

## Commission on a Gender-Equal Economy

### PAPER 5

## Housing and gender equality

Dr Sara Reis, October 2019

**Disclaimer: This paper was written by a Women's Budget Group staff member to inform the Commission on a Gender-Equal Economy and should not be taken to represent the views of the Commission on a Gender-Equal Economy.**

Housing is one of the most urgent public policy issues in the UK and the causes and impacts of this crisis are gendered. Women's lower incomes relative to men's and their lower levels of wealth mean they are less able to afford housing. Their care responsibilities mean women have specific needs when securing a suitable home for themselves and their children.

#### **Summary of recommendations:**

- **Investment in social housing:** the government needs to commit to a long-term serious and sustainable investment to build more social housing and genuinely affordable housing.
- **Recognise the role of local authorities in building and investing in housing.**
- **Rent controls should be introduced alongside other measures** to protect tenants from eviction.
- **Planning and building permission laws should be reinforced** to make sure that additional homes that are needed are built.
- **Social security should be delivered as an adequate safety net** so that every woman has access to individual income.
- **Domestic abuse refuges** and other women-focused accommodation **should be properly resourced.**

This briefing looks at the way housing can contribute to a gender-equal economy and what an ideal housing system that is secure, affordable and of good quality, which caters to women's needs should look like. It looks at the current situation of housing in the UK, the current policy regime and finishes with a few examples of best practice from the country and elsewhere.

## 1. *How does housing currently fail to contribute to a gender-equal economy?*

### Current situation in the UK

Housing is a core aspect of people's lives and it determines many other aspects: who they interact with, their social networks, their community involvement and their job and education opportunities. It also has an impact on people's health from its different dimensions: poor housing conditions contribute to many preventable diseases such as respiratory and nervous damage, but instability and insecurity of tenure and the financial toll of high housing costs can also have a significant negative impact on people's mental and consequently physical health.<sup>1</sup>

Currently we are facing problems on all three fronts.

On **housing conditions**, even though improvements have been made in recent years, still a fifth of homes in the UK are considered non-decent<sup>2</sup> (that is, the home is not in a reasonable state of repair, doesn't have reasonably modern facilities and services, or has ineffective insulation or heating). Private-rented homes are more likely to be in a poor condition (25%) than owner-occupied (19%) or social-rented homes (13%).<sup>3</sup>

On **insecurity of tenure**, an increasing proportion of people are renting through the market and for longer periods in life – each cohort of adults since the 1990s has been less likely and slower than their predecessor to enter home ownership.<sup>4</sup> 20% of people are living in private-rented homes,<sup>5</sup> double the proportion from 20 years ago. The private-rented sector is characterised by short-term contracts, arbitrary rent increases and short-notice evictions. This is in addition to higher likelihood of non-decent homes. This results in housing insecurity, as private renters may face a move out at any point in the near future, with the consequent change in job opportunities and social networks that follows.

**Affordability** is also a pressing issue for both private renters and owners buying with mortgages. Housing prices have increased much faster than wages, with housing affordability ratios doubling in parts of the country in the last two decades.<sup>6</sup> Two main issues have contributed to worsening housing affordability: the dwindling number of social housing units and the financialisation of the housing market (see box below).

### Current housing policy regime

The current housing policy regime can be summarised as a combination of support for homeownership and reduction of support for renters.

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<sup>1</sup> Health Affairs (2018) 'Housing And Health: An Overview Of The Literature' (policy brief) (<http://bit.ly/2TXtccN>)

<sup>2</sup> MHCLG (2019) English Housing Survey – Stock profile and condition, 2017 (<http://bit.ly/2ZduzZD>)

<sup>3</sup> Ibid.

<sup>4</sup> WBG (2018) Housing and gender (<http://bit.ly/2UoWROu>) p. 2

<sup>5</sup> For a breakdown of tenure by race, disability, sex, household type and economic status see Annex 1.

<sup>6</sup> WBG (2019) A home of her own – Housing and women (<http://bit.ly/2P6EwEB>) p. 13

### Subsidised homeownership

Housing policy for successive governments over the last three decades has focused on encouraging and subsidising homeownership, targeting people with relatively high incomes.

