

## The state of UK housing

Although there has been some improvement in the standard of housing in the United Kingdom, many homes are still classified as unfit. Disrepair is widespread with a fifth of homes requiring urgent repairs. A report by Professor Philip Leather and Tanya Morrison of South Bank University brings together national data on disrepair in UK housing.

**f** About 1.6 million occupied homes - one in fourteen - were classified in 1991 as unfit for human habitation or below Scotland's tolerable standard.

**f** Wales had the highest level of disrepair: 13% of homes were classified as unfit; more than one in twenty lacked one or more basic amenities; one in five required repairs costing £1,500 or more.

**f** Almost one in five English homes required £1,000 worth of urgent repairs, while in Northern Ireland almost a quarter needed comprehensive repairs costing £5,000 or more.

**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.

**f** The highest proportion of disrepair existed in the private rented sector: about one in five was unfit.

**f** The poorest households also suffer disproportionately from bad housing conditions. In 60% of the unfit homes and half those needing repairs, in England, households had incomes below £8,000 a year.

**f** Slum clearance levels have dropped from 80,000 a year in the early 1970s to 4,200, about 1 in every 4,750 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. Owner-occupiers' spending on repairs and improvements is also likely to have fallen in recent years as a result of the recession in the housing market.

Poor housing conditions in the UK

### Unfit dwellings or dwellings below the tolerable standard

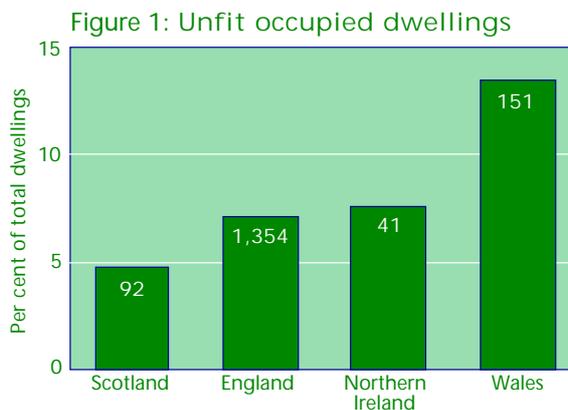
In 1991, some 1,638,000 occupied dwellings in the UK were either unfit for human habitation or below the Scottish tolerable standard (BTS). This represented about 7% or one in 14 dwellings. The problem of unfitness was most severe in Wales where 13.3% of dwellings were unfit. The proportion of dwellings lacking basic amenities follows a similar pattern.

### Disrepair

Problems of disrepair are more widespread than unfitness: almost 20% of dwellings in England faced urgent repair costs of more than £1,000 in 1991; in Scotland about 10% faced costs of over £3,000; in Northern Ireland 25% faced comprehensive repair costs of more than £5,000. In Wales, the repair cost standard used is different, but 20% faced general repair costs of more than £1,500 and 4% more than £5,000.

### The pattern of unfitness/BTS

Unfitness is not evenly distributed. The area north of the Wash-Bristol Channel line has above average unfitness levels. Particularly affected are a large group of rural or industrial districts in the north of England, notably North East Lancashire and northern cities or urbanised districts such as Manchester, Liverpool and Calderdale. Parts of rural Wales and the South Wales valleys and a group of cities or industrial areas in the Midlands also have high proportions of unfit properties.



Figures are for 1991, except Wales (1993) and Scotland are 'Below Tolerable Standard' figures.

Numbers in bars represent the total number in thousands.

In Scotland, the problem of poor conditions in rural areas is prominent, with the Western Isles, Argyll, Skye, Ross and Cromarty, Lochaber and Orkney having between 20% and 30% of their privately owned stock below standard. Glasgow also shows a very high level of private sector dwellings below the tolerable standard (10%).

South of the divide, Bristol, Bath and some London

boroughs have high levels of unfit housing stock.

### Housing conditions and the dwelling stock

Poor housing conditions are closely related to the age of the dwelling stock, with the proportion of dwellings in each age band which are unfit increasing steadily with age, before 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 the most likely types of dwellings to be unfit. In Wales terraced houses, and in Scotland converted flats, are most likely to be in poor condition. In Northern Ireland, detached dwellings in rural areas are the most problematic.

