

# BRIEFINGS

MIND THE



WEALTH GAP

Intergenerational Justice and Family Welfare



## Patterns of housing wealth inequality in Wales, Scotland and Northern Ireland

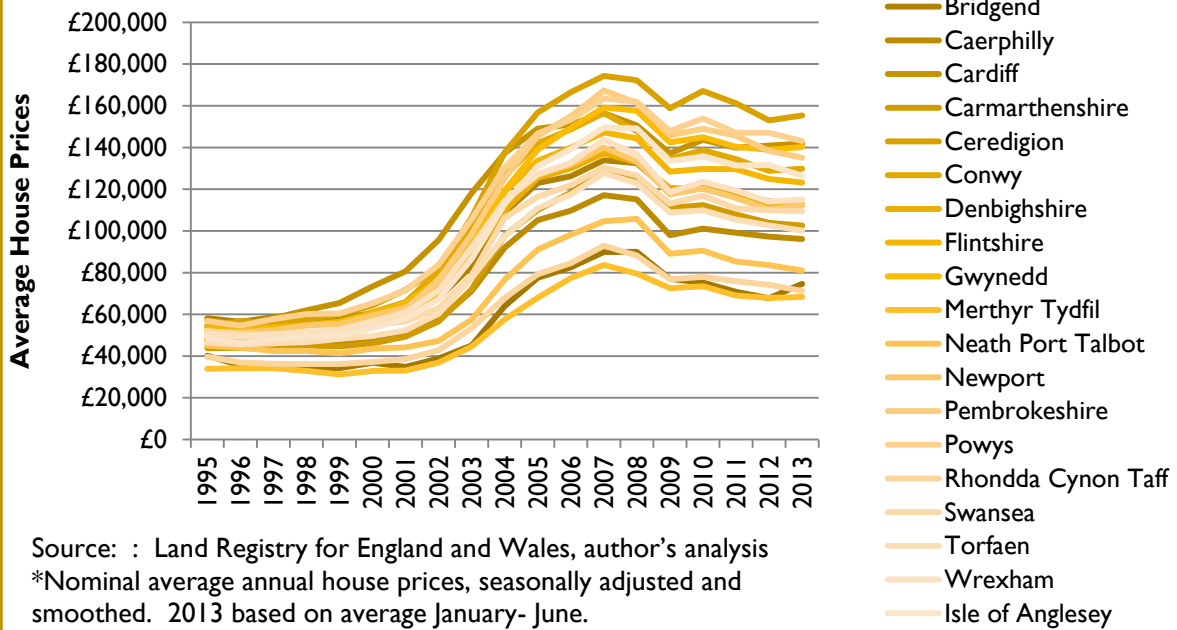
### Appendix

This appendix provides additional tables and figures for Wealth Gap Briefing No 3.

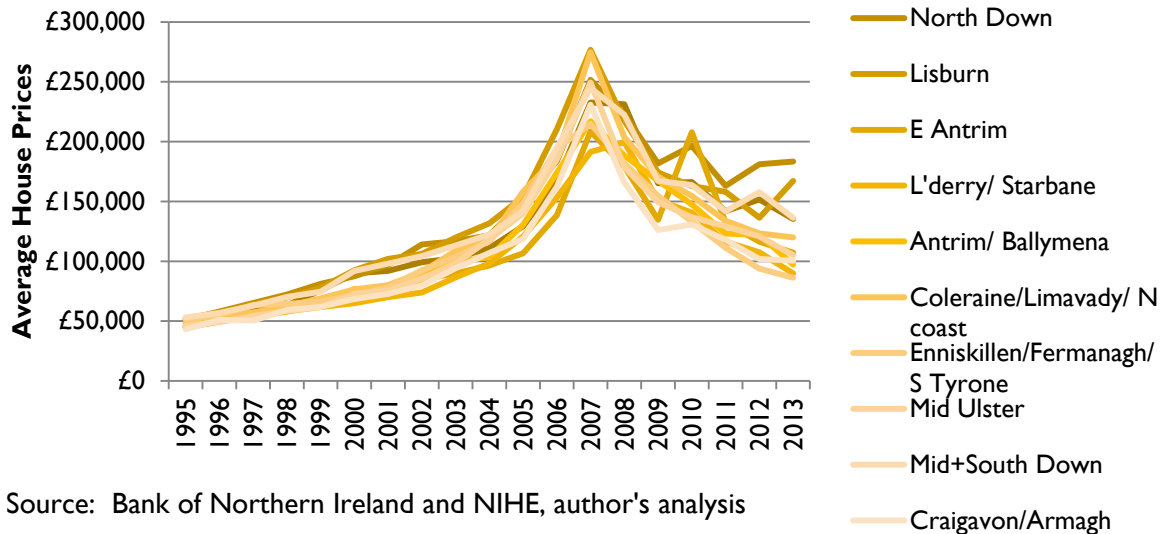
#### **Housing wealth varies in Wales, Scotland and Northern Ireland**

