

Older people in the private rented sector

Research briefing

November 2023

Summary

- Nearly 867,000 households headed by people aged 55 or over are living in the private rented sector.
- Since 2010/11 the number of 55+ households in the private rented sector has grown by 70%, compared with a 20% growth in households in this age group overall.
- Nearly half (48%) of private rented sector tenants aged 65 or over are in the bottom 20% of all household incomes.
- Two in five older private rented sector tenants (42%) struggle to meet the cost of either bills or essentials or both.
- Almost half (48%) of older private renters worry about getting into debt due to their housing and other living costs being too high.
- Of those private renters who are retired, around half (49%) believe their quality of life in retirement is significantly impacted by their housing costs. A similar proportion of retirees (48%) cite that they cannot do the activities they hoped to do in retirement due to housing costs (e.g. travelling, social events etc.).
- Of those older private renters who are currently working, a majority (78%) worry that their future pension will not be able to meet increasing rent prices.

Introduction

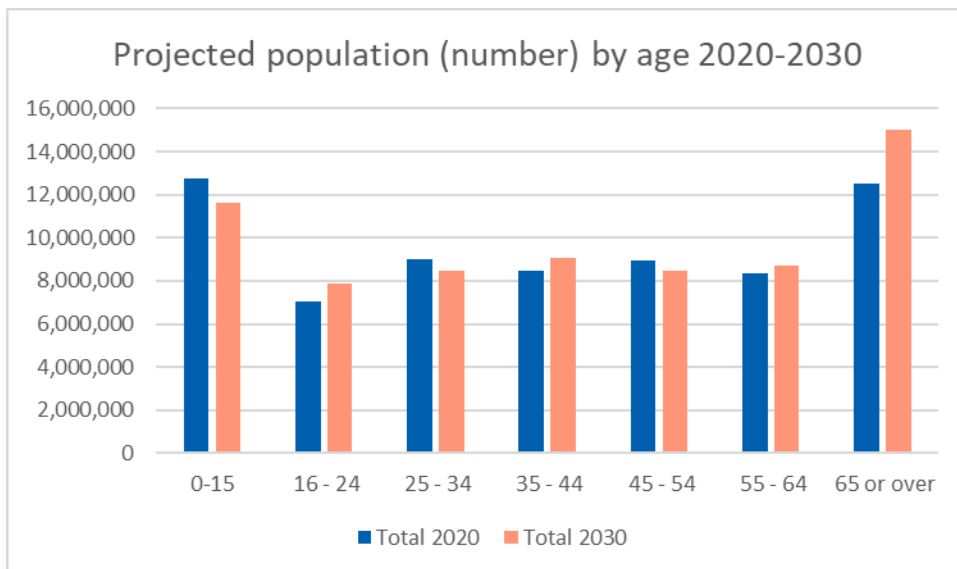
Renting in the private sector is the least secure housing tenure available. However, as house prices remain out of reach for many and the shortage of social housing continues, it is often the only available route for many people to find somewhere to live. This lack of security, and the ongoing issues around conditions and high rents in the private rented sector have been examined in great detail elsewhere and are not the focus of this briefing.

Instead in this briefing we shine a light on a less explored part of the sector. While there has rightly been a lot of focus on the increasing number of families with children in the private rented sector since the turn of the century, this issue is also affecting older people. Bringing together figures from the English Housing Survey (EHS) and new polling carried out by YouGov for the National Housing Federation (NHF), this briefing examines the scale of the problem and explores the impact on older renters.

As the demographic shape of our society continues to skew to towards older people, and inequalities become more entrenched, these trends provide a worrying glimpse of what the future might hold for an ageing population.

