

Chapter 10 - Invited Chapter: Household Changes and Housing Provision in Scotland

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Summary

This chapter reviews recent changes in household composition and housing provision in Scotland and discusses the complex relationships between the two. Scotland's population continues to age and the total number of households is increasing. The number of dwellings has not kept pace with demand and more young adults are staying longer in their parental home because they are unable to afford a place of their own. Some commentators argue that the housing problems facing young people could be solved if older people moved to smaller accommodation and released 'under-occupied' family housing - but what is the evidence?

The tenure structure of the housing stock (the relative proportions of people who own their own home, rent privately, or rent from the council or a housing association) has changed dramatically since the 1980s. More people are now renting their homes privately, than renting from councils. Average annual house prices more than doubled in all council areas in Scotland between 2001 and the global financial crisis of 2007-08, following which they fell slightly and then stabilised.

Two research studies, discussed in this chapter, provide further insight. One involved research using longitudinal data, and the other consisted of interviews with young adults. They are summarised below.

Research on housing patterns among older adults and younger adults

The first [research study](#) examined individuals' housing situations over two 10-year periods (1991-2001 and 2001-2011) for young (aged 16-24) and older (aged 55-69) adults. Only a fifth of older adults moved house in the 2000s – down from a quarter in the 1990s - and nearly half of them downsized to a smaller dwelling. People who

were widowed or divorced were more likely to downsize, while having adult children living at home reduced the likelihood of both moving and downsizing. In general, moves to bigger or smaller homes are influenced by changes in people's circumstances that sometimes limit the options for older households.

In the 2000s, 63% of young adults who moved out of their parental home became homeowners - down from 72% in the 1990s – and a fifth moved to private renting, more than double the proportion in the previous decade. Those employed in high status jobs and those whose parents were homeowners were most likely to become homeowners themselves, while young adults with low education and those living in areas with high house prices were most disadvantaged in the property market in the 2000s, in terms of their ability to buy a property. Following a decade of rising house prices and increasing economic insecurity, access to homeownership has become more socially and geographically uneven.

Interviews with young adults

The [second study](#) conducted interviews with young adults aged 18-35. Their stories complement the statistics. Three main themes emerged: (1) a strong desire to own one's own home; (2) the interconnection between labour and housing markets; and (3) the importance of family support. These young people did not 'blame' the older generation for their housing situation, but they did draw attention to structural inequalities such as changes in housing and labour markets, and a withdrawal of the state-provided welfare safety net. They saw private renting as unsatisfactory because it did not provide the security needed to start a family, made it more difficult to save for a deposit to purchase a home, and was seen by others as a failure. Overall, young adults' experiences of navigating the housing market clearly varies, with their labour market situation (whether employed and type of employment) and ability to draw on support from their family being critical factors.

Findings

The two studies reveal the diversity in housing patterns within age groups, and the family circumstances that sometimes link the lives of young and older adults and influence their housing options. Suggesting that the selfish behaviour of older adults is responsible for housing problems facing young people is too simplistic because it overlooks this diversity and diverts attention from important structural dimensions of the housing crisis, such as the relationship between housing and labour markets, and the housing welfare safety net. What is needed urgently is a policy response that goes beyond populist preoccupations with inter-generational inequalities to address inequalities within generations.

Introduction to Invited Chapter

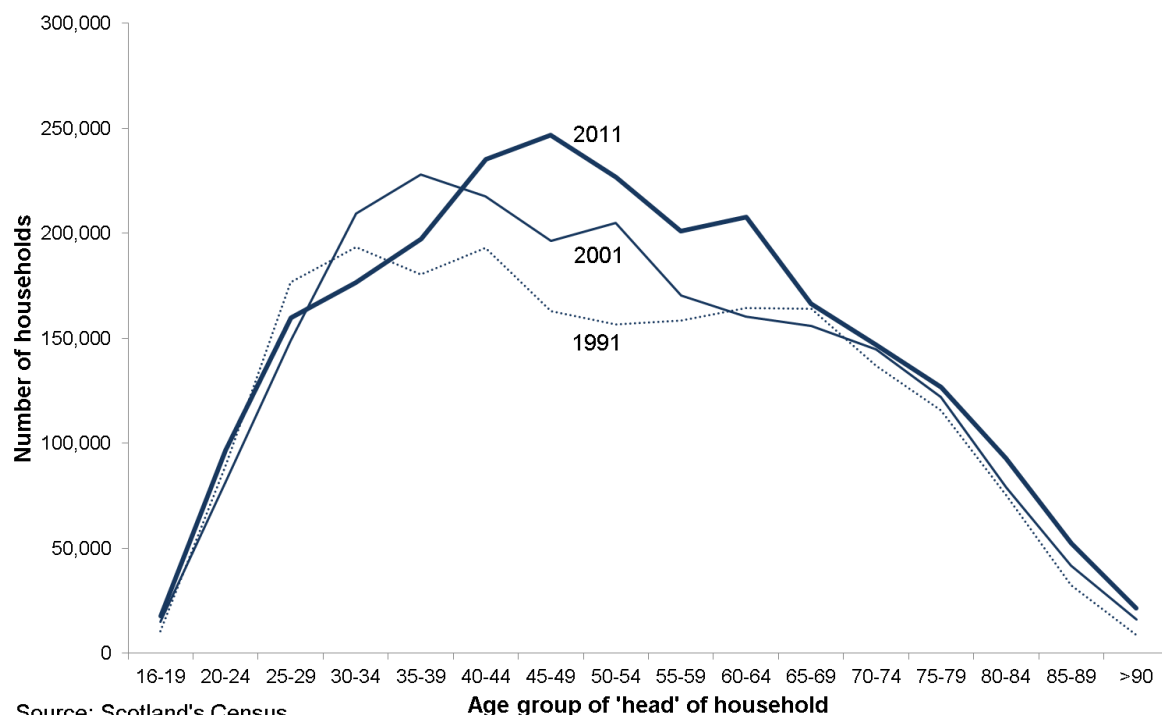
Scotland's population is changing and ageing. At the census in 2011, people aged 65 and over made up almost 17% of the total population, compared with 16% ten years before, and this is projected to increase to 26% by 2039. The last census was also the first ever to record a higher number of people aged 65 and over than the number aged under 15. At the same time, the combined effects of greater longevity, rising separation and divorce, and low fertility have resulted in a fall in the average number of people per household. Moreover, the total number of households is increasing. In 2011 there were some 2,373,000 households in Scotland, compared with 2,192,000 in 2001 and 2,020,000 in 1991. Whereas in 1991, individuals living alone constituted 29% of all households, by 2011 this had reached 35% and is expected to increase further in the next decade.

These household changes have implications for the provision of housing, and there is evidence of housing demand outstripping housing supply. For example, more young adults are staying longer in their parental home, or returning there after college or university, because they are unable to afford a place of their own. Their unmet need for housing, in turn, has repercussions for other aspects of population change, including the rate at which the population is ageing.

Housing is typically seen as an important prerequisite for living independently, partnering and starting a family. When partnership and having children are delayed or foregone, the fertility rate falls and the proportion of the population in older age groups increases. Although an ageing population should be seen as offering opportunities as well as presenting challenges, rapid ageing heightens the challenges - especially when people are living longer. It is important, therefore, to understand the interdependencies between housing and household change in order to develop policies that could prevent what might otherwise become a downward spiral, negatively affecting Scotland's economy. In the context of the housing boom and bust of the last decade and the recent economic downturn, some UK commentators have suggested that the housing problems facing young people could be solved if older people moved to smaller accommodation and released 'under-occupied' family housing. This seems too one-dimensional but we need first to review the evidence.