### Dwellings in poor condition by tenure

Vacant dwellings are the most likely to be in poor condition, but in the occupied stock the private rented sector has the highest proportion (about 20% unfit). Most occupied unfit dwellings are owner-occupied because this tenure is by far the largest.

### People living in poor conditions

People on low incomes are more likely to live in poor housing conditions. In England more than one in ten households with an income of less than £4,000 per annum did so, compared with only one in 35 having 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 1991 and at least half had incomes below £8,000.

Older people, particularly those aged over 75, and younger people just starting their housing careers are the groups most likely to live in poor conditions.

Younger men are more likely to live in unfit dwellings than younger women, but from the age of 30 onwards households headed by women are more likely to experience unfit living conditions, (13.6% of those aged 40-59). In both England and Scotland, households with a head from a minority ethnic community were generally more likely to live in poor conditions.

### Resources for tackling poor housing conditions - grants

#### Grants to owner-occupiers

Provision of capital grants to assist home owners with improvement, repair and adaptation reached a peak in 1982-84 when almost 300,000 grants per annum were provided across the UK. In England, provision has subsequently declined to about 60,000 per annum in the 1990s, in Scotland from 60,000 to about 20,000 and in Northern Ireland from high provision throughout the 1980s to around 7,000. In Wales the decline from the mid-1980s has been less pronounced. Currently the number of grants in the UK is 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 United Kingdom until the late 1980s. Since the 1980s, the number of grants in Scotland has also 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 is less than 10 grants per 1,000 private sector dwellings. Glasgow, Belfast and Cardiff have received far higher levels of investment than many comparable cities in England.

The authorities with the highest rates of grant provision overall are predominantly Welsh, including both urban and rural districts. In England and Scotland, the majority of authorities with high levels of provision are rural.

### **Adaptation grants**

In 1994, total grant provision for equipment and adaptations in the UK through disabled facilities grants, minor works assistance, and improvement grants amounted to £109 million. Real spending fell in the early 1990s, but in 1994 rose again to an all-time high. Other sources of this spending include social services (estimated £75 million in 1994/95), and spending by local authorities and housing associations on their own stock (£126 million).

### **Size of grants**

Average grant values in England rose from about £4,000 in 1979 (at 1993/94 prices) to almost £8,000 in the mid-1980s, and to about £10,000 in 1994 under the new system. In Wales, however, the average increased more rapidly after 1990 to £18,000 in 1994. In Scotland, where the old system remained in place, grants have also increased, but more steadily, rising from about £3,500 in 1979 to £7,500 in 1990. Since then there has been a slight fall in real terms. The rise in England and Wales is partly because the new system leads to higher percentages of total grant-aided renovation costs being covered (85% in 1993/94).

### **Grant recipients**

There has been no on-going monitoring of the characteristics of grant recipients. A Department of the Environment study showed that during the first two years of the new grant system's operation, 48% of renovation grant approvals were awarded to people over 60, a much higher proportion than under the old system. In addition 75% of disabled facilities grant approvals were awarded to those aged 60 or more. Grants were closely targeted on those with low incomes, with 60% of recipients also being in receipt of some form of state benefit. Private landlords have fared relatively badly under the new system.

## **Resources for tackling poor housing conditions - other routes**

### **Clearance**

More than 80,000 dwellings per annum were demolished under slum clearance powers in the early 1970s, but this fell to some 4,200 in 1992, an annual replacement rate of less than one in every 4,750 dwellings. The present level is widely regarded by professionals as too low, but with a high proportion of older houses in individual ownership it is both difficult and expensive to implement clearance programmes. Any sustained recovery in demolition levels would require the provision of additional capital resources.

