How has the rise in private renting disproportionately affected some ethnic groups?

Ethnic differences in housing tenure 1991-2001-2011

Summary

- Although the preference for home ownership is common across ethnic groups, some minority groups are overrepresented in insecure private rented accommodation.
  - Private renting was highest in 2011 for the Other White (51%) and Arab (49%) ethnic groups and lowest for the Black Caribbean (15%) and White British (15%) ethnic groups.
- Increased private renting and decreased home ownership between 1991 and 2011 was a common experience across ethnic groups, but private renting increased more for some ethnic groups.
  - The increase in private renting between 1991 and 2011 was proportionately greatest for the Indian, Pakistani and Black Caribbean populations (for whom the percent in private renting more than doubled) and least for the Black African and Chinese ethnic groups.
  - The drop in home ownership 1991-2011 was proportionately greatest for the Pakistani (-18%), Chinese (-17%) and Indian (-16%) groups and least for the White and Bangladeshi groups (-3% each).
- Ethnic inequalities in housing are more pronounced among young adults than for the population as a whole.
  - For 25-34 year olds, the proportion in private renting ranges from 31% for Black Caribbean and Bangladeshi ethnic groups to 74% for the Other White group.
- Each ethnic group has a distinct geography of private renting across districts in England and Wales.

Introduction

Housing preferences tend to be the same regardless of ethnic group\(^1\) and reflect the overwhelming preference in England and Wales for home ownership. This is a preference actively encouraged by successive governments via schemes such as ‘right to buy,’ ‘shared ownership’ and ‘help to buy’.

However, there has been a rise in private renting in England and Wales in recent years such that in 2011 9.8 million people (18 percent of the population) were private renters. This has raised concerns about increasing costs of renting and lack of affordable housing (for rent and to buy). These concerns surround young people in particular, because they are less able to enjoy the security of home ownership, creating ‘generation rent\(^2\).’

Figure 1: Variation in housing tenure between ethnic groups

2011, percent of each ethnic group (household reference persons)

Note: ethnic groups shown in increasing order of private renting. [Click here for data in Excel](#)
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Private renting can offer flexibility which is desirable for some people in some circumstances. However, flexibility carries instability in tenure and unpredictability in rent prices, which has adverse effects especially on families with young children. Furthermore, there is concern over the cost and condition of housing stock on offer which is exacerbated in areas where overall housing supply does not meet demand.

This briefing investigates differences between ethnic groups in renting and home ownership and finds that some ethnic groups are particularly and increasingly disadvantaged in terms of insecure housing tenure.

Who rents and how has this changed 1991-2001-2011?

Figure 1 shows the proportion of each ethnic group in rented accommodation in 2011. The Arab and Other White groups are notable for their high levels of private renting in 2011 (49% and 51% respectively). This is in part a reflection of the recent immigrant populations in these ethnic groups, who have come from Europe, the US and Australia to work in Britain, often on a temporary or seasonal basis. The ethnic groups with the smallest proportions of their population living in private rented accommodation are White British and Black Caribbean which include relatively few recent immigrants (both 15% private renting).

Figure 2 shows, for each ethnic group that is comparable over time, the changes in the proportion of the group in private rented, social rented and owner occupied housing between 1991, 2001 and 2011. All ethnic groups saw an increase in the proportion of their population living in private rented housing. The proportional increase was greatest for the Indian, Pakistani and Black Caribbean populations. Proportionately, the increase in private renting between 1991 and 2011 was least for the Black African and Chinese ethnic groups. These groups had the highest levels of private renting in each of the census years, accounting for the housing of over a third of each group in 2011.

In 2011, the Black African, and also the Other Black, White Gypsy and Irish traveller and Mixed White and Black Caribbean groups have the highest proportions of their population in social rented housing (housing rented from local authorities, housing associations and other social housing providers): over 40 percent for each of these groups (Figure 1). Social renting is lowest for the Indian (7%), Chinese (11%), Other White (12%) and Pakistani (13%) ethnic groups. Low levels of social housing take-up among some ethnic minority groups may reflect difficulties accessing social housing and may not, therefore, be an accurate indicator of demand.

Measuring tenure in the census

Census tables on tenure are provided for persons and household reference persons (HRPs). In this Briefing, tables for persons are used in Figure 4 and tables for HRPs are used in Figures 1-3.

Figures for tenure by ethnic group of household reference persons may differ from figures for tenure by ethnic group of persons because a household may consist of people who identify with different ethnic groups from the HRP. If percentages in each tenure by ethnic group for England and Wales based on persons and HRPs are compared, there are some differences but these are small and do not alter the main findings presented in this Briefing.

When presenting tenure for 2011, we use all the eighteen categories of ethnic group provided in that Census. The census question has developed in each census; when comparing groups’ tenure 1991-2001-2011 we use the seven categories that are comparable: in particular, White is a single category and Mixed is not a separate category.