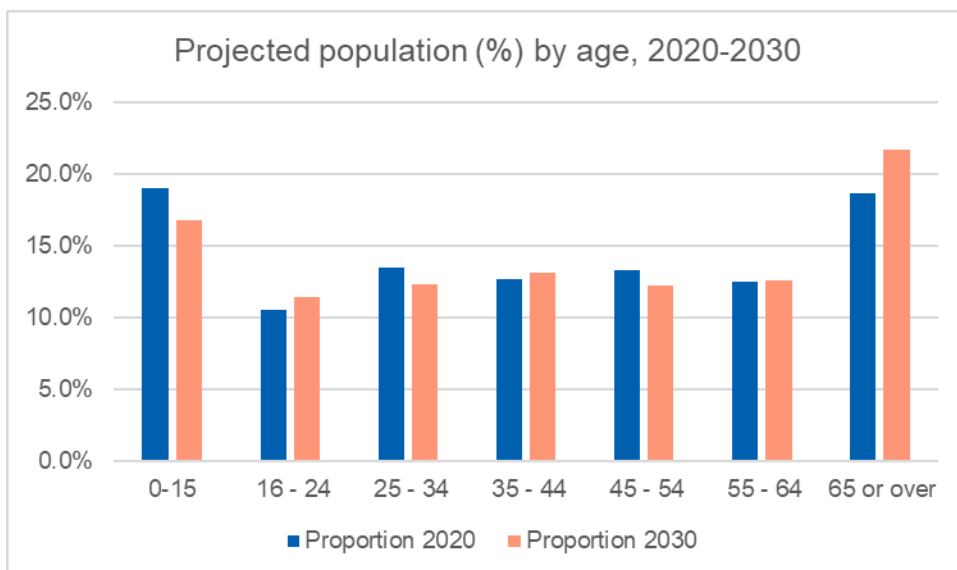
1 – Older renters

The UK is in the middle of a major demographic shift. We are seeing a shift towards a population that is older, with fewer young people. Figures from the ONS show that by 2030, we are expecting to see 2.5m more people aged 65 or over than at the start of the decade, an increase of nearly 20%.



Source: ONS

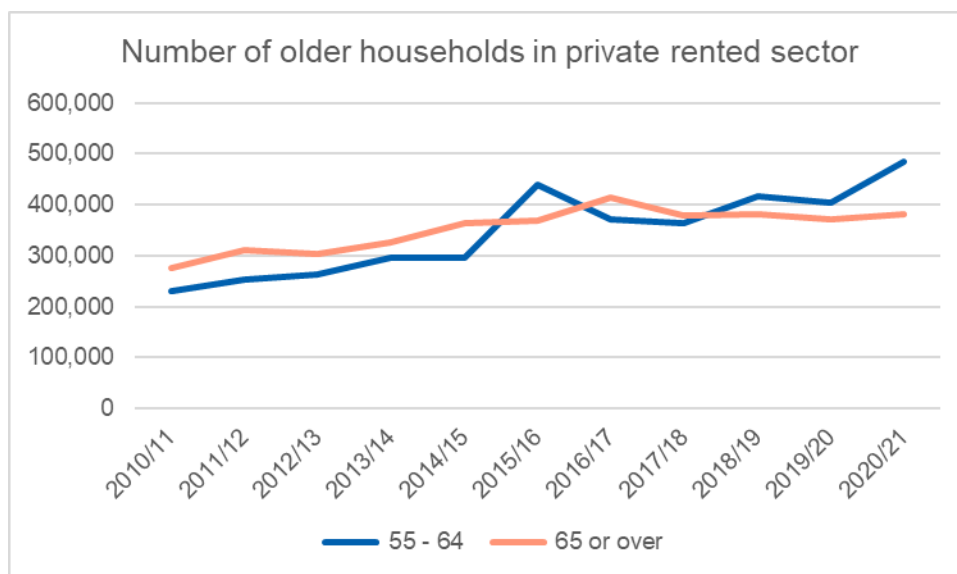
This means that this portion of the population is projected to increase from 18.6% of the total, to 21.7%, an increase of more than three percentage points:



Source: ONS

Another trend we have seen over the last 10 to 20 years is a growth in the use of the private rented sector amongst groups of people who previously would either have been in homeownership or social housing. Discourse around this trend has unsurprisingly been focused on the plight of families with children. Older people have often been seen as the “winners” in the housing crisis, as many have benefitted from the boom in house prices and low interest rates. However, as time goes on, the population ages and inequalities become more entrenched.