Home-ownership support currently takes the form of Right to Buy (introduced in 1980 and reinvigorated under the Coalition and Conservative Governments in the 2010s) and Help to Buy. The former has supported social tenants to buy their homes at a significant discount over the market value, resulting in 1.9 million social-rented homes being sold between 1980 and 2016. Since little to no investment in replacement building was made, this was a major contributor to dwindling numbers of social housing stock across the country.<sup>7</sup>

#### **Why have house prices shot up in the last two decades?**

Since 1998 house prices more than tripled in the UK, with salaries not keeping up.

House prices increase when housebuilding is not meeting the demand for houses. So a combination of the desire for houses and purchasing power explains demand. Government policy (i.e. deregulation of banks, subsidising of homeownership and lack of investment in social housing) is fanning both.

#### **Demand**

Preference for home ownership remains strong and barely changed since 2007/08. Home ownership remains the expectation of the majority of private renters (58%) and a quarter of social renters (25%).<sup>1</sup>

Expectation of future price rises means many people now see property as a secure investment. So would-be home buyers are increasingly competing with speculative buyers, both wealthy overseas investors and asset-rich baby boomers.<sup>1</sup>

#### **The role of banks and government**

Bank loans fuel people's purchasing power in the form of mortgages. Deregulation and liberalisation of the credit market in 1970s and 1980s kick-started banks' preference for lending against property. As banks issue bigger loans against property, they increase the money supply in the economy – and overall purchasing power.

This is often called the 'financialisation of the housing market', encouraged by government policy (in the form of Right to Buy, Help to Buy and Buy to Let schemes).

#### **The price of land and impact on supply**

High levels of demand in the housing market have increased the price of land. This means that developers acquiring land to build on will prioritise building higher-value homes to turn a decent profit. But building a lot of new homes in an area may have the effect of lowering prices. So developers have a perverse incentive to not build too many houses in order to keep local prices up.<sup>1</sup>

### Cuts to support for renters

<sup>7</sup> R K Tunstall and N Pleace (2018) Social housing – Evidence Review (<http://bit.ly/2VgCZtc>) p. 28

There is a significant number of people for whom homeownership is not an option. At the moment, the private rental market is fraught with insecurity and uncertainty for tenants, is too expensive for women on median earnings and is of lower quality than other tenures.

An increasing proportion of households with adults in paid work are claiming housing benefit. 29.2% of social renters and 12% of private renters claiming housing benefit are in paid work (up from 18.9% and 7.3% in 2008/09 respectively).<sup>8</sup>

Housing benefit is provided by the state to people on low incomes renting in the private or social housing sectors. It has been reduced through a series of cuts and changes since 2012. These include revised eligibility criteria, lower Local Housing Allowance rates, and the benefit cap.

Reduction in housing benefit has had a disproportionate impact on women, as women are 60% of adults in households claiming housing benefit (reflecting women's lower incomes).<sup>9</sup>

Local Housing Allowance (LHA) rates are used to determine how much a claimant is entitled to housing benefit. In 2012 LHA rates were set at the 30<sup>th</sup> percentile of local private rents, rather than average rent price. From 2012 to 2016 they were uprated in line with Consumer Prices Index (rather than actual rents) and frozen in 2016. This effectively led to a real-terms cut in housing benefit payments. The vast majority of private renters on housing benefit are now facing shortfalls between housing benefit received and actual rent paid.<sup>10</sup>

The benefit cap, introduced in 2013 to working-age households and further reduced in 2016, is having a negative impact on households in high-rent areas and large families.

Universal Credit is also having a strong negative impact on people's ability to pay their rent, with tenants on UC six times more likely to fall behind on rent than other benefit claimants.<sup>11</sup> The sanctions attached to UC if claimants fail to meet the eligibility criteria (e.g. missing job centre appointments) can now result in housing support being sanctioned.

