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UNIVERSITY OF BIRMINGHAM | CHASM
Centre on Household Assets and Savings Management

HOMES & WELLBEING

Breaking down housing stereotypes

February 2018
Full research report

Summary

This report presents the in-depth findings of survey and interview based research commissioned by VIVID and carried out by the Centre on Household Assets and Savings Management (CHASM) at the University of Birmingham.[1] When all potential influences on wellbeing are taken into consideration, these results show that living in social housing can have a positive impact on individuals compared to other tenures. Specifically, social tenants report lower levels of anxiety when compared to owner occupiers. However, these results also showed that, all things considered, social tenants were also less likely to report positive experiences of their home than those in other tenures. It also shows that the likelihood of someone who grew up in social housing now being employed is no less than those who grew up in homes owned by their parents – although for those who grew up in social housing more recently this is not the case.

In this in-depth report we present the full analysis of the data that led to these conclusions. Our methods and statistical results are set in the context of the latest cutting edge research on tenure and wellbeing and detail is provided on the way in which our data was collected, was analysed and is presented. But wellbeing is not all about hard data and statistics. There are therefore two other important elements that we add to our previously released initial findings in this report. The first is the political and policy context in which any debate about housing and wellbeing must take place, notably a long-standing preoccupation with the (apparent) ideal of owner-occupation, combined with ever tightening rationing of social housing. This context is addressed in the opening sections of this report. It is followed by a detailed description of our survey methodology and statistical analysis.

The second additional element we add in this report is the results of 30 follow-up interviews, undertaken in late 2017, with the aim of extending and deepening the details revealed by the survey analysis. We present the results of this qualitative work in the second half of this report. These results allow us to take our analysis beyond numbers and to explore more fully the lived experience of the home and its relationship with wellbeing. Talking to owner-occupiers, shared owners and social tenants adds significant depth to our results. We find that wellbeing is not so much a product of any particular tenure, but rather is directly connected to the quality of that tenure and, crucially, the social fabric of the neighbourhood in which it is embedded. An attractive and well-built home surrounded by social tension will likely impact equally negatively on renters and owners alike. This may in part reflect our survey results that suggest a strong preference for houses over flats, across all tenures. Managing high density flat-living will be an important challenge for policy makers and social landlords.

The final sections of this report first take us back to our survey results, and then onto some final recommendations for future policy directions. Returning to survey results not previously presented in our initial findings report, we find a range of issues that are likely to have a significant impact on wellbeing. Some of these interact with tenure and some seem to trump tenure as a more important influence on wellbeing. An example of the latter is financial struggle, which is the single biggest drag on wellbeing for all respondents. But examples that may involve tenure interactions are important too. Our statistics reveal that debt and the stress of raising children are also stand-out issues in this regard – both of which can be compounded by difficulties and delays with the tax and benefits systems. We therefore close our empirical analysis with the observation that, vitally important though it is, housing is a vital part of the wellbeing story, but must be understood in a wider setting.

The report suggests principles for new policy directions. These recognise that wellbeing is not all about housing, whilst arguing that it is nevertheless of great social value, and that social housing options can and should be extended to encompass a wider range of households and of housing needs. It concludes that the evidence produced by this research supports a case for social housing to become a tenure of choice, not just of necessity for the most vulnerable in our society.

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Section one

Objectives & methods

Introduction: housing and wellbeing

The link between housing and wellbeing has long been acknowledged. Common-sense tells us, and the evidence confirms, that poor quality housing significantly diminishes quality of life. Damp, cold and poor noise insulation are just some of the potential problems that stand out. These can adversely affect mental as well as physical health,[2] and there has been growing recognition of the role that housing can play in people's long-term life-chances. This recognition is all the more important in the context of our ongoing housing crisis. In the face of severe undersupply and unmet housing need across all tenures and types of housing, planners and policy makers inevitably face the pressing trade-off of volume versus quality.

For social landlords, in particular, the natural desire to meet the housing needs of as many people as possible will be very strong. Meeting the needs of those that are failed

by the market is indeed their core purpose. The argument and evidence of this report, however, should give pause for thought. We show that social housing can and should be a tenure of choice, that it can be just as popular and socially valuable as owner-occupation – but developers and landlords need to keep their eye firmly on quality if we are to maximise the value of social housing. This quality must mean more than a focus on minimum space standards and attractive design (important as they are). 'Quality' needs to embrace the kind of neighbourhood design and management that minimises negative neighbourhood interactions. At the most basic level this will require better sound insulation; a greater challenge lies in the design of shared spaces, especially in mixed housing developments.

There are two fundamental challenges that social landlords face in this context. The first is economic and financial. The

recent story of social housing development – in the loss of capital subsidy from the Treasury, the Right to Buy and the ever rising price of land – are at the forefront in this regard. The second is the default assumption, engrained over decades of planning policy and political consensus, that owner-occupation is always the best housing option – the 'natural' preference – of all who may be able to afford it, even if the boundaries of 'affordability' have to be stretched to the limits for some owners.[3] The consensus runs deeper than the apparent financial advantages associated with owner-occupation; the consensus holds that ownership is the route to a more general sense of wellbeing, that owners will always be happier and healthier than social renters.

It is this assumption that our research sets out to interrogate. How we define and approach the subject of wellbeing will inevitably influence both our research process and our findings. We discuss our approach in detail in section 3 below but first we present our headline findings. Using a bespoke survey followed by 30 in-depth interviews we find that:

- Social renters have lower anxiety levels than home owners.

- Feelings of worthwhileness of life indicators show no significant difference between social renters and owner occupiers.

- Those who grew up in social housing aren't necessarily less likely to be unemployed during their working lives. Those who grew up in social housing before the 1980s are no less than likely than those who grew up in homes owned by their parents to be out of work.

- But this isn't the case for younger respondents who grew up in social housing more recently.

- The type of home people live – flat or house – matters: our evidence shows that houses rather than flats are preferred, and that living in a house makes a significant difference to the sense of wellbeing across all tenures

- Those living in social housing are less likely to feel safe in their homes and also less likely to agree that most people would want a home like theirs.

The political and policy context of housing and wellbeing

The policy and political consensus in the UK is driven by the ideal of owner-occupation. This holds true even in the context of an apparently new political climate. In recent policy statements, the Conservative Government has promised £2bn to build social rented homes in high-cost areas, whilst the Labour Party has pledged to build a million new social homes. Yet compared to the £2bn promised for new social housing by the Prime Minister, some £10bn has been invested in Help-to-Buy schemes, and affordable housing obligations placed on developers can, since 2015, be settled through the provision of starter homes. Further, in November of this year (2017) the Chancellor of the Exchequer, Philip Hammond, promised to make homeownership a "reality, not a dream";[4] backing his promise with a stamp duty tax reductions for first-time buyers, amounting to £3bn of foregone tax receipts by 2022/23.

In reality, then, housing strategy in England is still driven by the ideal of ownership, despite a renewed call for social housing investment. It's apparent in a period of price escalation across many of the regions of the UK, and as a crisis most commonly expressed in terms of the difficulty of 'getting on the housing ladder'. But where does the ownership ladder lead to?

One dominant strand of thought has been that owner-occupation leads individuals to greater and more virtuous independence from the state. This is the line of thought that runs through many of the aspects of welfare provision that have a direct bearing on the lives of social tenants. These include recent welfare reforms such as the total cap on benefits and, for tenants seeking work, the full range of incentives and sanctions introduced by the same

Welfare Reform Act of 2012. A narrative of 'dependency' has become entwined with attacks on the value of social housing, with some arguing that social housing itself causes dependency 'because of appalling incentives social tenants face'.[5]

This belief ultimately found expression as official Conservative Party policy: "Generations of families are trapped in social housing, denied the chance to break out or to buy their own property. I don't want a child's life story to be written before they're even born, and a responsible housing policy which helps people up and out of dependency can help rewrite that story".[6]

Housing and life-chances

Our primary focus in this report is with housing tenure and wellbeing against the background of the debate about the impact of housing on life chances. We define life chances as a measurable relationship between an individual's circumstances in early-life and their observable outcomes later in life. We have attempted not just to explore wellbeing at a single point in time, but also to include the impact of childhood tenure on a respondent's circumstances later in life to provide some longitudinal aspects to our analysis.

The evidence we present does not fit the dependency narrative we have just outlined. Whilst there is certainly a concentration of social disadvantage within social housing, there is little, if any, reason to think that social housing itself is to blame.

This is in line with the existing research on social housing and life-chances. For example, Feinstein et al use four longitudinal cohort studies to explore the possibility of an independent 'tenure effect' on life-chances.[7] With a host of controls for family background as well for individual characteristics, the authors found that those born into social housing in 1946 did not experience social disadvantage in later life. But those born in 1970 experience a full range of negative outcomes: at the age of 30 they were 11 times more likely not to be in employment, education or training as compared to those born into other tenures (with similar background social characteristics), 9 times more likely to live in a workless household, and twice as likely to suffer from mental health problems and to have a low sense of self-efficacy.