Inequalities in house prices, although not as marked as in England, are evident across all the nations of the UK. In Wales average house prices in the most expensive region in 1995 (Bridgend) were 72% higher than in the cheapest region (Merthyr Tydfil), in 2013 the difference was 127% (between Ceredigion and Merthyr Tydfil) (Figure 1). The same divergence is also evident in Northern Ireland with regional variation rising from 23% in 1995 (between Craigavon/Armagh the cheapest and Mid and South Down the most expensive) to 113% in the first quarter of 2013 (Enniskillen/Fermanagh/South Tyrone the cheapest region compared to North Down) (Figure 2). Data for Scotland covers a shorter period, which may account for why regional variations although still evident have reduced – from 174% in 2003 (between the cheapest region Eilean Siar and the most expensive East Renfrewshire) to 118% in 2013 (Falkirk compared to East Dunbartonshire) (Figure 3).

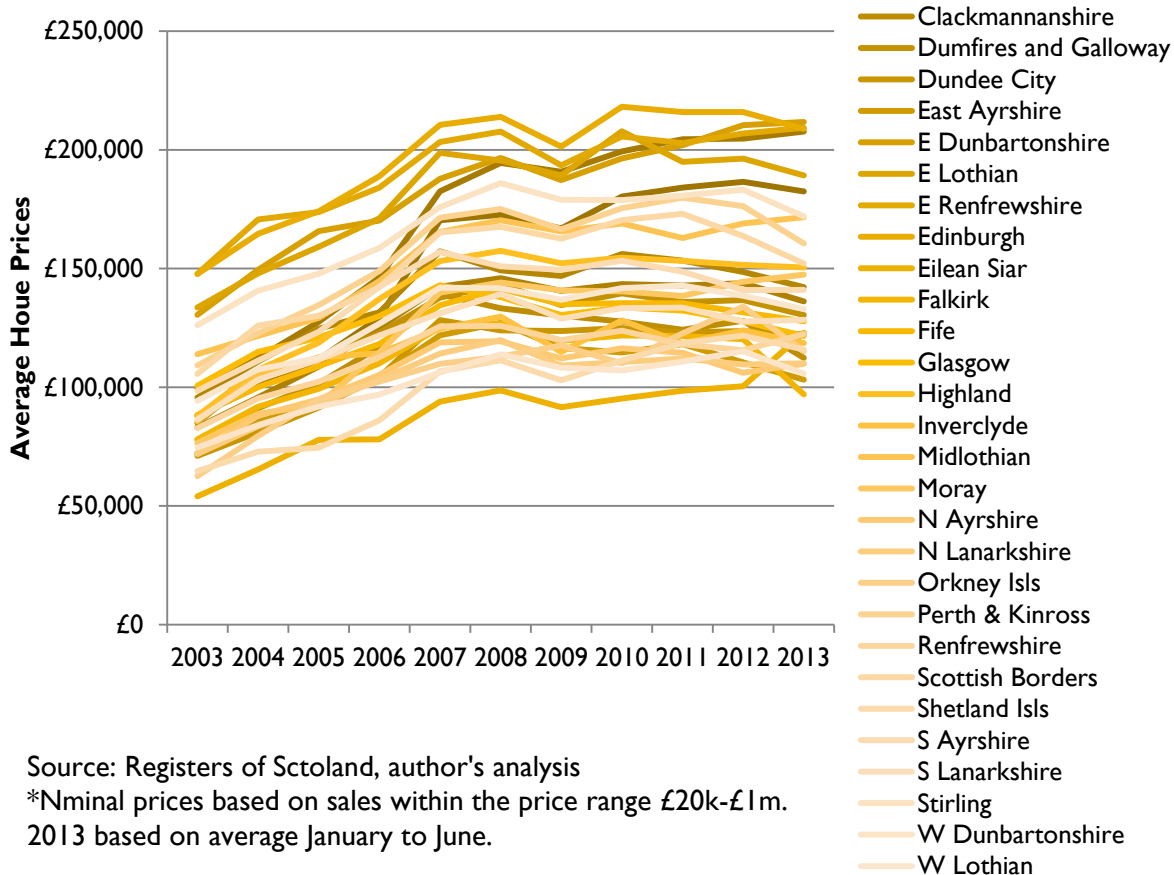
**Figure 1: Average Regional House Prices: Wales 1995-2013\***



