tenure is ‘a good way of occupying a home’, 2012-13



Base: all households
Note: underlying data are presented in Annex Table 2.3
Source: English Housing Survey, full household sample

Satisfaction with local area

3.36 The majority of private renters (87%) were satisfied with their local area, Annex Tables 3.5 and 2.3. This was lower than among owner occupiers (91%) but higher than among social renters (82%).

3.37 Just 8% of all private renters stated that they were dissatisfied with their local area.

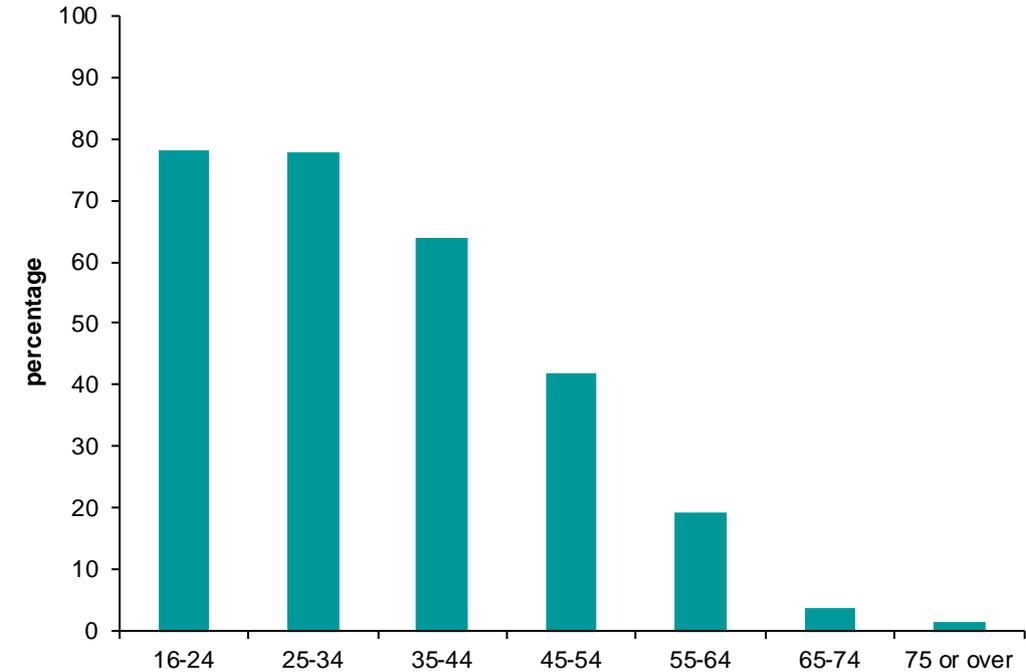
Buying aspirations

3.38 In order to assess buying aspirations, private renters were asked which type of tenure they expected to be living in longer-term. The use of ‘longer-term’ in the question is subjective and is likely to have been interpreted slightly differently by different respondents. However, it was asked in this way to prevent respondents being constrained in their thinking by their current circumstances and to think more in terms of the main part of their remaining lives.

3.39 Over half (55%) of private renters reported that they anticipated owning their own property in the longer-term, either themselves (53%) or as part of a shared ownership agreement (2%), Annex Table 3.5.

- 3.40 Around a quarter (27%) reported that they expected to still be renting from a private landlord in the longer-term.
- 3.41 A smaller proportion reported that they expected to become social renters, either renting from a local authority (9%) or from a housing association (4%) in the longer-term.
- 3.42 Private renters were further asked specifically whether they expected to buy a home in the UK. Around three-fifths (61%) stated that they wanted to own their own home in the UK.
- 3.43 Results differed by the age of the HRP, with younger households more likely to want to buy. Over three quarters of those in the youngest age groups said they wanted to buy: 78% among both those with a HRP aged between 16 and 24 and between 25 and 34, Figure 3.4, Annex Table 3.6.

Figure 3.4: Whether want to buy a home in the UK by age of household reference person, 2012-13.



Base: all households in the private rented sector
Note: underlying data are presented in Annex Table 3.6
Source: English Housing Survey, full household sample

Renting costs

- 3.44 Overall, private renters paid an average (mean) rent (excluding services but including housing benefit) of £163 per week, Table 3.1.