What is notable is that there are no negative associations for those born into social housing in 1946 – a finding that we replicate. The conclusion we draw from this is that bad housing – of poor quality, badly planned and disconnected from labour markets and public services – may exacerbate the experience of poverty. But there is nothing 'wrong' with social housing itself.

From life-chances to wellbeing

During the last decade there has been a growing interest in the relationship between housing and wellbeing. What exactly is meant by 'wellbeing' in this and other literatures is still an area of controversy.[8] But our concern in this report is primarily with 'subjective' wellbeing – i.e. the feelings that an individual self-reports. There are some constraints we face in measuring this type of wellbeing. Conceptually and culturally 'wellbeing' is clearly open to interpretation and a great deal of nuance. The definition we adopt will not satisfy everyone or capture all aspects of the widest meaning of the term. However, it has the key merit of standardisation: it is the same meaning and measure used by a wide range of other studies and thus allows us to build on existing empirical research.

A working definition of wellbeing.

'Wellbeing' in this report is the self-reported personal feelings of respondents when asked four key questions on: levels of anxiety, a sense that life is worthwhile, a sense of life-satisfaction, and self-reported feelings of 'happiness'. 'Wellbeing' therefore consists of positive responses to this basket of survey questions. We acknowledge the limitations of such a definition; it is used in this report as pragmatic metric, not as a philosophical concept or ideal.

Interest in the use of wellbeing as a key measure of social value and public policy success has been growing over the last 10 years.[9] In the late 2000s the New Labour government of the time adopted some of the messages developed by Richard Layard in his work on happiness.[10] Whilst this work did not specifically relate to the housing and tenure issues we address in this report, it marked the beginning of new thinking about the way we measure public policy outcomes. In the UK this has culminated in the use of four wellbeing measures in the Annual Population Survey, which surveys approximately 165,000 people across the UK every year.[11]

This is an important addition to the harder measures of life-chances research. This research tells us about objective facts, notably the measurable relationship between an individual's circumstances in early-life and their observable outcomes later in life. In housing, as we have seen, there is evidence that some forms of housing have a negative impact on these outcomes in terms of health, income, education and a whole range of objective measures of socio-economic disadvantage. We also have a wide range of easily accessible objective facts about the current state of poverty and disadvantage in Britain.

Defining 'life-chances'.

The concept of life-chances describes the relationship between an individual's socio-economic position at one point in life and the probable impact that this has on socio-economic status at a later point. Our key exemplar is the impact that growing up in social housing may have when the child reaches adulthood.

These measures are necessary and important. As we shall see, they also play a crucial role in explaining why some people report lower wellbeing. Unsurprisingly, income poverty and other material disadvantages are not likely to increase an individual's a sense of wellbeing.

But these facts do not give us the complete picture. There are two aspects which the objective facts of poverty and life-chances research do not capture. The first is what it feels like to experience this disadvantage. The lived experience of poverty is increasingly well understood and explored and measured with greater sophistication.[12] Bringing explicit measures of subjective wellbeing into the evidence mix will help build on this.

There is also a second aspect of our understanding of housing that current debates about life-chances do not capture. As we have seen, recent policy interventions have been led by advocates of a very negative view of the value of social housing. This is based in part on a simple misreading of the evidence.

But it is also driven by a very instrumental and behavioural view of what we should expect of social housing. It almost seems as if the value of social housing is to be measured solely in terms of statistical outcomes – and particularly employment outcomes. This attitude has fed into a narrative that sees social housing as a source of dependency and which assumes that it only has a public value instrumentally, as form of social intervention that needs to be either fixed

or effectively abandoned as 'failed' tenure. The contrast, of course, is with the perceived value of owner-occupation; still a nearly universal aspiration, despite growing recognition that this may not be realistic in terms of affordability, and despite a growing number of owners struggling to meet their mortgage costs.[13]

Our focus on wellbeing tells a very different story. Whilst we present new research that stays within the terms of reference set by the life-chances debate, we also hope to shift the terms of that debate away from a narrow view of success. Thus, our data tells us that there is no necessary connection between social housing and unemployment - a finding that speaks against the negative dependency narrative. But we also want to reset the debate in more positive terms. Our results on wellbeing tell a very different story from the stock-in-trade assumptions of the British housing debate: far from social housing being somehow 'bad' for you, it clearly has the capacity to make a very positive difference to quality of people's lives. For many people it could hold more promise than the apparent ideal of owner-occupation, not just in terms of affordability, but also in terms of quality of life.

Housing and wellbeing: the story so far

There have been recent efforts to answer some important questions about the relationship between wellbeing and tenure, typically through the use of existing large-scale data-sets. Recent research in both Australia and the UK has used large-scale panel data to tease out some of this nuance. In the UK, Popham et al use the GHQ12 items of the British Household Panel Survey to explore the impact of tenure on psychological distress in research published in the British Medical Journal.[14] The specific interest – following the agenda set by Michael Marmot's Whitehall Studies[15] – is the levels of stress (and hence wellbeing) experienced by social renters compared to former social renters who exercised the right to buy their home from the council. The hypothesis explored in this work is that the assumed higher social status of being an owner may reduce stress; yet, controlling for improved financial circumstance that may be associated with such a status/tenure change, they demonstrate that no such effect is apparent.

Other health focused studies based on the BHPS also find little evidence of a consistent tenure effect. Bentley et al use both the BHPS and the Household, Income and Labour Dynamics in Australia Survey (HILDA) to address the question: 'Does tenure (being a private renter or mortgagee) modify the effect of housing affordability on mental health in both Australia and the UK?'[16] The interest of this question lies in whether or not there is a positive (or negative) tenure effect, mitigating the stress of unaffordability, or making it worse. Thus, an owner may face the same financial struggles as a renter but nevertheless experience better mental health, perhaps as a result of the positive associations (real or perceived) of ownership. This did not prove to be the case in the UK as the data 'indicated that the mental health of home purchasers significantly worsened' as mortgagees struggled to meet housing costs, whilst in Australia it was renters who fared worse mentally when faced with unaffordability. Given this variability the authors conclude that context - political, social and economic – is as important as a putative tenure effect. 'Tenure type influences health, but only in some contexts'.

Other studies have also found that housing affordability has a differential effect on mental health in different countries, again depending on the context and the cultural-policy structures in which different tenures are embedded;[17] whilst new research (again using the BHPS) tests the relationship between ownership, stress and social status, finding that much of the subjective satisfaction of ownership lies in it being exclusive and the source of a status advantage.[18]

Methodology: research design and objectives

Our research builds upon these early findings. Our survey set out to explore a range of questions:

- Does owner-occupation always bring with it the material and psychological benefits so often attributed to it – and for everyone?

- And is it really the case that other forms of housing – in particular social housing – can't provide the same practical and emotional benefits to at least the same degree, or not more so in some cases?

- To what extent does the sector contribute to the stigma around social housing, which make social renters less likely than those in other tenures to believe that people would want a home like theirs?

- How important is quality versus quantity of housebuilding and provision to wellbeing?

Whilst the evidence so far has drawn on existing survey data, we have designed a unique, bespoke, survey that specifically explores the relationship between housing tenure and wellbeing, as set out above. In doing so we have followed part of the methodology of the Annual Population Survey (the APS) developed by the Office for National Statistics. The APS simplifies the range of wellbeing questions found in (for example) the British Household Survey, reducing the number of questions from 12 to 4.

The four key wellbeing questions call for scaled responses. They are:

1. Overall, how satisfied are you with your life nowadays?

2. Overall, to what extent do you feel the things you do in your life are worthwhile?

3. Overall, how happy did you feel yesterday?

4. Overall, how anxious did you feel yesterday?

In addition to this we added six statements designed to understand the different ways in which the 'home' is experienced. These also called for scaled responses. The six statements are:

• I feel safe in my home

• I feel I have privacy in my home

• I can get away from it all in my home

• I can do what I want when I want in my home

• Most people would like a home like mine

• My home makes me feel I am doing well in life

Our survey sample is drawn from customers across VIVID's housing stock (current and recently sold) located throughout Hampshire. We had over 2,000 respondents to an online survey conducted in July 2017, including social renters, shared owners and owner occupiers, and a further 30 in-depth interviews were carried out with a sample of respondents. Whilst we aimed to attract more responses from open-market owners our recruitment process was inevitably biased towards shared-owners, and this needs to be borne in mind when drawing broader policy conclusions from our data. We show the breakdown of our respondents in the pie-chart below.

