

# **LOW-INCOME OWNER OCCUPATION IN SCOTLAND**

**A compilation of data and research evidence**

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## SUMMARY

### **The extent and nature of low-income owner occupation (Section 1)**

- There are an estimated 145,000 households in Scotland who own their houses (either outright or with a mortgage) and have incomes below £6,000 per annum.
- 45% of all households with incomes below £6,000 are owner occupiers.
- Scotland has proportionately fewer low-income householders who are owner occupiers than the rest of the UK.
- The majority (two thirds) of low-income owner occupiers own their houses outright i.e. have no mortgage.
- The geographical distribution of low-income owner occupiers mirrors that of all owner occupiers apart from a higher than average proportion (9%) living in remote rural areas.
- A third of low-income owner occupiers live in a flat or maisonette.
- Just over half of low-income owner occupiers had lived in their current homes for more than 15 years, compared with a third of all owner occupiers.
- One in three low-income owner occupiers who had moved within the previous year were “new” entrants to this sector. Most of the remainder had moved from a home they already owned outright.
- 71% of low-income owner occupiers were aged over 60, 32% aged over 75.
- Half of all low-income owner occupied households comprised single person pensioners.
- Fewer than one in 5 (19%) of low-income owner occupied households had an adult member in employment.
- Low-income owner occupiers are no more likely to worry about money than other owner occupiers, though they are less likely to see themselves managing well financially.
- 8% of low-income owner occupiers do not have a bank account and 43% have no savings.
- For those low-income households with a mortgage a quarter of their income goes towards mortgage repayments.
- Net equity for low-income owner occupiers was (in 1996) £31,000 – considerably more than medium income owner occupiers.

### **Routes into low-income owner occupation (Section 2)**

- Only a minority of low-income owner occupiers enter the sector directly
- They do this because owner occupation is the preferred tenure for half of all low-income households; because social renting has become a less attractive option due in part to the process of residualisation; and because the sector is now more accessible due to relaxed credit regimes.
- Although only one in ten of Right to Buy purchasers have incomes below £6,000, this group actually now comprise a quarter of all low-income owner occupiers in Scotland.
- The contribution of other Low Cost Home Ownership initiatives to low-income owner occupation appears modest.
- More low-income owner occupiers become poor than start off in this position. The main reasons for their reduction in income are relationship breakdown and divorce; death of a partner, or self or partner becoming a carer.

- Labour market factors including both unemployment and reduced earnings result in reduced income, but are particularly responsible for mortgage arrears and repossessions.

### **Impacts on housing quality (Section 3)**

- Low-income owner occupiers are slightly more likely to live in poor housing – 9% do so compared with a national average of 7%.
- Low-income owner occupiers are more likely to live in flats and poorer quality housing is more likely to be flatted.
- Low-income households were far less likely than other homeowners to carry out repair and maintenance work on their home – only 39% had done so in the previous year compared with 70% of the highest income band.
- Low-income households spend an average of £3.70 a week on repairs, maintenance and decoration compared with £10.55 by all homeowners. (GB data)
- Propensity to carry out repairs and maintenance is affected by a number of factors in addition to income constraints. Elderly people, especially those living in their homes a long time and those in remote rural areas, were less likely to notice problems, wished to avoid disruption and were reluctant to make long term investments in their homes.
- For younger families competing spending priorities were more important, and young mobile people had few incentives to invest in their property.
- Owner occupiers rely heavily on savings to fund repairs; only half of low-income owner occupiers have any savings.
- Right to buy purchasers spend less than average on repairs, probably reflecting a combination of the better state of repair of their homes and their life stage.
- Repair grants make a very small contribution to overall repairs and are targeted at the poorest quality houses rather than the poorest household; 39% went to low-income owner occupiers.

### **Impacts on health (Section 4)**

- Owner occupation appears to have a positive effect on health independent of other markers of social position; the reasons for this are not fully understood.
- However the self-reported health of adults living in low-income owner occupied households is poorer than that of other owner occupiers or the general population. This is probably largely explained by the high proportion of elderly in this group.
- Low-income may have indirect effects on health by restricting access to good quality housing and increasing stress through increasing worry about money, debt and repossession.
- The body of evidence suggests that excess winter deaths caused by low indoor temperatures are not linked to socio-economic deprivation. Fuel poverty can affect “thriving greys” whose houses are too large to heat but are not necessarily on very low-incomes.

### **Coping strategies (Section 5)**

- Equity release schemes available to enhance the incomes of owners tend to be restricted to people well above retirement age and have not proved particularly attractive. Such schemes provide a very limited average income gain to lower income elderly home buyers.
- Homeownership commitments affect life choices such as early retirement of having a child in only a small minority of cases.