The number of households headed by people aged over 55 living in the private rented is growing; more steeply for the group aged between 55 and 64 than for over 65s, but a growth overall¹.

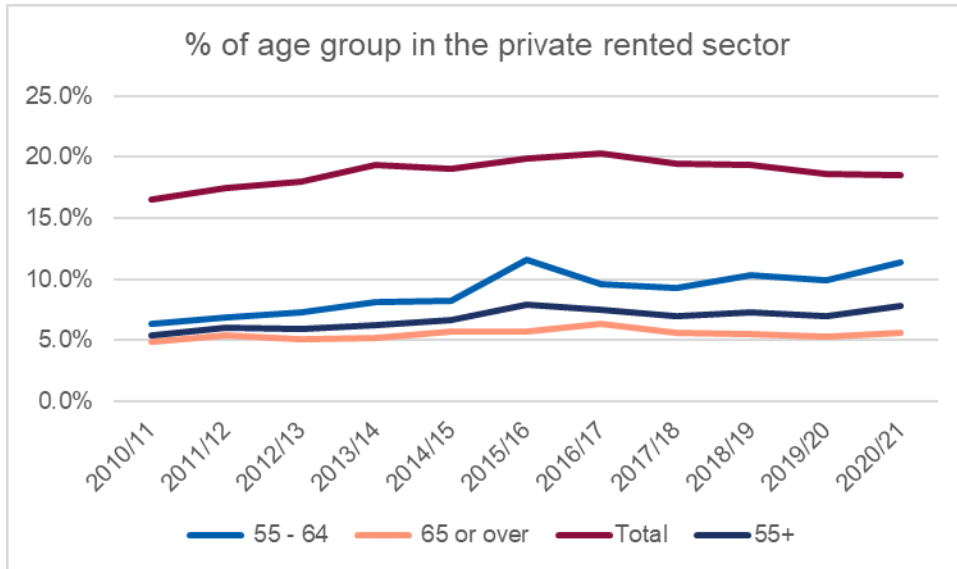


Source: EHS

We can see that the number of households in the private rented sector headed by someone aged 65+ has increased by more than 100,000, while the number of households in the private rented sector headed by someone aged 55-64 has more than doubled.

Of course, this growth needs to be seen in the context of the overall population growth in these age groups; as those groups are growing we would expect the number in all housing tenures to grow accordingly. However if we look at the proportion of each age group in this tenure we can see that it’s not quite that simple.

¹ Note that these figures show the number of households headed by someone in the age group in question, rather than outright numbers of people



Source: EHS

While the proportion of households headed by over 65s which are in the private rented sector has remained fairly steady, we can see that nearly twice the proportion of households headed by someone aged 55-64 are in the private rented sector compared with 10 years previously.

Looking more closely at the over 65 group we can see that although the overall proportion has remained at around 5-6%, the number of over 65 households in the private rented sector grew at more than twice the rate of the number of over 65 households overall between 2010/11 and 2020/21:

	2010/11	2020/21	% increase
Over 65 households	5,658,811	6,853,945	+21.1%
Over 65 households in private rented sector	275,703	381,858	+38.5%

The “excess growth” here is around 20% - consistent with a rise from roughly 5% to roughly 6%.

Looking at the same data for the 55-64 age group tells an even starker story.

	2010/11	2020/21	% increase
55-64 households	3,649,524	4,277,985	+17.2%
55-64 households in private rented sector	230,370	485,012	+110.5%

We can combine these two age groups to see what is happening overall.

	2010/11	2020/21	% increase
55+ households	9,308,335	11,131,930	19.6%
55+ households in private rented sector	506,073	866,870	71.3%

There has been a growth of 70% in the number of 55+ households in the private rented sector, compared with a 20% growth in the number of these households overall.

