

Housing conditions in 2000

Although most people in the UK are well-housed, a significant minority live in houses more suited to the nineteenth than twenty-first century. A report by Kerry Revell and Professor Philip Leather of the University of Birmingham brings together national data on disrepair in UK housing. It updates an earlier analysis carried out in 1995.

- f** Across the UK, about 1.45 million occupied homes - one in sixteen - were classified in 1996 as unfit for human habitation (or below the equivalent 'tolerable standard' in Scotland). Wales had the highest level of unfitness (8.5% of homes).
- f** Overall, the worst housing conditions were found in areas north of a line from the Bristol Channel to the Wash, and in some London Boroughs. South Wales, rural Wales and Scotland, industrial districts in the North of England (especially the North West) and some cities in the Midlands stood out with high levels of poor housing.
- f** Disrepair was more widespread than unfitness. Almost a third of all English homes required £1,000 worth of urgent repairs. In Scotland 30% of dwellings needed repairs costing over £3,000. In Wales 23% of dwellings had repair costs over £1,000.
- f** The highest proportion of disrepair existed in the private rented sector: about one in five private rented dwellings was unfit.
- f** The poorest households suffer disproportionately from bad housing conditions. In England, over 10% of those on low incomes lived in unfit housing compared with 6% overall of those on the highest incomes. Older people and those establishing their first home are most likely to live in poor conditions.
- f** Slum clearance levels have dropped from 80,000 a year in the early 1970s to barely 1,000 in 1997, about one in every 23,000 dwellings.
- f** The number of grants for renovation has dropped to one-third of the level of the early 1980s and is likely to drop further because of pressure on local government finances.
- f** Spending on renovation in the social rented sector by local authorities and Registered Social Landlords continues to account for most public expenditure on renovation.

Unfit dwellings

In 1996, 1,455,000 occupied dwellings in the UK - about 6% or one in 16 dwellings - were either unfit for human habitation or below the Scottish tolerable standard (BTS). The level of unfitness was highest in Wales (8.5% of dwellings). Lack of facilities for food preparation was the main reason for unfitness in England, Wales and Northern Ireland; in Scotland the main reason for BTS was dampness.

Disrepair

Problems of disrepair are more widespread than unfitness, with almost one-third of all English dwellings requiring £1,000 worth of urgent repairs in 1996. In Scotland, nearly 30% of dwellings had repair costs over £3,000. In Northern Ireland, 14% of dwellings had repair costs over £3,000. In Wales, 23% of dwellings had repair costs over £1,000 and 4% had costs in excess of £5,000. Differences in repair standards preclude any comparisons between countries.

The pattern of unfitness/BTS

Unfitness is not evenly distributed. Areas with high levels included large parts of rural Wales and Scotland, and rural or industrial districts in northern England, particularly in the North West, and a group of cities or industrial areas in the Midlands. Some London Boroughs excepted, very few areas in the South had high unfitness levels. The area south of the Wash-Bristol Channel line stands out clearly as having below average unfitness levels compared with Wales and the North of England.

In Scotland, the problem of poor conditions in rural areas is prominent, with Eilean Siar (previously the Western Isles) the most significant with 26% of privately owned stock being BTS. In Argyll and Bute, Orkney and Inverclyde, over 10% of the privately owned stock is below standard. In Glasgow, a high level of private sector dwellings is also BTS (7.5%). The proportion of unfit dwellings was similar in urban and rural areas in England and Wales, but in Scotland and Northern Ireland levels of rural unfitness/BTS were markedly higher.

Poor condition by house type

Poor housing conditions are closely related to the age of homes. The post-1964 stock has the lowest level of unfitness/BTS in all cases, and the proportion of unfit dwellings increases steadily with age, rising sharply for the pre-1919 stock. There are also significant levels of unfitness in the inter-war stock in Wales and Scotland.

In England, converted flats and terraced houses are most likely to be unfit. In Wales, terraced houses stand out as most likely to be in poor condition. In Scotland, converted flats are the most problematic, although tenements also have relatively high repair costs. In

Northern Ireland, converted flats are the most problematic, together with detached dwellings in rural areas.