- More people leave low-income owner occupation each year than join it. The scale of movement is relatively modest – estimated a net exodus of 10,000 households in England.

#### **The future of low-income owner occupation (Section 6)**

- The proportion of low-income households who are homeowners has been increasing. This growth is likely to continue, driven by a combination of demographic and socio-economic trends.
- Under these scenarios the main growth is likely to be among current owner occupiers whose incomes fall, in particular due to relationship breakdown and changing employment status, rather than those entering the sector as low-income households.
- The number of low-income homeowners at any one time may considerably understate the number and proportion of homeowners that experience a period of time on a low-income.

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# LOW-INCOME OWNER OCCUPATION: A REVIEW

## Preface

This paper draws on an array of published research and a new analysis of the 1999/00 Scottish Household Survey (SHS) to examine the attributes of low-income owner occupation. Wherever possible figures relate to the situation in Scotland but in a number of areas the limited number of Scottish studies requires a reliance on material from research in England.

Analysis of the SHS, which forms the bedrock of this paper (and the main source of quantitative data), defines low-income home ownership as owner occupied households with an income of less than £6,000 a year<sup>1</sup>. The paper also draws extensively from secondary analysis of the Scottish House Condition Survey (SHCS) detailed in Bramley et al. (2001). This analysis predominantly defines low-income households as those falling within the lowest income quintile of the population.

The paper is divided up into six sections. Section One examines the extent and nature of low-income home ownership. Having first established levels of low-income owner occupation, this section discusses the characteristics of low-income homeowners looking in turn at issues of geography, housing and housing careers, household composition, economic activity, financial matters and relationship to other aspects of poverty.

In Section Two attention is turned to routes into low-income homeownership. Two different routes are identified: direct entry into owner occupation by low-income households and existing homeowners who enter the category through a reduction in income.

Section Three moves on to consider the impact of low-income home-ownership on housing quality with particular reference to maintenance and repairs, while Section Four considers impacts on health. Section Five provides an overview of the coping strategies which low-income households may adopt in order to manage owner occupation. Finally, Section Six concludes the paper with some discussion of likely future trends in low-income owner occupation.

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<sup>1</sup> Data relating to homeowners with an income of £6,000 to £10,000 is also included in the tables at Annex 1. However for ease of interpretation this group is not discussed in any detail in the body of the text, though attention is drawn to any significant differences between households in the two income bands. Both groups are dominated by households with one or more pensioners accounting for 61.5% and 66.5% of households respectively (Section 1.4).

## 1. EXTENT AND NATURE OF LOW-INCOME OWNER OCCUPATION

### 1.1 Extent

According to the SHS, almost one in ten (9.9%) owner occupied households in Scotland have an income of less than £6,000 a year, a further 14% have incomes between £6 and £10K and the vast majority (76%) have an income in excess of £10K<sup>2</sup>. Given the size of the owner occupied sector, this suggests that there are something in the region of 145,000 low-income homeowners in Scotland with incomes below £6,000<sup>3</sup>.

Although low-income homeowners comprise only a minority of owner occupied households, given the dominance of owner occupation – which now accounts for more than three in five (63.3%) dwellings in Scotland (CML 2002) – homeowners account for a considerable proportion of ‘the poor’. Analysis of the SHS reveals that homeowners comprise 45% of households with an income of less than £6K (and almost two-fifths of those with an income between £6K and £10K).

Analysis of the 1996 Scottish House Condition Survey (SHCS) gives greater detail of the breakdown of low-income owner occupation in Scotland and allows comparison with the situation in the UK (Bramley et al. 2001)<sup>4</sup>. This analysis reveals that while only 7% of homeowners in Scotland have incomes within the lowest income decile, between one-third and two-fifths of ‘the poor’ in Scotland were owner occupiers in 1996 (depending on the definition of poverty used). This is a lower proportion of the poor than for the UK as a whole (see Table 1.1).

**Table 1.1 Home ownership and low-income: % of each income group who are owner occupiers**

Income group:	Scotland	UK
Lowest decile	38	57
Below half average	36	41

Source: Bramley et al. 2001: 58

As Table 1.2 (below) highlights, there are significant differences between owner occupiers who own their home outright and those with a mortgage, with outright owners accounting for twice the proportion of low-income decile members in Scotland than mortgagors. This analysis includes a comparison with income distribution after housing costs are deducted.

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<sup>2</sup> Scottish Household Survey 1999-2000 unpublished tables. Unless otherwise stated, all analysis using the SHS is based on these tables. The SHS defines household income as *net* income (i.e. after taxation and other deductions) from employment, benefits and other sources, which is brought into the household by the highest income householder and/or their spouse or partner. This includes any contribution to household finances by other household members (e.g. dig money).

