

BRIEFING



Household Projections (England)

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HBF member briefing: Household Projections (England)

Today DCLG published new, 2008-based household projections for England for the period 2008-2033. They are available for England, the English regions and local authorities.

They are demographic-based projections of past trends¹, not forecasts. In other words, influences such as the economy, or the size of the dwelling stock, on past population and household growth are implicitly reflected in the projections for the future. DCLG has published more detailed statistics by household types this time.

The official household projections are extremely important for housing provision, especially now that national and regional housing targets have been abandoned. Local authorities are required by PPS3 (paragraph 33) to take account of the projections. PPS3 is still in force.

Data Sources

The main Statistical Release

<http://www.communities.gov.uk/documents/statistics/pdf/1780763.pdf>

A methodology paper is available at:

<http://www.communities.gov.uk/documents/statistics/pdf/1780350>

Full sets of tables are available at:

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/householdestimates/livetables-households/>

Headline Results

- The number of households is projected to grow from 21.7m in 2008 to 27.5m in 2033, a rise of 5.8m (27%), or 232,000 per year. The latest projections have reduced household growth by approximately 20,000 per year² compared with the previous, 2006-based projections.

¹ The "household representation rates" applied to the official population projections, in order to derive the household projections, are based on time trends derived from the 1971, 1981, 1991 and 2001 censuses and the Labour Force Survey since 2001.

² The 2006-based projections showed growth of 252,000 households per year from 2006-2031. Putting the two sets to a common time period, the 2006-based projections were for growth of 255,000 household per year from 2008-31, whereas the new 2008-based projections are for growth of 234,000 households per year from 2008-31, a drop of 20,500 per year.

- Population growth is the main driver of household growth, accounting for nearly three quarters (72%) of the total increase in households.
- The impact of the ageing population is vividly demonstrated by the projections:

More than two thirds (68%) of the increase in total households is accounted for by growth of one-person households: 159,000 per year, or 54% from 2008-33. Of the increase in one-person households, just under half (46%) comes from those aged 65+.

60% of the increase in households comes from those headed by someone aged 65+.

- The biggest regional increase in numerical terms is in the South East (39,000 per year), followed closely by London (36,000 per year). The biggest percentage increase, however, is for the relatively small East region (34%), followed by Yorkshire and the Humber (31%) and South West (30%).
- As well as the “principal” projection, DCLG also runs variant projections, using alternative assumptions about fertility, life expectancy and net international migration. By far the most important is migration. Against the principal projection of 232,000 households per year, the low migration variant gives 201,000 per year, the high variant 264,000 per year. The zero migration assumption – i.e. assuming population inflows exactly match population outflows from 2008-33 – yields 149,000 households per year. This implies net international migration into England accounts for just over one third (36%) of total projected household growth.
- The average household size, which is simply an arithmetic result of the population and household projections, falls from 2.33 in 2008 to 2.16 in 2033.

HBF Comments

The link between household growth and growth of the housing stock (and therefore home building) is not fully understood. However it is obvious that persistent housing under-supply will tend to suppress household formation (e.g. young people will be unable to leave home). People do not simply go away because there are not enough homes.

Therefore to the extent that housing undersupply over the last 20+ years has suppressed household growth, so this will be reflected in the projections. However persistent housing undersupply will also have an impact on other factors, such as the demolition, conversion and vacancy rates, as well as numbers of concealed, hidden and overcrowded households.

A common claim by local authorities at present is that because of the mortgage famine, people cannot buy new homes, house building levels are very low, and therefore there is no need to provide for high levels of house building in the future. This assertion is false on several counts:

- Planning should be about the long term – 15 to 20 years – so that long-term plans for housing should not be tossed about by short-term economic changes.
- To take today's historically low levels of house building as an indicator for future housing and land provision would effectively build recession and acute housing shortages into the future.
- As already noted, people do not go away simply because there is not enough housing. Instead there is a raft of adverse social and economic consequences caused by housing shortages, consequences which local authorities are building into the future of their communities if they assume a continuation of today's historically low levels of home building.

Footnote

The next set of household projections, the 2010-based, should follow publication of the next set of sub-national population projections in 2012.

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