Overall, we are looking at a total of nearly 867,000 households headed by people aged 55 or over living in the private rented sector.

2020/21	55-64	65+	55+
Households in private rented sector	485,012	381,858	866,870

These households break down in terms of employment status of the household reference person as follows:

Status	55-64	65+	55+
Full-time work	243,808	14,188	257,996
Part-time work	93,694	16,255	109,949
Total full- and part-time work	337,502	30,443	367,945
Retired	44,296	351,415	395,711
Unemployed	40,916	0	40,916
Other inactive	62,299	0	62,299
Total	485,013	381,858	866,871

Note: totals do not match those in other tables exactly due to rounding and weighting

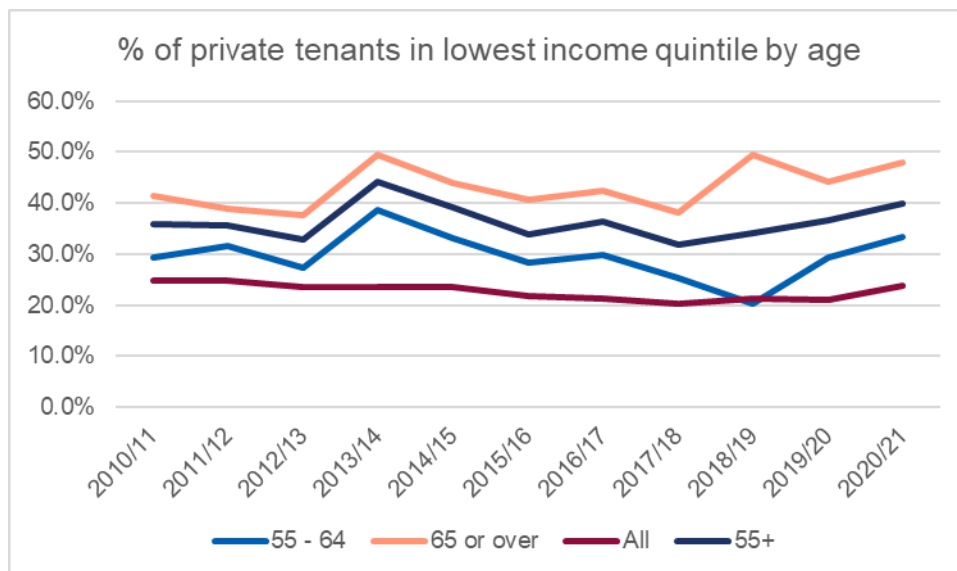
While the over 65 group is predominantly retired, the 55-64 group are mostly working, with just over two-thirds in full or part-time employment.

2 – Older renters in poverty

While the private rented sector can be very useful, in particular for younger people who are starting out and can benefit from the flexibility and mobility it can offer, it is widely felt to be unsuitable as a long-term settled tenure. This is not just due to the lack of security it offers, but also due to its relative expense compared to social renting and home purchase.

It is thus worth exploring patterns of poverty amongst older renters.

The English Housing Survey allows us to see what proportion of households in different categories fall into the lowest quintile (i.e. the bottom fifth) of incomes overall:



Source: EHS

We can see that while private rented sector tenants are only slightly over-represented in the lowest income group overall (see the purple line here remaining reasonably steady at 20-25%), private rented sector households headed by over 65s are massively so. In fact, nearly half of private rented sector households in this age group fall into the bottom 20% of incomes overall.

In fact, private rented sector tenants aged over 65 are more than twice as likely to be in the bottom 20% of incomes as those aged under 65:

	Under 65s	Over 65s
% of private rented sector tenants in age group in lowest 20% of income	21.6%	48.0%

We can see that the overall number has been growing, showing an increase of nearly 40,000 over 65 households in the lowest income quintile in the private rented sector since 2017/18:

	2012/13	2017/18	2020/21
Over 65, private rented sector, bottom 20%	114,189	145,213	183,377

For context, the average household incomes in the quintiles being referenced here are as follows:

