



Department for
Communities and
Local Government



English Housing Survey

First time buyers, 2015-16



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Introduction and main findings

1. The English Housing Survey (EHS) is a national survey of people's housing circumstances and the condition and energy efficiency of housing in England. In its current form, it was first run in 2008-09. Prior to then, the survey was run as two standalone surveys: the English House Condition Survey and the Survey of English Housing. It is one of the longest standing surveys in government, with 2017 marking the 50th anniversary since the first survey in 1967.
2. This report focuses on recent first time buyers, defined here as households who have purchased a property that is their main home in the last three years and have not previously owned a property.
3. Chapter 1 sets out the demographic and household characteristics of recent first time buyers, including sex, age and household composition. Chapter 2 focuses on economic activity and Chapter 3 describes the value and source of deposits and housing flows into home ownership. Where possible, comparisons are made back to 1995-96 and 2005-06.

Main findings

The number of first time buyers has not changed in the last 10 years, but numbers are down on 20 years ago.

- In 2015-16, there were 654,000 first time buyer households in England. This equates to approximately 3% of all households in England and 5% of all owner occupier households.
- The overall number of first time buyers decreased from 922,000 households in 1995-96 to 675,000 households in 2005-06, and has remained at around that level since.

Compared with a decade ago, today's first time buyers are older, more likely to buy with a partner, and to have dependent children.

- In 2015-16, the average (mean) age of first time buyers was 32, up from 31 in 2005-06. One in five (21%) first time buyers was aged between 35 and 44 years in 2015-16, up from 16% in 2005-06.
- In 2015-16, three quarters (74%) of first time buyers were couple households, a marked change since 2005-06 (66%). This may be due to an increasing need for two incomes to be able to buy.
- Over the same period, the proportion of first time buyer households with dependent children increased from 23% to 37%.

First time buyers are increasingly likely to live in privately rented accommodation before they buy.

- The proportion of first time buyers who lived in the private rented sector before buying their first home has increased from 39% in 1995-96, to 49% in 2005-06, and to 66% in 2015-16.

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- By contrast, over the same period, the proportion of first time buyers from the social rented sector decreased from 12% in 1995-6 to 7% in 2005-06, to 4% in 2015-16.

First time buyers have higher incomes and more help with funding their deposits than they had 20 years ago.

- The median income of first time buyers has increased more than the median income of other recent buyers in the last 20 years.
- Two thirds (66%) of first time buyers were in the two highest income bands in 2015-16. The proportion of first time buyers in the highest income quintile has increased from 24% in 1995-96 to 33% in 2015-16.
- Between 1995-96 and 2015-16, there was an increase in the proportion of first time buyers that had help from friends and family for their deposit (from 22% to 29%).

Two thirds of first time buyers pay a deposit for their first home of up to 20%. The average deposit is nearly £50,000; higher in London.

- About two thirds of first time buyers (64%) pay a deposit up to 20% of the purchase price.
- In 2015-16, the mean deposit for all recent first time buyers was £48,831. The median deposit was £22,000. Mean deposits were higher in London (£94,088) than elsewhere (£40,931).
- The most common source of deposit reported was savings, which has increased in importance between 2005-06 and 2015-16 (from 66% to 81%).

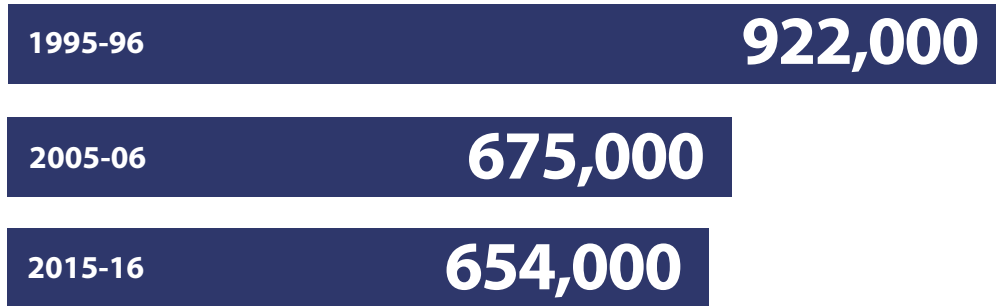
Acknowledgements and further queries

4. Each year the English Housing Survey relies on the contributions of a large number of people and organisations. The Department for Communities and Local Government (DCLG) would particularly like to thank the following people and organisations, without whom the 2015-16 survey and this report, would not have been possible: all the households who gave up their time to take part in the survey, NatCen Social Research, the Building Research Establishment (BRE) and CADS Housing Surveys.
5. This report was produced by Aimee Huchet-Bodet and Melanie Doyle at NatCen Social Research in collaboration with DCLG.
6. If you have any queries about this report, would like any further information or have suggestions for analyses you would like to see included in future EHS reports, please contact ehs@communities.gsi.gov.uk.

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First Time Buyers

The number of first time buyers is **lower than 20 years ago**



Compared with a decade ago, today's first time buyers are **older, more likely to buy with a partner, and to have dependent children**

The **average age** of first time buyers was

31
in 2005-06

32
in 2015-16



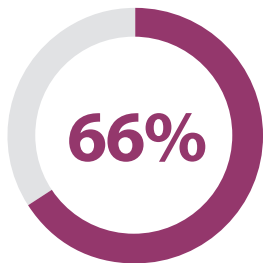
74%
of first time buyers were **couple households**



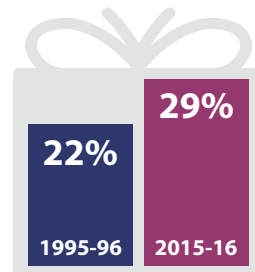
37%
of first time buyers had **dependent children**

Deposits

First time buyers have higher incomes and more help with funding their deposits than they had 20 years ago