**Figure 2: Average Regional House Prices Northern Ireland 1995-2013 Q1**



**Figure 3: Average Regional House Prices Scotland 2003-2013\***



### Age and income inequalities in housing wealth

Information on housing wealth at the household level is limited for Wales, Scotland and Northern Ireland. The information provided here is based on analysis of the British Household Panel Survey for 2008.<sup>1</sup> The samples may not be representative of all owners, however, the data presented here still demonstrates the variations in the distribution of housing wealth. For example among the 50-64 year olds in this sample, the amount of equity owners have available in their homes ranges from - £55,000 to £750,000 in Wales (Figure 4); £80,000 to £1m or more in Scotland (Figure 5), and- £120,000 to £800,000 in Northern Ireland (Figure 6). Around one-third of all housing stock in each of these countries is rented meaning the households who occupy these properties have no housing wealth [30% (n=414,000) in Wales;<sup>2</sup> 35% (n=885,000) in Scotland;<sup>3</sup> 31% (n=236,000) in Northern Ireland;<sup>4</sup>].

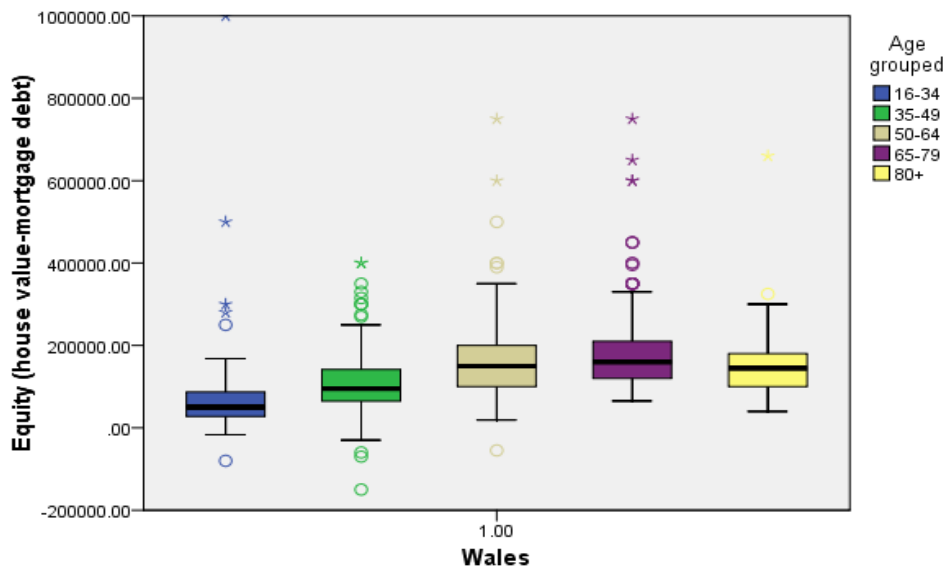
<sup>1</sup> The sample numbers for each country are relatively low (Wales = 2,563; Scotland = 2,462; NI = 2,206) meaning analysis at the sub-group level should be treated with caution. The samples for Great Britain were representative of the population of each Country in 1991 (booster samples for Wales and Scotland were added in 1999, the sample for NI was added in 2001), due to people leaving or joining the survey the sample is not representative of the population in 2008.

<sup>2</sup> Dwelling Stock Estimates for Wales, 2011-22, Welsh Assembly Government SDR 67/2103

<sup>3</sup> Housing Statistics for Scotland Key Information and Summary Tables 2011, The Scottish Government.

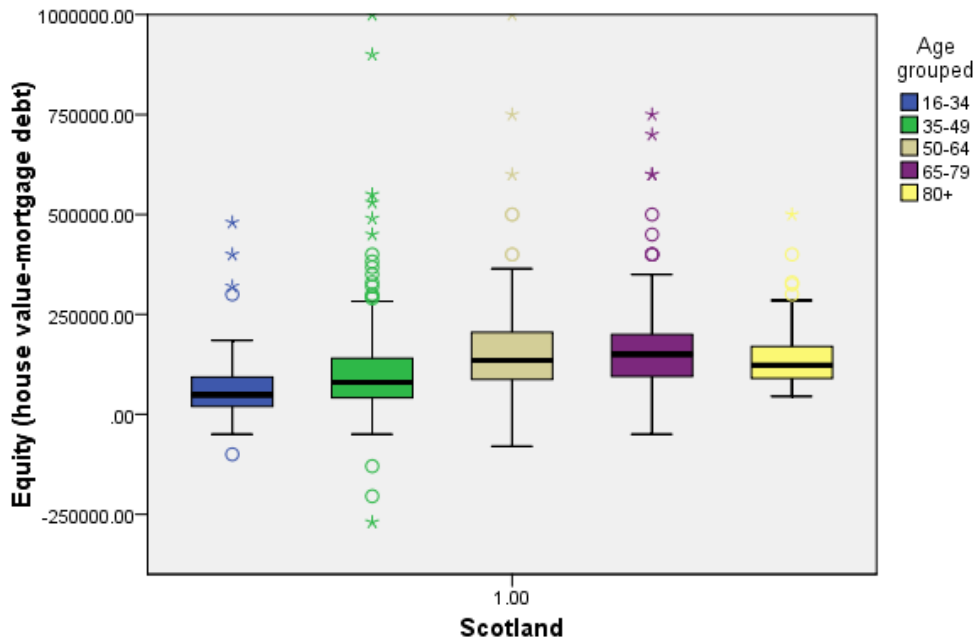
<sup>4</sup> Northern Ireland Housing Market Review & Perspectives 2013-2016, NIHE.