Table 3.1: Weekly rent, 2012-13

all households in private rented sector¹

	weekly payments							all renters	mean payment	median payment	sample size
	under £40	£40 - £59	£60 - £79	£80 - £99	£100 - £149	£150 - £199	£200 or more				
	<i>thousands of households</i>								<i>£ per week</i>		
all private renters	61	82	175	387	1,368	875	820	3,770	163	138	1,999
	<i>percentages</i>										
all private renters	1.6	2.2	4.7	10.3	36.3	23.2	21.8	100.0			

¹excludes small number of cases who did not pay any rent before housing benefit

Note: Note: excludes a small number of households who did not provide this information

Source: English Housing Survey, full household sample

3.45 Between 2008-09 and 2012-13, average weekly rents increased in the private rented sector by 7% from £153 to £163, Figure 3.5 and Annex Table 3.7.

Figure 3.5: Average (mean) weekly rent, 2008-09 to 2012-13



Base: all households in the private rented sector paying rent

Note: underlying data are presented in Annex Table 3.7

Source: English Housing Survey, full household sample

Housing benefit

3.46 Housing benefit is a benefit provided by the state to low income households living in rented accommodation. The benefit is means-tested and usually administered by the local authority in which the rented property is located. To be eligible for housing benefit an individual must be paying rent and on a low income or claiming benefits, and their savings must be below a certain level.

- 3.47 In 2012-13, a quarter (26%) of privately rented households received help paying their rent in the form of housing benefit. The proportion of social renter households that received housing benefit (66%) was considerably higher.
- 3.48 The proportion of private renters in receipt of housing benefit was lower in 2008-09 (21%) but since 2009-10 it has remained largely unchanged. However, as the overall size of the private rented sector has grown strongly, the number of households in the sector claiming housing benefit has also grown. In 2008-09 there were 598,000 households claiming housing benefit. By 2012-13 that figure had grown to 988,000 households³.
- 3.49 Among those private renter households in receipt of housing benefit, the average weekly amount received was £109 per week (compared with £77 among social renters), which had the effect of reducing the average amount of rent paid by housing benefit claimants to £46 per week, Table 3.2.

Table 3.2: Households receiving housing benefit and average rent after benefit, 2012-13

all households in private rented sector¹

	receiving benefit	not receiving benefit	total	mean amount of benefit ²	mean rent after benefit ²	median rent after benefit ²	sample size
	<i>percentages</i>			<i>£ per week</i>			
all private renters	26.2	73.8	100.0	109	46	16	1,999

¹excludes a small number of cases who did not pay any rent

²based on households in receipt of housing benefit

Source: English Housing Survey, full household sample

- 3.50 Receipt of housing benefit varied by the demographic characteristics of the household. Three quarters (75%) of lone parent households and half (50%) of single person households aged over 60 were in receipt of housing benefit compared with 7% of couples with no dependent children, Annex Table 3.10.
- 3.51 Around half (51%) of households with a retired HRP received housing benefit, but only 13% of households with an HRP in work.
- 3.52 As expected, receipt of housing benefit varied by income. Among households with a gross weekly income (of HRP and partner) of less than £100, 72% received housing benefit. This compares with 9% of those with incomes of £400 per week or more, Figure 3.6.

³ See Annex Table 5, EHS Household Report 2012-13. <https://www.gov.uk/government/publications/english-housing-survey-2012-to-2013-headline-report>

Figure 3.6: Receipt of housing benefit by gross weekly income of household reference person and partner, 2012-13



Base: all households in the private rented sector paying rent

Note: underlying data are presented in Annex Table 3.8

Source: English Housing Survey, full household sample

Household income compared with housing costs

- 3.53 Affordability of housing is becoming an increasingly important issue. Private sector rent levels are higher than in the social rented sector and, as detailed in Chapter 1, the size of the sector is growing, meaning that affordability of rent may be an issue for more households.
- 3.54 A simple measure of housing affordability has been derived by calculating the average proportion of income spent on housing costs. This has been undertaken for households in all tenures. The proportion of income spent on rent is compared with the proportion spent on rents in the social sector and the proportion spent on mortgages. Income is taken to be the gross weekly household income of the HRP and their partner. Results are shown in Annex Table 2.5 (included in Chapter 2).
- 3.55 Figures are shown both including and excluding housing benefit, in order to show the effect of this state assistance on affordability. Households that did not pay rent or make mortgage repayments were excluded from the analysis.
- 3.56 On average, private renters spent 40% of their income on rent⁴. This is higher than the proportion that owner occupiers spent on their mortgage (20%) and

⁴ when housing benefit is excluded, this rises to 47%.

social renters spent on their rent with the housing benefit treated as additional income (30%).