### Specific housing issues for women

Women tend to be disadvantaged compared to men in housing. On average, women have lower incomes and lower savings than men. As a result, they tend to be disadvantaged in a housing system where access to housing is largely determined through the market. Women heads of household, single-parent households, and households made up of single women are overrepresented in less advantageous housing circumstances (i.e. more likely to live in smaller and overcrowded homes).<sup>12</sup>

### *Affordability*

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<sup>8</sup> MHCLG (2018) English Housing Survey (<http://bit.ly/32liS1t>)

<sup>9</sup> DWP (2018) Housing Benefit Caseload Statistics: Data to May 2018

<sup>10</sup> Shelter (2017) Briefing: Local Housing Allowance Freeze (<http://bit.ly/2Wq2A4p>)

<sup>11</sup> The Independent (6 Feb 2019) 'Universal credit claimants "six times more likely" to fall into rent arrears despite government reforms' (<http://ind.pn/2YZVkhI>)

<sup>12</sup> WBG (2018) Housing and gender (<http://bit.ly/2UoWROu>) p. 2

Housing is typically considered affordable when it takes less than a third of a household income.<sup>13</sup> Research from the Women's Budget Group has found that no region in England is currently affordable to rent for women on median wages (for men, every region is affordable except London).<sup>14</sup> As for buying property, the median home in England costs over 12 times women's median salary (8 times for men), but with housing affordability ratios in different regions ranging from nearly 8 to 18 times women's median salary (5 to 14 times men's median salary).<sup>15</sup>

Although people tend to buy and rent with someone else, usually with a partner, these numbers mean that women are more vulnerable to homelessness after a relationship breaks down. They will have fewer options when it comes to housing so they become more vulnerable to intimate-partner abuse.

### *Homelessness*

The most extreme reflection of women's lower housing affordability is the proportion of women who are homeless: they make up two-thirds (67%)<sup>16</sup> of all people accepted by their local authorities as statutorily homeless.<sup>17</sup>

Single mothers are two-thirds (66%) of all statutory homeless families with children (while they are just one quarter of all families with dependent children).

On the other hand, men are the vast majority (84%) of people sleeping rough on the streets.<sup>18</sup> Women rough-sleepers face specific challenges – not least invisibility from records, as they tend to be hidden for fear of violence and not access support services. Their experience is very often linked to abuse, trauma and violence.<sup>19</sup>

### *Location and transport*

One way to deal with affordability problems is to live in less expensive locations. However, the choice of home location may be more significant for women, even those living with a man, due to different travel patterns and transport needs (women's travelling patterns are more complex, with multiple but shorter trips),<sup>20</sup> the fact that women rely on local informal networks for childcare, and due to the school catchment areas that make women more reluctant to move and uproot their children.

### *Links between domestic abuse and housing*

The home is the most dangerous place for women in the UK. Domestic abuse and other forms of violence against women and girls typically occur in the home. The Femicide Census

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<sup>13</sup> See for example the 2019 report from the Affordable Housing Commission (<http://bit.ly/35GiMaY>)

<sup>14</sup> WBG (2019) A home of her own – Housing and women (<http://bit.ly/2P6EwEB>) p. 18

<sup>15</sup> Ibid.

<sup>16</sup> WBG (2018) Housing and gender (<http://bit.ly/2UoWROu>) p. 7

<sup>17</sup> This is the people who have applied to their local authority for homelessness assistance because they lack a secure place in which they are entitled to live or are not reasonably able to stay.

<sup>18</sup> MHCLG (2018) Rough sleeping in England. Table 2a

<sup>19</sup> MHCLG (2019) Causes of Homelessness and Rough Sleeping – Rapid Evidence Assessment (<http://bit.ly/2P1gUOC>)

<sup>20</sup> Ibid.

shows that 75% of women killed by men are killed at home, and 83% of women killed by a partner or former partner are killed in their own homes.<sup>21</sup>

## 2. *What would a gender-equal housing system look like?*

The importance of housing for individuals and families to flourish cannot be underestimated. We should move from seeing housing as a system where the free market rules operate to conceptualise housing as a universal basic system. Below are a series of recommendations that go in that direction.