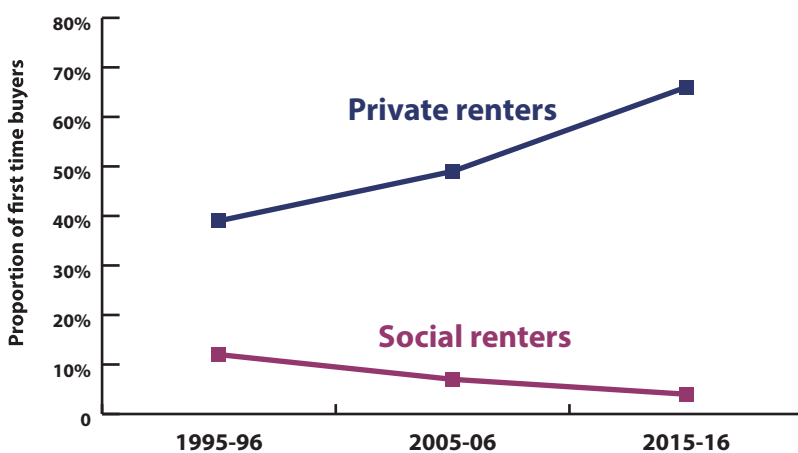
of first time buyers were in the **two highest income bands**



% that had **help from friends or family** to fund deposit

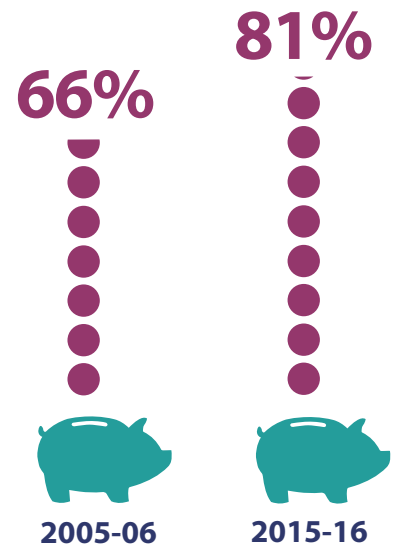
Accommodation before buying

First time buyers are increasingly likely to live in privately rented accommodation before they buy



Savings

The most common source of deposit for first time buyers was **savings**

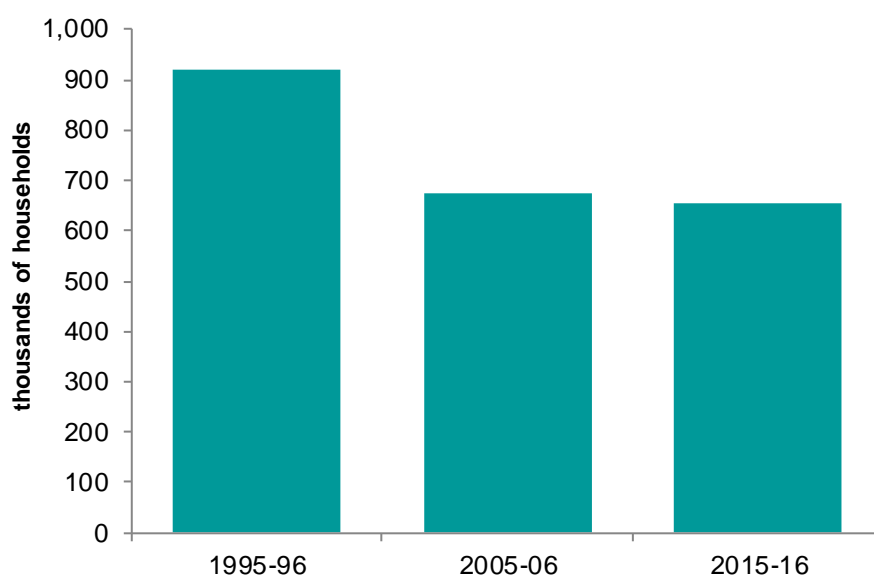


Chapter 1

Demographic profile of first time buyers

- 1.1 This chapter focuses on the demographic characteristics of households that have purchased their first property within the last three years, providing a profile of recent first time buyers. Where appropriate, comparisons are made with other groups, such as owner occupiers who are not recent first time buyers.
- 1.2 In 2015-16, there were 654,000 first time buyer households in England. This equates to approximately 3% of all households in England and 5% of all owner occupier households.
- 1.3 The overall number of first time buyers decreased from 922,000 households in 1995-96 to 675,000 households in 2005-06 – a very similar number to that in 2015-16. Similarly, the proportion of all owner occupier households that were first time buyers decreased from 7% of all households in 1995-96 to 5% in 2015-16, Annex Tables 1.1 and 1.2 and Figure 1.1.

Figure 1.1: Number of first time buyers, 1995-96, 2005-06 and 2015-16



Base: all recent first time buyers

Note: underlying data are presented in Annex Table 1.1

Sources:

1995-96 and 2005-06: Survey of English Housing;

2015-16: English Housing Survey, full household sample

Sex

- 1.4 In 2015-16, 30% of all HRPs who had recently bought for the first time were female. This includes both sole and joint ownership.
- 1.5 Of all recent first time buyers, 75% were joint owners. This might reflect the high income requirements necessary to apply for a mortgage and provide a deposit, which leads to two incomes being necessary in most mortgage agreements.
- 1.6 In 2015-16, 52% of all first time buyers were joint owners with a male HRP and 22% were joint owners with a female HRP. Considering the definition of HRP¹, the predominance of male HRPs is likely to be linked to the fact that men typically have a higher average income compared with women.
- 1.7 On the other hand, the fact that there were noticeably fewer female than male single owners (8% compared with 18%) reflected an imbalance in the proportion of single first time buyers, with a higher proportion of men than women.
- 1.8 The proportion of female single owners among first time buyers decreased over the last decade from 14% in 2005-06, though it had been stable between 1995-96 and 2005-06. The proportion of single males among first time buyers decreased to a lesser extent, from 21% in 1995-96 and 20% in 2005-06 to 18% in 2015-16, Annex Table 1.3.