Legend:
- Shared owners
- Social renters
- Owner occupiers
- Private renters

Pie chart values: 5%, 5%, 9%, 81%
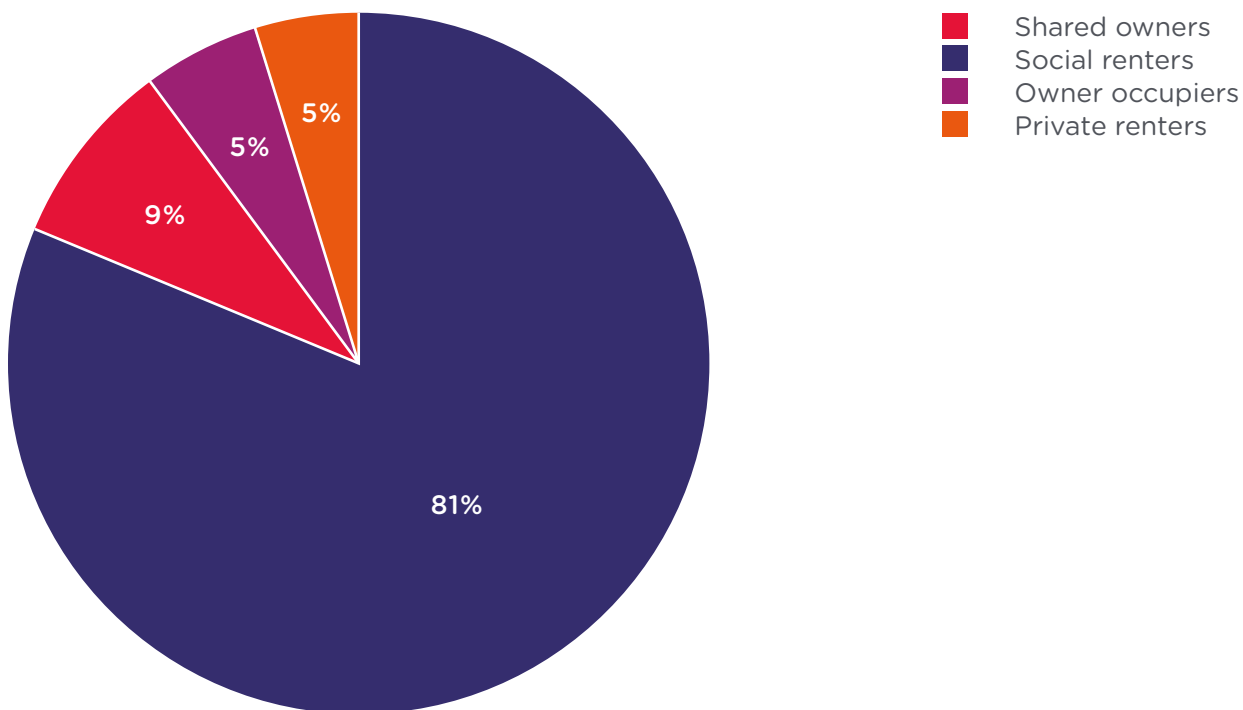
In the first instance we carried out a number of univariate tests on the survey data. To extend this analysis we then undertook a multivariate analysis, using the same data, enabling us to isolate more effectively individual impacting factors on our dependent variables from other potentially influencing details. The results of this statistical analysis are described below.

Section two

Research results

Wellbeing and tenure

Table 1 (page 19) shows our univariate results for tenure and wellbeing. We can see a series of associations between tenure and wellbeing. On the left-hand column are our key independent variables. We sought to test the extent to which these variables were associated with positive or negative responses (the dependent variables) to the wellbeing questions in our survey. Our main interest is of course the relationship between tenure and wellbeing. But tenure needs to be set in the context of other potential influences on wellbeing. Thus, the left-hand column of Table 1 includes the following: gender, living with a partner, having children or adult dependents, income, age, employment, level of education, financial stress, job satisfaction and long-term sickness.

Table 1: Descriptive statistics

The table shows averages (means) for the variables for owner-occupiers and social tenants. It also shows the difference in averages, and the statistical significance of the difference in averages is indicated by asterisks: ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	Owner-occupiers (average)	Social tenants (average)	Difference of averages	Significance
Number of observations	305	1,704		
% of respondents reporting they...				
are satisfied	42.6	25.1	-17.5	***
find life worthwhile	70.2	57.8	-12.4	***
are Happy	28.2	20.3	-7.9	***
feel Anxious	20.3	23.2	2.9	***
% that are employed (in paid work full or part-time, or self-employed)	81.0	55.6	-25.4	***
% of respondents reporting they...	92.5	96.2	3.7	**
find their job meaningful	59.3	44.4	-14.9	***
feel valued by colleagues	26.6	18.0	-8.6	***
% reporting they are struggling financially	28.5	57.0	28.5	***
% living with a partner	46.9	46.2	-0.7	Not significant
% who report they are healthy (i.e. they have no long-term health problem or disability preventing them from working full time)	92.1	68.8	-23.3	***
% having children or adult dependants	30.8	59.2	28.4	***
% with low income (up to £5,199 p. a.)	1.0	7.2	6.2	***
% with high Income (over £52,000 p.a.)	7.2	1.2	-6.0	***
% with low education (no qualifications)	7.9	21.6	13.7	***
% with professional qualification	35.7	18.4	-17.3	***

% with university education	38.2	14.0	-24.2	***
Gender (% male)	43.0	25.5	-17.5	***
% within age range 16-24	3.9	3.5	-0.4	Not significant
% within age range 25-49	55.7	52.8	-2.9	Not significant
% within age range 50-64	26.9	29.7	2.8	Not significant
% within age range 65+	13.4	14.1	0.7	Not significant
% grew up in social housing	22.3	47.7	25.4	***
% grew up in home owned by parents	70.2	43.5	-26.7	***
% living in a house (rather than flat)	70.2	54.6	-15.6	***
% living in a home with 1 bedroom	19.3	21.4	2.1	Not significant
% living in a home with 2 bedrooms	55.7	43.3	-12.4	***
% living in a home with 3 bedroom	20.3	31.8	11.5	***
% living in a home with 4 or more bedrooms	4.6	3.4	-1.2	Not significant
Ethnicity (% white)	94.1	94.8	0.7	Not significant

Table 1 above illustrates that social renters could be typically expected to report higher levels of personal anxiety (by 3 percentage points more at 23%) than owner-occupiers (at 20%). We can also see that social renters report 8 percentage points lower levels of happiness (20% compared with 28%) and 12 percentage points lower scores on feelings of their life being worthwhile (58%), when compared to the owner-occupiers (70%) in our sample. Our descriptive comparison results further suggest that those who own their homes are more satisfied with their lives (at a reported average of 43%) than those socially renting (at an average of 25%).

At first sight these results are negative for social housing relative to owner-occupiers. However, once we control for a range of other factors in our multivariate analysis the results are different. Table 2 shows probit models that model the likelihood that social tenants experience certain wellbeing outcomes because of influences of tenure and other known determinants of wellbeing. Key factors we control for are: living with a partner, having children or adult dependents, income, age, employment, level of education, financial stress, job satisfaction and long-term sickness. All of these are known to be key determinants of wellbeing.[19] Controlling for these other influencing factors in our probit models yields the following conclusions:

- Being a social tenant reduces the probability of being anxious by 7 percentage points (compared to the average respondent at 21%)

Our univariate analysis suggested that social renters report lower scores on feelings of their life being worthwhile. However, once we control for other factors that could be driving this result other than housing tenure, we find little evidence to support the assumption that it is through ownership that people feel they can 'get on in life'.

- Compared to other tenures, social tenants (61% of all social tenants) are equally likely to believe that their life is worthwhile.

But there is also some less positive news.

- Social tenants report they are less happy and less satisfied with their lives compared to those who own their homes.

Our results show that those who own their homes are more happy and more satisfied with their lives (43% of owners are satisfied or very satisfied) than those socially renting (25% of all social renters) and this fact is also borne out in our more detailed analysis where a significant negative relationship is also highlighted even when controlling for all other possibly impacting factors. This result suggests that social housing solutions could do more to positively lift the wellbeing of tenants in terms of life-satisfaction.