Changing living arrangements

Living arrangements change across an individual's life course, although adult life courses are becoming more varied as different individuals follow different trajectories. The traditional sequence of leaving home, marriage, children, empty nest and widowhood is being transformed by rises in cohabitation, childlessness, having children outside formal marriage, divorce and separation, and the formation of complex families (for example, through people re-marrying), all of which influence living arrangements across the life course. These changes, along with the ageing of the population, have altered the distribution of households across the age spectrum. Figure 10.1 shows changes in the number of households according to the age of the 'head' of household over two decades.

Figure 10.1: Number of households by age of 'head' of household, 1991, 2001 and 2011

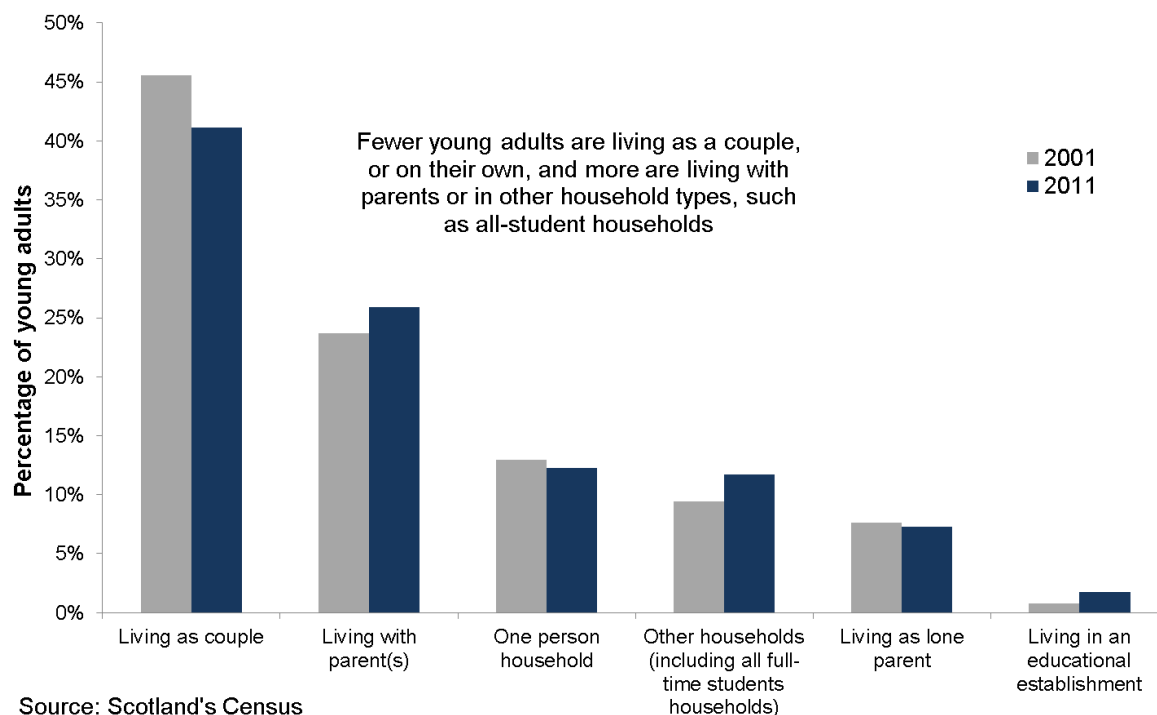
In 1991, the number of households peaked in the age group 30 to 34. By 2001, the peak had shifted to the age group with 'heads' of household in their late 30s, and by 2011 it had shifted further to the age group in their late 40s, illustrating both changing life courses and the general ageing of the population. There were also increases in the number of older households, with 'heads' aged 65 and over, and in 2011 older people living on their own accounted for just over half of these households, with most of the remaining households in this age group consisting of couples. Only 4% of people aged 65 and over lived in communal establishments such as care homes. However, the percentage of older people living on their own actually declined slightly between 2001 and 2011, while the percentage of those living in a family unit (for example, in a couple) increased.

Figure 10.1 also shows a marked decline between 2001 and 2011 in the number of households with 'heads' aged under 40. This is of concern because these are the age groups associated with partnering and having children. Some of the decrease can be explained by changes in the age structure of the population; for example, the number of people aged between 30 and 44 declined by 9% between 2001 and 2011, although the number in the 16 to 29 age groups increased by 11%. However, there may be other factors such as extended periods spent in full-time education or lack of access to affordable housing that are also influencing this decline.

Further insight can be gained if we look at changes in the living arrangements of young adults aged between 20 and 34, the age groups most likely to make the transition out of their parents' home to set up independent households. Comparing data for 2011 with data for a decade earlier ([Figure 10.2](#)), it is apparent that the largest decrease was for young adults living as a couple (from 46% to 41%) and the largest increase was for those living with parents (from 24% to 26%). The proportion

in living arrangements linked to full-time education (such as educational establishments and all-student households) also increased, reflecting the substantial rise since the 1990s in those entering tertiary education.

Figure 10.2: The living arrangements of young adults aged 20 to 34, 2001 and 2011

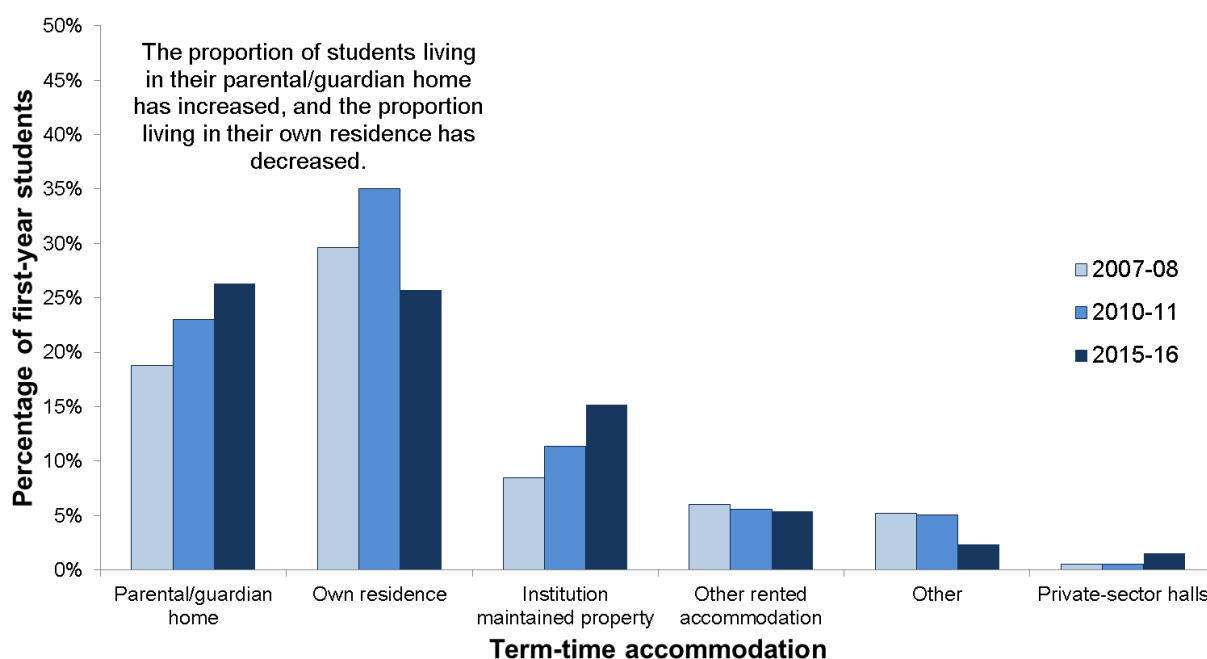


The recent report on households in Scotland from which the above data on changing living arrangements are derived, cites the economic downturn in 2007-08 as a contributory factor, commenting that,

“ ... increases in unemployment, reductions in new house building and a constrained mortgage market have made it more difficult for young adults to afford to live on their own or as a couple ...”