Ethnicity and nationality

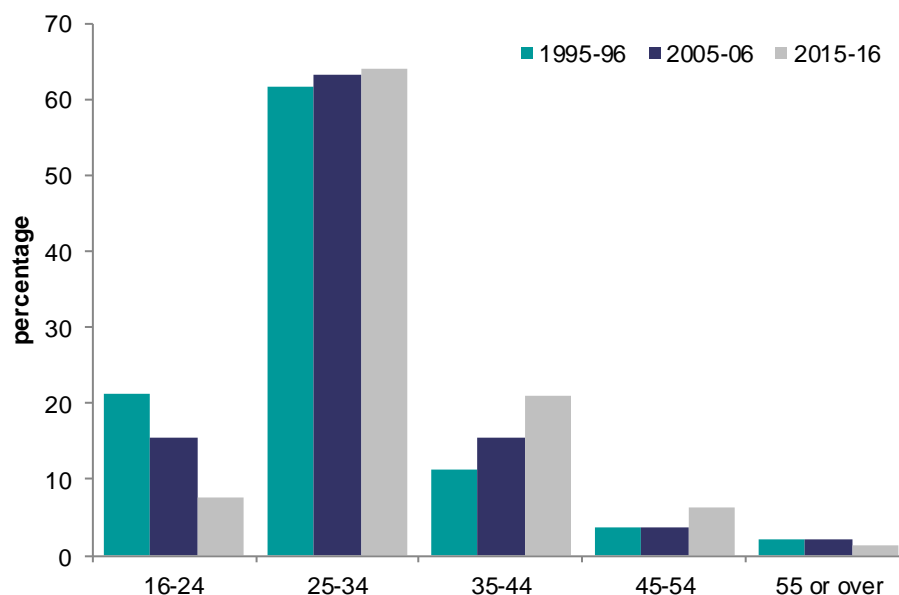
- 1.9 In 2015-16, 85% of first time buyers were white. This is lower than 20 years ago, when the proportion was 92%.
- 1.10 The proportion of first time buyer households with a HRP from a minority ethnic group was higher than 20 years ago, increasing from 8% of first time buyer households in 1995-6 to 15% in 2015-16, Annex Table 1.4.
- 1.11 In 2015-16, 91% of first time buyers were UK or Irish nationals, Annex Table 1.5.

¹ The household reference person (HRP) is defined as the 'householder' in whose name the accommodation is owned or rented. However if the dwelling is jointly owned or rented between several members of the household (in the majority of cases, among a couple), the HRP is defined as the joint owner or renter with the highest income. As a result of the gender gap in income, men are more likely than women to be HRPs.

Age

- 1.12 In 2015-16, the average (mean) age of first time buyers was 32, and 64% of first time buyers were aged between 25 and 34 years, Annex Table 1.5.
- 1.13 The average age has increased from 30 in 1995-96 and from 31 in 2005-06, Annex Table 1.6.
- 1.14 The age profile of first time buyers has been largely consistent over time, with the majority of first time buyers in the 25 to 34 age group. However, changes in other groups suggest that first time buyers are getting older: the proportion of first time buyers aged 35 to 44 increased from 11% in 1995-96 to 21% in 2015-16 while the proportion of first time buyers aged 16 to 24 decreased from 21% in 1995-96 to 8% in 2015-16, Annex Table 1.6 and Figure 1.2.

Figure 1.2: First time buyers, by age, 1995-96, 2005-06 and 2015-16



Base: all recent first time buyers

Note: underlying data are presented in Annex Table 1.6

Sources:

1995-96 and 2005-06: Survey of English Housing

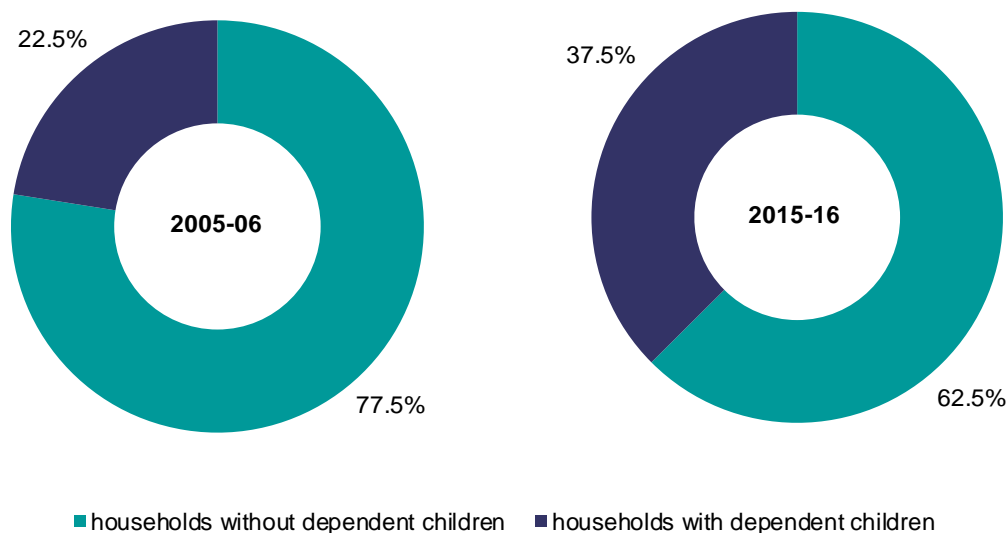
2015-16: English Housing Survey, full household sample

Household type and size

- 1.15 Due to small sample sizes, the composition of first time buyer households was analysed first by comparing households with and without children and then comparing couples and single owners. A small proportion of households were multi-person households, with more than two adults.
- 1.16 In 2015-16, 37% of first time buyers had dependent children, up from 23% in 2005-06, Annex Table 1.7 and Figure 1.3. This increase equates to an additional 93,000 first time buyer households with children.