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Table 2: Housing and wellbeing

The table reports the results of four separate Probit models. The models capture the impact of various determinants on the likelihood of respondents reporting that (i) they feel their lives are worthwhile, (ii) that they are satisfied, (iii) they are happy, or (iv) they feel anxious. Panel A shows the estimated likelihood for an average respondent. Panel B shows the impact of a given factor: whether the impact is positive or negative, and the size of the change in the likelihood (as percentage-point changes) resulting when one of the factors changes from zero (or no) to one (or yes), all else equal. E.g. comparing two

respondents that are equal in all other respects except one lives in social housing and the other does not, the expected likelihood of the former feeling anxious is 7 percentage points lower, as shown by the figure (-7.0) in the right-most column. In addition to the factors shown in Panel B, the models control for respondents' income, education, age and gender. The statistical significance of the impact estimates is indicated by asterisks where ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

Likelihood of respondent reporting he or she feels…	…life is worthwhile	…satisfied	…happy	…anxious
Panel A: Average respondent's likelihood	60.8%	25.6%	20.5%	20.9%
Panel B: Impact on average likelihood for respondents who				
Live in social housing	-0.5	-7.7**	-4.6*	-7.0**
Are employed	0.0	3.0	-6.3*	-3.9
Like their job	18.7***	18.7***	-1.1	-6.3
Find their job meaningful	17.1***	5.9**	6.4**	-0.6
Feel valued by colleagues	07.5***	03.1	1.9	1.0
Are struggling financially	-12.8***	-14.3***	-8.2***	10.2***
Live with a partner	8.5***	6.1***	2.4	-0.9
Are in good health	18.9***	11.0***	7.3***	-18.4***
Have children or adult dependents	1.6	-2.7	2.8*	5.4***
Grew up in social housing	-1.8	-1.8	0.30	-2.2

In summary, our probit model suggests that social housing actually plays a positive and protective function in one key well being respect: our evidence suggests that it is likely that social renters will have lower levels of anxiety than owner-occupiers. Further there is no significant difference between the groups in reported levels of feeling their life is worthwhile. However, it does also suggest that social renters will have lower self-reported levels of happiness and that social renters are more likely to report a lower level of life-satisfaction.

This latter issue of negative levels of self-reported life-satisfaction may be related to the way in which the home is experienced. As we report below, social tenants typically express more negative feelings about the home than shared-owners and open-market owners. Before we address this, however, we turn to our research results on the relationship between childhood tenure and life-chances.

A limitation of our results is that they are cross-sectional and do not track individuals over time. This restricts our ability to draw conclusions about the longer-term impact of housing tenure, however, both the survey and the follow-up interviews both ask respondents about their housing history and their experiences over time, specifically with regard to tenure changes. Statistically we have attempted to partially overcome the limitations of cross-sectional data by using childhood tenure as a key independent variable. This is inherently limited but it does allow us to drawn some tentative conclusions in the context of life-chances debates regarding the impact of growing up in social housing.

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The relationship between childhood tenure and life-chances

In Panel A of Table 3 we present descriptive statistics on the relationship between childhood housing tenure and reported outcomes at the time of the survey. This analysis shows a negative association between childhood tenure and life-chances (current employment, health and educational achievements). The percentage of respondents reporting in our survey that they are employed is lower for those who grew up in social housing (in a property rented from a council or a housing association) than for those who grew up in a property owned by their parents. Similarly, the percentage reporting they are in good health is lower, and the percentage reporting they left school without qualifications is higher.

We find that there is no necessary link between social housing in childhood and the likelihood of being employed later in life.

A key feature of the long-running life-chances debate in housing has been the relationship between the type of home that someone grew up in and their prospects in adult life. Yet, there's been a tendency to misinterpret this evidence and to use it to suggest that there is something inherently 'wrong' with social housing; leading to worklessness and welfare dependency. With this in mind, we set out to further test this relationship. However, examining the association between current employment and childhood tenure further in a multivariate model we find that there is no necessary link between social housing in childhood and the likelihood of being employed later in life. The Probit model in Panel B of Table 3 shows that those who grew up in social housing before the 1980s (and who are now aged 50-64) are no less likely to be employed now than those who grew up in a home owned by their parents. The negative social-housing effect appears to be limited to younger respondents in the age brackets 16-24 and 25-49.

- Those who grew up in social housing before the 1980s are no more likely to be unemployed than those who grew up in homes owned by their parents, whatever type of housing tenure they now occupy. However, this isn't the case when just focusing on younger respondents (aged under 50) who grew up in social housing more recently.

While our cross-sectional survey approach only captures an individual's experiences at one point in time, we find that as we move from older to younger respondents the negative association between childhood social tenure and employment becomes stronger the younger the respondent. Whilst our data is not strictly longitudinal and cannot track key life course events from childhood to the current day, the difference in the impact across age brackets is substantial and statistically significant (ranging from statistically insignificant 1.5 for the oldest respondents to -13.6 in the middle age bracket and -21.6 for the youngest).

A key point to note is that there has been a process of residualisation over this period. There has been a decline in the number of social homes available and a tightening of the allocations process based on strict criteria of need. This process has led to a concentration of vulnerable people in social housing, leading we believe to negative public perceptions of the value of social housing. Our findings, however, highlight the point that there is nothing intrinsically 'wrong' with social housing. This data suggests that social housing does not appear of itself to play a causal role in worklessness or 'dependency'.

Social housing does not appear of itself to play a causal role in worklessness or 'dependency'.

Table 3: Childhood tenure and life chances

Panel A shows the numbers and life outcomes for respondents broken down by type of property in which they grew up. Life outcomes are captured by the percentage of respondents in each category that report in our survey that they are currently (i) employed and (ii) in good health, and (iii) respondents who left school without qualifications (low education). Panel B shows the results of a Probit model that examines the determinants of respondents reporting in our survey that they are employed. The model estimates the impact of having grown up in social housing (in a property rented from a council or housing association) separately for respondents in each of three age brackets. The model controls for the respondent's age, gender and ethnicity. The sample for the Probit model includes 1,703 observations for respondents aged 16-64 (excluding those aged 65 and older)

Panel A:	No of observations	% Employed	% in Good Health	% with Low Education
Grew up in property rented from council	618	53.6	67.6	30.0
Grew up in property rented from housing association	262	58.8	71.8	19.9
Grew up in property rented from private landlord	80	36.3	66.3	32.5
Grew up in property owned by parents/family	955	66.5	76.4	11.6
Other (e.g., forces, care home)	94	94	69.2	19.2

Panel B: Likelihood of respondent reporting he or she is currently employed

Average respondent's likelihood	66.4%
Impact on average likelihood of respondents being	
Aged 50-64 AND having grown up in social housing	1.5
Aged 25-49 AND having grown up in social housing	-13.6***
Aged 16-24 AND having grown up in social housing	-21.6*

What's so great about ownership?
Tenure and experiences of the home

This report explores the social value of social housing. Thus far our results are supportive of an argument that there is value in social housing for overall societal benefit. Yet this does not present the complete picture. The value of social housing is defined in more recent British housing politics and policy in opposition to the ideal of owner-occupation. Our survey was designed to test the reality of ideal with a series of statements about the home, inviting respondents to agree or disagree. The results are presented in Table 4 (page 30).

Table 4: Feelings about Home

The table reports the results of six separate Probit models. The models capture the impact of various determinants on the likelihood of respondents stating that (i) they feel safe in their home, (ii) that feel privacy in their home, (iii) they can get away from it all in their home, (iv) they can do what they want in their home feel anxious, (v) most people would like a home like theirs, and (vi) their home makes them feel they are doing well in life. Panel A shows the estimated likelihood for the average respondent Panel B shows the impact of a given factor: whether the impact is positive or negative, and the size of the change in the likelihood (as percentage-point changes) resulting when one of the factors changes from *zero (or no) to one (or yes), all else equal. e.g. comparing two respondents that are equal in all respects except that one lives in social housing and the other does not, the figure (-6.2) in the second column shows that the likelihood of the former feeling safe in her home is 6.2 percentage points lower. The statistical significance of the impact is indicated by asterisks where ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively. In addition to the factors shown in Panel B, the models control for respondents' income, education, age, gender, and previous type of tenure (the latter has no significant impact).*

Likelihood of respondent reporting …	…they feel safe in home	…they feel privacy in home	…they can get away from it all in home	…they can do what they want in home	… most people would like a home like theirs	… home makes them feel they are doing well in life
Panel A: Average respondent's likelihood	73.0%	71.4%	59.2%	63.3%	45.1%	33.7%
Panel B: Impact on average likelihood for respondents who						
Live in social housing	-6.2*	-7.1**	-5.7	-8.9**	-8.6**	-22.2***
live in a house (rather than flat)	9.0***	6.7**	14.7***	7.9***	18.2***	13.2***
live in a home with 1 bedroom	-7.6	-7.6	0.5	-5.1	-14.8**	-1.1
live in a home with 2 bedrooms	-7.6	-10.0	-4.3	-8.0	-19.4***	-2.7
live in a home with 3 bedroom	-6.8	-10.7*	-4.3	-8.5	-18.1***	-5.0
Are employed	9.2**	3.1	-1.8	4.4	-5.6	-5.4
Like their job	13.9**	4.9	6.8	10.6*	10.0	9.6
Find their job meaningful	-2.9	-2.3	6.5*	-4.5	4.7	9.0
Feel valued by colleagues	2.6	4.9*	7.5**	5.1	6.4*	4.5

Are struggling financially	-7.2***	-11.5***	-5.3**	-8.2***	-9.8***	-15.5***
Live with a partner	1.0	-1.1	-2.3	-5.3**	-7.4***	-6.2**
Are in good health	3.8	6.3**	9.2***	10.4***	0.4	8.5***
Have children or adult dependants	-6.4**	-8.3***	-14.0***	-8.3***	-8.8***	-4.8*

In contrast to our results on tenure and wellbeing, our data demonstrates that there is in fact a marked deficit for social tenants when it comes to their experience of the home. This is borne out by our multivariate analysis, presented in Table 4. Those who live in social housing are more likely to report a worse experience of their homes, as shown by the negative impact of the first factor ('live in social housing') in Panel B of Table 4. All these negative impacts are statistically significant with the exception of the third column of results that relate to respondents reporting that they 'can get away from it all in their home' where there is no significant difference between social tenants and owner-occupiers.