	Minimum	Median	Maximum
lowest 20%	£4,113	£11,341	£15,589
quintile 2	£15,590	£19,556	£23,967
quintile 3	£23,969	£28,524	£33,706
quintile 4	£33,714	£40,160	£49,691
highest 20%	£49,712	£62,787	£100,000

Source: EHS Basic Income²

² The EHS Basic Income refers to the annual net income of the Household Reference Person (HRP) and any partner from wages, pensions, other private sources, savings and state benefits. Amounts are net i.e. after the deduction of Income Tax and National Insurance where applicable. This income variable does not include any housing related benefits/allowances as collected in the 'rent and housing benefit' module and 'council tax and utilities' module of the EHS interview questionnaire.

3 – Polling on impacts of living in the private rented sector on older renters

The NHF commissioned a polling study with YouGov to explore the impact of living in the private rented sector on older renters. The polling was carried out online by YouGov with a sample of 2,024 older renters (aged over 55), between 6 October and 17 October 2023. There was an even split between age groups 55- 64 (51%) and 65+ (49%). We use tenants/private renters interchangeably in our analysis of the findings.

We have applied the results to our headline figure of 866,870 older renter households, as sourced from the English Housing Survey (see section 1 of this briefing).

Scheduled payments/bills

3.1 The majority of older tenants (83%) aren't behind any with payments/bills

Respondents were asked to indicate if they were currently behind on payments/missed payments for any utility bills. As many could be chosen as apply. The figure was based on all households that cited 'Not applicable – I/my household are not behind/have not missed payments...'.

Household costs

Respondents were asked to consider their household costs and state whether they agreed or disagreed with several statements, as shown in Table 1 below.

Table 1.

Question: Thinking about your household costs...to what extent do you agree or disagree with the following statement?	Agree (strongly agree/tend to agree)	Disagree (strongly disagree/tend to disagree)
I/we regularly struggle to meet the cost of rent	26%	54%
I/we regularly struggle to meet the cost of household bills, such as gas, electricity and council tax	36%	45%
I/we regularly struggle to meet the costs of household essentials, such as food, clothing and toiletries	34%	46%

3.2 One in four older tenants (26%) regularly struggle to meet the cost of rent

This is based on a sum of all households who indicated they strongly agreed (9%) and tend to agree (17%) with the following statement:

I/we regularly struggle to meet the cost of rent

Applying this headline percentage to our overall number of over-55 households in the private rented sector, we can see that this could affect more than 225,000 (225,386) households.

3.3 Well over a third of older private renters (36%) regularly struggle to meet the cost of household bills, such as gas, electricity and council tax

This is based on a sum of all households who indicated they either strongly agree (12%) or tend to agree (24%) with the following statement:

I/we regularly struggle to meet the cost of household bills, such as gas, electricity and council tax

Applying this headline percentage to our overall number of over-55 households in the private rented sector, we can see that this could affect more than 310,000 (312,073) households.

3.3 Around a third of older tenants (34%) in the private rented sector struggle to meet the cost of household essentials, such as food, clothing and toiletries

This is based on a sum of all households who indicated they either strongly agree (11%) or tend to agree (23%) with the following statement:

I/we regularly struggle to meet the costs of household essentials, such as food, clothing and toiletries

Applying this headline percentage to our overall number of over-55 households in the private rented sector, we can see that this could affect nearly 295,000 (294,736) households.

3.4 42% of older tenants struggle to meet the cost of either household essentials or bills.

This is based on combining the two previous questions; anyone who indicated they either strongly agree or agree with **at least one** of the following statements:

I/we regularly struggle to meet the cost of household bills, such as gas, electricity and council tax

I/we regularly struggle to meet the costs of household essentials, such as food, clothing and toiletries

Applying this headline percentage to our overall number of over-55 households in the private rented sector, we can see that this could affect more than 364,000 (364,479) households.

Moving out due to landlord/rent issues

3.5 77% of older tenants have not had to leave their current or previous home because their landlord asked them to or due to rent hikes.

