

Housing Aspirations of People in Scotland

Housing Aspirations in Hard Times

The housing aspirations of people in Scotland are complex and multi-faceted, formed through the dynamic relationship between subjective desires (their personal preferences) and objective reality (what their economic resources and available housing opportunities allow). Policy decisions that take into account people's expectations therefore need to consider how people's aspirations come to be. This is vital, for aspirations do not exist in a vacuum. They are shaped by perceptions of opportunity and constraint, and so are liable to shift and change in response to external social, economic, political and cultural factors. This broader context is however often neglected in housing policy debates, with housing aspirations discussed only in terms of 'preferences' without any discussion of how these are shaped and formed.

Past research has tended to equate housing aspirations with homeownership. Yet, while this remains a strong future goal for people and the study highlighted the existence of 'frustrated renters', it also drew attention to people with aspirations to rent, and the positive value attached to social housing in particular. Here, participants emphasised security of tenure, affordable rents and not have responsibility for repairs and maintenance as being key positive dimensions.

Whilst housing supply debates have tended to focus on national affordable housing supply targets and initiatives to support building in different tenures, it was evident that tenure and house-type were not the main priority for people. The overwhelming majority of participants stressed that location was the most critical dimension in realising their long-term housing goals. People's locational preferences were complex and multi-faceted. However, a number of key factors emerged as significant, with variances between different socio-demographic groups. These related not just to the aesthetic and infrastructure dimensions of where people lived, but crucially were also bound up with social attachment to place, and familial and community bonds. This underlines that people buy into a neighbourhood as much as a particular property or tenure type.

Drivers of Housing Aspirations

Aspirations are shaped by the dynamic relationship between subjective preferences and the objective reality of economic constraint and available housing opportunities. It is vital to consider these two dimensions in tandem.

With regards to people's personal preferences (the subjective), these were shaped by stage in the life-cycle and lifestyle choice. Needs varied by household size and age composition. In terms of lifestyle, some individuals preferred to rent as it enabled them to live in a 'better area' than they

could afford to buy, with others reluctant to live in social housing because of a perceived lack of control over where they may be allocated a property. Tensions were therefore evident between tenure, type and location.

Turning to objective reality, two factors were critical: economic resources and available opportunities in the local housing market. Perceptions of opportunity and constraint were strongly influenced by state intervention in housing and social policy (e.g. Right to Buy, Mortgage Interest Tax Relief at Source, welfare reform), and links between housing and the wider economy. Frustrated aspirations to own were most evident amongst 'the squeezed middle' (economically active households on low to moderate incomes). Here the link between housing opportunities and the wider economy was strongly evident, with young people in particular despondent that they could not save enough for a mortgage deposit, or indeed, lacked the income to sustain mortgage payments. Economic precariousness was a key driver shaping aspirations, and contributed to the perception amongst the under 35s that renting was increasingly 'the new normal'.

Perceptions of the private rented sector (PRS) proved to be a pivotal driver for aspirations to live in other tenures. Whilst those with the economic resources to successfully navigate the market had positive experiences of the sector and enjoyed its flexibility, those on low and/or insecure incomes were in a more vulnerable position. The research found evidence of both poor and illegal practices with regards to repairs, retention of deposits and landlord inspections. A further recurring theme was the lack of security of tenure. This was a source of anxiety, especially for those with young children. Linked to this, tenants were reluctant to enforce their rights because of fear of a summary eviction or the withholding of an all important landlord reference. This highlights how aspirations cannot be considered out of context, for they are shaped and moulded by the wider system of opportunity and constraint. New legislation on the PRS seeks to address some of these concerns expressed by 'frustrated renters', and is to be welcomed.

Across the sample, the need for more 'affordable housing' (both private and social) was a common theme. Whilst some reflected on the challenges this caused for their own housing situation, others made reference to the negative impact on their children and grandchildren whom they regarded as being disadvantaged. This was framed in terms of inter-generational differences and inequalities.

Diversity between People and Places

Significant differences in housing aspirations between older and young people were evident. This levelling down of expectations to own amongst the under 35s was driven primarily by challenges in securing mortgage finance. By contrast, past policies such as the Right to Buy were central in enabling older households to access homeownership and accrue considerable housing wealth. In turn this wealth was passed down the generations, with family support playing a key role in helping young people get on the housing ladder. Despite this there was no evidence of inter-generational conflict. The under 35s in our sample tended to blame their situation on the broader economic context (e.g. austerity, financial crisis). By contrast older members of the sample (65+) tended to be generally satisfied with their housing situation.