(National Records of Scotland, 2015: 29)

Financial constraints also appear to be encouraging increasing numbers of students to live at home during their studies. The percentage of school leavers from publicly funded schools in Scotland entering Higher Education or Further Education increased from 40% in 1992/93 to 67% in 2015/16. If we look at the most recent decade, we observe that the proportion of first year students living in their parental home during term time has increased since the economic downturn, from 19% in 2007-08 to 26% by 2015-16 (Figure 10.3). Overall more than a quarter of young adults aged 20-34 live with their parents (Figure 10.2), and despite the increases in students living in their parental home, students make up a relatively small proportion of this figure.

Figure 10.3: Term-time accommodation of first-year students from Scotland

Source: Higher Education Statistics Agency (HESA)

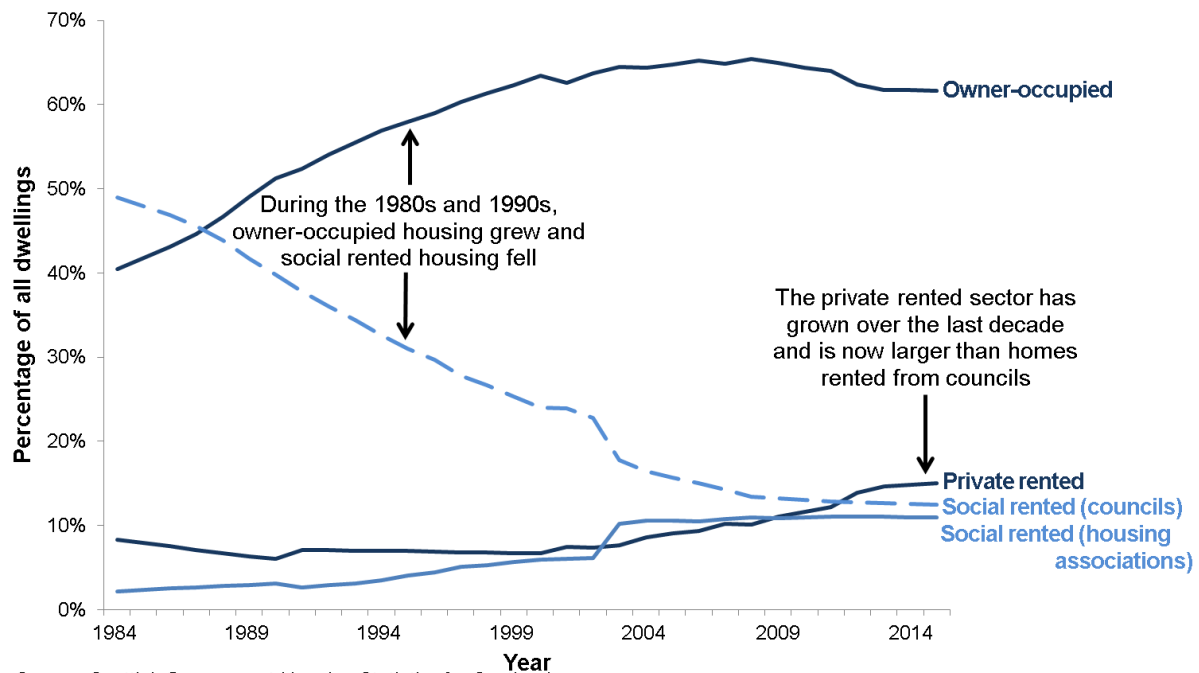
Figures are for first-year entrants who are domiciled in Scotland. They include undergraduates and postgraduates, but exclude Open University students.

From this brief overview of the evidence, it is apparent that multiple factors are influencing household changes in Scotland, including population ageing, the expansion of tertiary education, and the postponement of partnering and family building. An approach is needed that allows further investigation of the simultaneous contributions of these drivers of change. However, as the fall in new house building and the increased difficulty in obtaining a mortgage since 2007 are also likely to play a role, it is important first to understand how housing provision has changed over time.

Changing housing provision

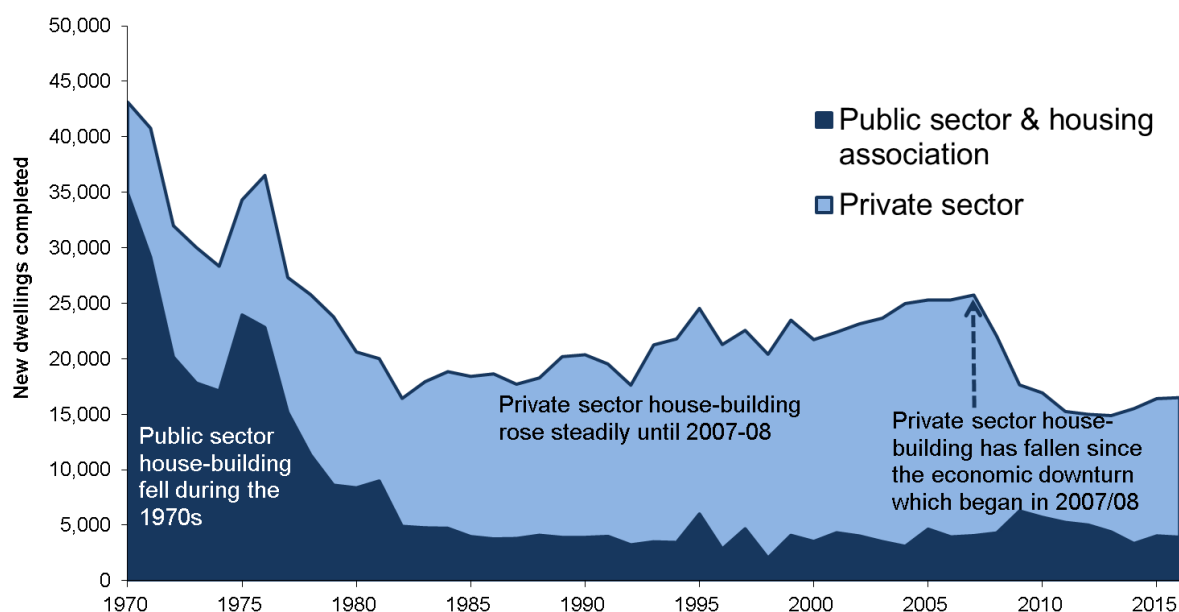
Scotland's housing tenure structure has changed dramatically over the past forty years. The post Second World War domination of social housing has been replaced by the now dominant private sector, providing housing mainly for sale but also for rent. [Figure 10.4](#) shows annual changes in the housing stock by tenure since 1984. While the proportion of local authority housing decreased significantly from 49% to 12% of the total stock over the period, the proportion of owner-occupied dwellings rose steadily from 41% in 1984 to 63% by 2000, after which it remained more or less constant until a small dip in the last five years. Housing associations increased their share of social housing and the relative importance of private renting rose from 7% of the total stock in 2000 to 15% by 2015.