### **Area renewal**

Local authorities can declare special areas where they will focus their housing renewal activities. In England and Wales, some 104 renewal areas had been declared by March 1995, containing about 145,000 dwellings. In England, renewal areas are predominantly located in the North West (40%) and the Midlands (32%). Overall public expenditure on renovation in renewal areas in England was about £123.4 million in 1993/94. If demolition costs are added to new build, over 50% of renewal area expenditure was on new development, indicating the extent to which activities in these areas go beyond housing renovation.

The mechanism for area-based renewal in Scotland has remained the Housing Action Area. By the end of 1994, about 1,700 had been declared. New declarations remained at about 100 per annum until 1991, after which there was a steep decline. Housing associations have been the dominant force for improvement, but their contribution was at its greatest in the early 1980s. Since 1992, grant take-up by individual owner-occupiers has come to dominate, as in England and Wales.

Area improvement has never been a dominant element of renewal programmes in the UK, except in a small number of local areas. Even then expenditure has rarely exceeded 15% of the total. The abolition of mandatory renovation grants in 1996 may increase the proportion of investment in renewal areas.

### **Local authority stock**

Substantial house condition problems are found in the local authority sector, particularly in post-1945 dwellings. There are also substantial problems of repair in the non-traditional stock, especially in Scotland. Since 1990, local authority renovation has run at almost three times the level of the private sector. The exception is Wales, where local authority renovation has generally been much lower than in the private

sector. Activity levels have generally been highest in the South East and the South West of England and in parts of the Midlands. It is notable that the majority of metropolitan districts with large public sector stocks have not been able to achieve as much renovation relative to their size as smaller districts.

### Housing associations

In England, there was a rapid increase in the level of renovations by housing associations following the introduction of Housing Association Grant in 1975. The level fluctuated between 10,000 and 20,000 throughout the 1980s before falling to below 6,000 per annum for most of the 1990s. This decline has been partly attributed to new funding arrangements under the 1988 Housing Act. Lower levels of HAG and the requirement that associations should bear any cost over-runs in full have made rehabilitation much less attractive than new build schemes. A similar decline has occurred in the remainder of the United Kingdom.

In the past, the majority of housing association renovation work has been on dwellings purchased from private owners, so this activity has made an important contribution to the alleviation of poor housing conditions in the private sector. Housing association renovations have been heavily concentrated in urban areas containing a high proportion of private sector housing in poor condition.

### Investment in renovation

#### Renovations' share of public expenditure

Renovation took an increasing share of public expenditure during the 1980s as new building declined. Local authority stock accounted for over half of all renovation expenditure in most years between 1979 and 1995. However only reductions in unit costs since 1990 have sustained the volume of local authority renovation. Investment in renovation by housing associations has remained consistently below other sectors' programmes.

#### Private investment in housing renovation

Individual households also invest a substantial amount of their own resources, amounting to over £30 billion in England in 1991. The average across all households exceeded £400, but had fallen back to

only £336 by 1994.

Home owners spend more than other tenures on repair, maintenance and decoration, particularly amongst the 30-49 and 50-64 age groups. Least is spent by those under 30 and over 75. Amongst home owners, spending was highest in Northern Ireland, Scotland, Wales, the North and Greater London. This may be related to the age profile of the dwelling stock.

### The future

The abolition of mandatory renovation grants in England and Wales in 1996 will relieve pressures on local authority budgets, but may reduce public spending on private sector renovation. In the absence of new measures to encourage private spending and make it more effective, there is a strong prospect that housing conditions for low income home owners and those in the private rented sector may deteriorate in the medium and long term.

### About the study

The study draws on a wide range of published and unpublished sources, in particular the 1991 English, Scottish and Northern Ireland house condition surveys and the 1993 Welsh house condition surveys

### Further information

A full report, *The state of UK housing: A fact file on dwelling conditions* by Philip Leather and Tanya Morrison, is published by The Policy Press (ISBN 1 86134 045 1, price £15.95).

#### Related Findings

The following Findings look at related issues:

- 163 Improving the efficiency of the housing repair and maintenance industry (Nov 95)
- 176 Housing and construction: a troubled relationship (Apr 96)
- 186 Trends in funding adaptations (Jul 96)

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