The figure here is drawn from respondents' response to the question:

Have you ever had to leave your current or a previous privately rented home, either due to being asked to leave by your landlord, or due to a rent increase? (Please select the option that best applies)

However, this means that around a quarter (23%) have had to leave their current or previous home due to either being asked to by their landlord or rent rises.

Applying this headline percentage to our overall number of over-55 households in the private rented sector, we can see that this could affect nearly 200,000 (199,380) households.

Health and wellbeing

Respondents were asked to consider renting in the private sector in the context of their health and wellbeing and state whether they agreed or disagreed with several statements, as shown in Table 2 below.

Table 2.

Question: Thinking about your health and wellbeing...To what extent do you agree or disagree with the following statement?	Agree (Strongly agree/Tend to agree)	Disagree (Strongly disagree/Tend to disagree)
I worry that I will be asked to move out of my current home	43%	36%
My current housing situation negatively affects my mental health	29%	52%
My current housing situation negatively affects my physical health	21%	58%
I feel shame or embarrassment about my current housing situation	23%	58%
My current home meets my needs	69%	17%
I worry about getting into debt due to my housing and other living costs being too high	48%	33%

3.6 Two in five private renters (43%) worry that they will be asked to move out of their current home

This is based on a sum of all households who indicated they either strongly agree (17%) or tend to agree (26%) with the following statement:

I worry that I will be asked to move out of my current home

Applying this headline percentage to our overall number of over-55 households in the private rented sector, we can see that this could affect more than 370,000 (372,754) households.

3.7 Over a quarter of private renters (29%) feel their current housing situation adversely affects their mental health

This is based on a sum of all households who indicated they either strongly agree (9%) or tend to agree (20%) with the following statement:

My current housing situation negatively affects my mental health

Applying this headline percentage to our overall number of over-55 households in the private rented sector, we can see that this could affect more than 225,000 (225,386) households.

3.8 One in five (21%) older private renters feel their current housing situation has a negative impact on their physical health

This is based on a sum of all households who indicated they either strongly agree (6%) or tend to agree (16%) with the following statement:

My current housing situation negatively affects my physical health

Applying this headline percentage to our overall number of over-55 households in the private rented sector, we can see that this could affect more than 180,000 (182,043) households.

3.9 Around a quarter (23%) of older tenants feel shame or embarrassment about their current housing situation

This is based on a sum of all households who indicated they either strongly agree (7%) or tend to agree (16%) with the following statement:

I feel shame or embarrassment about my current housing situation

Applying this headline percentage to our overall number of over-55 households in the private rented sector, we can see that this could affect nearly 200,000 (199,380) households.

3.10 One in six older private renters (17%) believe their current home does not meet their needs

This is based on a sum of all households who indicated they either strongly disagree (5%) or tend to disagree (13%) with the following statement:

My current home meets my needs

Applying this headline percentage to our overall number of over-55 households in the private rented sector, we can see that this could affect nearly 150,000 (147,368) households.

3.11 Almost half of older private renters (48%) are worried about getting into debt due to housing and other living expenses being too high

This is based on a sum of all households who indicated they either strongly agree (18%) or tend to agree (30%) with the following statement:

I worry about getting into debt due to my housing and other living costs being too high

Applying this headline percentage to our overall number of over-55 households in the private rented sector, we can see that this could affect more than 415,000 (416,098) households.

Retired people in the private rented sector

Retired respondents were asked to state whether they agreed or disagreed with a number of statements. These statements and their aggregated responses are presented in Table 3 below.

Table 3.