Figure 10.4: Stock of dwellings by tenure, 1984 to 2015



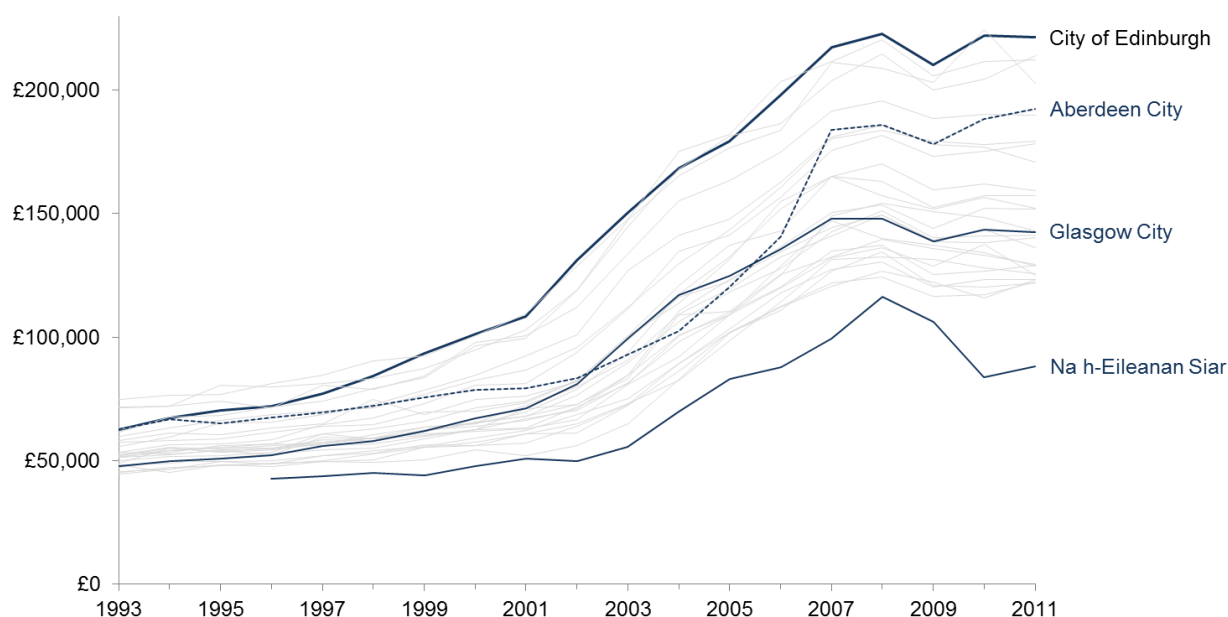
Source: Scottish Government Housing Statistics for Scotland
 'Owner-occupied' includes vacant dwellings and second homes which are privately owned.
 Some social rented homes have been transferred from councils to housing associations.

Much of the change in the housing stock over this period is a result of the legislation introduced in 1980 that allowed social housing tenants to purchase their homes, along with stock transfers from local authorities to housing associations and low levels of new build social housing. The 'right-to-buy' has made the remaining local authority housing less attractive because tenants have purchased the more desirable units, and, as Figure 10.4 shows, housing associations have become nearly as important as local authorities in the provision of social housing. With the share of social housing declining, successive governments sought to encourage home ownership as an aspiration for all. In these circumstances, demand switched to owner-occupation, and the private sector responded with increases of between 20,000 and 25,000 new build units per year during the 1990s and early 2000s (Figure 10.5).

Figure 10.5: New house-building, 1970 to 2016

Source: Scottish Government housing statistics for Scotland

At the same time, the pressure of demand outstripping supply led to significant increases in house prices across Scotland, especially in hotspots such as the City of Edinburgh (Figure 10.6). Average annual house prices more than doubled in all areas between 2001 and the global financial crisis of 2007-08, following which there was a steep reduction in new private sector house building (Figure 10.5). Although house prices generally stabilised after the crisis, they have not decreased significantly. This indicates that there remains unmet demand in the housing market and that the current housing crisis in Scotland, as in the rest of the UK, reflects a mismatch between the need for housing and its provision (Berrington and Simpson, 2016). Given the difficulties faced by first time buyers in buying a home, it is likely that much of this unmet demand comes from young adults.

Figure 10.6: Average annual house prices in Scottish Local Authorities, 1993 to 2011

Source: Data come from the Registers of Scotland, which record all residential property transactions with a purchase price between £20,000 and £1,000,000.

One result of these recent trends has been that levels of homeownership within the population have declined over the past decade, while renting in the private rented sector has risen in importance. Homeownership is currently the most common tenure in Scotland, but not all households desire to own their own home. Evidence shows that some prefer to rent in the social rented sector for reasons of affordability and security, amongst others (McKee et al., 2015). Yet this sector has also experienced a contraction in size over the past decade. Access to social housing therefore continues to be constrained due to limited supply, coupled with the operation of a needs-based allocation system that prioritises the most vulnerable. While social housing is more prevalent in Scotland than elsewhere in the UK, and the supply of new affordable housing is a stated policy priority of the Scottish Government, there remains a need to increase the provision of social housing (Powell et al., 2015).

For the majority of young people, however, homeownership is a strong future goal (McKee et al., 2015), even if this aspiration is becoming more difficult to realise. Many factors contribute to the challenges that young adults currently face in getting onto the property ladder. These include increasingly precarious labour markets and downward pressure on wages, the declining affordability of housing as property prices rise ahead of household incomes, the continuation of stricter mortgage lending criteria first introduced in the aftermath of the global financial crisis, and the inability of new supply to meet rising demand for housing. Consequently, some young adults (who may aspire to be homeowners) have now turned to the private rented sector. Although historically this sector has been strongly associated with those - such as young professionals, migrants and students - requiring 'flexible' housing solutions, more recently it has become home to tenants who in the past would have been in social housing. The rapid growth of the private rented sector and the diversification of its tenant base have resulted in legislative change in Scotland to deliver greater rights and protection for tenants (Hoolachan et al., 2017).

These general demographic and housing market trends suggest significant housing pressures in Scotland. However, not all areas are equally affected by recent changes in household size and number, nor is the housing stock the same across Scotland. Both supply and demand vary geographically. The areas with the largest average household size tend to be the local authorities outside the main cities, where many families live. The cities tend to have more young adults and a higher than average proportion of one-person households⁵. In contrast, rural areas have the highest percentage of older people and a lower than average proportion of one-person households. Rural areas face particular pressures in relation to affordable housing supply. This can contribute to the out-migration of young families and undermine the sustainability of local communities.

The dynamics of household change

The dynamics of change are not adequately captured by comparisons of aggregate data from the censuses, which do not provide insight into how individuals' living arrangements are changing over time or why, for example, young people are staying longer in the parental home. A programme of research at the University of St Andrews is investigating these issues and we draw on this work to illustrate some of the findings to date. The research uses both statistical analysis of census data, in-depth interviews and focus group discussions to provide a wider perspective on the dynamics of household change.

The most useful secondary data for studying household change in Scotland comes from the anonymised records of the Scottish Longitudinal Study (SLS). This nationally representative, 5.3% sample of Scotland's population (approximately 270,000 individuals) links individual records across different censuses, making it possible to examine change between consecutive census dates. The Growing Up and Growing Old in Scotland study⁶ used sub-samples from the SLS to examine changes in living arrangements and housing tenure over time for two population groups - older adults and young adults - crucial to understanding the dynamics of recent household changes. Of particular interest is how change during the 1990s (1991-2001) compares with change in the 2000s (2001-2011) when the housing boom and bust, combined with the economic downturn, are likely to have had a significant influence on housing outcomes.

