

Attitudes to housing affordability

Summary of findings

Shelter has commissioned YouGov to explore how people are coping with their housing costs in the current economic climate. Most statistics in the briefing are from a survey conducted in August 2010, however, where available, the findings have been compared with results from earlier surveys highlighting trends over time.

Rising numbers are struggling to keep up with their mortgage and rent payments

The survey conducted in August 2010 found that:

- A quarter (25 per cent) of people in Great Britain struggle from time to time but are keeping up with their mortgage or rent payments (equivalent to 12 million people), up from 19 per cent in October 2009
- One in seven (15 per cent) people are constantly struggling to keep up with their mortgage or rent (equivalent to 7 million people), up from 8 per cent in October 2009
- 3 per cent are falling behind with these payments (equivalent to more than 1.6 million people)

Some people can easily afford to pay their main outgoings, others find it more difficult to pay. Thinking about your situation, how easy or difficult is it for you to pay for your <u>rent/mortgage</u> ?	Survey conducted in		
	Mar-08*	Oct-09**	Aug-10
I/we are keeping up without any difficulty	37%	41%	29%
I/we are keeping up, but struggle from time to time	19%	19%	25%
I/we are keeping up, but it is a constant struggle	8%	8%	15%
I/we are falling behind with payments	2%	2%	3%
Don't know	1%	2%	1%
I don't have this/ Not applicable - I don't pay mortgage or rent	33%	30%	26%
base	6,799	5,438	2,234

Renters are more likely to be struggling than homeowners

Social renters

The number of social renters constantly struggling to keep up with their rent payments has increased by 150 per cent since last year. A quarter (25 per cent) of social renters are constantly struggling to keep up with their rent payments (equivalent to 1.3 million people) compared with ten per cent ten months previously.

There has been a bigger rise concerning social renters who are falling behind with their rent, a 175 per cent increase in the same time period (rise from 4 to 11 per cent; equivalent to a rise from 230,000 to 560,000 people).

Private renters

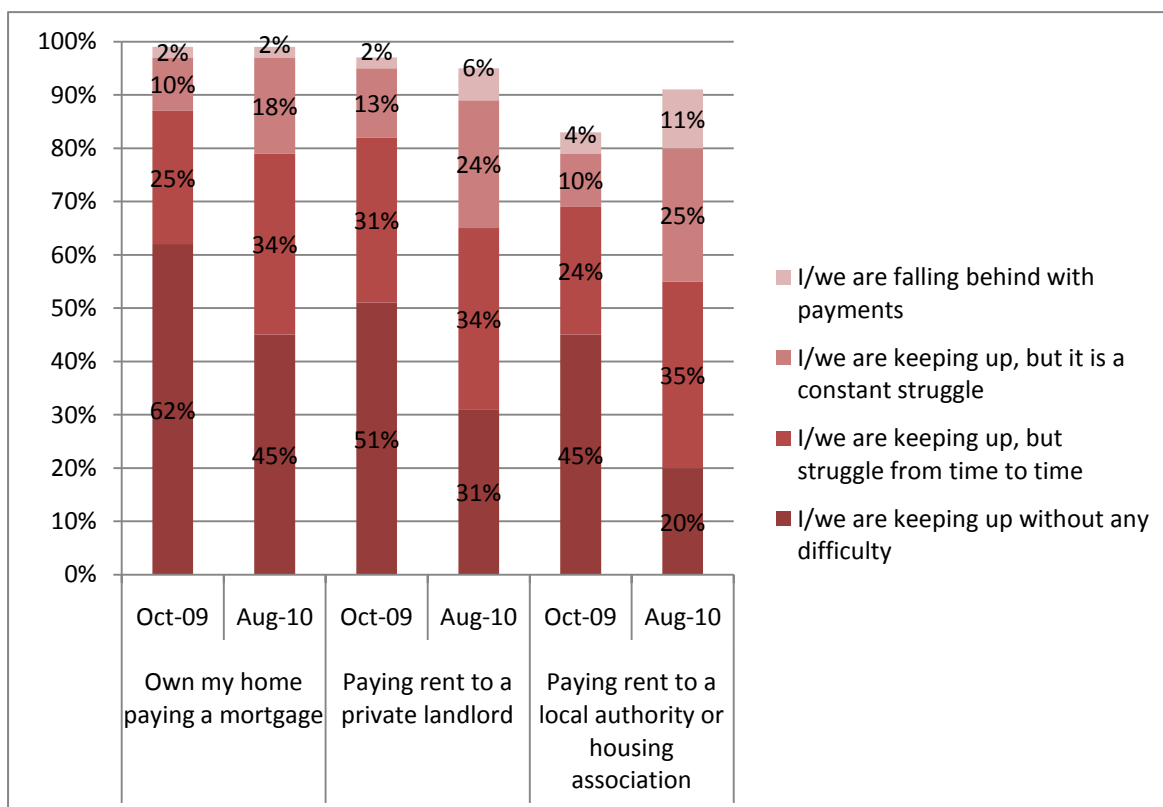
The number of private renters constantly struggling to keep up with their rent payments has increased by 85 per cent since last year. Nearly a quarter (24 per cent) of private renters are constantly struggling to keep up with their rent payments (equivalent to 1.6 million people) compared with 13 per cent from the previous year.