**Figure 4:** Distribution of housing wealth in Wales by Age (2008)



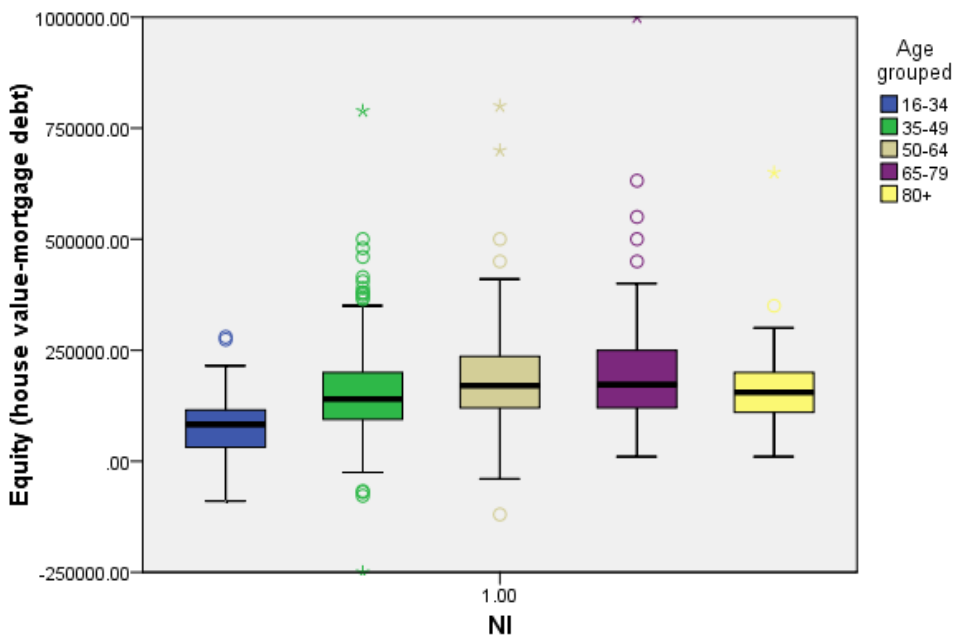
Source: BHPS, author's analysis

**Figure 5:** Distribution of housing wealth in Scotland by Age (2008)



Source: BHPS, author's analysis

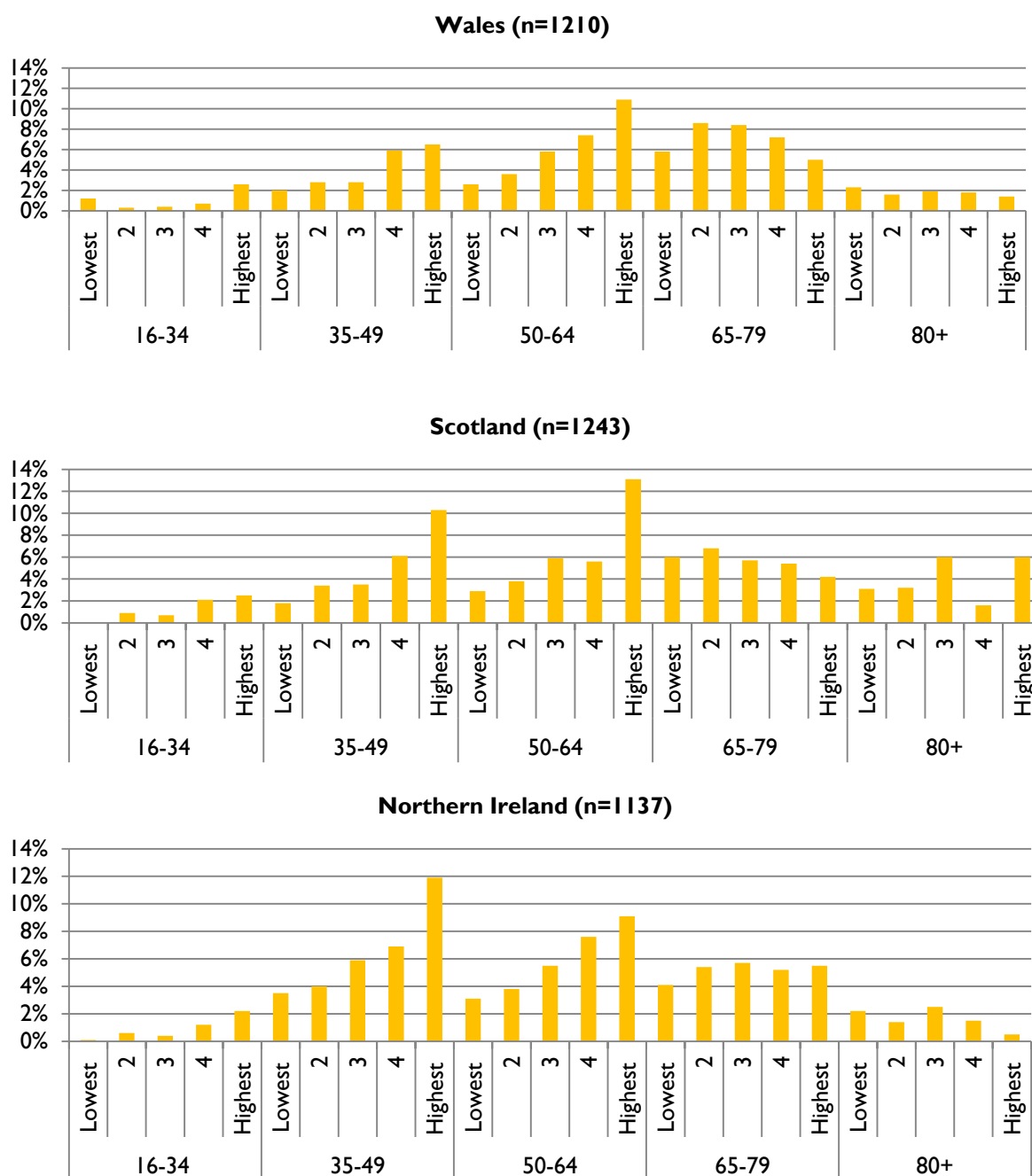
**Figure 6:** Distribution of housing wealth in Northern Ireland by Age (2008)



