



Kent Older Persons Housing Research

Working Paper 3: Projecting Future Housing Need

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1. Introduction

This working paper presents a review of the level of future housing need for older people across Kent. The paper examines the ONS population forecasts to 2031 and from this projects the level of housing need by tenure that is likely to be needed over the next 20 years.

The existing local authority assessments on older persons housing need (see working paper 2) use a variety of methods and timeframes to determine need. Consequently they cannot be drawn together to give a definite pattern of current and future need across Kent. Therefore, while relevant information from these documents has been drawn out to build a picture of likely future need, DTZ has also included an independent projection of housing need by tenure using ONS and census data.

2. Summary

The key results from DTZ's projections of housing need by tenure to 2031 are:

- ONS population projections to 2031 for Kent indicate an increase among the over 55 population of 201,800 people. (50% of which is the over 75 year old population).
- Rolling forward housing tenure patterns for Kent to 2031 indicate that close to 3 out of 4 people over 55 will own their own home.
- Unlike the existing older population which includes a greater proportion of social renters (due to historic renting patterns), housing strategies for older people to 2031 will need to recognise the increasing proportion of owner occupiers in retirement, many of whom will have a significant amount of housing equity.
- Applying the updated tenure pattern to the population projections reveals an estimated additional 160,000 people over age 55 requiring owner occupied accommodation, an additional 22,000 social renters and an additional 13,000 private renters.

3. Projections of Housing Need

This section seeks to provide an overall picture by tenure of the level of older persons housing need across Kent for the next 20 years. This is achieved by applying ONS population projections to 2031 to current tenure patterns by age, derived and updated from the 2001 census.

Population Projections to 2031

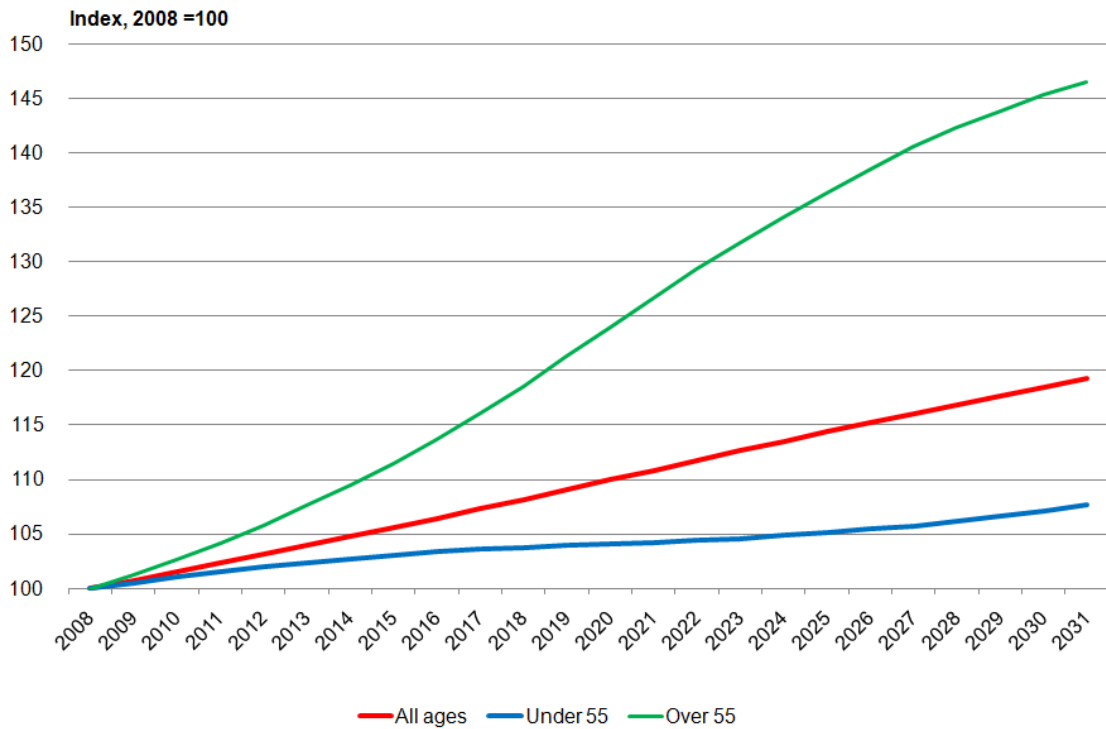
Figure 1 sets out the ONS 2008-based population projections by five year age bands for older people to 2031. This indicates an increase between the actual 2008 level and projected 2031 level among the over 55 population of 228,400 people. The figure for the over 75 population is 115,600 of this (i.e. 51%). This data is also displayed graphically in Figure 2, which highlights the difference in growth rates between the over-55 and under-55 populations.