Click here for data in Excel

www.ethnicity.ac.uk
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The trend in social renting has been one of decline (Figure 2b): in 2011 a smaller proportion of most ethnic groups lived in social rented housing than in 1991. The Bangladeshi and Pakistani ethnic groups were the only ones to see a rise in social renting between 1991 and 2001, which may reflect the success of housing strategies in the 1990s to improve access of ethnic minorities to social housing. Between 2001 and 2011 these groups, consistent with all others, saw a decrease in social housing. The proportional decrease in social rented housing between 1991 and 2011 was greatest for the Chinese and Indian ethnic groups.

Who owns their home and how has this changed 1991-2001-2011?

In 2011, the majority of people (more than 50%) in the Indian, White British, Pakistani, White Irish and Chinese ethnic groups lived in a house they owned (either outright or with a mortgage; Figure 1). The Indian ethnic group has the highest proportion of home ownership (69%) followed by White British (68%), Pakistani (63%) and White Irish (61%). The high levels of home ownership among people identifying as Pakistani and Indian may reflect discrimination in social housing allocations. Home ownership is lowest for the Black African (24%) and Arab (27%) ethnic groups. The low levels of home ownership among these two groups may reflect their disadvantaged position in the labour market (see Ethnic inequalities in labour market participation? Briefing) and resulting difficulties obtaining mortgages to buy a home. Between 1991 and 2011, levels of home ownership have decreased for all ethnic groups. The proportional decrease has been greatest for the Pakistani, Chinese and Indian ethnic groups and least for the White and Bangladeshi ethnic groups (Figure 2c).

Are ethnic inequalities more pronounced for young people?

Some of the ethnic differences in tenure may be due to the different age structures of the ethnic groups (see What makes ethnic group populations grow? Briefing). Sufficient income for deposit and mortgage takes time to achieve, and those entering the market before price booms of the 1980s, 1990s and 2000s were at an advantage for home-owning. Access to the housing market is thus more difficult for young adults in 2011. Ethnic groups that have a relatively large proportion of older people (including White British) may therefore be expected to have higher proportions of home owners.

Ethnic inequalities in tenure are more pronounced for young adults than for the population as a whole. Figure 3 shows the proportion of each ethnic group in rented and owned housing for those aged 25-34. Levels of private renting for 25-34 year olds are higher than for the population as a whole; levels of home ownership are lower than for the population as a whole. For 25-34 year olds, the proportion in private renting ranges from 31% for Black Caribbean and Bangladeshi ethnic groups to 74% for the Other White group. Over half of 25-34 year olds in the Other White, Arab, Chinese, White Irish and Indian ethnic groups lived in private rented housing in 2011. For 25-34 year olds there is a fourfold variation between ethnic groups in levels of home ownership: Pakistani, White British and Indian are the ethnic groups with the highest levels of home ownership (52%, 46%, 44% respectively); Arab, Other Black and Black African ethnic groups had the lowest levels of home ownership (16%, 14% and 13% respectively) in 2011.

Figure 3: Variation in housing tenure between ethnic groups, for young adults 2011, aged 25-34, percent of each ethnic group (household reference persons)

Note: ethnic groups shown in increasing order of private renting. Click here for data in Excel.
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How do levels of private renting vary across England and Wales?

The proportion of any ethnic group living in private rented housing varies between districts of England and Wales. Each ethnic group has a distinct geography of private renting. This is illustrated in Figure 4 for three ethnic groups: the White British ethnic group, the Black Caribbean ethnic group, who had the lowest level of private renting in 2011, and the Other White ethnic group, who had the highest level of private renting in 2011. For the White British group, districts with the highest levels of private renting are clustered in London plus other large cities such as Manchester and Birmingham. In contrast, the Black Caribbean group, whose average national level of private renting is comparable to that for the White British, has its lowest levels of private renting in London. This is likely to reflect the importance of social housing for this ethnic group in the capital.

Figure 4c, depicting geographical variation in private renting for the Other White ethnic group, illustrates its significance throughout the country. High levels of private renting are found not only in large cities but also in more rural areas such as in North Yorkshire, Lincolnshire and mid Wales. This is likely to reflect the high levels of mobility of the Other White group, associated with its young age structure and high proportion of recent economic migrants. The private rental market is meeting a preference for being able to move quickly to better employment opportunities for some people in this population group in traditional and non-traditional immigrant settlement areas, but may also be leaving them particularly at risk of insecure tenure and rental price rises in a precarious housing sector.

2 See, for example, Lindsay, D. and Earley, F. (2013) A Home of Their Own. Shelter.
5 A full description of the comparability of ethnic groups across Censuses can be found here http://www.ethnicity.ac.uk/census/eth_categories.html


This briefing is one in a series, The Dynamics of Diversity: evidence from the 2011 Census.

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