Question: To what extent do you agree or disagree with the following statement? Retired	Agree (Strongly agree/Tend to agree)	Disagree (Strongly disagree/Tend to disagree)
I have considered coming out of retirement due to housing costs (this may be on a full time or part time basis)	25%	54%
I am confident that my pension is able to keep up with increasing rent prices	23%	54%
My quality of life in retirement is significantly impacted by my housing costs	49%	30%
I see family and friends less because I am worried about the costs involved (e.g. declining an invite for lunch)	37%	44%
I cannot do the activities I hoped to do in retirement due to housing costs (e.g. travelling, social events etc.)	48%	33%

3.12 One in four retirees (25%) have considered coming out of retirement due to housing costs

This is based on a sum of all households who indicated they either strongly agree (7%) or tend to agree (18%) with the following statement:

I have considered coming out of retirement due to housing costs (this may be on a full time or part time basis)

Applying this headline percentage to our overall number of retiree over-55 households in the private rented sector, we can see that this could affect nearly 100,000 (98,920) households.

3.13 Over half of all retirees (54%) aren't confident their pension will be able to keep up with increasing rent costs

This is based on a sum of all households who indicated they either strongly disagree (26%) or tend to disagree (28%) with the following statement:

I am confident that my pension is able to keep up with increasing rent prices

Applying this headline percentage to our overall number of retiree over-55 households in the private rented sector, we can see that this could affect more than 210,000 (213,684) households.

3.14 Almost half of all retirees (49%) believe their quality of life is significantly impacted by their housing costs

This is based on a sum of all households who indicated they either strongly agree (17%) or tend to agree (32%) with the following statement:

My quality of life in retirement is significantly impacted by my housing costs

Applying this headline percentage to our overall number of retiree over-55 households in the private rented sector, we can see that this could affect nearly 195,000 (193,898) households.

3.15 37% of retirees surveyed see less of family and friends because they are worried about the costs involved

This is based on a sum of all households who indicated they either strongly agree (12%) or tend to agree (25%) with the following statement:

I see family and friends less because I am worried about the costs involved (e.g. declining an invite for lunch)

Applying this headline percentage to our overall number of retiree over-55 households in the private rented sector, we can see that this could affect more than 145,000 (146,413) households.

3.16 Half of all retirees (48%) renting privately cannot do the activities they hoped to do in retirement due to housing costs

This is based on a sum of all households who indicated they either strongly agree (18%) or tend to agree (30%) with the following statement:

I cannot do the activities I hoped to do in retirement due to housing costs (e.g. travelling, social events etc.)

Applying this headline percentage to our overall number of retiree over-55 households in the private rented sector, we can see that this could affect nearly 190,000 (189,941) households.

Currently employed older people in the private rented sector

Respondents currently in employment were asked to state whether they agreed or disagreed with a specific set of statements. These statements and the aggregated responses are presented in table 4 below.

Table 4.

Question: To what extent do you agree or disagree with the following statement? Non-retired	Agree (Strongly agree/Tend to agree)	Disagree (Strongly disagree/Tend to disagree)
I would like to retire but cannot currently afford to due to my housing costs	52%	21%
I worry that my future pension will not be able to meet increasing rent prices	78%	9%
I am not worried that my physical health will impact my ability to work as I get older	31%	49%

3.17 Half of all employed older private renters (52%) want to retire but cannot currently afford to due to their housing costs

This is based on a sum of all households who indicated they either strongly agree (30%) or tend to agree (23%) with the following statement:

I would like to retire but cannot currently afford to due to my housing costs

Applying this headline percentage to our overall number of employed over-55 households in the private rented sector, we can see that this could affect more than 190,000 (191,331) households.

3.18 A majority of employed older private renters (78%) worry their future pension won't meet the increasing rent prices

This is based on a sum of all households who indicated they either strongly agree (48%) or tend to agree (30%) with the following statement:

I worry that my future pension will not be able to meet increasing rent prices

Applying this headline percentage to our overall number of employed over-55 households in the private rented sector, we can see that this could affect more than 285,000 (286,997) households.

3.19 Around half of private renters in employment (49%) worry their physical health will impact their ability to work as they get older

This is based on a sum of all households who indicated they either strongly disagree (26%) or tend to disagree (23%) with the following statement:

I am not worried that my physical health will impact my ability to work as I get older

Applying this headline percentage to our overall number of employed over-55 households in the private rented sector, we can see that this could affect more than 180,000 (180,293) households.