<sup>3</sup> In December 2000, there were an estimated 1,468,000 owner occupied dwellings in Scotland (Scottish Executive 2002). Figures for the number of *households* – which would allow a more accurate calculation of the number of low-income homeowners – are not given.

<sup>4</sup> Unless otherwise stated, all analysis using the SHCS is drawn from this report. The SHCS defines household income as net income received by head of household and spouse / partner (where relevant) from wages and salaries, benefit payments and other sources such as non-state pensions or maintenance payments.

The significant difference between the percentage of ‘the poor’ constituted by outright owners before and after housing costs reveals the limitations of an analysis of low-income home ownership in isolation from a consideration of housing (and other) costs. As can be seen, outright owners account for one in four of the lowest income decile *before* housing costs but fewer than one in 20 *after* housing costs (reflecting absence of mortgage payments). The tendency to perceive low-income home ownership as unequivocally problematic and unsustainable should therefore be treated with caution.

**Table 1.2 Tenure of lowest income decile of household members, Scotland (1996)**

Tenure:	All Income (%)	After Deduction of Housing Costs <sup>5</sup> (%)
Owned with mortgage	12.5	15.2
Owned outright	25.1	4.7
All owned	37.6	19.9
All rented	62.4	80.1

Source: Bramley et al. 2001: 93

## 1.2 Geography

According to the SHS, 38% of low-income homeowners in Scotland live in urban settlements with a population of greater than 125,000, 27% in other urban areas, 13% in towns and 22% in rural areas. Analysis of the SHS does not reveal any particularly strong geographical pattern to low-income home ownership. Low-income owner occupiers are very slightly more likely to live in large urban settlements than owner occupiers as a whole (38 and 36% respectively) and rather less likely to live in other urban areas (27 and 31% respectively). There is however a higher concentration of low-income homeowners in remoter rural areas with 9% of these households but 6% of all homeowners living in these areas. This would seem to confirm the conclusions of a modelling exercise carried out by Bramley & Lancaster in the late 1990s which found that the lowest average incomes for homeowners were in the remoter rural areas, (followed by the generally poorer urban areas and some mixed rural-urban areas) (Bramley & Lancaster 1998)<sup>6</sup>.

## 1.3 Housing and Housing History

### *Property type*

Nearly a quarter (23%) of low-income homeowners live in a detached house, just over a fifth (22%) in a semi-detached house, a further fifth (21%) in a terraced house and one-third in a flat or maisonette. This pattern of property type differs from that for all homeowners. Low-income homeowners are less likely to live in a detached or semi-detached house than owner occupied households as a whole with 45.5% of low-income homeowners living in such property compared with 55% of all homeowners. In contrast, they are more likely to live in a flat or maisonette with one third of these households living in such property compared with less than a quarter (24%) of all owner occupied households.

<sup>5</sup> The definition of ‘after housing costs’ used by the DSS – on which these figures are based – has been subject to some criticism. Not only do these figures fail to take into account housing repairs and maintenance costs but, for home buyers with mortgages, housing costs only include mortgage interest payments and not capital repayments though home buyers are inescapably tied to making such payments (Burrows & Wilcox 2000).

<sup>6</sup> The most affluent homeowners were found in Aberdeen and the surrounding area, the Lothians, Edinburgh and higher status suburban areas near Glasgow (Bramley et al. 2001: 65).

### *Length of residence*

Low-income homeowners have lived in their current properties for a longer time on average than other owners, with two-fifths having lived at the same address for over 20 years. Analysis of the SHS (Table 1.3) shows that 10% of low-income homeowners had moved in the past two years compared with 16% of all homeowners (and 22% of all low-income households). The longer duration of residence among low-income homeowners no doubt reflects the older age profile of these households discussed below (Section 1.4).

**Table 1.3 Length of residence at current address**

<b>Years at current address:</b>	<b>Homeowners ALL Incomes</b>	<b>Homeowners £0-£6000</b>	<b>All households £0-£6000</b>
less than 1 year	<b>5.4</b>	3.0	10.5
1-2 years	<b>10.3</b>	7.4	11.7
3-4 years	<b>10.5</b>	7.3	8.9
5-10 years	<b>24.9</b>	16.3	17.4
11-15 years	<b>14.4</b>	12.9	11.2
16-20 years	<b>11.6</b>	12.8	11.1
21-30 years	<b>13.2</b>	17.5	13.0
31 years or more	<b>9.6</b>	22.8	16.2
<b>ALL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Scottish Household Survey 1999-2000

### *Previous tenure<sup>7</sup>*

One in three (32%) low-income owner occupiers who had moved into their current homes in the previous year appeared to be “new entrants” to this sector<sup>8</sup>. 23% had previously been renting accommodation (the SHS tables on which this analysis is drawn do not break these figures down into social and private renting) and 9% had previously been living in the parental, family home. Almost half (49%) of low-income homeowners had moved in the last year from a property which they owned outright and 13% from a property which they were buying with the help of a mortgage or a loan<sup>9</sup>. One in 25 low-income homeowners identify their previous tenure as ‘other’.