Source: BHPS, author's analysis

People who have the greatest incomes also have most housing wealth. Between one fifth and one third of all housing wealth in the BHPS sample is owned by people in the top income quintile (26.5% Wales, 30.7% Scotland, 21.9% Northern Ireland). Half is owned by the top two quintiles (49.7% Wales, 51.5% Scotland, 51.6% Northern Ireland). Home owners in the top 20% of the population in each nation have twice as much housing equity as owners in the lowest 20%. These people tend to be in younger households. One-fifth of housing wealth in Wales is owned by people under 65, who are in the top 20% of households, in Scotland a quarter (25.9%) is owned by this group and in Northern Ireland 23.1% (Figure 7).

**Figure 7: Distribution of housing wealth by Age and Income quintiles (2008)**



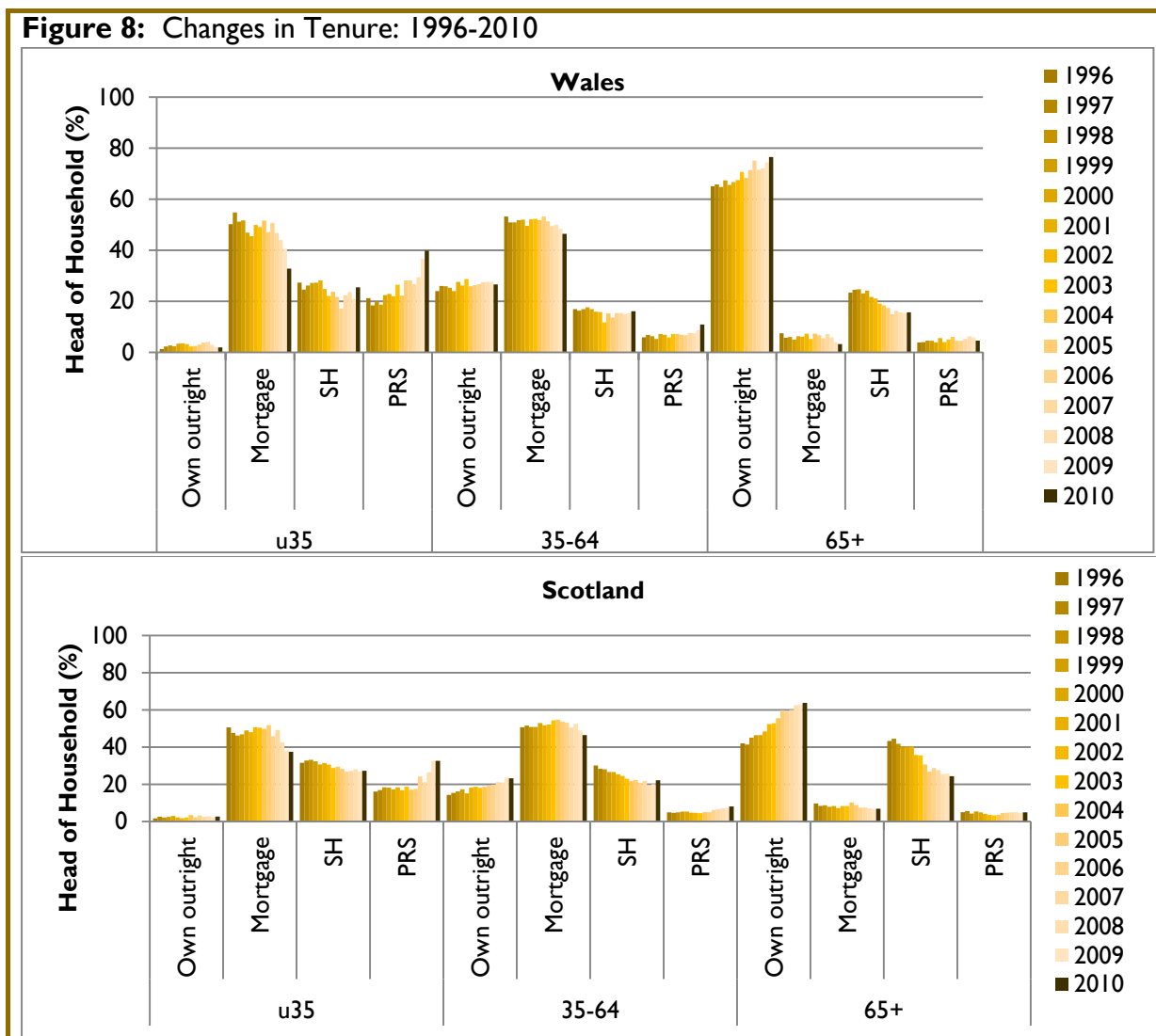
Source: BHPS, Author's Analysis

## Inequalities for future generations

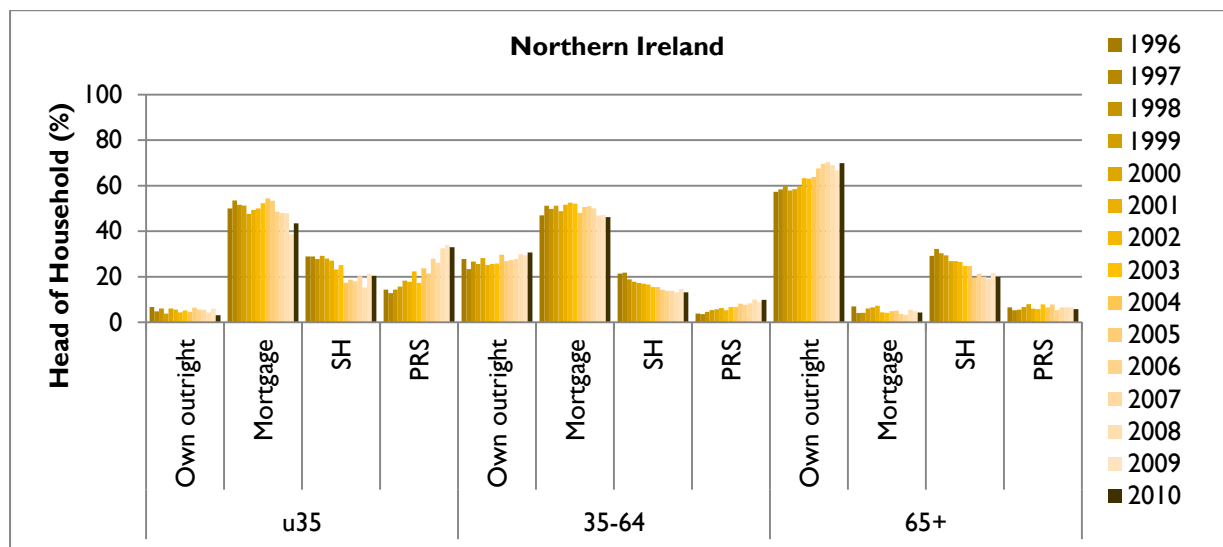
### Changes in tenure trends

There have been some significant shifts in housing tenure over the last two decades. Whilst older households (aged 65+) are more likely to own their home outright in 2010 than in 1996 (77% and 65% respectively in Wales; 70% and 57% in NI; 64% and 42% in Scotland), younger households (aged 35-64) are less likely to be entering home ownership; mortgaged owners falls from 53% to 46% in Wales; 51% to 47% in Scotland. In Northern Ireland the figure has fluctuated slightly but remains the same at 47%. In 1996 half of those under 35 years old were buying their own home in all three countries, whilst one-fifth or less (21% Wales; 14% NI; 16% Scotland) were renting in the private sector. By 2010 there is a significant shift 32% were buying their home whilst 40% were in private renting in Wales; 44% buying and 33% private renting in Northern Ireland; and 38% buying and 33% private renting in Scotland (Figure 8).