The proportion of private renters who are falling behind with their rent has increased from 2 per cent to 6 per cent in between October 2009 and August 2010 (equivalent to a rise from 123,000 to 374,000 people)

Mortgagors

The number of mortgagors constantly struggling to keep up with their rent payments has increased by 80 per cent since last year. 18 per cent of mortgagors are constantly struggling to keep up with their mortgage payments (equivalent to 3.1 million people) compared with one in ten (10 per cent) last year (equivalent to 1.7 million people). The proportion of mortgagors who are falling behind with their rent has remained at similar levels.

Figure 1: Breakdown of how easily people are coping with their mortgage or rent payments by tenure¹



People have used savings, borrowed money and got second jobs to meet their housing costs

The August 2010 survey showed:

- 16 per cent of people have used their savings to meet their housing costs (equivalent to 7.6 million people)
- 8 per cent of people have borrowed from friends and family to meet their housing costs (equivalent to 3.8 million people)
- 7 per cent have got a second job or increased their working hours to meet their housing costs (equivalent to 3.4 million people)

¹ Don't know responses have not been included

Thinking about the last 12 months (i.e since August 2009)... Which, if any, of the following have you or your partner done to help meet your mortgage or rent payments? (Please tick all that apply)	
	% of survey respondents (weighted)
Used savings	16.0%
Borrowed money from friends/ family	8.1%
Got a second job/ increased working hours	7.1%
Borrowed money on a credit card	5.6%
Relied on earnings from partner	5.5%
Claimed State benefits (e.g. Housing benefit, Support for Mortgage Interest)	5.2%
Borrowed money in another way	2.9%
Taken out a loan	2.6%
Moved in with family or friends	1.6%
Taken in a lodger/let out a room in my/our home	1.6%
Moved to a cheaper place	1.2%
Don't know	1.2%
Claimed on my mortgage/income payment protection insurance policy	0.7%
Don't know	1.0%
Claimed on my mortgage/income payment protection insurance policy	1.0%
None of these	40.0%
Combine : {Not applicable - I don't pay mortgage or rent, User defined}	26.0%
Base	2234

The use of credit cards to help meet housing costs is rising

In the 12 months prior to August 2010, 6 per cent have borrowed money on a credit card to meet their housing costs (equivalent to 2.6 million people).² This compares to four per cent since November 2008 (equivalent to 1.8 million people). This is an increase of 46 per cent from 2009.³

² In August 2010 respondents were asked: Thinking about the last 12 months (i.e since August 2009)... Which, if any, of the following have you or your partner done to help meet your mortgage or rent payments? Respondent option, 'borrowed money on a credit card'.

³ In November 2009 respondents were asked: Have you paid, whether in part or in full, any of your mortgage or rent by credit card in the last 12 months?

Jobs and income are under threat

The survey conducted in August 2010 found that in the last 12 months:

- 6 per cent of people/and or their partners in Great Britain have taken a pay cut (equivalent to 1.6 million households)
- 6 percent of people/and or their partners in Great Britain have reduced their working hours (equivalent to 1.6 million households)
- 6 per cent of people have lost their job (equivalent to 2.8 million people)
- Just over one in five (23 per cent) report other reductions in household income (equivalent to 11.1 million people)

Turning to employment and thinking about the last 12 months... Have you (or your partner) experienced any drop in household income? (Please tick all that apply)	% of survey respondents (weighted)
Yes, I/we have taken a pay cut	6%
Yes, I/we have been working reduced hours	6%
Yes, I have lost my job	6%
Yes, my partner has lost their job	3%
Yes, my/our income has reduced in other ways	23%
No, I/we have not experienced any reduction in household income	59%
Base	2234

- More than a quarter of people were worried about reduced working hours or losing their job through redundancy (equivalent to approx 12.6 million people) in the next 12 months