- 3.57 Private renters have, on average, a lower gross annual household income than owner occupiers and weekly rent payments that are, on average, higher than the mortgage payments made by owner occupiers. Although private renters earn more than social renters, their rent payments are higher and the majority of social renters receive housing benefit.

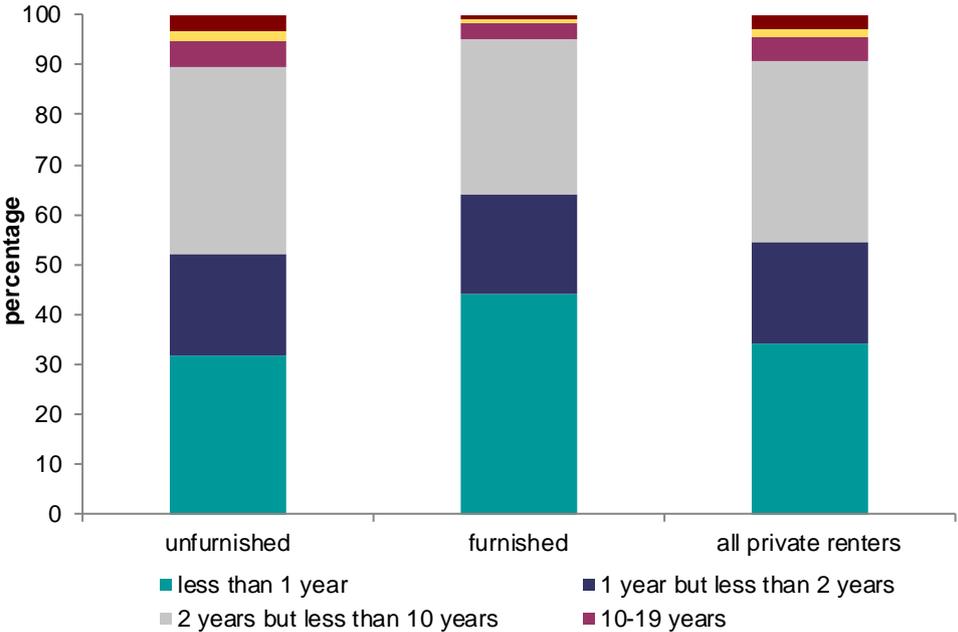
Rent arrears

- 3.58 In 2012-13, most private renters reported that they were up to date with their rent payments (96%). This compares with 88% of social renters.
- 3.59 Among those who were up to date with their rent payments, 5% had fallen behind with their payments at some point during the previous 12 months, Annex Table 3.9.

Length of residence

- 3.60 On average private renters had been living in their current home for less time than those in other tenures (an average of 3.8 years compared with 17.3 years for owner occupiers and 11.3 for social renters).
- 3.61 Around a third (34%) of private renters had been living at their current home for less than a year and a further fifth (20%) for between one and two years. Around one in ten had been resident for more than ten years (9%), Figure 3.7 and Annex Table 3.10.
- 3.62 Those in furnished accommodation were likely to have been living at their address for a shorter period than those in unfurnished accommodation. Some 44% of those in furnished accommodation had been living at their current address for less than a year compared with a third (32%) of those in unfurnished accommodation.

Figure 3.7: Length of residence in current home by tenure, 2012-13



Base: all households in the private rented sector
Note: underlying data are presented in Annex Table 3.10
Source: English Housing Survey, full household sample

Reasons why private renters move

3.63 Private renters who had moved within the previous three years were asked to provide the main reason why they moved. The main reasons stated were wanting a bigger house or flat (14%), family or personal reasons (20%) and job-related reasons (16%), Annex Table 3.11.