**Figure 8: Changes in Tenure: 1996-2010**



**Figure 8 (cont):** Changes in Tenure: 1996-2010

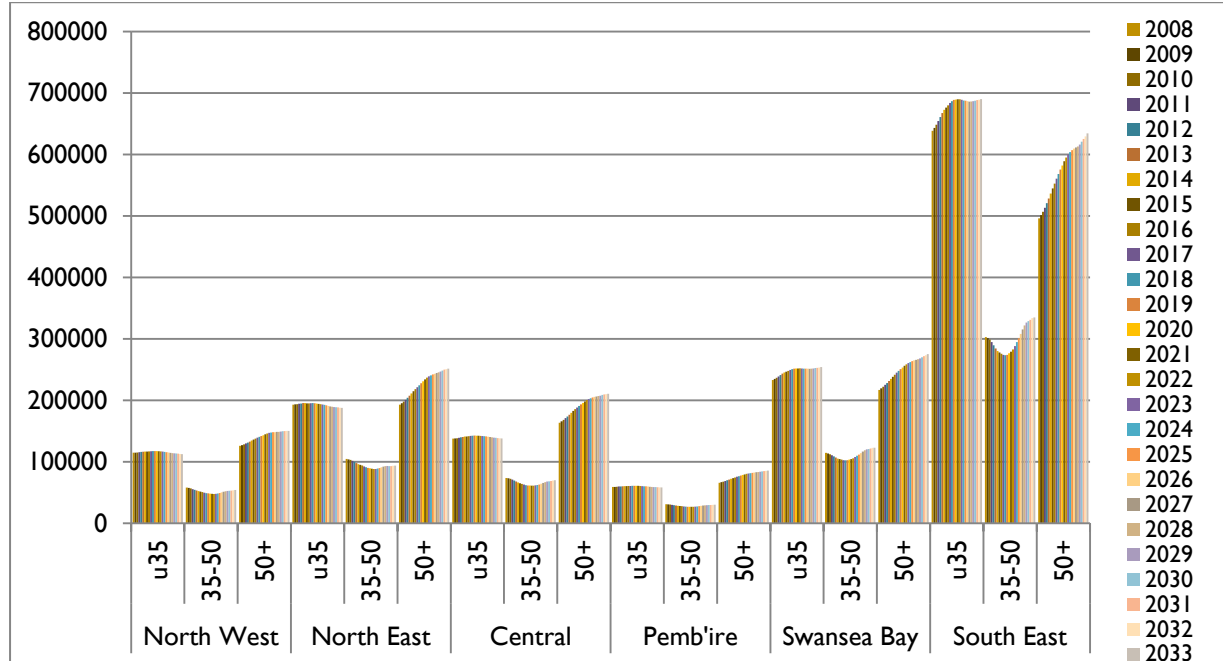


Source: Labour Force Survey, author's analysis

### Population ageing and asset-based welfare

As demonstrated in England population projections in Wales, Scotland and Northern Ireland (Figure 9a, 9b and 9c) also gives cause for concern. Regional variations in population ageing highlight a potential mismatch between supply and demand as older cohorts look to downsize, those in middle-age look for larger family housing, and younger generations try to enter home ownership.