1.17 Between 1995-96 and 2005-06, the proportion of first time buyer households with dependent children remained stable.

Figure 1.3: First time buyers, with and without dependent children, 2005-06 and 2015-16



Base: all recent first time buyers

Note: underlying data are presented in Annex Table 1.7

Sources:

2005-06: Survey of English Housing

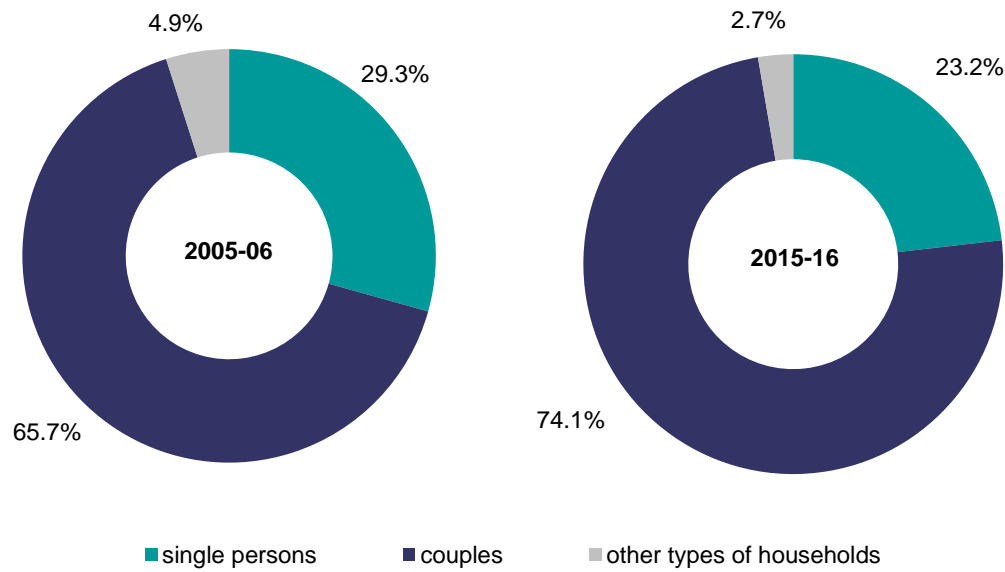
2015-16: English Housing Survey, full household sample

1.18 As highlighted previously, the majority of first time buyers were joint owners. First time buyer households are therefore noticeably more likely to be couples than a single person. In 2015-16, 74% of first time buyer households were couples; 23% were single².

1.19 The proportion of couple first time buyer households increased from 66% in 2005-06 to 74% in 2015-16. The proportion did not change between 1995-96 and 2005-06. However, as the overall number of first time buyers decreased over this period, there has not been an increase in the number of first time buying couples, Figure 1.4 and Annex Table 1.8.

² Multi-person households account for the remaining first time buyer households.

Figure 1.4: First time buyers, by household type, 2005-06 and 2015-16



Base: all recent first time buyers

Notes:

1) underlying data are presented in Annex Table 1.8

2) lone persons sharing their home with other lone person are included in the category 'other type of households'

Sources:

2005-06: Survey of English Housing

2015-16: English Housing Survey, full household sample

Health and disability

1.20 In 2015-16, 9% of first time buyer households had a member reporting a disability or a long term illness; this was comparable with 2005-06, Annex Table 1.9.

Chapter 2

Economic profile of first time buyers

2.1 This chapter focuses on the economic characteristics of households that have purchased their first property within the last three years, providing an economic profile of recent first time buyers.

Economic status

2.2 Not surprisingly considering mortgage deposit requirements, and as in previous years, in 2015-16, the vast majority of first time buyers (90%) were working full time. The proportions of first time buyers working part time or retired were comparatively low, Annex Table 2.1.

Income

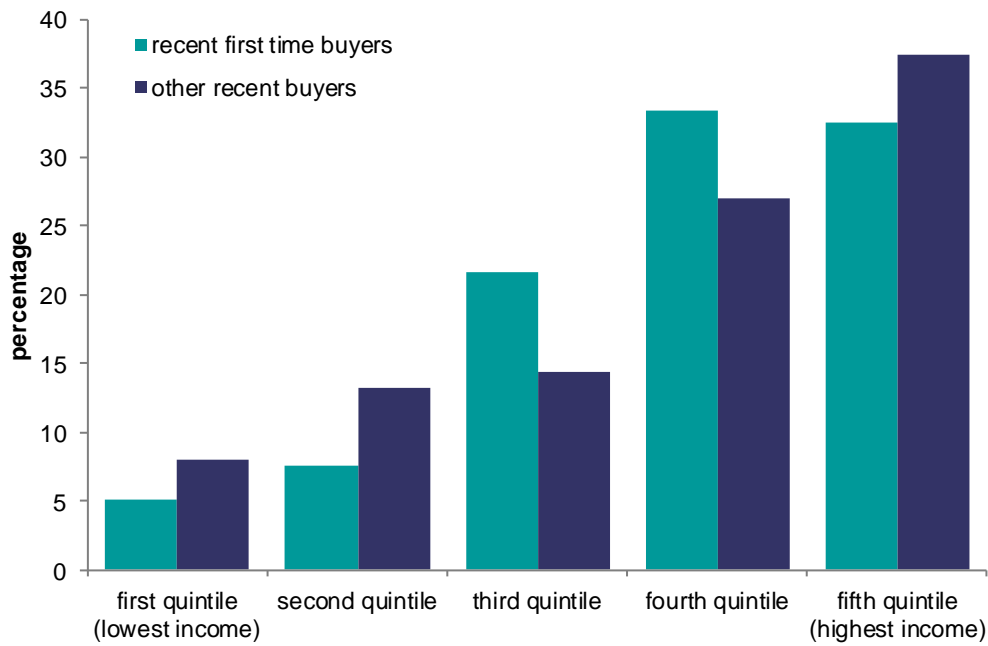
2.3 In this section, the income of first time buyers is compared with the income of other owner occupiers who have been living in their home for less than three years but who previously owned a property. Income is based on the gross income of the HRP and their partner.