### **The importance of social housing**

There is a significant number of people for whom homeownership is not an option. At the moment, the private-rented market is fraught with insecurity and uncertainty for tenants, is too expensive for women on median earnings and is of lower quality than other tenures. Investment in social housing is fundamental to guarantee that people on lower incomes have access to adequate, affordable and secure tenure, a cornerstone of wellbeing, job and educational opportunities, and community belonging. A robust social housing system will ensure that the benefits of the housing safety net are more widely distributed while saving the exchequer billions of pounds in housing benefit paid to private landlords.

To this end, we need:

- **Investment in social housing:** the government needs to commit to a long-term serious and sustainable investment to build more social housing and genuinely affordable housing. We endorse Shelter's commission on the future of social housing for the government to deliver 3.1 million more social homes within 20 years. When establishing affordability rates relative to earnings, it should be born in mind that women on average have lower wages than men, so 'affordable' needs to reflect this.
- **Recognise the role of local authorities on building and investing in housing:** scrapping the Housing Revenue Account borrowing cap is a good place to start to ensure local councils can invest in social and affordable housing to fulfil their homelessness statutory duties and local housing strategies.

### **Private-rent sector regulation and rent controls**

There is disagreement<sup>22</sup> over whether rent controls work to provide more stability to renters by limiting rent increases or whether they end up decreasing the overall supply of housing for rent.

<sup>21</sup> K Ingala Smith & Women's Aid (2016) The Femicide Census Report 2016 (<http://bit.ly/2ZmEvxo>)

<sup>22</sup> For a review of some of the issues with rent controls see for example BBC (3 Feb 2019) 'Rent control: Does it work?' (<https://bbc.in/2JcU2JN>)

Rent control laws that determine that rents can only rise at a certain rate (usually inflation), are often seen as working better than controls that freeze rents at a certain point in time. Critics argue that the latter discourage investors from building and landlords from renting and/or repairing existing properties. However, institutional investors tend to like rent controls, as they increase tenants' satisfaction with their homes, reducing expensive tenant turnover and maintaining a long-term and steady income.<sup>23</sup>

- **Rent controls introduced alongside other measures to protect tenants** such as longer/indefinite tenancy contracts, possibility for tenants to leave tenancy without penalty, a landlord registration process and enforceable mechanisms to protect landlords from bad tenants should be considered to ensure that private rent tenants are protected from no-fault evictions and insecure living conditions.

### Planning and building

- **Planning and building permission laws should be reinforced** to make sure that additional homes that are needed are built. These include revisiting building zone regulations, and a 'construction obligation clause' in building permits, to avoid land speculation.

### The importance of social security

- **Social security should be delivered as an adequate safety net** so that every woman has access to individual income. This means that:
  - **local housing allowance rates**, used to determine how much housing benefit a claimant is entitled to, should be updated to reflect real local private rents;
  - the **benefit cap** should be abolished;
  - **Universal Credit** roll-out should be halted and its design massively overhauled (including split payments, option of housing benefit to be paid directly to landlord, housing benefit not included in sanctions).

### Women-only and women-focused accommodation

#### Emergency accommodation

<sup>23</sup> Financial Times (13 March 2019) 'German rent control works for both landlords and tenants' (<https://on.ft.com/2Zaoeiw>)

Refuges for women who have been victims of violence should be funded according to demand and not be dependent on women's eligibility to claim housing benefit. This would mean that women in paid work and women with no recourse to public funds could also access these services.

Central government should ensure that there are no regional gaps in provision, delivering ring-fenced money to local authorities to invest in refuge provision in their areas, in close partnership with specialist local women's organisations.