Those living in social housing are more likely than owners and shared owners to say that:

- they do not feel safe in their home (by 6 percentage points – from 73% to 67%)

- they do not feel a sense of privacy in their home (by 7 percentage points from 71% to 64%)

- they can't do what they want in their home (by 9 percentage points from 63% to 54%)

- Fewer social tenants feel that other people would like a home like theirs (by 9 percentage points from 45% to 36%)

- Fewer social tenants say that their home makes them feel that they are doing well in life (by 22 percentage points).

In contrast to our results on tenure and wellbeing, our data demonstrates that there is in fact a marked deficit for social tenants when it comes to their experience of the home.

This presents social landlords with a significant challenge. Not least there is the challenge of understanding why the self-reported experiences of social tenants differ in this way, particularly in light of the evidence we present above. One clue may lie in our third and fourth findings, that social tenants are less likely to say that most people would like a home like theirs, and that fewer social tenants say that their home makes them feel that they are doing well in life. We cannot say from our survey data why this is the case, but it may be the case that there is a sense of continued stigma around social housing – that others judge they have not been successful in life as they do not own their own home, or that social housing is intrinsically undesirable – feels perpetuated by recent policy and opinions expressed in popular media.

Another important clue is provided in our data. Positive responses to our experience statements were indeed more prevalent amongst shared owners and open-market owners – but another very significant factor emerges: houses are experienced much more positively than flats across all tenures. Respondents living in houses are:

- More likely to report positively on feelings of safety (by 9 percentage points at 82%) than those in flats (at 73%);

- More likely to report a greater sense of privacy (by 7 percentage points compared to flat dwelling respondents at 71%);

- Feel they can get away from others in their home (by 15 percentage points compared to flat dwelling respondents at 59%);

- Believe they are overall doing well (by 13 percentage points compared to flat dwelling respondents at 34%);

- Have a home most other people would want (by 18 percentage points at 63%) when compared to those living in flats (at 45%)

This data makes clear that the type of building you live in has a significant impact on how the home is experienced, even when we control for other factors. This is a difficult message for landlords and policy makers when we are all seeking to build more, in denser patterns, in a difficult economic climate with a growing population and an overall housing shortage of significant magnitude. However, as our survey data did not shed any direct light on this question we set out to explore this issue with 30 follow-up interviews. These suggested that a part of the solution is to be found in ever better neighbourhood design and management – as well as the building of better quality flats, and refurbishing to high standards.

Section three

From data to feeling

From the sample of 2,000 respondents who replied fully to our survey, we selected 30 to be interviewed representing ages between 16 and 65. We sought equal numbers of social renters, shared-owners and open-market owners. Our broad aim was to understand in greater depth how different tenures were experienced to explore possible reasons for the apparent value attached to owner-occupation.

A semi-structured interview process was adopted, structured around the following themes:

- the experience of the current home
- experience of the neighbourhood
- past housing and neighbourhood experiences
- financial management of housing costs, and
- housing aspirations

Below we discuss the results under the three key headings that emerged as central messages across the interviews.

Security and stability: Ownership

When approaching the interviews we were expecting home-owners (both part-owners and open-market) owners to report financial security as a key motivation to ownership. This was expected in part because of dominant narratives of home-ownership as a means of building an asset, as well as allowing more freedom of choice, both in terms of what and where to own, and in terms of control of the home. This assumption in fact proved to be only partly the case. When probed there was a clear sense that emotional and familial stability were as highly prized as the financial advantages of owner-occupation.

On the financial aspects of ownership, some interviewees made reference to the 'dead money' of a rental home and others had plans to 'downsize' later in life and thereby release money to fund their retirement. Reference was also made to the ability to leave a home for their children.

Female shared owner 1:

"I think it was just the feeling of the money we were spending going towards something rather than just going to someone else all the time. And us having a bit more ownership of it. I think in our final flat that we rented, we quite enjoyed doing the garden and things, but it was hard to balance spending money on the garden with the fact that it wasn't our garden. You know, we enjoyed doing it so we did it anyway but, you know, you're kind of doing stuff for someone else".

Female shared owner 2:

"Because renting is dead money. You're never going to make anything. "

But:

"…. you know, I want to have a base. I don't want to be in a situation where in a month's time I could get a month's notice and I have to move again. I've got a daughter so, you know, I want her to be settled".

Female shared owner 3:

"I wanted to get on the housing market because I'd been living as a lodger for a while and kind of wanted to move to my own place really. But it just kind of didn't make sense to rent because like I spend more or less the same amount of money on a mortgage."

"Not got a problem with renting, but a mortgage just meant I wouldn't have landlords to worry about, I'd be more independent in theory and that sort of thing"

Male shared owner:

"I didn't ever want to be in a position where I was paying a high amount of rent to somebody to pay off their own mortgage, nor did I particularly want to go down the route of renting via the council if ownership was something that I could do, and I could still be in my own property."

"So that's why I've done it that way……. In the long run it's something that will benefit me. And if I were to ever have children, hopefully owning my own property will benefit for the future as well, so a good investment."

Female owner/shared owner:

"It's just kind of if you can manage to get on the property market I think it's a valuable investment more than anything as well because it's your own space, but also you're sort of investing in something, an asset which hopefully can be handed down to the family…"

"But yes. So it's one of those things. I like to have my own place. Just personally I like to feel comfortable that no one's going to kick me out or sort of change things or up the price a lot".

Our interviews with owners created a strong impression that ownership is valued as a much for its stability as anything else; financial advantage tended to be strongly associated with stability and security for self and family, rather than solely as a form of wealth acquisition. This is in line with survey research from the Council of Mortgage Lenders, which found "a strong sense that home-ownership is about more than just money. Indeed, it is worth noting that the principal benefits associated with homeownership - having the freedom to do what you want and ultimate ownership of the property – are essentially non-financial in nature and more about people wanting to have control over their own lives."[20] We reproduce their results in the chart below.

Perceived benefits of home-ownership
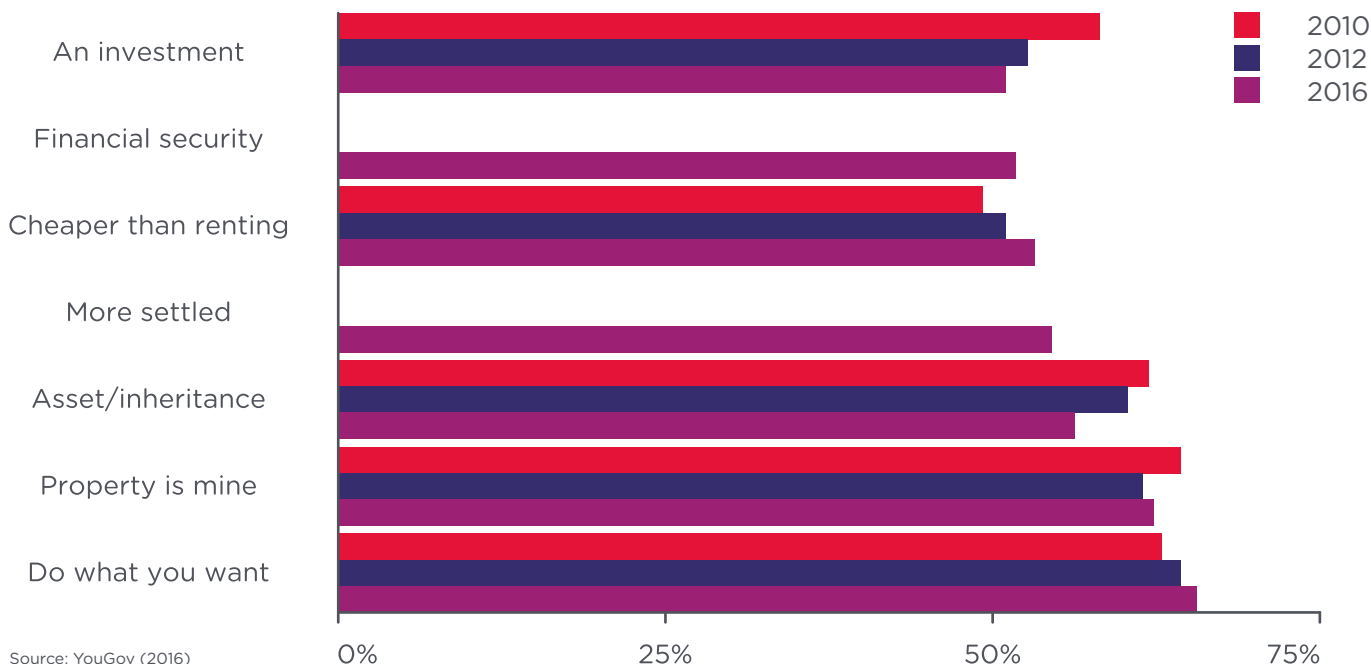
Source: YouGov (2016)

Social housing

Interestingly, we also found that social housing is valued by social renters as a secure and stable base from which tenants can get on in life – this premise was not unique to owner's attitudes to their homes. This resonates with current housing debates in two ways. Firstly, as we can see from the quotations below, social housing can provide a platform to support people in work rather than acting as a barrier (as some argue it is).