Poor condition by tenure

Vacant dwellings are most likely to be in poor condition, but in the occupied stock the private rented sector has the highest proportion of dwellings in poor condition throughout the UK. The greater size of the owner-occupied sector means that, numerically, most occupied unfit dwellings are found here.

People living in poor conditions

People on low incomes are more likely to live in poor housing conditions. In England, for example, more than one in ten households with an income below £4,000 pa lived in unfit dwellings compared with only one in twenty-four of those with an income of £24,000 or more. At least three-quarters of those living in unfit housing or housing in serious disrepair had incomes below £12,000 in 1996.

Older people and younger people setting up their first home are most likely to live in poor conditions, with middle-aged people generally better housed. The tendency to live in poor conditions increases with age, particularly after 80. Households headed by women are more likely to experience unfit housing conditions than those headed by men. In both England and Scotland, households with a head from a minority ethnic community were generally more likely to live in poor conditions than other groups.

Tackling poor housing conditions

Clearance

The level of demolition has declined sharply from more than 80,000 dwellings pa in the early 1970s to 4,200 in 1992, and to only just over 1,000 in 1997, an annual replacement rate of less than one in every 23,000 dwellings. Any sustained recovery in demolition levels would require additional capital resources or much lower levels of compensation to owners.

Grants to owners

Capital grants to assist home-owners with improvement, repair and adaptation reached a peak in 1982-84 at almost 300,000 grants pa across the UK. In England, provision fell back to only about 60,000 pa in the early 1990s; the most recent figures show a further drop to 35,000 in 1997. In Wales, the decline has been less pronounced. In Scotland, provision has also fallen from 60,000 grants in 1984 to a steady level of 20,000 pa until 1995; since then it has decreased steadily to about 13,000 in 1998. In Northern Ireland, grant provision was high throughout

the 1980s but in the 1990s fell to around 7,000 pa. Currently the number of grants is only about one-third of the early 1980s level.

Relative to the size of the housing stock, investment levels in Northern Ireland generally exceeded those elsewhere in the UK until the late 1980s. The number of grants in Scotland per 1,000 privately owned dwellings increased rapidly in the late 1970s and has generally remained above the level in England or Wales. Grant provision in Wales has exceeded that in England and in the late 1980s became comparable with Scotland and Northern Ireland. In England, provision has remained consistently the lowest. Glasgow, Belfast and Cardiff have received far higher levels of investment than many comparable English cities.

Authorities with the highest rates of grant provision overall are predominantly Welsh, including both urban and rural districts. In England, most authorities with high levels of provision are rural; few large urban authorities have given a large number of grants relative to the size of their stock. In Scotland rural areas in north Scotland, such as Eilean Siar, Orkney, and Shetland, provided the highest number of grants per 1,000 dwellings.

Dealing with adaptations

In 1994/95, total UK grant provision for equipment and adaptations through disabled facilities grants, minor works assistance and improvement grants amounted to £109 million. Spending fell in real terms in the early 1990s, but from 1994 rose again. Other sources of spending include social services (an estimated £75 million in 1994/95), and capital and revenue spending by local authorities and housing associations (£126 million).

The size of grants provided

Average grant values rose from about £4,000 in 1979 (at 1993/94 prices) to almost £8,000 in the mid-1980s, peaking at about £10,000 in 1994 under the new system. Since 1994, the average grant value has fallen, reaching £8,500 in 1997. In Wales, the average increased more rapidly after 1990 to £18,000 in 1994, but as in England this average value fell in 1997 to £4,500. In Scotland, where the old system remained in place, grant values fell to £5,000 in 1997. These reductions reflect the declining overall levels of resources available for grants.

Grant recipients

There is no ongoing monitoring of the characteristics of grant recipients. A study carried out for the Department of the Environment in the early 1990s showed 48% of renovation grant approvals were awarded to people over 60, a much higher proportion than under the pre-1990 system. In addition, 75% of disabled facilities grant approvals were awarded to those aged 60 or more. As a

result of the test of resources, grants were closely targeted on those with low incomes. In total, 60% of those who had grants approved received some form of state benefit. Private landlords have fared badly under the new system compared with the old.