For many women with complex needs, like former prisoners, women at risk of sexual exploitation or women with substance misuse or mental health issues, refuges will not be an option. They will need women-only accommodation with more intensive wrap-around support, including specialised supported accommodation and Housing First schemes.<sup>24</sup>

### Permanent accommodation

There are a few housing associations in England that currently offer social tenancies to women, focusing on their needs and creating a safe and affordable environment where women can have their own homes. The ethos of organisations like Women's Pioneer Housing and Housing For Women of giving women autonomy and control over their lives through secure housing, while protecting them from economic abuse, is reflected in the way their tenancies are granted (only ever under the woman's name, to avoid homelessness due to relationship breakdown). They also provide supported accommodation for older women, to help combat loneliness and isolation, and ensure that women can preserve their autonomy for longer.<sup>25</sup>

Cohousing projects that are built in a sustainable and energy-efficient way, to foster a real sense of community through the design of shared gardens and spaces are popping up in the UK. The best known example is Marmalade Lane in Cambridge, a community cohousing project of 42 energy-efficient and modern design homes.<sup>26</sup>

### Housing First

This is an example of a housing concept that has huge potential in providing a foundation for vulnerable women in the form of permanent and secure housing. Originally implemented in Finland, it is being piloted in England in specific areas, including the West Midlands. The main tenet is to provide a permanent social housing tenancy as the first unconditional step in recovering the lives of homeless individuals with multiple and complex needs. Intensive wrap-around support is offered afterwards and is tailored to the individual's needs and following their lead and choices.

In Finland, the model received €300m for an eight-year project to support 1,500 people.

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<sup>24</sup> For some examples see WBG (2019) A home of her own – Housing and women (<http://bit.ly/2P6EwEB>) p. 40

<sup>25</sup> See more at WBG (2019) A home of her own – Housing and women (<http://bit.ly/2P6EwEB>) p. 45

<sup>26</sup> See <https://marmaladelane.co.uk/> for more information.



For the Housing First pilot in England, investment is much lower (£9.6m for the West Midlands Combined Authority for 2018-2020). Coventry, one of the localities of the project, received £1.7m to house 110 people in three years, an amount seen as nowhere near enough by local council staff.<sup>27</sup> There are concerns that the unconditional dimension will lead stakeholders to offer the Housing First permanent tenancies to people deemed less risky or complex in order to ensure it goes well.

Nevertheless, if properly funded, the programme has potential for success. A few small Housing First projects in local areas in England are specifically targeting women and the first results are encouraging, with women being offered permanent tenancies and support to keep them. They include Threshold Housing First in Manchester, Basis Yorkshire in Leeds, and Solace Women's Aid in Camden and Islington (London).<sup>28</sup>

- **Domestic abuse refuges** and other women-focused accommodation **should be properly resourced**, with ring-fenced funding to ensure sustainability and end the current postcode lottery. This includes:
  - **Emergency accommodation** (like domestic abuse shelters and other types of supported accommodation for relatively short periods of time);
  - **Permanent accommodation** that takes women's lower incomes, safety and needs into account.

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<sup>27</sup> WBG (2019) Housing and women in Coventry - briefing

<sup>28</sup> See more at WBG (2019) A home of her own – Housing and women (<http://bit.ly/2P6EwEB>) p. 46-47

**Annex 1. Percentage of households in different types of tenures, England, 2017/18<sup>29</sup>**

		Percentage of households in different tenures		
		Owner-occupied	Private rented	Social rented
Race	All	63.5%	19.5%	17%
	White	65.9%	18.0%	18.0%
	BME (all)	45.9%	30.2%	23.8%
	Black	31.3%	29.2%	39.5%
	Indian	72.2%	21.0%	6.8%
	Pakistani and Bangladeshi	59.2%	23.3%	17.5%
	Other	35.5%	40.1%	24.2%
Disability	Non-disabled	65.8%	22.3%	11.9%
	Disabled	59.2%	13.4%	27.4%
Sex	HRP <sup>30</sup> man	67.1%	19.9%	13.0%
	HRP woman	58.4%	18.9%	22.7%
Age	HRP 25-34 yo	37.6%	43.7%	18.6%
	HRP 35-44 yo	56.5%	27.6%	15.9%
	HRP 45-54 yo	66.5%	15.8%	17.7%
	HRP 55-64 yo	73.2%	9.3%	17.5%
	HRP 65+ yo	78.6%	5.6%	15.8%
	Household type	Couple w/children	67.0%	20.7%
Lone parent w/children		25.0%	35.5%	39.5%
Lone person sharing		30.6%	58.9%	10.6%
One male		50.2%	23.2%	26.6%
One female		63.4%	12.9%	23.6%
Economic status		Full-time work	65.6%	25.1%
	Part-time work	52.9%	23.0%	24.1%
	Retired	78.8%	5.1%	16.2%