2.4 In 2015-16, the median weekly incomes of these two groups were much the same: £830 for first time buyers and to £829 for other recent buyers, Annex Table 2.2.

2.5 Although the median income for both first time buyers and other owner occupiers who had lived in their home for less than three years increased between 1995-96 and 2015-16, the median income of first time buyers increased more.

2.6 The income profile of first time buyers was largely similar to that of other owner occupiers who had lived in their home for less than three years. The notable differences were that first time buyers were more likely to be in the third income quintile (22% compared with 14%) and other owner occupiers who had been in their home for less than three years were more likely to be in the second income quintile (13% compared with 8%). Other apparent differences between the two groups are not statistically significant, Figure 2.1.

Figure 2.1: Income of recent first time buyers and other recent buyers, 2015-16



Base: all owner occupiers resident for less than 3 years
Note: underlying data are presented in Annex Table 2.2
Source: English Housing Survey, full household sample

2.7 The proportion of first time buyers in the highest income quintile has increased in the last 20 years from 24% in 1995-96 to 33% in 2015-16.

Chapter 3

Deposits and flows into home ownership

3.1 This chapter describes the value and source of mortgage deposits for recent first time buyers and the housing flows into home ownership for this group (i.e. the type of tenure they had lived in prior to the purchase of their first home).

Value of deposits

3.2 In 2015-16, the mean deposit for all recent first time buyers was £48,831. The median deposit was £22,000, Annex Table 3.1.

3.3 Mean deposits were higher in London (£94,088) than elsewhere (£40,931). These higher deposits are likely to be associated with higher property prices in London, although it is not possible to explore this in more detail due to an insufficient sample size, Annex Table 3.2.

3.4 Overall, 6% of recent first time buyers bought their properties outright without a mortgage or loan, Annex Table 3.3.

3.5 Deposit value is likely to reflect both house prices and characteristics of available mortgages. The decline in provision of 100% mortgages, the minimum deposit requirement for first time buyers, and the more favourable rates available for larger deposits is all likely to influence the percentage deposit paid. Higher house prices might act as a limiting factor.

3.6 In 2015-16, about two thirds (64%) of recent first time buyers paid a deposit up to 20% of the purchase price, and 19% paid deposits over 30%, Annex Table 3.3.

3.7 It is not possible to look at trends in the value of deposits as comparable data are not available before 2008-09.

Source of deposits

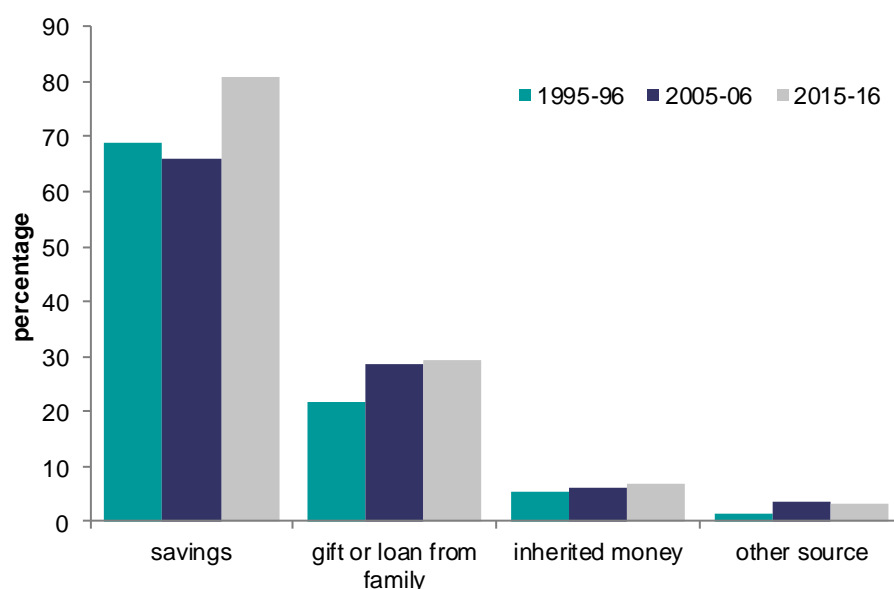
3.8 As in earlier years, savings were the most common source of deposit, reported by 81% (509,000) of all recent first time buyers. Use of savings to fund a deposit has increased over the last 10 years, from 66% in 2005-06 to 81% in 2015-16; from 1995-96 to 2005-06 use of savings was relatively stable, Annex Table 3.4 and Figure 3.1.

3.9 Gifts from family and friends were also an important source, reported by 29% (184,000) of recent first time buyers. As with savings, the use of gifts or loans

from friends or family had increased over the past 20 years, from 22% in 1995-96 to 29% in 2015-16.

- 3.10 The increasing reliance on savings and gifts to fund deposits over this period may reflect increasing deposit values, driven by increasing house prices and changing mortgage requirements.