The stability of the social home, with a trusted social landlord, can allow people to risk taking a job in the knowledge that, if it falls through, they at least have a secure and affordable home to fall back on. This is an issue we shall return to in our policy discussion. Secondly, the value social housing as a stable home belies the assumption that it is only really through ownership that people can attain a sense of what some sociologists refer to as 'ontological security'.[21]

Female social tenant 1:

"I think it gives you a better outlook on things. Like obviously I told you with my old property where it was pretty much run down and you were surrounded with people [that] didn't want to work almost…. They had no intention of actually going out to work, so it kind of made you almost feel the same. And then when this property came along it was a little bit… you know, it was a newer build, something to be a little bit more proud of. That encouraged me to actually "Do you know what, I'm going to go and better myself."

Female social tenant 2:

"If we were private renting we'd be skint. We wouldn't be able to get by…. It might even put us under pressure to be one of those people that don't work and get benefits because if we can't afford to pay the rent working, then you've got no choice, have you?"

Female social tenant 3 on relationship between work and housing:

"I think it's made it easier, I think, in the fact that it's been cheaper for me and it's made me feel more stable. I think the housing's provided stability… you know, if repairs need doing, they've done it pretty much straightaway. So you haven't got to worry if something breaks".

The role for housing playing a stabilising function in people's lives therefore came out strongly as a theme in all of our interviews across both housing tenure types.

Neighbourhood is where the heart is: Neighbourhood stability and a sense of home

Many of the feelings and opinions we encountered in the interviews were as much about the neighbourhood in which the home is embedded as the property itself. While there were reports of unhappiness in the home this was, with only a few exceptions, attributable to poor quality neighbourhoods. At the most basic level there can be a direct cross-over between housing quality and neighbourhood quality. Poor sound insulation is the clearest example of poor build-quality adding to potential neighbourhood tension. A lack of appropriate common spaces can also be a problem. This can be, for example, the absence of suitable (and suitably placed) play space for children, or it can be poorly designed and badly managed everyday sites of interaction. This can be particularly problematic in mixed tenure developments where the different tenures and housing types come together only at certain points (for example shared doorways) or are designed in such a way that one group seems to either benefit more or, conversely, bear more of the cost.

Management is as important as design. Much of the negative sentiment we heard in the interviews were attributable to varying levels of anti-social behaviour, from extreme cases that were not acted upon by management or police, to more minor niggles about parking spaces and refuse. All of these have the potential to powerfully undermine positive perceptions of the home. But there was an at least equal weight of positive neighbourhood experience, and these quite clearly had a positive impact on the experiences of the home, for renters and owners alike. We can see the positive side of this in the extracts below.

Male owner/shared owner:

"Yeah, it's a mixture. ... The block of flats that we're in... I'd probably describe it as like a maisonette, but the two flats downstairs are social and the two upstairs are private..... I think, in theory, I couldn't ask for better neighbours".

Female owner/shared owner:

"Well, it's just nice. There're people from all walks of life and it's quite nice to see quite a lot of trades people and people who can... [help out] So there's kind of a community spirit going on..... So it feels nice to be able to go "Oh hey, I've got a problem here. Would you be able to help me out?" So that's quite nice. Everyone's quite approachable".

Female shared owner describing moving from full ownership into shared ownership:

"It wasn't something I was massively comfortable with doing, but actually where I am now I couldn't ask to be in a better place. Our estate is lovely. Everybody on the estate, whether they're... In fact, I wouldn't be able to tell you if they were shared ownership, privately owning – apart from the ones in the big houses – or obviously council. If we all met in a pub I wouldn't have a clue because everybody is so lovely ... We have a little Facebook group for the estate, so we're all linked, yeah, and just two weekends ago I hosted a night for the ladies ..."

Conversely, poor neighbourhood design and management can have a detrimental impact on experiences of the home:

Female housing association tenant on privacy:

"I don't know how to explain it. Like, although it's like a new build, you can pretty much hear all your neighbours pretty much all the time."

"And I feel like I've put a complaint in before and I don't know if people had just a hunch that the other neighbour knew it was me or if the identity wasn't kept discreet enough, but obviously yeah, I don't feel that was handled very privately."

Male shared ownership owner:

"I hate my flat". "The fact that we've got social housing, owned and then rented in a block in a triangle shaped, that is the worst thing anyone ever could have done because it has created so much hate … So many people detest other people from that block, it is ridiculous".

Effective neighbourhood management therefore came out as strongly in our interviews as the issues of management of specific property itself.

Shared ownership, control and aspiration

The third theme that emerged strongly from the interviews was the success and popularity of shared ownership. This was contrary to our expectations as there has been a long line of research and commentary suggesting that shared ownership is doomed to disappoint.[22] We do not doubt that there have been significant problems with shared ownership, from the attitudes of mortgage providers, to excessively restrictive covenants, and to the issues of poor design and management that we highlight above. Nevertheless, some of our interview responses tell a very different story and suggest that there could be a very valuable role for shared ownership as a tenure option.

Female full owner stair-cased up from shared ownership:

"because I loved the flat really. It was beautiful and I did enquire if I could buy it in full when I wanted to purchase it, but obviously there wasn't that option, so I just went for part shared ownership as I could. And because it was my first property I kind of just wanted to see if I liked it and to see if I liked having a mortgage and I was just testing the ground really."

"Yeah, it's a mixed block. Yeah, everyone I've met … are lovely, really friendly, welcoming. I haven't had any issues. My next-door neighbours are great. I actually know my other next-door neighbour, so yeah, no problems there at all."

Female shared ownership:

"You know, I do feel like I own this house. Even though obviously we've got the mortgage, I feel like it's mine….. Even though it's shared ownership, I've never felt anyone else interfere with my ownership of this house, you know, or the flat before. So yeah, I've been happy with it."

Section four

It's not all about housing

The research in this report specifically set out to explore the relationship between housing tenure, wellbeing and life-chances. We were motivated to do so by a limited amounts of research in this area and because the assumptions underpinning national housing policy are still heavily weighted towards an 'ideal' of owner-occupation. Equally, however, we should not fall into the trap of thinking it's all about housing. Our homes are central to our wellbeing and quality of life, but a host of other factors are just as important – and may be more so: health, relationships, quality of working life, for example. In this section we highlight three issues that emerged through our research that, whilst not directly housing issues, they nevertheless interact with tenure issues and present challenges that social landlords could play a positive role in helping to overcome.

Financial struggle is widespread across tenures

Across all tenures our results illustrate that a struggle to make ends meet had a strong impact on happiness, anxiety, life satisfaction and a sense that respondents' lives are worthwhile. This applies regardless of income: it is the gap between income and expenses that count. Please see results of the variable 'are struggling financially' in Tables 2 and 4 above.

This should of course be a key concern for policy makers. It is well known, for example, that there are many owner-occupiers living below the poverty line. Across the UK over 4 million individuals in owner-occupied housing are living below the poverty line – roughly the same as the total numbers of individuals below the poverty line in social and private rental housing.[23]

As we have seen, this is most commonly addressed in the language of affordability. But our results on the extent to which social renters report lower levels of anxiety as one aspect of wellbeing, once taking other factors into account, suggest that this may lead us astray strategically.[24] Instead of primarily seeking to extend owner-occupation as widely as possible, placing some people at the margins of their financial capacity, placing resources into growing the stock of social housing, and distributing this valuable good to a wider group of people, may produce a wider total benefit to society.

The tax and benefits system can trigger financial crisis and debt

Our survey included a number of questions designed to understand the way in which, firstly, the tax and benefits system can trigger financial crisis and, secondly, the extent to which this type of crisis may influence attitudes to the labour market. Our hypothesis is that a crisis caused by a benefit payment delay, or the need for repayment, may make individuals more risk averse: moving into an insecure job after a bad experience with the benefits system may seem an unjustifiable risk when there is no surety that the safety net will be there as and when it is needed again.

Our survey results do in fact show that a large proportion of those who have relied on the tax and benefits system have experienced difficulties, as shown in Table 5 (page 46).