<sup>29</sup> Author's own calculations using the English Housing Survey (2018)

<sup>30</sup> HRP: Household Reference Person, term introduced in Census 2011 to replace 'Head of Household'. Chosen by economic activity (economically active, full-time employment), age (eldest)

Unemployed	23.2%	30.6%	46.2%
Full-time work	8.1%	83.0%	8.9%
Other inactive	24.7%	20.1%	55.2%

## Annex 2 - Challenges to specific groups of women

**Victims and survivors of domestic abuse** – housing is key to rebuilding their lives safely. Refuges for domestic abuse victims are at breaking point, with one in five having to turn down women due to a lack of vacancies.<sup>31</sup> Even when women do access a refuge, the average length of stay is increasing as it's becoming more difficult to secure a permanent home that they can afford.<sup>32</sup>

**Women with complex needs** – (including substance misuse, ill mental health, time in prison, at risk of sexual exploitation) they will need more support-intensive women-only accommodation, which is sorely lacking in most parts of the country.

**BME women** – the gender pay gap for some groups of BME women is even larger than for White British women. Women from Pakistani & Bangladeshi and Black African backgrounds have particularly lower earnings, so for them housing affordability is an aggravated issue.<sup>33</sup> Social security cuts have also impacted low-income BME women the hardest, exacerbating their difficulty in affording an adequate home.<sup>34</sup>

**Women with no recourse to public funds** – they have no access to statutory homeless support or housing benefit. They are therefore at higher risk of being trapped in abusive relationships because they cannot access DA refuges or other types of statutory support.

**Young women** – housing is less affordable because they earn less than older age groups. Housing benefit entitlements for single under 35-year-olds without children are limited to the cost of a room in shared accommodation. This is particularly problematic to mothers with non-resident children, and victims and survivors of male-perpetrated abuse.

**Single mothers** – they head two-thirds of all homeless households with children. They are more likely than couples with children to be renting in the private sector (a third and a fifth respectively)<sup>35</sup> so more vulnerable to the insecurity and instability of private rentals.

**Older women** – have much lower pensions than men, a consequence of the gender pay gap and time out of the labour market to care for children and relatives. Their capacity to afford their own homes is thus much lower than men of the same age group, a particular problem for older women who are not homeowners.

<sup>31</sup> Women's Aid (2017) Data from Routes to Support, the UK violence against women and girls database of service and refuge vacancies.

<sup>32</sup> WBG (2019) A home of her own – Housing and women (<http://bit.ly/2P6EwEB>)

<sup>33</sup> Fawcett Society (2017) Gender Pay Gap by Ethnicity in Britain – Briefing (<http://bit.ly/2X2E8tg>)

<sup>34</sup> WBG and Runnymede Trust (2017) Intersecting Inequalities (<http://bit.ly/2XpvcYl>)

<sup>35</sup> Author's own calculations based on MHCLG (2019) English Housing Survey 2017 to 2018: Annex Table 1.3: Demographic and economic characteristics, 2017-18 (<http://bit.ly/2Vb6Eop>)

**Lesbian women** – LGBT young people are overrepresented in the homelessness population and abuse and estrangement from family is the biggest cause.<sup>36</sup> Lesbians in older age might be more dependent on residential care since they are less likely to have children and thus less able to rely on intergenerational informal care.<sup>37</sup>

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<sup>36</sup> Albert Kennedy Trust (2015) LGBT Youth Homelessness: A UK National Scoping of Cause, Prevalence, Response & Outcome (<http://bit.ly/2lXFuhR>)

<sup>37</sup> Department of Health (2007) Briefing 5 – Lesbian Health (<http://bit.ly/2PoKiOe>)