Figure 3.1: Source of deposit for first time buyers, 1995-96, 2005-06 and 2015-16



Base: all recent first time buyers

Note: underlying data are presented in Annex Table 3.4

Sources:

1995-96 and 2005-06: Survey of English Housing;

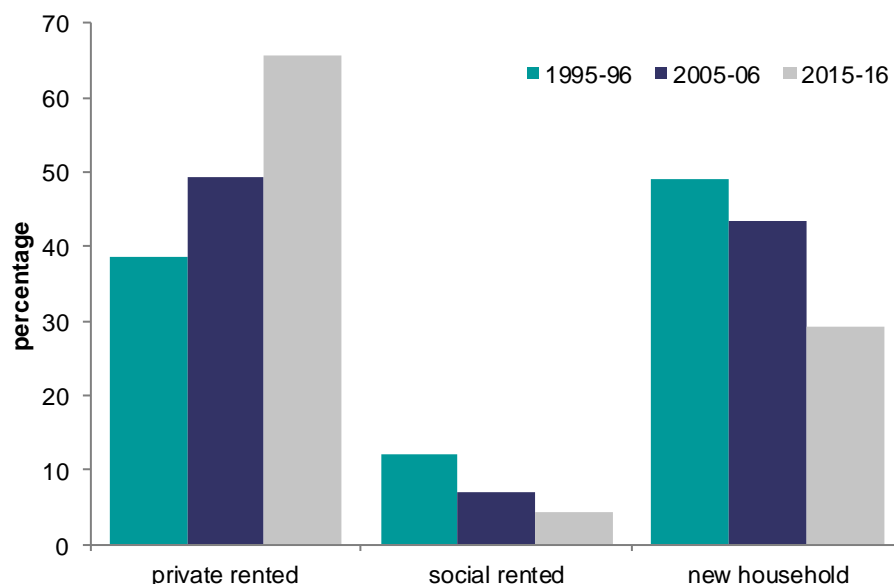
2015-16: English Housing Survey, full household sample

Flows into home ownership

- 3.11 Housing flows illustrate the movement of households to and from owner occupation, private rented accommodation and social rented accommodation, and the formation of new households into these sectors. New households include couples buying their first home together after living separately in rented accommodation, older children leaving home for their first rental property and couples buying separate accommodation after a divorce.
- 3.12 In 2015-16, the most common route for first time buyers was from private rented accommodation (66%); 29% of first time buyers were new households, and 4% previously lived in the social rented sector.
- 3.13 The pattern of housing flow for first time buyers has changed over the past 20 years, with an increase in the proportion from the private rented sector and a decrease in the proportion from the social rented sector and new households

- 3.14 First time buyers are increasingly likely to come from private rented accommodation. The proportion of first time buyers from the private rented sector has increased over the past 20 years from 39% in 1995-96, to 49% in 2005-06, and to 66% in 2015-16.
- 3.15 By contrast, households from the social rented sector are less likely to move into owner occupation. Over the past 20 years, the proportion of first time buyers from the social rented sector decreased from 12% in 1995-6 to 4% in 2015-16.
- 3.16 New households are also less likely to move into owner occupation than 10 years ago: the proportion of first time buyers that are new households decreased from 44% in 2005-6 to 29% in 2015-16, Annex Table 3.5 and Figure 3.2.

Figure 3.2: Previous housing tenure of first time buyers, 1995-96, 2005-06 and 2015-16



Base: all recent first time buyers

Note: underlying data are presented in Annex Table 3.5

Sources:

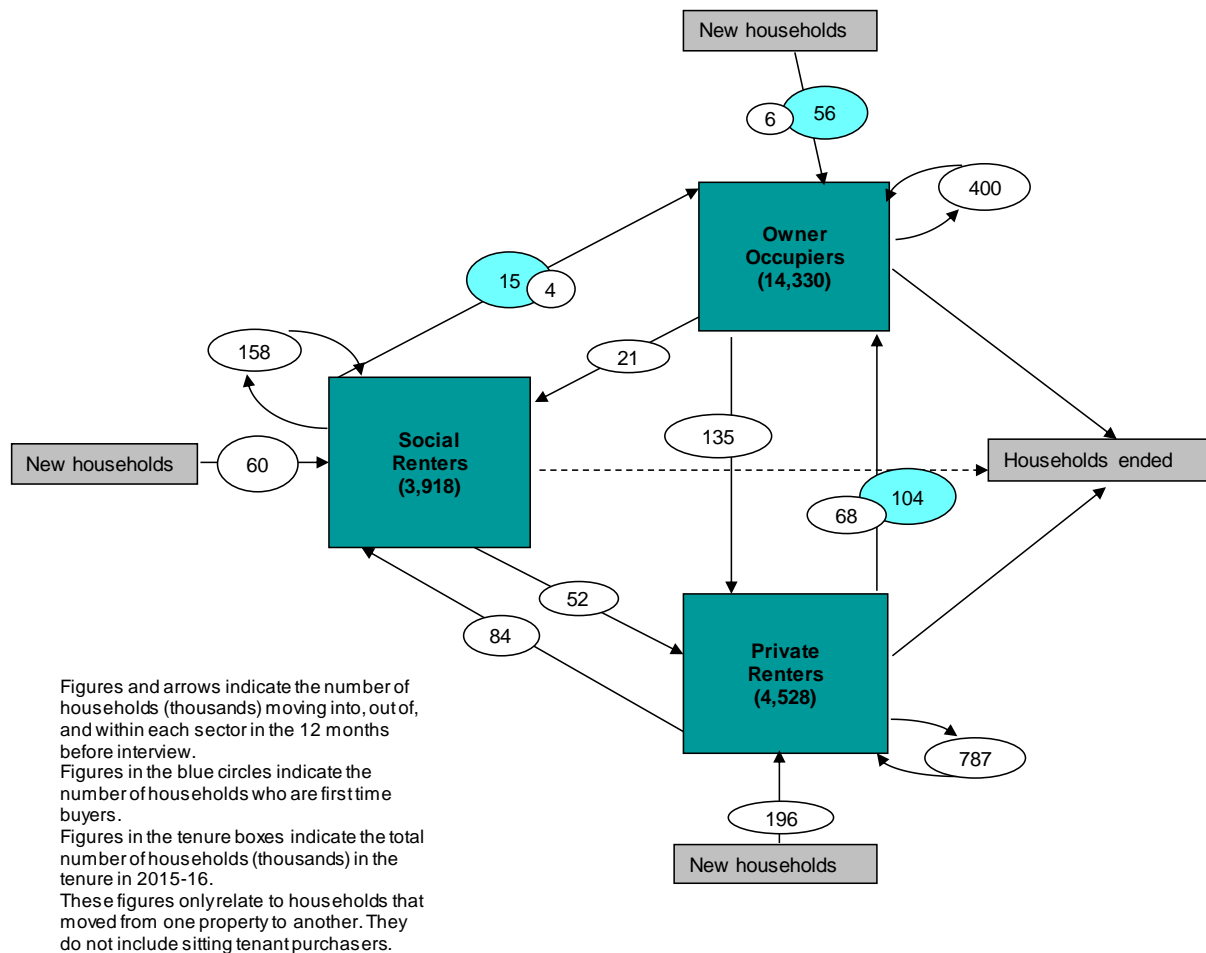
1995-96 and 2005-06: Survey of English Housing;