Did any of the problems you experienced with your claim cause financial difficulty?	Do you think an experience like your problems with tax credit/benefit payments might discourage	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
	Yes	10 (3.62%)	26 (9.42%)	96 (34.78%)	89 (32.25%)	55 (19.93%)	276
	No	1 (2.86%)	4 (11.43%)	19 (54.29%)	6 (17.14%)	5 (14.29%)	35
	Total	11 (3.54%)	30 (9.65%)	115 (36.98%)	95 (30.55%)	60 (19.29%)	311 (3.62%)

- Of the 312 survey respondents (across all tenures) who had experienced difficulties with the tax and benefits system, 277 (89%) reported that this had caused financial difficulties

- 188 respondents (68%) out of the 277 who reported financial difficulty borrowed to deal with the short-fall in expected income

- 52% of the 277 who experienced financial difficulties as a result of problems with the tax and benefits system agreed or strongly agreed that such an experience might discourage people from seeking work, compared to 31.5% of those who had not experienced such difficulties

In our interviews we sought to gain deeper insight into these issues. Whilst we did not note a particularly significant sense that respondents thought difficulties with the system might discourage work, it was clear that the tax and benefits system was a source of considerable financial and psychological stress. What we see is a system that is out of sync with the reality of people's working lives – and which must be cause for even greater concern with the roll-out of Universal Credit.

Male housing association tenant:

"Jobseekers isn't too bad, they're normally spot on. But… tax credits are pretty terrible. They change their payments every time. Well, we had the third child and we put her on the claim and she's been taken off like five times now. Like they don't believe that she exists. I've had to send a birth certificate in about five times and it's just getting ridiculous…"

Male housing association tenant:

"I don't know what I'd do if I was renting privately and I suddenly had to rely on housing benefit because it wouldn't work. A private landlord would not wait a month. You'd have to make sure you're a month ahead of your rent and then explain to them why or, you know, kept it in a separate account or something. They wouldn't put up with that…"

Female housing association tenant:

"They always seem to overpay me. I don't know why because I give them my exact calculations because I do it with all the forms in front of me and I've got my exact earnings for that year and exact everything, and for some reason at the end of the year I seem to owe them like 400 quid. And I've just had that with housing benefit."

Female shared owner:

"sometimes it would be bad because I'd be on maternity leave with no maternity pay. So because my income fluctuated so much we needed tax credits to support us. But when my income was good, they would say they were paying me too much and when it was bad they would start giving me more money and, you know, I ended up in a cycle where two years in a row I received a letter saying I owed them £1,000."

Female shared owner:

"I mean when I was claiming benefits it was very difficult because I work shifts and I work overtime, so it was very difficult because I was like saying... You know, because some months I'd earn more than the others because if I'd done more weekends or if I'd done more overtime or if I'd done some nights, I was like "Well..." you know, and they were like "Well, you're going to have to come down every single month and show us your pay slip.""

Table 5 above shows that there is a clear pattern to the kind of debt that people take on when facing a financial crisis. We asked respondents to include all forms of debt they used.[25] Of the 188 people who reported having to borrow because of problems with the tax and benefits system:

- 152 turned to family and friends
- 42 used a bank overdraft
- 47 used credits cards
- 17 turned to a high-street lender
- 1 went to a credit union
- 39 took out a pay-day loan

This breakdown raises a number of important questions. Two issues that really stand out are, firstly, the extent to which people rely on family and friends and, secondly, what seems to an almost complete lack of awareness of the support of credit unions. We do not know why this is the case and recommend that the role of credit unions is investigated further in the areas that our research drew upon. Whilst credit unions would not be a single answer to more effective debt management (the cause after all is elsewhere) evidence suggests that they can be part of the answer. This potential seems more pressing given another unknown in the data we collected: what is the impact not just on the borrower, but on the friends and family who lend? It is likely to have a negative material impact on the lender and we may speculate that in some cases it could also strain the relationships that are important to wellbeing.

Household size matters; having three or more dependent children is associated with reduced wellbeing and lower employment

Table 6 below shows us two key results. The first is that on one measure wellbeing (life is worthwhile) there is a sharp drop from respondents with two dependent children to respondents with three dependent children. We can also see that the move from 2 to 3 children has a significant impact on employment and we may speculate (though our sub-sample size is not large enough to confirm this) that there could be a relationship between lower employment levels and those with 3 dependent children being more likely to say that life is not worthwhile.

		Have 1 child	Have 2 children	Have 3 children	Have 4+ children	I do not have any dependents	Total
Overall, to what extent do you feel the things you do in your life are worthwhile?	Not at all worthwhile	12	18	12	8	20	74
	Neutral/Somewhat worthwhile	45	71	60	41	95	326
	Fairly worthwhile	83	128	64	42	178	508
	Very worthwhile	48	69	31	24	114	298
	Total	188	286	167	115	407	1206
What is your current employment status?	*Not working because of long-term sickness or disability*	14	13	11	10	41	94
	Registered unemployed	1	3	2	0	1	7
	Not registered unemployed but seeking work	2	2	2	0	2	9
	At home/not seeking work (including looking after the home or family)	11	27	27	15	3	85
	Retired (including retired early)	5	14	5	5	83	125
	Student	1	3	2	1	1	8
	Other (please specify)	5	5	8	8	6	39
	Total	39	67	57	39	137	367

- Respondents with 3 dependent children (or more) are less likely to say that life is worthwhile than respondents with 2 dependent children: 44% of those with 2 children say life is worthwhile and 24% say life is very worthwhile, compared to 37% (worthwhile) and 18% (very worthwhile) of those with 3 dependent children

- 73% of respondents with 2 dependent children are in some form of paid work, compared to 62% of respondents with 3 dependent children – a drop of 11 percentage points

Whilst our research did not explore this issue directly, it is likely that the tax and benefits system is again playing a disruptive role. It may be that the move from two to three dependent children introduces greater complexity and a range of difficult interactions between the eligibility rules and criteria of different forms of help, adding to the difficulties of a low-pay and insecure labour market.[26] In terms of the financial gains from work, these interactions become even more complex when the cost of childcare is taken into account. This is potentially an area that social landlords could help with, offering childcare solutions that are affordable and suit the actual needs and working hours of parents and carers.

Our evidence supports an argument that is better to widen the scope of what we consider to be social housing, offering a more unified approach to different wants and needs.

Section five

So, what should we do?

This report commenced with the observation that owner-occupation continues to be the political and policy ideal of the British housing system. But our results on the extent to which social renters report lower levels of anxiety as one key aspect of wellbeing, once taking other factors into account, suggest that this may lead us astray strategically and the role for social housing should be reappraised as a policy tool for addressing the housing needs of more than just the most vulnerable. There are two facts that drive this conclusion. The first fact is that there is indeed an affordability crisis in the English housing system, extending far beyond low and middle-income households. It has long been known that there is significant poverty amongst owner-occupiers (amongst working age as well as retired households). Over nearly two decades the salient statistic has been that half of all those living in income poverty are in fact living in owner-occupied housing.[27]

The second fact is the central message of this report: not only is it false to say that social housing is 'bad' for you or that it causes dependency, it is also the case that it can be positively beneficial for wellbeing. It can in fact provide the emotional security and stability that is one of the key drivers of the apparent aspiration to own.

Taken together these two facts suggests a very different approach to the crisis of affordability that is gripping both the public and (albeit somewhat more recently) the political elites. Instead of developing two distinct affordability strategies – one for queueing social renters and one aspiring homeowners – our evidence supports an argument that is better to widen the scope of what we consider to be social housing, offering a more unified approach to

different wants and needs. This, as others have also argued, could do much to reverse the negative stereotypes of social housing. Below we outline three areas of policy development that would take us in this direction, based on our research results:

Widen the offer of 'social' housing

Instead of extending owner-occupation as widely as possible, which places at last some people who then participate at the margins of their financial capacity, growing the stock of social housing and distributing this valuable good to a wider group of people, may produce a wider total benefit to society. Our research also suggests that shared-ownership with a social housing landlord such as a housing association can be an effective and successful housing tenure.

There has been a growing trend amongst social landlords towards open market development as well as shared-ownership. Some are also offering opportunities for private renters. In some quarters this may be seen as a betrayal of the principles of social housing. Others may take a more pragmatic view and see it as a necessary means of creating value to subsidise social housing as sub-market housing, or as a way of ensuring mix in communities is developed effectively. We suggest that this kind of 'hybrid' approach is in fact more positive than these reactions suggest. The hard tenure distinctions that we are accustomed to inevitably divide by social and economic status and are, in fact, a relatively new feature of housing in Britain. The post-war housing settlement in Britain was based on a mixed housing economy and a more fluid approach to the ways in which public housing was built and funded. This included the ability of local authorities to use rent-pooling systems, in which higher rent from some properties could subsidise the rent of others.[28] Whilst the recently abandoned 'pay to stay' policy was ill-conceived and framed in punitive terms, there is a principled case for providing social housing at different rents according to different circumstance.