Using sub-samples of around 28,000 older adults aged 55 to 69 who were living in private households at the beginning of each decade, we compared housing outcomes by 2001 with housing outcomes for the same age group by 2011⁷. Owner-occupation was the majority tenure for these older adults at the end of both decades. The main difference between 2001 and 2011 is the rise in owner-occupation and the accompanying decline in social renting. In 2011, almost 75% of older adults were owner-occupiers and 21% were social renters, compared to 65% and 31% respectively a decade earlier. Less than 5% of older adults were in

Footnotes

- 5) The average proportion of one-person households in Scotland was 37% of all households in 2015.
- 6) The study was funded by ESRC Secondary Data Analysis Initiative, Grant number ES/K003747/1.
- 7) The sample sizes of older adults living in private households at the start of each decade were around 26,850 for 1991-2001 and 30,100 for 2001-2011. All analyses excluded the small minority of older adults aged under 80 years who moved into communal establishments.

privately rented accommodation and less than 2% were living in communal establishments at the end of both decades. The great majority of these older households did not change their place of residence in either decade. During the 1990s, 27% of the sample moved house, whereas in the 2000s this declined to under 20% (Graham et al., 2015a).

A similar comparison of around 14,000 young adults aged 16 to 24 and living in their parental home at the start of each decade distinguished between those (still) living in their parental home and those living in other accommodation (owner-occupiers, social renters, private renters/other tenure and communal establishments) by the end of the two decades⁸. While the majority of these young adults moved out of the parental home and into owner-occupation during both decades, an increasing percentage moved to private renting and the proportion (still) living with parents increased from 16% in 2001 to just over 20% in 2011⁹.

These changes in young people's housing outcomes have been described as signalling the emergence of 'Generation Rent' (McKee et al., 2017a; Howker and Malik, 2013). This label reflects growing generational differences in housing pathways and opportunities between young and older people, highlighting the way in which changes in the housing tenure structure have differentially affected different age groups. The private rented sector is no longer a short-term 'transitional tenure' but increasingly a sector in which growing numbers of young adults now reside for extended periods of their lives. The reasons for the expansion of the private rented sector are complex, multi-faceted, and embedded within a broader process of welfare restructuring that has been occurring in both the UK and internationally since the 1980s (McKee, 2012).

To investigate the responses of young adults to changing housing provision, a second study interviewed young adults themselves. Data were collected from online focus groups and telephone interviews with 62 young people aged between 18 and 35 from across the UK. Three of the eight local authority case studies (and 24 of the participants) were located in Scotland, and included Edinburgh, North Lanarkshire and the Scottish Borders (McKee et al., 2017). The sample comprised young adults drawn from both rural and urban areas, and from local authorities with quite different housing market areas¹⁰.

Taken together, the two studies provide new evidence on the dynamics of household change and its relation to housing provision in Scotland. They also allow us to offer answers to three pressing questions:

- Are older adults downsizing?
- Are all young adults now disadvantaged in the property market?
- How do young adults navigate the housing market?

Footnotes

8) The sample sizes of young adults living in the parental home at the start of each decade were around 15,000 for 1991-2001, and 12,500 for 2001-2011.

9) Comparable data for 16-29 year olds (who were aged 26-39 at the end of each decade) show a rise in the proportion (still) living with parents from 20% in 2001 to 24% in 2011 (Graham et al., 2015b).

10) The study was funded by a Leverhulme Programme Grant, Grant number RP20 II-IJ-024. The research on young people was one work stream within a larger project concerned with inter and intra generational housing inequalities.

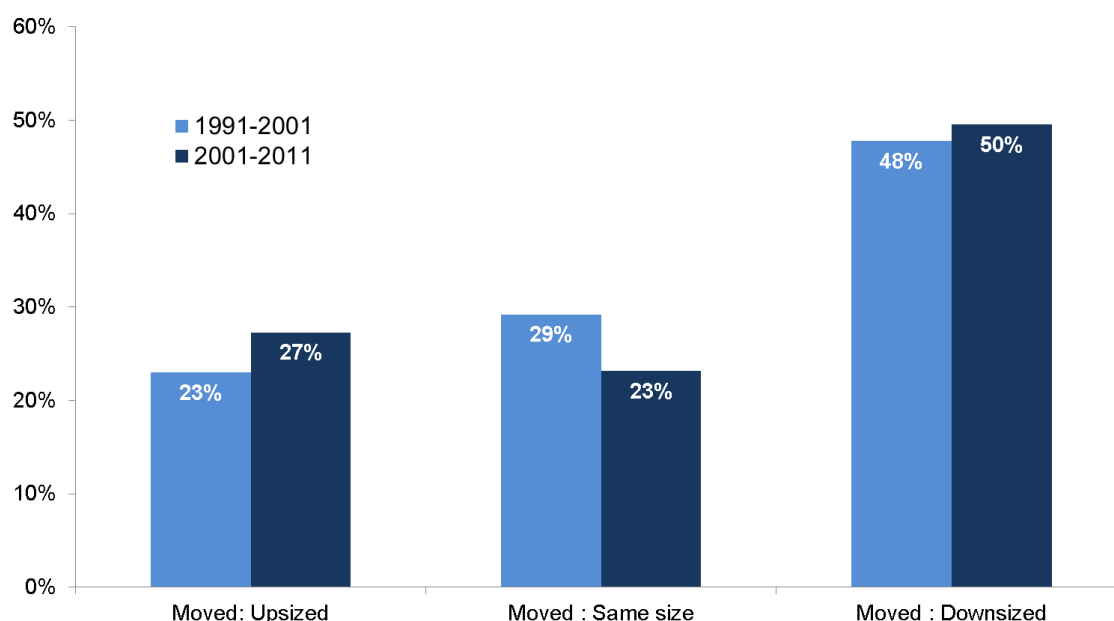
The answers contribute to understanding the complex interdependencies between population change and housing provision across the life course (Graham and Sabater, 2015).

Are older adults downsizing?

Downsizing housing means moving to a smaller home. There are various ways to measure housing size. We chose the number of rooms as our preferred measure because it allows us to see whether larger (family) housing is being vacated by older adults. 'Downsizing' is therefore defined as a reduction in the number of rooms, whereas 'upsizing' denotes an increase in the number rooms, and 'same size' indicates no change in the number of rooms in the housing unit before and after a move. Focussing only on the minority of older adults who did move house (one fifth of older adults between 2001 and 2011), Figure 10.7 compares moves to different sized houses during the two decades, 1991-2001 and 2001-2011. It shows that downsizing remained the most popular option among older movers, and that the proportion downsizing increased slightly to nearly 50% by 2011. At the same time, there was an increase in the proportion upsizing their housing.

Figure 10.7: Housing adjustments among older adults who moved house, 1991-2001 and 2001-2011

[Older adults aged 55-69 and living in private households at the start of each decade]



Source: Authors' analysis of data from the Scottish Longitudinal Study

To gain a better understanding of downsizing among older adults and the changes between the two decades, we investigated the household factors associated with changes in housing size. Of particular interest was whether changes in the characteristics of an older person's household are associated with a move to smaller housing. We examined all three house size outcomes (downsizing, upsizing and moving to the same size of house) simultaneously and, because we recognised that tenure would have an important influence on housing adjustments, we analysed the

two main tenure groups (owner-occupiers and social renters) separately¹¹ (Fiori et al., forthcoming).