2015-16: English Housing Survey, full household sample

- 3.17 In 2015-16, first time buyers made up over a quarter of those moving into owner occupation: 175,000 of the 653,000 households moving into owner occupation were first time buyers. Other groups include owner occupiers who moved between properties and households returning to owner occupation after a period in rented accommodation, Annex Table 3.6 and Live Table FA4301.
- 3.18 First time buyers accounted for 104,000 of the 172,000 households moving from private rented accommodation into owner occupation, Figure 3.3.

3.19 New households and social renters contributed a smaller number of first time buyers but, within these groups, first time buyers form the majority of households moving into owner occupation. First time buyers account for 56,000 of the 62,000 new households moving into owner occupation in the past 12 months, and for 15,000 of the 19,000 households from the social rented sector.

Figure 3.3: Housing moves of recent first time buyers, 2015-16



Base: all households

Note: underlying data are presented in Annex Table 3.6 and Live Table FA4302

Source: English Housing Survey, full household sample

Technical notes and glossary

Technical notes

1. Results on households for this report are presented for '2015-16' and are based on fieldwork carried out between April 2015 and March 2016 on a sample of 13,468 households. Throughout the report, this is referred to as the 'full household sample'.
2. Where the numbers of cases in the sample are too small for any inference to be drawn about the national picture, the cell contents are replaced with a "u". This happens where the cell count is less than 5. When percentages are based on a row or column total with unweighted total sample size of less than 30, the figures are italicised. Figures in italics are therefore based on a small sample size and should be treated as indicative only.
3. **Where comparative statements have been made in the text, these have been significance tested to a 95% confidence level.** This means we are 95% confident that the statements we are making are true.
4. Additional annex tables, including the data underlying the figures and charts, are published on the website: <https://www.gov.uk/government/collections/english-housing-survey> alongside many supplementary tables, which are updated each year (in the summer) but are too numerous to include in our reports. Further information on the technical details of the survey, and information and past reports on the Survey of English Housing and the English House Condition Survey, can also be accessed via this link.

Weighting methodology

5. The Department for Communities and Local Government (DCLG) revised the weighting process on the English Housing Survey (EHS) going forward from 2015-16. The aim of the revision was to improve the stability of year-on-year estimates including household numbers. This new approach to weighting was approved by 'external' experts on the EHS Technical Advisory Group.
6. The improved weighting methodology was necessary because the initial weighted household counts increased considerably between 2014-15 and 2015-16 (by 361,583 additional households, 344,921 of which were in the private rented sector). The provisional 'grossed' dwelling and household estimates showed that, between 2014-15 and 2015-16, there were two additional households for

every one additional dwelling (the number of dwellings increased by 180,814). This appeared implausible when compared with an expected household growth of up to 200,000 per year as indicated by the Household Projections³.

7. NatCen (the current EHS contractor) investigated and advised that some of the year-on-year variation in the initial weighted household counts was due to sampling variation in the data used in the weighting. The household weights are dependent on estimates of 'dwelling-to-household' ratios, which are subject to sampling variation. (This differs from the weighted dwelling counts that are controlled to 'external' DCLG estimates of dwellings by tenure and region.)
8. 'Dwelling-to-household' ratios vary by tenure and by year, Table T.1. In 2015-16, the average ratio increased from 1.0062 to 1.0129, resulting in a large increase in the grossed household counts between 2014-15 and 2015-16.

Table T.1: Dwelling-to-household ratio by tenure, 2013-14 to 2015-16

<i>all households</i>			
	2013-14	2014-15	2015-16 (before revision)
owner occupiers	1.0039	1.0013	1.0013
private rented	1.0600	1.0239	1.0670
local authority	1.0092	1.0103	1.0053
housing association	1.0091	1.0033	1.0079
total	1.0139	1.0062	1.0129

Source: English Housing Survey, full household sample

9. To reduce the year-on-year variation, the dwelling-to-household ratio was re-calculated by smoothing across two years of the EHS (2015-16 and 2014-15). The revised (smoothed) weights were used for producing the published EHS findings⁴. Smoothing across two years was preferred to smoothing across more years because the EHS sample uses a two year cycle whereby England is divided into 1,808 primary sampling units (PSUs) and interviewing takes places in the same 904 PSUs every other year.
10. When smoothed across two survey years, the average dwelling-to-household ratio reduced from 1.0129 to 1.0096, Table T.2. To assess the stability of the new methodology in producing less variable ratios across years, the 2014-15 ratio was also re-calculated using the same methodology (i.e. smoothing over 2 years:

³ <https://www.gov.uk/government/collections/household-projections>

⁴ Both the household and the dwelling weights were revised because the dwelling-to-household ratio also has a minor role in the computation of the latter. The impact of the revision of the dwelling weights was very small.