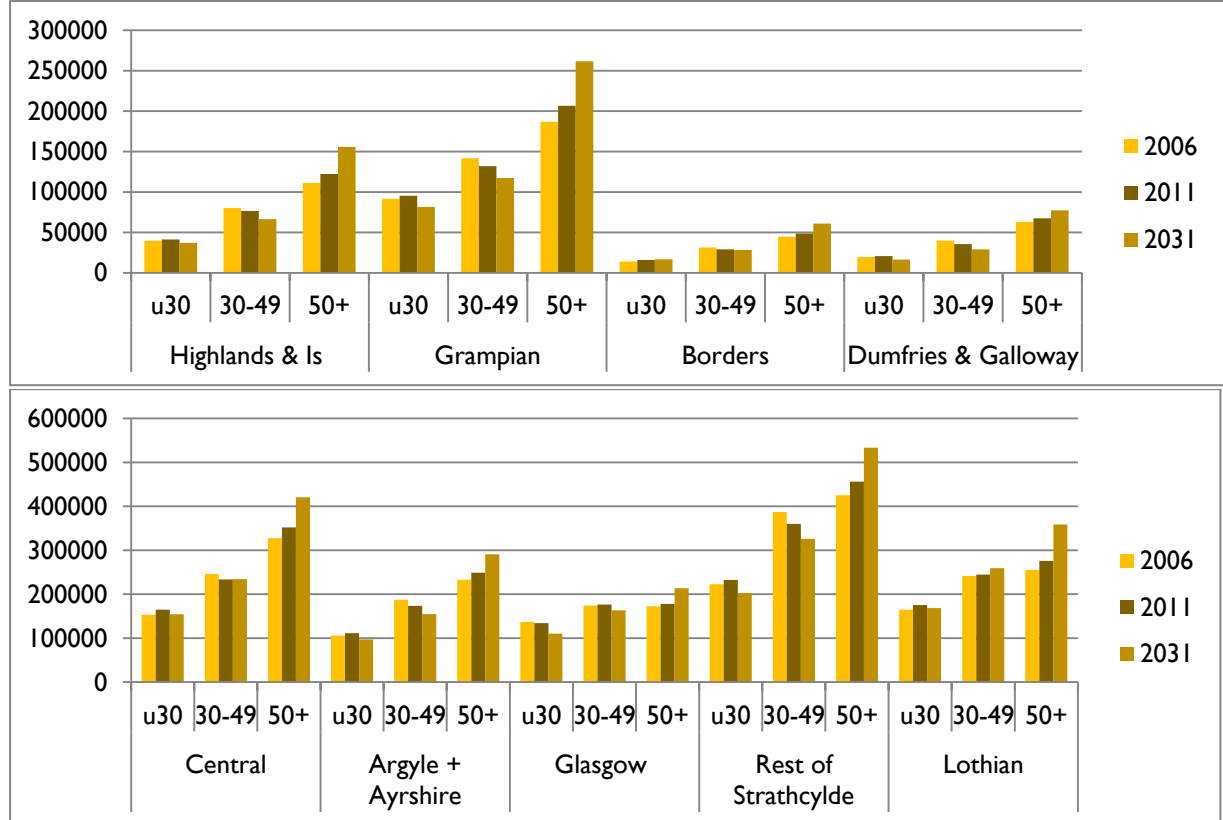
**Figure 9a:** Population Projections Welsh Regions: 2012-2033



Source: Statistical Directorate, Welsh Assembly Government, author's analysis

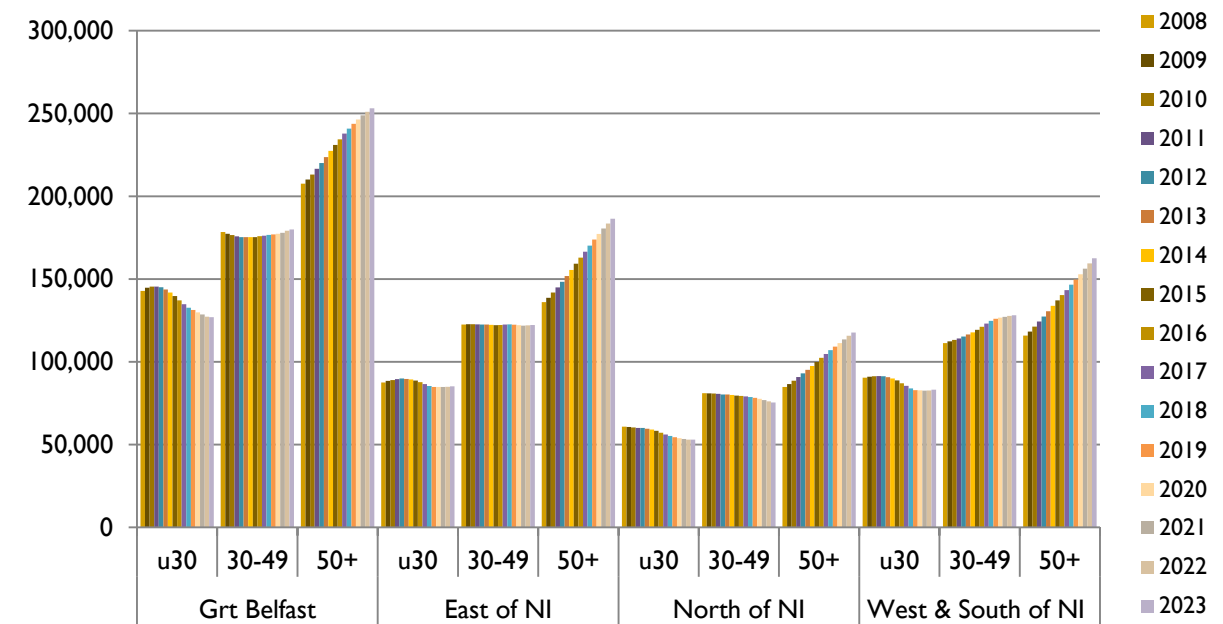


**Figure 9b:** Population Projections Scottish Regions: 2001-2031



Source: GROS, 2006-based Population Projections, author's analysis

**Figure 9c:** Population Projections Northern Ireland Regions: 2001-2023



Source: Northern Ireland Statistics & Research Agency, author's analysis

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