This should not necessarily be viewed through the lens of a punitive means-testing which 'punishes' social tenants who earn more. Rather it should be seen as a way of accepting more people as social tenants in the first place – bringing back Bevan's doctors and bakers. Similarly, a move into the private market need not be seen as expedience. Would a private renter prefer a large landlord that offered longer tenancy agreements, managed the property well, and possibly even offered to step in and help with a social housing offer if circumstances changed? Similar conclusions might be drawn about the value of market homes built, sold and managed by social landlords, and convertible to a form of social rent if and when the household needs it.

How this is framed as a policy offer to the public need not be set in stone. There will be scope for different approaches to a new, broader conception of social housing. The fair rents proposal offered by Shelter, the housing charity, offers one vision of this: new homes built with government capital grant, with rents set at the 30th percentile of gross local income, meaning that the typical household would not have to spend more than 1/3 of their income on housing costs. This also comes with a vision of a revived public faith in the value of social housing, one that we concur with:

"New Fair Rent homes would be allocated outside existing allocation policies and available to a broad group of households on average incomes and below. Providers would be able to set restrictions on who could qualify to ensure that they are restricted to households who need a sub-market alternative, but Fair Rent homes would seek to mimic the early 20th century vision for public housing: providing good quality homes for a broad range of households." (p.7)[29]

How are we to pay for this? Shelter suggests a combination of capital subsidy and the ability of social housing providers to borrow against future income streams. Prior work at the University of Birmingham points to a similar strategy: a 'hybrid' financial system could allow landlords to develop housing for a range of incomes, in different tenures, in effect bringing into existence the kind of rent-pooling we touched upon above.

Don't sacrifice quality for quantity

There are different views of the best quality standards, however, it is clear from our research that effective sound insulation is crucial for wellbeing and a positive experience of the home. This comes through in our interviews and has been well established elsewhere.[30] Evidence even suggests that sound insulation may be more important than space standards, which we have a better psychological ability to adjust to.[31] This aspect of quality seems to have been lost in the leap forward that came with the 'Decent Homes' standard, with around 85% (up from 70% in 2008) now meeting the standard,[32] but only addresses standards regarding 'external' noise (such as traffic and overhead flights).[33]

Our research also found a strong preference for houses over flats. Given the undoubted need for greater density if we are meet housing need in urban areas, this may not be a realistic policy goal in the short term at least. Yet it is not fully clear why it is that houses are preferred over flats – and this represents an opportunity as well as a challenge. We need to understand just what it is about the houses that make them attractive, particularly in terms of privacy and to access to space outdoors, and seek to replicate that at higher densities. We know from the example of the many high-density and very popular housing developments in London that high-density flat living can be popular and socially sustainable.[34] These will more often than not be out of the financial reach of many people (under current funding models), however, the point is that this kind of design and quality is possible and can be replicated elsewhere, especially where land-values are less high. This, we note, is not to say that social housing should be squeezed onto to the margins of towns and cities (on the contrary, this would go against the need for a wider housing offer across our population), but it does suggest that high-density developments in inner-cities and towns can be successfully implemented.

Housing wellbeing is neighbourhood wellbeing

One of the key conclusions to emerge from our research is that wellbeing in the home is intrinsically linked to a sense of wellbeing in the neighbourhood. This can be a very positive sense of neighbourhood wellbeing with thriving networks and community. We saw strong evidence of this in our interview research, much of which positively affirmed the social value of tenure mix. This included social and cultural diversity.

But there were also cases where mix was not working well. In these cases there is often a degree of visibility, or at least the perception that it is possible to distinguish social homes from shared and market-owned homes. We can see from the quotations that the identification of social tenants can lead to resentment, especially regarding the financial costs of neighbourhood management and upkeep. This is not just a financial hit for the household; it can also undermine positive attitudes towards social tenants.

Male Shared Owner:

"Obviously they rent their property from the council, so they don't fully own them, so sometimes there's a different expectation and a different sort of respect towards their houses, which then impacts on mine……And it's sort of damaged my feelings towards shared ownership because you sort of get plonked in between the two [Social housing and open-market housing]".

Female Owner/shared owner:

"They don't look after the building, they will dump all sorts. They've caused me loads of money costs on leasing charges because they just keep dumping like furniture in the bin store which then the council won't take away and then I end up having to pay for it."

Female Shared Owner on cost of new windows:

"Most are rental, either rental from the housing association or privately owned and then rented to the tenants. So most of the tenants didn't give a crap about the windows because they weren't the ones paying for them".

Recent research at the University of Birmingham in fact suggests that there is progress towards better management, and certainly an appreciation of the challenges of mix and the importance of getting it right.[35] In a survey of 17 housing associations it was found that all but 6 were planning a greater focus on mix in the next 5 years, whilst the remaining 6 expected to maintain current levels of mix. 8 of the housing associations expected to develop more mixed tenure blocks and when it came to the issue of 'poor doors' separate entrances in mixed tenure schemes, "the view of the panel was unanimous. While 8 were neutral on this issue, all of the others would seek to design in social integration." There were also signs of a growing appreciation of the potential role of partnerships with other local organisations as part of wider community and neighbourhood management.

The respondents to our interviews, however, did highlight the challenge of different levels or service charge for owners and renters in the same block. As we have seen, this can be a key point of contention – and a source of resentment – for some owners and shared owners. Wider financial challenges are driven by government policy (the loss of grant and changes to the ways in which private developers can discharge their Section 106 obligations) as well as the cost of land in apparently ever rising housing market. Yet there is another positive message here, summed up by one respondent: "You know what? - we're going to do it anyway".

Wellbeing in the home is intrinsically linked to a sense of wellbeing in the neighbourhood.

Section six

Conclusion

In this report we have presented a series of findings on the relationship between housing tenure and individual wellbeing. We have also presented findings on the relationship between tenure and life-chances, and between tenure and the way in which the home is experienced. These results show that there are some key challenges for social housing providers – most notably around the ways in which social tenants experience their home – but there is also a strong positive message: social housing is not a drag on life-chances, nor does it undermine people's wellbeing. On the contrary, we found that social housing plays a positive role in protecting people from anxiety. This is an important message in a world that has been drip-fed a narrative of social housing failure, and all the more important in the context of the Grenfell tragedy. Social housing, put simply, is a force for good.

We have argued that this good could and should be given greater reach, with social housing offered to a wider range of people and income groups. We have based this argument in part on our survey and interview results. These suggest that owner-occupation does not necessarily enhance wellbeing and, further, that what really matters to people is not so much the chance to climb onto a 'ladder' but, rather, a sense of control and security in the home. For many people a wider social housing offer may actually be a better way of achieving this.

Social housing is not a drag on life-chances, nor does it undermine people's wellbeing. On the contrary, we found that social housing plays a positive role in protecting people from anxiety.

This raises further issues of principle and practice. Top of the list in practical terms is the issue of how the social housing sector could deliver a step-change in the supply of social housing. This a huge financial and political challenge. In this report we have only hinted at the ways in which this challenge might be met, through a more 'hybrid' mix of housing and market delivery.

There is also a broader issue of principle – of how we conceive the place of social housing in modern Britain. This has for many years been viewed through the lens of the ownership ideal. This ideal is not just about what people want or aspire to; it is also about what people should aspire to. The consistent message of property-owing democracy is that ownership changes people for the better, making for independent and responsible citizens. Our research does not support this view. On the contrary, for many of our respondents it was the offer of social housing that gave them the security and confidence to 'get on' in life. Yet it remains the case that the social identity ascribed to social tenants – and to a degree their identity that some may accept – is tainted with a sense of stigma.

Our evidence suggests we should bang the drum for social housing. But this alone will not be enough. As we have suggested, a broader 'social' offer is needed. Achieving this will do more than address acute unmet need; by bringing more people into the system it would also do much to take away the stigma of social housing and to embed public acceptance of its social value.

Appendix

[1] The report extends and develops further the research results presented in the preliminary results report: 'Homes and Wellbeing; breaking down stereotypes' (Vivid, November, 2016) - https://www.vividhomes.co.uk/media/1535/homes-and-wellbeing-report.pdf?1512036516

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[3] The Financial Conduct Authority have recently published research showing that 1 in 6 mortgagees would struggle if monthly payments went up by just £50. https://hoa.org.uk/2017/10/1-in-6-struggle-mortgage-news/

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Appendix

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[24] Subject to more complete understanding of the causality of the link between social renting and anxiety – our study demonstrates correlation rather than proves causality.

[25] As all sources used were requested totals do not equate to 188 where more than one example may have been provided by any one respondent

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[29] http://england.shelter.org.uk/__data/assets/pdf_file/0008/1426715/Fair_Rent_Homes_final_report.pdf

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[33] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf

[34] http://europe.uli.org/wp-content/uploads/sites/3/ULI-Documents/The-Density-Dividend-London-case-study-FINAL.pdf

[35] David Mullins and Halima Sacranie, Social Mix: Values, Purposes, Policies, Practices and Outcomes, 2016: https://www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/SPSW/Housing/delphi-report.pdf

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