Several household changes appear to trigger residential moves among older adults. These include deteriorating health and leaving the labour market, which are both well-known influences on residential moves at older ages. However, there are two further factors that are even more important: a change in partnership, and children leaving home. Around a fifth of older adults in each decade saw a change in their partnership status (through separation/divorce, re-partnering or, more usually, due to the death of their spouse/partner). Those who experienced partnership changes had a greater propensity to move house than those who continued to live with the same partner. Further, more than a quarter had adult children living in the household at the start of each decade, and we found that the presence of adult children reduced the propensity to move house. We also tested the influence of local house prices on the residential mobility of older adults but found no significant association in either decade. It may be that house moves at older ages are motivated more by a desire to move nearer to friends and family, or by lifestyle choices, rather than being a direct response to housing costs.

The same household changes that influenced a move also influenced whether or not the move was to a smaller dwelling, although this varied according to housing tenure. [Figure 10.8](#) summarises selected findings, focussing only on changes in the household over the decade. For some factors, the situation at the start of the decade was (also) predictive of adjustments in housing size. The comparison of the two decades allows us to identify differences in the housing consumption of older adults over time.

Footnote

11) All models took account of individual characteristics (gender, age, educational attainment, and social class).

Figure 10.8: The likelihood of adjustments in dwelling size among older movers by tenure and household changes, 1991-2001 and 2001-2011

Household changes during the decade	Housing adjustments 1991-2001		Housing adjustments 2001-2011	
	Downsizing	Upsizing	Downsizing	Upsizing
	(compared to moving to the same sized dwelling)		(compared to moving to the same sized dwelling)	
<i>Owner-occupiers</i>				
Health deteriorates	more likely	-	-	-
Household retires	-	-	-	less likely
Widowed/divorced	more likely	-	more likely	less likely
New partnership	-	more likely	-	more likely
Children leave home	-	less likely	-	-
<i>Social renters</i>				
Health deteriorates	-	-	more likely	-
Household retires	-	-	-	-
Widowed/divorced	more likely	-	more likely	-
New partnership	-	-	-	-
Children leave home	-	more likely	less likely	-

Source: Authors' analysis of data from the Scottish Longitudinal Study

Movers from owner-occupied households where at least one member was in poor health at the start of the decade were more likely to downsize (and less likely to upsize) compared to movers in good health. A deterioration in health during the decade was also predictive of downsizing in the 1990s but, surprisingly, not in the 2000s. It seems that those who developed a limiting long-term illness during the 2000s were less inclined to move house, possibly due to greater difficulty finding or affording a suitable home. As the oldest members of the SLS samples were in their late 70s by the end of the decade, it may also be that fewer health conditions (yet) involved serious mobility impairment.

Retirement from the labour market among older owner-occupiers who moved house was not a major predictor of a change in housing size. Only in the 2000s were households in which older adults become economically inactive during each decade less likely to upsize (but not more likely to downsize) compared to households that were already economically inactive at the start of the decade. Overall, however, the role of retirement in prompting adjustments in housing size seems to have changed little between the 1990s and the 2000s.

The most important influence on downsizing among owner-occupiers was the end of a marital union/partnership during the decade. In both decades, those who were widowed or divorced were more than twice as likely to move to a smaller house compared to those who remained with the same partner. Indeed, the absence of a spouse/partner, either from the start of the period or following the dissolution of the union during the decade, was associated with a higher likelihood of downsizing and

a lower likelihood of upsizing. In contrast, those who (re-)partnered during the decade were more likely to move to a larger house.

The presence of children in the household, on the other hand, was an important impediment to downsizing among older owner-occupiers. Compared to those who already had no co-residing children at the start of the period, those whose adult children were (still) living with them at the end of the decade were less likely to downsize and more likely to upsize. Notably, those whose children left the household during the 1990s were less likely to upsize their housing, although they were not more likely to downsize. However, between 2001 and 2011, there is no evidence that older movers adjusted their dwelling size in response to the reduction in household size when their children left home. The increasing precariousness of young adults' housing trajectories may have played a role here, discouraging older adults from moving to smaller dwellings in case their children returned to the parental home.

The results for social renters differ from those for owner-occupiers and reflect the more constrained options for older tenants. With one exception, the household changes listed in Figure 10.8 were not associated with a higher likelihood of upsizing, although there is some evidence that those who formed a new partnership were more likely to upsize with a move to owner-occupation. Nor did deteriorating health prompt house size adjustments among older movers from the social renting sector in the 1990s. However, households in which an older adult developed a limiting long-term illness during the 2000s were more likely to downsize, possibly due to financial pressures or the need for supported accommodation. As might be expected given secure tenancies and controlled rents, retirement from the labour market had no impact on housing adjustments among older social tenants in either decade.

A more important determinant of downsizing among social renters in both decades was the loss of a partner. In common with owner-occupiers, those who were widowed or divorced during the decade were twice as likely to move to a smaller dwelling, compared to those who moved house but continued to live with the same partner. This may be a response to reduced financial circumstances after widowhood or divorce among less well-off older adults. More difficult to explain are the findings that social renters whose children left home during the decade were more likely to upsize in the 1990s, and less likely to downsize in the 2000s. One possible explanation is that the move predates the 'empty nest', but this cannot be confirmed as we have no information on the relative timing of these events. It may also be that older tenants, as well as homeowners, were responding to the possibility that their adult children might return to the parental home.

These findings illustrate the diversity of life course experiences among older adults in Scotland. Both residential moves and adjustments in housing size are influenced by changes in personal and household circumstances that sometimes limit the options for older households. In the owner-occupied and the social renting sectors, the immobility of older parents with co-resident adult children is especially notable, as is their greater tendency to upsize rather than downsize their housing if they do move. Changes in the housing patterns of older individuals between the 1990s and 2000s must be seen in the context of dramatic increases in house prices, a general shortage of affordable housing and critical changes in the tenure composition of the housing stock in Scotland that affect all age groups. At a time when adult children are staying longer in their parental home, or returning to it after a spell away, the

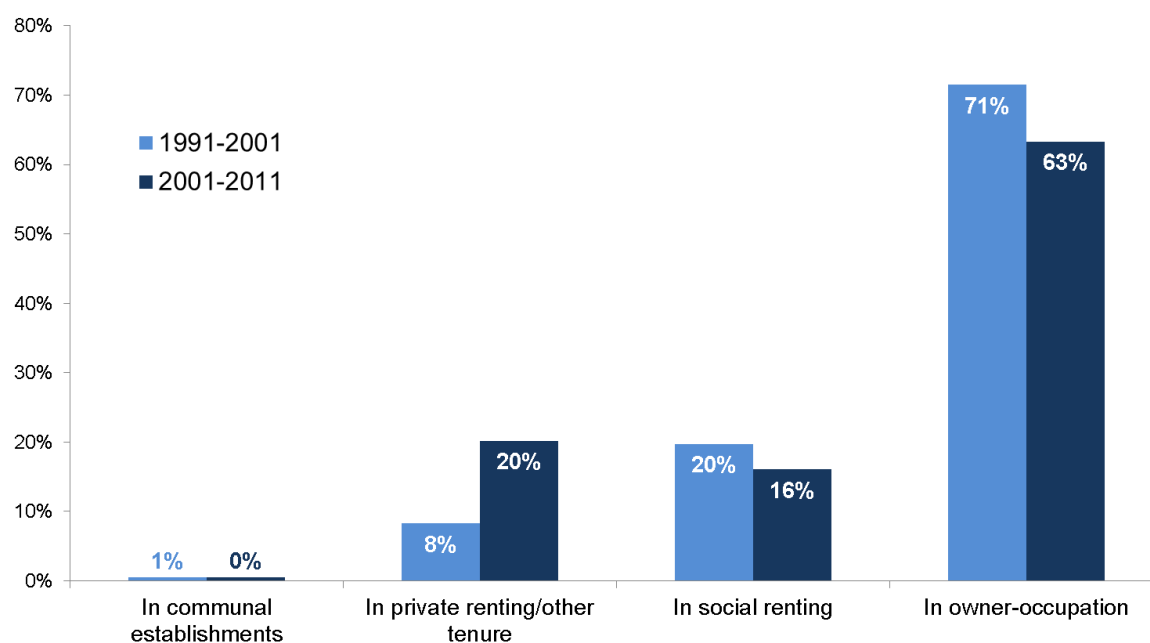
interdependencies between older and younger generations should not be ignored. The greater the uncertainties faced by young adults in the housing market, the more likely they are to rely on their parents for somewhere to live and the less likely their parents are to move to a smaller house.