Figure 1: ONS 2008-based Population Projections for Kent & Medway

Age	2008	2011	2016	2021	2026	2031	2008-2031 Difference
55-59	101,400	99,400	112,100	129,600	128,000	115,300	13,900
60-64	108,500	109,900	97,600	110,500	128,100	126,800	18,300
65-69	78,800	89,800	105,400	94,300	107,300	124,700	45,900
70-74	67,500	70,700	84,100	99,400	89,500	102,200	34,700
75-79	55,800	57,200	63,700	76,500	90,800	82,600	26,800
80-84	40,600	43,200	47,300	54,200	65,800	78,500	37,900
85-89	26,800	26,700	30,300	35,000	41,700	51,400	24,600
90+	11,900	14,600	18,100	22,800	29,500	38,200	26,300
Total 55+	491,300	511,500	558,600	622,300	680,700	719,700	228,400

Source: ONS, 2010

Figure 2: Indexed Chart of ONS Population Projections for Kent & Medway to 2031



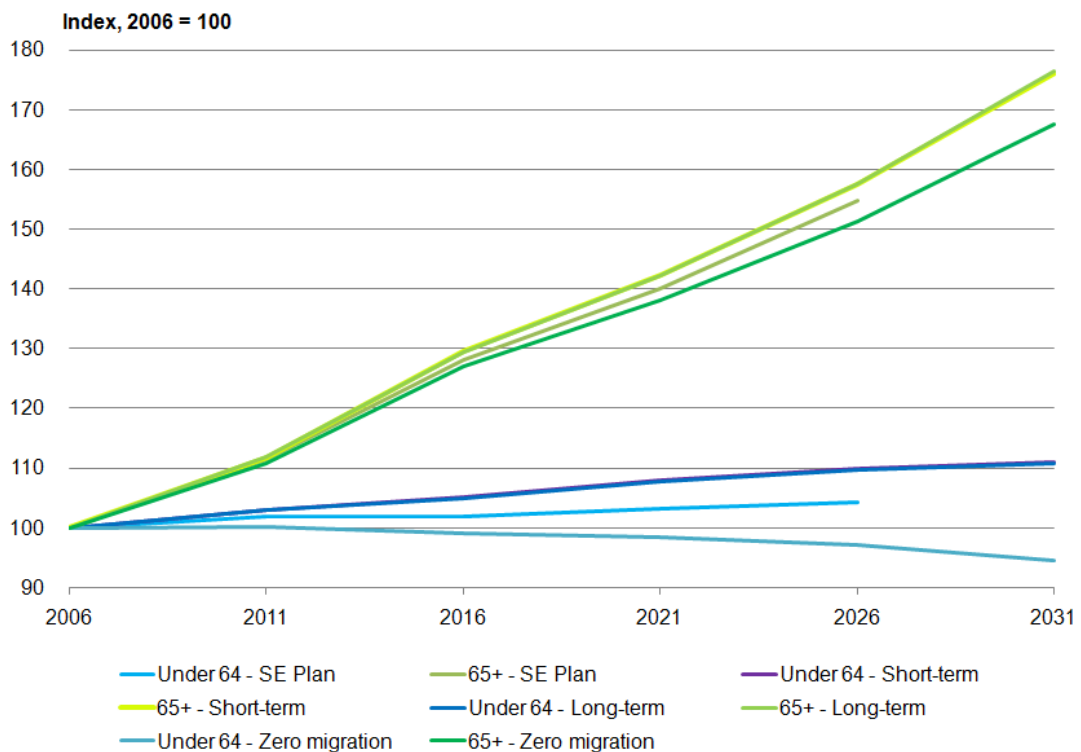
Source: ONS, 2010

Examining projections produced by Kent County Council, demonstrate similar findings. Figure 3 below sets out various population projections:

- projections forming the basis for the South East Plan
- projections using short-term migration trends
- projections using long-term migration trends
- projections assuming zero net migration

It should be noted that these projections have a base date of 2006 (and therefore differ slightly from that above which have a more up to date base date of 2008). They are also only able to consider the retired population (i.e. 65+), rather than those over 55. Nevertheless, taken together these projections confirm the important trend identified above – of a small increase in the younger population, and a much large increase in the older population over the next 15-20 years.

Figure 3: Indexed Chart of Kent County Council Population Projections for Kent& Medway 2006-2026



Source: KCC, 2011

N.B. In the above graph, the short and long term migration trend lines overlap and are therefore not both visible.