Area renewal

Local authorities can declare special areas where they will focus their housing renewal activities. In England and Wales, around 135 renewal areas had been declared by March 1998. In total some 160,000 dwellings were included in renewal areas in England, an average of just under 1,400 per area. In England, renewal areas are predominantly located in the North (64%) and the Midlands (25%). The North West has 38% of the declared renewal areas. Overall public expenditure on renovation in renewal areas in England was about £88.9 million in 1996/97. Grants and group repairs consume the majority of investment in renewal areas (60%).

The mechanism for area-based renewal in Scotland has remained the Housing Action Area. By the end of 1996, just under 1,700 HAAs had been declared. New declarations remained at close to 100 pa until 1991 after which there was a steep decline. HAAs in Scotland typically contain far fewer dwellings than those in England and Wales. Housing associations have been the dominant force for improvement, but their contribution was at its greatest in the early 1980s. In the 1990s, grant take-up by individual owner-occupiers, as in England and Wales, became more dominant.

Improving the local authority stock

There are substantial housing condition problems in the local authority sector. The rate of unfitness is highest in dwellings built before 1945, but most unfit dwellings in the local authority sector date from after 1945. There are substantial problems of repair in the non-traditional stock, especially in Scotland. Since 1994, local authority renovation has run at almost five times the level of private sector renovation, except in Wales, where it has generally been much lower. Activity has generally been highest in the South East and the South West of England and in parts of the Midlands. The majority of metropolitan districts have not been able to renovate the same proportion of their stock as smaller districts.

The role of housing associations

In England, renovations by housing associations increased rapidly after the introduction of Housing Association Grant in 1975. Renovation activity fluctuated between 10,000 and 20,000 dwellings throughout the 1980s before falling to below 6,000 pa for most of the 1990s, although since 1995 it has risen to around 10,000.

In the past housing associations have mostly renovated dwellings purchased from private sector owners; this has made an important contribution to alleviating poor housing conditions. Housing association renovations have been heavily concentrated in urban areas with a high proportion of private sector housing in poor condition, including London and the larger metropolitan areas or cities.

Investment in renovation

Public expenditure

Renovation took an increasing share of housing public expenditure during the 1980s and 1990s while new building declined. Expenditure on local authority renovation accounted for over half of all spending between 1979-97. Private sector renovation spending only approached local authority spending in the early 1980s during the repair grants boom. Housing association investment has remained consistently below other sectors'. Only reductions in unit costs since 1990 have sustained the volume of local authority renovation output.

Private investment

Individual households invest a substantial amount of their own resources - over £30 billion in England in 1991. Relatively little is known about this investment. In real terms households' spending on repair and maintenance fell between 1986 and 1988, but increased between 1989 and 1991, averaging over £400 across all households. Subsequently, the total has fluctuated, falling to £336 in 1994 but increasing to £354 in 1996.

Home-owners spend more than tenants on repair, maintenance and decoration, increasing with income. Expenditure in 1994 was greatest amongst those aged 30 to 64 and lowest amongst those under 30 and over 75. Spending was highest in Wales, the North East, London, and the Eastern region, possibly due to the age of the stock.

The future

The abolition of mandatory renovation grants in England and Wales in 1996 has relieved the worst pressures on local authority private sector renovation budgets and allowed a further decline in the public spending resources available for private sector housing. The introduction of a single capital pot is widely predicted to further reduce public spending on private sector renewal as hard-pressed local authorities cut back on grant provision and housing renovation competes with other services. There is a strong prospect that housing conditions for low income home-owners and private tenants may deteriorate further. The

Foundation's report, **Crumbling castles?**, proposes a new framework for private sector housing renewal policy.

About the study

The study drew on a wide range of published and unpublished sources including the 1996 English, Scottish and Northern Ireland Housing Condition surveys and the 1998 Welsh Housing Condition Survey, to update a previous study published in 1996.

How to get further information

A full report, **The state of UK housing (2nd edition): A factfile on housing conditions and housing renewal policies in the UK** by Kerry Revell and Philip Leather, is published for the Foundation by The Policy Press (ISBN 1 86134 228 4, price £16.95). **Crumbling castles?** by Philip Leather is published by the Foundation (ISBN 1 85935 055 0, price £12.95).