2013-14 and 2014-15). As can be seen in the table below, the ratio appears quite stable (1.0100 in 2014-15 compared with 1.0096 in 2015-16).

Table T.2: Dwelling-to-household ratio by tenure, 2013-14 to 2015-16

<i>all households</i>	2014-15	2015-16
owner occupiers	1.0012	1.0022
private rented	1.0467	1.0425
local authority	1.0087	1.0102
housing association	1.0049	1.0059
total	1.0096	1.0100

Source: English Housing Survey, full household sample

11. This new approach to weighting was approved by two external experts on the EHS Technical Advisory Group. It is considered to be the most robust and practical solution to the year-on-year inconsistencies observed in the household estimates. We expect to continue to smooth the weights in future waves of the EHS. The EHS team at DCLG, with NatCen and the EHS Technical Advisory Group, will review the further options to improve the weighting methodology. If you would like to share your views on the EHS weighting strategy, please contact: ehs@communities.gsi.gov.uk.

12. More detail on the EHS methodology can be found in the technical report⁵.

Glossary

Dependent children: Any person aged 0 to 15 in a household (whether or not in a family) or a person aged 16 to 18 in full-time education and living in a family with his or her parent(s) or grandparent(s). It does not include any people aged 16 to 18 who have a spouse, partner or child living in the household.

Economic status: Respondents self-report their situation and can give more than one answer.

- **working full-time/part-time:** full-time work is defined as 30 or more hours per week. Part-time work is fewer than 30 hours per week. Where more than one answer is given, 'working' takes priority over other categories (with the exception that all those over State Pension Age (SPA) who regard themselves as retired are classified as such, regardless of what other answers they give).

⁵ <https://www.gov.uk/government/collections/english-housing-survey-technical-advice>

-
- **unemployed:** this category covers people who were registered unemployed or not registered unemployed but seeking work.
 - **retired:** this category includes all those over the state pension age who reported being retired as well as some other activity. For men the SPA is 65 and for women it is 60 if they were born before 6th April 1950. For women born on or after the 6th April 1950, the state pension age has increased incrementally since April 2010⁶.
 - **full-time education:** education undertaken in pursuit of a course, where an average of more than 12 hours per week is spent during term time.
 - **other inactive:** all others; they include people who were permanently sick or disabled, those looking after the family or home and any other activity.

On occasions, **full-time education** and **other inactive** are combined and described as **other economically inactive**.

Ethnicity: Classification according to respondents' own perceived ethnic group.

Ethnic minority background is used throughout the report to refer to those respondents who do not identify as White.

The classification of ethnic group used in the EHS is consistent with the 2011 Census. Respondents are classified as White if they answer one of the following four options:

1. English / Welsh / Scottish / Northern Irish / British
2. Irish
3. Gypsy or Irish Traveller
4. Any Other White background

Otherwise, they are classified as being from an ethnic minority background.

First time buyer: First time buyers are defined as households that have purchased a property that is their main home in the last three years, and in which neither the HRP or partner have previously owned a property. It includes households who have purchased their property outright as well as those who are buying with the help of a mortgage or loan.

Gross income of the HRP and partner: The gross annual income of the HRP and partner from wages, pensions, other private sources, savings and state benefits. This does not include any housing related benefits or allowances. This measure is divided by 52 to calculate weekly income. Income is presented in quintiles throughout this report (see income quintiles definition – below).

⁶ For further information see: www.gov.uk/browse/working/state-pension

Household type: The main classification of household type uses the following categories; some categories may be split or combined in different tables:

- couple no dependent child(ren)
- couple with dependent child(ren)
- couple with dependent and independent child(ren)
- couple with independent child(ren)
- lone parent with dependent child(ren)
- lone parent with dependent and independent child(ren)
- lone parent with independent child(ren)
- two or more families
- lone person sharing with other lone persons
- one male
- one female

Income quintiles: All households are divided into five equal groups based on their income (i.e. those in the bottom 20%, the next 20% and so on). These groups are known as quintiles. These can be used to compare income levels of particular groups to the overall population.

Long-term limiting illness: This is consistent with the core definition of disability under the Equality Act 2010. A person is considered to have a disability if they have a long-standing illness, disability or impairment which causes substantial difficulty with day-to-day activities.

Median income: the amount that divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount.

Non-dependent children: any person aged over 18 or those aged 16-18 who are not in full-time education living in a family with his or her parent(s) or grandparent(s).

Tenure: In this report, households are typically grouped into three broad categories known as tenures: owner occupiers, social renters and private renters. The tenure defines the conditions under which the home is occupied, whether it is owned or rented, and if rented, who the landlord is and on what financial and legal terms the let is agreed.

- **owner occupiers:** households in accommodation which they either own outright, are buying with a mortgage or as part of a shared ownership scheme.
- **social renters:** this category includes households renting from Local Authorities (including Arms' Length Management Organisations (ALMOs) and Housing Action Trusts) and Housing Associations, Local Housing Companies, co-operatives and charitable trusts.

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- A significant number of Housing Association tenants wrongly report that they are Local Authority tenants. The most common reason for this is that their home used to be owned by the Local Authority, and although ownership was transferred to a Housing Association, the tenant still reports that their landlord is the Local Authority. There are also some Local Authority tenants who wrongly report that they are Housing Association tenants. Data from the EHS for 2008-09 onwards incorporate a correction for the great majority of such cases in order to provide a reasonably accurate split of the social rented category.
 - **private renters:** this sector covers all other tenants including all whose accommodation is tied to their job. It also includes people living rent-free (for example, people living in a flat belonging to a relative).

In accordance with the Statistics and Registration Service Act 2007 the United Kingdom Statistics Authority has designated these statistics as National Statistics, signifying that they are fully compliant with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

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