Are all young adults now disadvantaged in the property market?

Young adults are not a homogenous group and they too have diverse experiences in relation to where they live. Figure 10.9 compares housing patterns of young adults who moved out of their parental home during the decades 1991-2001 and 2001-2011. The majority in both decades became homeowners but the proportion dropped significantly, from nearly 72% in the 1990s to 63% in the 2000s. The proportion in social renting declined less dramatically between the two decades – from around 20% to 16% - but the proportion renting in the private sector increased markedly – from 8% in the 1990s to 20% in the 2000s.

Figure 10.9: Housing tenure among young adults who moved out of their parental home, 1991-2001 and 2001-2011

[Young adults aged 16-24 and living in their parental home at the start of each decade]



Source: Authors' analysis of data from the Scottish Longitudinal Study

The decline in owner-occupation is of particular interest. Young adults have faced new challenges getting onto the property ladder since the economic downturn, but not all young adults may be equally affected. To investigate this, we examined which characteristics of young adults, their parents and the housing market context were predictive of a move to homeownership. Figure 10.10 summarises selected results for two groups of young men and women – those who were single and those who were partnered at the end of the decade.

The top panel summarises the results for those who were single. It shows that single men and women who were employed in occupations classified as high social status were consistently more likely to become homeowners across the two decades than those who were employed in lower status occupations. In addition, single young

adults whose parents were homeowners were more likely to become homeowners themselves. What changed over time were the roles of educational attainment and local house prices. In the 1990s, those with low education¹² were equally likely to become homeowners when they left the parental home, whereas in the 2000s, they became significantly disadvantaged in the property market relative to better-educated young singles. Nevertheless, while high average house prices were associated with lower levels of homeownership among young singles in the 1990s, by the 2000s this effect had disappeared, suggesting that the general rise in house prices across Scotland had reduced the likelihood of single young adults becoming homeowners in all areas.

The bottom panel of [Figure 10.10](#) summarises the results for young men and women living with a partner, who were on average more likely than single young adults to make the transition out of the parental home and into homeownership. Most results are consistent over time. Having low education, even if living in a couple where housing costs can be shared, remained a disadvantage over the two decades. In contrast, those employed in high status occupations where both partners were earning, as well as those with parents who were homeowners, continued to be more likely to become homeowners themselves. For those living with a partner, the effect of having parents who were homeowners strengthened over time, suggesting that young couples are now turning to the 'Bank of Mum and Dad' to help them to buy a home. The main change between the two decades has been in the role of local housing markets. Whereas high local house prices (local authorities in the top 20% for average house prices) had no significant effect in the 1990s, in the 2000s homeownership became less likely among young partnered adults living in the most expensive housing markets. The house price boom has made it more difficult for young couples to become homeowners in particular areas of Scotland, such as Edinburgh and East Dunbartonshire, where housing costs are well above the national average.

Footnote

- 12) Low education refers to a highest educational attainment of O Grades/Standard Grades, or less (equivalent to current National 5 or less).

Figure 10.10: The likelihood of becoming a homeowner among young men and women who moved out of their parental home, by partnership status, 1991-2001 and 2001-2011

[Young adults aged 16-24 and living in their parental home at the start of each decade]

Partnership status	Homeownership 1991-2001		Homeownership 2001-2011	
	Men	Women	Men	Women
<i>Single at end of decade</i>				
Low education*	-	-	less likely	less likely
Employed/high social status	more likely	more likely	more likely	more likely
Parent is a homeowner	more likely	more likely	more likely	more likely
High average house prices in Local Authority of residence	less likely	less likely	-	-
<i>Partnered at end of decade</i>				
Low education*	less likely	less likely	less likely	less likely
Employed/high social status + dual earner couple	more likely	more likely	more likely	more likely
Parent is a homeowner	more likely	more likely	more likely	more likely
High average house prices in Local Authority of residence	-	-	less likely	less likely

Source: Authors' analysis of data from the Scottish Longitudinal Study

*Note: highest educational attainment of O Grades/Standard Grades, or less.

These changes in the housing patterns of young adults in Scotland mirror those in the other parts of the UK where young people from disadvantaged backgrounds are also less likely to become homeowners. Not all young people are equally disadvantaged in the housing market (Coulter, 2016a). Our findings for Scotland indicate that some inequalities – such as those related to employment - have persisted over time but, following a decade of rising house prices and increasing economic insecurity, access to homeownership has become more socially uneven. In particular, the disadvantage of not completing secondary education has emerged as a significant impediment since 2001. The advantage of having parents who are themselves homeowners has strengthened and the intergenerational transmission of disadvantage from the smaller number of social tenants to their adult children has become more evident. Moreover, widening differences between the least and most expensive housing markets, in Scotland and elsewhere in the UK, are resulting in greater geographical variation in young people's access to homeownership (Coulter, 2016b).

How do young adults navigate the housing market?

Among young adults who leave the parental home but do not become homeowners, more now move to the private rented sector than to social housing. The label 'Generation Rent'¹³ has gained popular currency with politicians and the media. Whilst it describes only a minority of young adults in our SLS samples, it is valuable for drawing attention to shifts in housing inequalities over time. There is nonetheless a danger that it may mask important differences in young adults' experiences of navigating the housing market. This is because 'Generation Rent' is not a homogenous group. The ability of young adults to realise their housing aspirations varies significantly by social location, with young people's employment status and the availability of family support being critical factors. It is vital that housing policy recognises this heterogeneity if young adults are to be provided with housing options that meet their needs.

From our interviews and discussions with a diverse sample of young adults from different areas across the UK, common themes emerged across the four nations, and three main themes were identified.

First, and in line with previous research in Britain (for example, Gurney, 1999), there was a strong desire to own one's own home, which young people associated with having a family, security, and social 'success'. Consequently, many felt frustrated and angry that they could not realise this goal, instead finding themselves 'trapped' in the private rental sector, or having to remain in the parental home for an extended period.

A young student in her late teens, who was renting from a private landlord in a large city, reflected on her frustration:

"I just think renting is just a waste of money. And it would obviously be ideal to get your own house and pay off your own mortgage; but I could never do something like that because of my situation. I feel I'm never going to get out of that and I'll constantly be renting"

Those with direct experience of renting privately were united in their emphasis on the need for more tenants' rights¹⁴, painting a bleak picture of high rents, poor conditions and difficult landlords. Some young people further lamented the judgements being made of them by others, and how they were made to feel like social 'failures'. This underlines the way in which housing plays a key role in youth transitions to adulthood and independent living.

Footnotes

13) Generation Rent are loosely characterised as 'millennials': young people born between 1982 and 2000.

14) The Private Housing (Tenancies) (Scotland) Act 2016 aimed to modernise the private rented sector and afford tenants greater security of tenure. The legislation introduced streamlined, model tenancy agreements; brought to an end the 'no fault' grounds for possession; introduced some scope to implement rent controls in areas of concern; and introduced more progressive repossession grounds for rent arrears.