Turning to employment prospects over the next 12 months... To what extent, if at all, are you worried about reduced working hours, or losing your job through redundancy?	% of survey respondents (weighted)
Very worried	8%
Fairly worried	19%
Not very worried	25%
Not at all worried	14%
Don't know	3%
Not applicable - I'm not working/ I'm unemployed/ I'm retired	30%
Base	2234

More than one in four are worried about meeting their mortgage or rent payments

- 39 per cent of renters were worried meeting their rent payments in the next 12 months
- 29 per cent of homeowners were worried about meeting their mortgage payments in the next 12 months

Thinking about the NEXT 12 MONTHS, your own financial situation and the current economic situation; to what extent if at all are you worried about being able to meet your mortgage/rent payments?	Mortgage payments	Rent payments
Very worried	7%	10%
Fairly worried	22%	29%
Not very worried	27%	32%
Not at all worried	40%	20%
Don't know	4%	9%
Combine : {Very worried, Fairly worried}	29%	39%
Base	1537	697

- 41 per cent of renters were worried about meeting their rent payments in the next 2 years
- 30 per cent of homeowners were worried about meeting their mortgage payments in the next 2 years

And now thinking about the next 2 YEARS, your own financial situation and the current economic situation; to what extent if at all are you worried about being able to meet your mortgage payments?	Mortgage payments	Rent payments
Very worried	8%	13%
Fairly worried	22%	28%
Not very worried	25%	31%
Not at all worried	40%	17%
Don't know	5%	11%
estimate of worried	30%	41%
Base	1537	697

Family as safety net

If unable to keep up with housing costs and lost their home:

- 37 per cent would move to a cheaper property (equivalent to 17.5 million people)
- A quarter (24 per cent) would move in with friends or family (equivalent to 11.4 million people)
- A fifth (20 per cent) would get independent advice (equivalent to 9.4 million people)
- A fifth (19 per cent) would apply to the council for homelessness assistance (equivalent to 9.1 million people)

Thinking about if you were unable to keep up with your housing costs and lost your home... Which, if any, of the following would you do? (Please tick all that apply)	% of survey respondents (weighted)
Move to a cheaper property	37%
Move in with family or friends	24%
Get independent advice (e.g. from Shelter or Citizen's advice)	20%
Apply to the council for homelessness assistance / housing advice	19%
Look for emergency accommodation (e.g. hostel, B&B)	4%
None of these	16%
Don't know	14%
Base	2234

Of those saying they would move in with family and friends:

- Around half (54%) would stay for up to three months (equivalent to around 6.1 million people)
- 21 per cent would stay 3 to 6 months (equivalent to 2.4 million people)

You said that if you lost your home you would move in with family or friends. Approximately how long do you think this could be for?	% of all GB adults that would stay with family and friends (weighted)
I couldn't stay long, up to a month	12%
Just until I could find somewhere cheaper, one to three months	41%
I would need some time to build up savings and decide what to do, three to six months	21%
I would have to stay a while and find housing help, six months to a year	8%
I would have to consider moving in long term to get the support, more than a year	12%
Other	5%
Base	496

Further information

In March 2008 Shelter commissioned YouGov to conduct a nationally representative survey of 6,799 adults. Fieldwork was undertaken between 14th and 18th March 2008. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

In 2009 Shelter commissioned two pieces of YouGov research. Both surveys were carried out online and the figures have been weighted and are representative of all GB adults (aged 18+):

- i) a large scale survey to find out how the high cost of housing was impacting people's lives. Fieldwork was undertaken between 23rd and 26th October 2009.
- ii) a survey which investigated how many people had borrowed on their credit card to help meet their mortgage or rent payments. Fieldwork was undertaken between 3rd and 5th November 2009.

In August 2010 Shelter commissioned YouGov to conduct a nationally representative survey of 2,234 adults in Great Britain. Fieldwork was undertaken between 10th and 12th August 2010. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

Unless otherwise stated, the figures quoted relate to estimated numbers of people affected. These estimates are based on latest data from the Office of National Statistics which indicate that there are 47.3 million adults in Great Britain (based on mid 2009 population estimates). <http://www.statistics.gov.uk/statbase/product.asp?vlnk=15106> Table 3: Mid-2009 Population Estimates: England and Wales; estimated resident population by single year of age and sex.

Contact

To request any additional details about the survey or any other aspect of Shelter's research, please contact Catherine Davie by phone on 0344 515 2202 or by email at Catherine_Davie@shelter.org.uk.