Yet intra-generational inequalities were also apparent within cohorts. This was particularly evident amongst the under 35s, for example between those who could access family support and those who could not, and those who were in stable, well paid jobs and those in more economically precarious positions. In terms of disability, a lack of adapted accommodation was highlighted which led to some people feeling they were 'forced' to leave their local area to access suitable accommodation, and once there 'trapped' in their property due to limited options to move.

The role of geography in creating opportunity and constraint is critical. Housing markets were more competitive and expensive in locations where labour markets were buoyant (such as Aberdeen). By contrast where housing costs were lower (such as Renfrewshire), affordability pressures work in different ways due to unemployment and low income. Distinct pressures were further evident in rural areas such as: more limited housing opportunities; difficulties accessing services; lack of accessible transport; and more challenging labour markets. These factors not only posed barriers for people wishing to remain in the area where they grew up, but increased the financial pressure on household budgets.

Knowledge about Housing Policy Options

There was scant knowledge of housing options beyond the three main tenures, with ignorance and misunderstanding about low-cost homeownership schemes, and little or no awareness of other options such as self-build and mid-market rent. This may reflect that people were often relying on the advice of family and friends, or going online for their information, and so may not necessarily be getting a full or accurate picture of their available options.

There was little evidence of people seeking support from specific advice agencies (e.g. Shelter, CAB, Money Advice) except in time of crisis. Although when a problem arose this support was highly valued.

A small number mentioned seeking advice from their local authority, for some this was because they were local authority tenants, for others it was because they saw the council as an important gatekeeper of services. Those with a mortgage also made reference to advice from mortgage brokers and financial advisors. This underlines the importance of independent housing advice to minimise financial risk.

Key messages for public policy

Six key policy recommendations flow from these empirical findings:

- Aspirations **cannot be fully understood without situating personal goals within the wider social, economic, political and cultural context**. They do not exist in a vacuum; but are shaped by perceptions of opportunity and constraint, and therefore liable to shift and change in response to external as well as personal factors. This more nuanced understanding is something that needs to be considered in the development and implementation of future national housing policy agendas. How policy thinks about aspirations **creates a framework** within which policy agendas are delivered in practice at a variety of scales.
- A need for **tenure neutral policies that maximise affordable housing opportunities for both owner-occupiers and renters**. This includes traditional social rented housing as well as intermediate tenure options. Given the increasing role of the PRS in housing the nation's population, **resources to enforce existing legislation around standards** are also required to improve tenant satisfaction. The new legislation on the PRS is therefore to be welcomed, but its effectiveness will need monitoring. Helping households to achieve their goal of homeownership is also important and demands further supply within the private homeownership sector.

- People **buy into a neighbourhood as much as a property**. Housing policy at the national level therefore needs to acknowledge more overtly the **importance of this spatial dimension**; although this is apparent in current processes for allocating affordable rented housing resources. A focus on national levels of housing supply targets solely in terms of numbers runs the risk of ignoring these **vital locational dimensions**. This not only includes aesthetic and infrastructure aspects, but also attachment to place, and links between housing and labour markets. This spatial dimension not only requires land being made available where people want to live, but a more nuanced understanding of housing as being a ‘home’ nestled within place-based communities and regional economies. Where housing is built is just as important as how many houses, for housing aspirations are inherently geographical.
- Need for a more **in-depth understanding of the subjective dimensions of housing affordability**, and the trade-offs people make in relation to housing costs and other demands on their household budgets. This is critically important in a context where wages are stagnant and the cost of living is rising. The full impact of UK government welfare reforms are yet to be felt, whilst predicted interest rate rises may create further financial pressure for marginal homeowners. **Further research could inform** future affordability policies across all tenures, and help develop targeted support measures.
- Entrenched inter-generational inequalities cannot be tackled unless **bold action is taken around inherited wealth** and the often ‘lucky’ gains made through house price inflation. Those **unable to access familial financial support are significantly disadvantaged** in realising their housing aspirations.
- Better **information and advice about the breadth of housing options available**. There is little knowledge of opportunities beyond the main three tenures. This could be addressed through **citizenship education** with young people, or by resourcing local authorities to deliver ‘**housing options**’ style advice to all citizens regarding the opportunities open to them. Funding for **advocacy organisations** to provide independent help and advice is also key.

Further information

The full report, *Understanding the Housing Aspirations of People in Scotland* by Drs Kim McKee, Tom Moore and Joe Crawford*, will soon be published by the Scottish Government. It will be available as a free download from their website. The research was commissioned by the Scottish Government to provide housing policy makers and practitioners with a more nuanced, qualitative understanding of aspirations to complement existing survey data. The study is based on interview and focus group research with 80 participants across Scotland.

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