Another young private renter in the same city articulated concerns about other people's expectations:

"I also get quite frustrated that the expectation is to own a home, and people that rent are somehow seen as lower-class citizens"

The second key theme to emerge from our interviews was the interconnection between labour and housing markets. Crucially, young people's ability to realise their housing aspirations was seen as strongly related to their labour market situation. Many shared their experiences of student debt, insecure work and low wages, and easy credit such as payday loans – all of which undermined their ability to save for a deposit and service a mortgage. There were particular challenges for those living in rural areas where employment prospects are more limited, wages lower and affordable housing more scarce (McKee et al., 2017b; Hoolachan et al., 2017). Recent reforms by the UK Government to the social security system have further exacerbated the precarious nature of youth housing, as eligibility for state support has been further tightened.

A young female, living in a shared ownership property, echoed the views of many of our participants by drawing attention to the challenges facing today's youth:

"[I]n the past, university meant getting a good job and good career and good wage and an opportunity to move out and buy a nice house. It doesn't mean that anymore. It just means we are left with all this debt and we've got nowhere to live".

The third theme that the young adults in our study emphasised was the importance of family support in helping them get on, and stay on, the housing ladder. Yet this familial safety net was highly unequal, and the forms of support offered were variable. These included small and large financial gifts and loans; space in the parental home at little or no cost; and additional services such as childcare, transport or help with home improvements or purchasing household items. Despite the pivotal role of these different forms of inter-generational family support, young people did not express any sense of 'entitlement'.

Most importantly, not all young adults had such family support to draw on. Some were estranged from their family, while for others their parents' own situation (such as divorce or unemployment) meant they were unable to provide financial help. Those unable to rely on what has been popularly characterised as the 'Bank of Mum and Dad' were more vulnerable to the challenges of the housing market, leaving them at greater risk of precarious living arrangements and homelessness.

Reflecting on her own experience, a female in her 20s from a rural area talked about the impact of uneven access to family support:

"I think there will be lots of families who won't be able to help and that is just unfortunate, because like I said, without my partner's parents helping us I would be in that position. With no support, other than living with my family. So, I suppose it is difficult".

Young people tended to portray differential family help as 'lucky' or 'unlucky' family circumstances, as opposed to a mechanism that created and reinforced existing inequalities. Despite the rhetoric of inter-generational conflict that has been

popularised in the press, with the 'greedy Baby-Boomers' pitted against unfortunate 'Generation Rent', we found little evidence of any antagonism. Not only did the young adults feel gratitude towards their parents, but some also commented that it was unfair of them to rely upon their parents' wealth because doing so may undermine their parents' own welfare either now or in the future.

A young woman in her mid-20s, renting privately in a rural area, was amongst several interviewees to express concern for their parents:

"It's like I said, my family members have offered to lend us money and things like that but I'd want them to enjoy their money that they've worked hard for in their life, that's their money for their security".

Nonetheless, there remained a sense that young people were facing unprecedented challenges in navigating the transition to adulthood and independent living. Another young adult in their mid-20s, who was living in their parental home in a rural area, captured this sense of generational difference very well:

"All the people that are 35+, 40+, 50+ are really affluent because of the choices they made as a young person ... when things were so much easier. Things were cheaper, living was cheaper, you could buy a house for couple of grand, you could [get a] 110% mortgage and go on holiday and do your house up at the same time. [It's] so much more difficult [now] and I don't know that people in older generations understand that".

For 'Generation Rent' reaching the adult-milestones of leaving the parental home, establishing a career and starting a family of their own is a much more protracted and difficult process. Yet young people did not 'blame' the older generation for this situation, despite some feeling that there was a lack of understanding. Rather they drew attention to structural inequalities such as changes in housing and labour markets, and a withdrawal of the state-provided welfare safety net. In this respect, the concept of 'Generation Rent' is useful in highlighting the differences between the housing experiences of today's youth as compared to their parents' generation. Nonetheless, our interviews also show that young people's experiences of navigating the housing market clearly vary, with their labour market situation and ability to draw on familial support being critical factors.

Conclusion: challenges ahead

The new evidence reviewed in this chapter reveals the diversity in housing patterns within age groups and the ways in which the individual and family circumstances of young and older adults in Scotland influence their housing options. Most older adults did not move house during the study period and, as average house prices more than doubled, the proportion of non-movers increased. Among those who did move, most downsized and this proportion also increased in the 2000s. Both residential immobility and a reduced likelihood of downsizing were associated with having co-resident adult children. Further, some of those who did downsize will have done so to release housing equity in order to help their children get onto the property ladder. At the same time, the majority of young adults did make the transition out of the parental home and into homeownership during the study period, although the proportion declined. Importantly, the proportion of those moving to social renting also declined, reflecting reductions in the stock of social housing and greater limitations on access for young people. For an increasing proportion of young adults, moving to private rented accommodation became the only alternative to living in their parental home. Young people who were interviewed or took part in focus group discussions saw private renting as unsatisfactory because it did not provide the security needed to start a family, made it more difficult to save for a deposit to purchase a home, and was seen by others as a failure. Even some whose parents were in a position to provide financial help were not entirely happy about accepting it as they wanted their parents to enjoy the money they had worked hard for.

What is most striking about both of the studies we conducted is the consistent theme of inter-generational relationships, or linked lives, that challenges attempts to blame one generation for the problems of the next. Suggesting that the selfish behaviour of older adults is responsible for housing problems facing young people is too simplistic precisely because it overlooks diversity within these inter-related groups and diverts attention from important structural dimensions of the housing crisis. The shortfall in housing supply and the inflation in house prices far beyond any increase in wages is pricing many potential first time buyers out of the ownership market, while changes in the tenure structure of housing provision in Scotland have resulted in fewer secure alternatives. Further, the economic downturn has meant that reduced affordability is affecting not only young adults on low incomes but also those with above average earnings. No serious analysis of the current housing system can ignore these structural changes.

The recent rise in new affordable housing approvals and new legislation to address insecurity in the Scottish private rented sector indicate some modest progress towards tackling the housing problems in Scotland. Nevertheless, solving the current housing crisis remains an urgent challenge because the ageing population is facing a demographic deficit whereby young people entering the workforce are outnumbered by older workers retiring. Already the evidence points to the postponement of partnering and parenting among the younger generation, with the lack of affordable housing being one among several causes. Any further falls in fertility will only worsen the demographic deficit and may have negative consequences for the economy. However, perhaps the main reason for addressing the problem now is that failing to provide for the housing aspirations of young adults is likely to encourage out-migration. Locally this would threaten the sustainability of

more communities, especially in rural areas. Nationally, it could lead to a loss of young talent and threaten future economic prosperity.

What is needed is a policy response that goes beyond populist preoccupations with inter-generational inequalities (as captured by the idea of the 'greedy Baby-Boomer') to address inequalities, both persistent and emerging, within generations, and help young adults realise their housing aspirations. Otherwise, there is a real danger that homeownership may increasingly become the preserve of the children of homeowners with enough housing equity to help them onto the housing ladder. Fully understanding the diversity of young people's experiences also requires greater attention to the role of geography. Housing and labour markets are intertwined and spatially driven, with young people's experiences of navigating the housing market - and the policy measures necessary to support them - varying between rural and urban areas, and between areas of acute housing pressure and other locations where affordable housing is more readily accessible. Any policy solution that fails to recognise the diversity of young (and older) people's housing situations is unlikely to be successful.

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