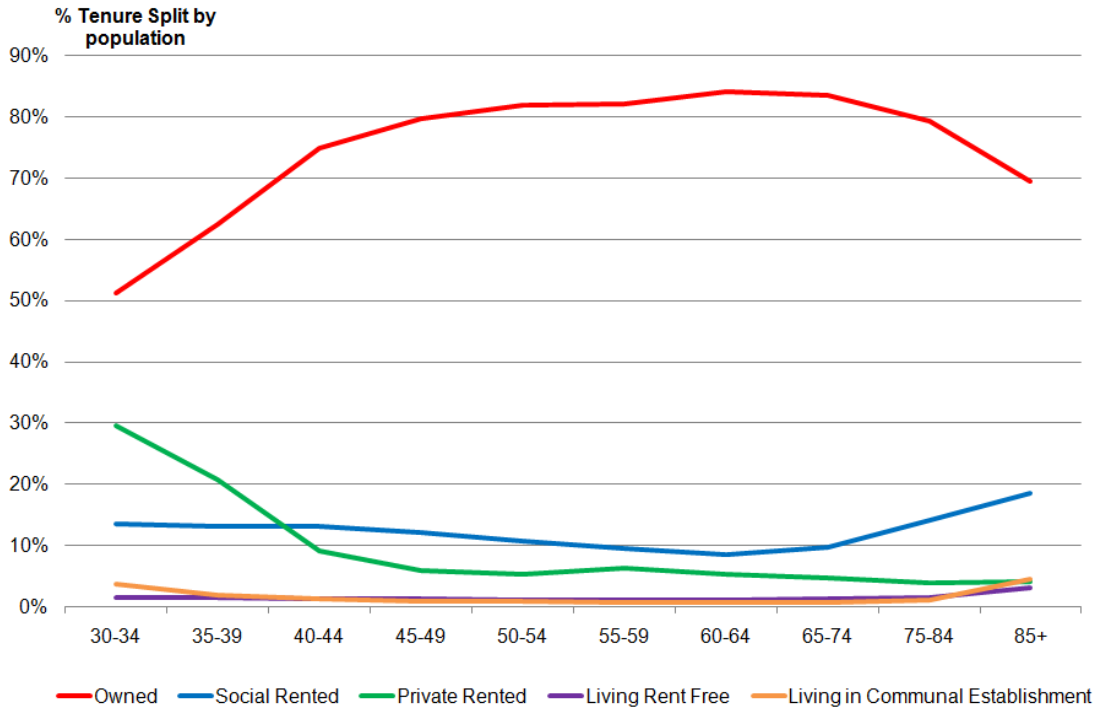
Tenure Patterns 2001-2011

The 2001 census provides details of housing tenure patterns by age. While this provides very useful and detailed tenure information, the pattern needs updating for two reasons:

- The 2001 patterns among the oldest age groups reflect high level of social renting which are unlikely to apply to the same degree to people moving into this age group in future
- Changes in the property market over the last 10 years, has meant restricted home ownership among the younger age groups.

To account for these issues, DTZ has made assumptions to update the 2001 position to a 2011 base. This has involved 'rolling forward' the tenure pattern for each age group i.e. the 35-39 year old pattern in 2001 becomes the 45-49 year old pattern in 2011, and adjusting the pattern for the changes outlined above. Figure 4 below indicates the tenure pattern by age band adjusted for 2011.

Figure 4: 2011 Adjusted Tenure Pattern by Age Band



Source: ONS, DTZ

The tenure pattern in 2011 indicates that close to 3 out of 4 people over 55 in 2031 will own their own home. This therefore indicates that, unlike the existing older population which includes a greater proportion of social rented (due to historic renting patterns), housing strategies for older people to 2031 will need to recognise the increased proportion of owner occupiers who are likely to have a significant amount of housing equity (and for the 50-65 year olds, the ability to increase this equity). Suitable private accommodation will therefore need to be provided for this large group of older owner occupiers if they are to be encouraged to down-size and free up existing larger housing stock.

Projections by Tenure

Using these tenure proportions, DTZ has estimated the additional older population to 2031 (compared to 2008) by likely tenure, in order to give an indication of the anticipated provision needed by older people in the next 20 years. To do this, the 2011 tenure patterns have been 'rolled forward' to 2031 i.e. the tenure pattern of 40-44 year olds in 2011 is assumed to form the tenure pattern of 60-64 year olds in 2031. While this allows estimates to be made in future, it should be noted that potential tenure pattern changes between now and 2031 cannot be taken into account.

Applying this 'rolled forward' pattern to the difference in population of older people between 2008 and 2031 produces an estimate of the additional population in 2031 requiring housing of each tenure. This is set out in Figure 5 below and indicates that, of the 228,000 projected additional people, around 183,000 are predicted to be owner occupiers, 26,000 social renters and 15,000 private renters.

Figure 5: Additional Older People Requiring Accommodation in 2031 by tenure (Kent & Medway)

	Owned	Social Rented	Private Rented	Living Rent Free	Living in Communal Establishment	Total
55-59	8,700	1,800	2,900	200	300	13,900
60-64	13,700	2,400	1,700	300	200	18,300
65-74	65,000	9,300	4,500	1,000	800	80,600
75-84	53,800	5,900	3,800	800	500	64,700
85+	41,400	6,100	2,200	700	500	50,900
Total	182,600	25,500	15,100	3,000	2,200	228,400

Source: ONS, DTZ

N.B. Table may not sum due to rounding