

The Colin Wiles blog

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Going home

The news that the UK population has [fallen by 1.3 million](#) during the pandemic – the biggest fall since World War 2, with almost 700,000 leaving London alone – is quite a shock. Much of this is down to EU and other nationals returning home but the pandemic has also caused many couples to delay having babies, so the birth rate has also fallen, down from 724,000 in 2011 to around 570,000 last year.

What does this mean for UK housing? The danger is that many pundits will argue that we no longer need to build so many homes. The target of 300,000 homes a year in England could be downgraded. Fewer people means less pressure on the housing stock, less demand, more existing space to go around, and so on. But, of course, it is not as simple as that.

To try to understand the relationship between population changes and housing, I sometime use the analogy of a large café with 100 tables and around 240 customers. Let's call it *Café England*.

It is a huge space – the size of a football pitch at least – but the tables are very unevenly distributed; many are crammed together in clusters with vast unused spaces in between. Some tables are very small, some are large. Many of the large ones have lovely views across open countryside, whereas many of the smaller ones are located near the toilets and kitchen and away from the windows. These tables are also closely packed together and crammed with people, many of them young and some with babies, whereas many of the larger tables have only a single occupant or a couple, mostly elderly.

It is also apparent that the larger tables seem to be owned by their diners, because their occupants seem to linger as long as they like, whereas the people at many of the crowded tables are frequently moved on by the waiters and they have to take their food with them. From time to time, a new table is brought in by the waiters but this does not have much impact on the overall situation.

All the time there are new people entering the café, some with babies, many looking for work, and they are mostly put on the crowded tables. A few of the older people also leave via the exit, but their tables remain under-occupied and the overall distribution of the tables stays the same. Any attempt to move the bad tables into some of the unused space to seek fresh air or a better view is met with fierce resistance from the diners at the good tables.

I think I have stretched this analogy as far as it will go. The key point is that population changes do not alter the terrible unfairness at the heart of our housing system. It is not just about building new homes but tackling the way that existing housing space is used.

Savill's latest estimate of UK housing wealth shows that the UK stock is worth £7.4 trillion and this grew by £2.39tn during the decade. The value of unmortgaged owner-occupied homes grew by 67%, so more and more wealth is being accumulated by those lucky enough to own outright, most of them elderly. Over the last decade, although the proportion of owner-occupied homes had declined from 66 to 63.8% ,the proportion owning outright has increased from 32 to 34.4% – an increase in real numbers from 7,009,000 to 8,096,000.

46% of homeowner wealth is now in the hands of the over 65s.

This also means that under-occupation is increasing – 48.7% of owners in England under-occupied in 2011; it is now 52%. Conversely, renters are less likely to under-occupy. In 2011, 10.3% of social renters and 16.6% of private renters under-occupied, but by 2019 this had decreased to 8.7% and 14.4% respectively, and overcrowding had increased.

Apologies for overloading you with statistics but this highlights the fact that housing wealth and space is very unfairly distributed, with a growing intergenerational gap.

My guess is that the vast majority of those who have left in the past year will be EU nationals working in hospitality, mostly living in shared private rented properties (the 'bad' tables). What impact will this have on the housing market and the overall distribution of space? I would imagine that the impact upon the housing for sale market will be small, as it is about to fall off a cliff in any even as a result of the Stamp Duty holiday coming to an end.

Within the private rented sector, and especially in London, there will be a significant drop in demand and this is likely to suppress rents and perhaps lead some landlords to leave the sector entirely. But what about in the longer term? When Pret and all the other places re-open, there is likely to be a shortage of labour and then we will be back to debates about Australian style points' systems and complaints that we cannot find the staff to serve us sandwiches.

In November 1946, in his regular [Tribune column](#), George Orwell described succinctly the British attitude to foreign workers:

“The fact is that there is strong popular feeling in this country against foreign immigration. It arises from simple xenophobia, partly from fear of undercutting in wages, but above all from the out-of-date notion that Britain is overpopulated and that more population means more unemployment. Actually, so far from having more workers than jobs, we have a serious labour shortage...and which will grow worse, not better, because of the ageing of the population...Meanwhile our birth-rate is still frighteningly low...But how widely are these facts known or understood?”

The answer is, even today, not very well. But, despite changes in population, we must continue to make the case for more homes and a fairer distribution of housing wealth.

About the author

Colin Wiles has worked in affordable housing for almost forty years, for local authorities and housing associations. For the past eight years he has worked as a consultant, working on a range of projects for dozens of clients across the sector. He specialises in governance, service reviews, research and policy work. Colin has written extensively on housing and planning issues for Inside Housing, 24 Housing and The Guardian. He is a co-founder of SHOUT, the Campaign for Social Housing.