This pattern of previous tenure, contrasts with that for all owner occupied households in a number of ways. Although a similar proportion of all homeowners were in owner occupation prior to moving, the proportions owning outright or with a mortgage are the reverse of those for low-income homeowners. Thus 14% of all owner occupied households had moved from a property which they owned outright and 42% from a property which they were buying with the help of a mortgage or a loan. While a similar proportion of all homeowners had previously been renting their accommodation, a greater proportion (15% as compared to 9%) had previously been living in the parental, family home.

Owner occupiers in the £6K to £10K income band exhibited a slightly different pattern in respect of previous tenure than low-income homeowners. They were less likely to have been

<sup>7</sup> These figures are based on very small sample sizes and may not be statistically reliable.

<sup>8</sup> As no longer term housing history was available some of these households may have owned their homes at some stage in the past.

<sup>9</sup> SHS figures do not distinguish the type of owner occupation they entered into.

previously living in a property which they owned outright (35%) and almost twice as likely as low-income homeowners to have moved into owner occupation from the parental, family home (18%). This suggests that a not insignificant proportion of households in this income band living in owner occupation are newly-formed households – although the small sample size on which these figures are based, cautions against drawing any firm conclusions.

#### *Satisfaction with area*

According to the SHS, satisfaction with area of residence is universally high among owner occupiers with upwards of 94% of both low-income homeowners and homeowners more generally in 1999/00 rating the area they live in as very or fairly good. This is slightly higher than for all households, where 91% of households and 89% of low-income households place their area of residence in these categories. In addition, in terms of dissatisfaction with area of residence, analysis of the SHS reveals that low-income *homeowners* are half as likely as low-income households as a whole to rate the area in which they live as fairly or very poor (5.2% and 10.1% respectively).

### **1.4 Household composition**

Low-income home ownership is dominated by older households without children. Half (51%) of all low-income homeowners are single person pensioners and a further 15% are classified as older smaller households. Of the remaining third of low-income owner occupiers only a relatively small proportion are families with children.

**Table 1.4 Household type: owner occupied households**

<b>Household Type<sup>10</sup>:</b>	<b>£0-£6000</b>	<b>£6000-£10000</b>	<b>More than £10000 (%)</b>	<b>ALL Incomes</b>
Single Adult	13.7	14.7	10.9	<b>11.7</b>
Small Adult	7.6	9.5	23.5	<b>19.9</b>
Single Parent	2.3	3.5	1.9	<b>2.2</b>
Small Family	2.9	3.0	22.7	<b>17.9</b>
Large Family	1.7	1.7	10.3	<b>8.3</b>
Large Adult	5.4	6.1	14.1	<b>12.1</b>
Older Smaller	15.5	32.0	12.8	<b>15.8</b>
Single Pensioner	51.0	29.5	3.7	<b>12.1</b>
<b>ALL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Scottish Household Survey 1999-2000

As Table 1.4 highlights, single parents and other families account for just 7% of low-income owner occupied households while just over a fifth comprise one or two adults and no children (i.e. single adult and small adult households). This is in marked contrast to owner occupied households as a whole, where over a quarter (28%) of households comprise families with

<sup>10</sup> A **small adult** household contains two adults of non-pensionable age and no children; a **small family** household contains two adults of non-pensionable age and one or two children; a **large family** household contains two adults of non-pensionable age and three or more children, or three or more adults of non-pensionable age and one or more children; a **large adult** household contains three or more adults of non-pensionable age and no children; an **older smaller** household contains one adult of non-pensionable age and one of pensionable age and no children, or two adults of pensionable age and no children.

children. Among higher income households, families with children are even more common accounting for over a third (35%) of households in this category.

Older homeowners form a similar proportion of owners in the £6-£10K income band as those in the lower income band although the balance between older smaller and pensioner households is more evenly split at 32% and 29.5% respectively.

Other analysis of the SHS reveals that in 1999/00, 4.5% of heads of low-income owner occupier households were under the age of 35, 8% aged 35-44, 17% aged 45-59, 40% aged 60-74 and 32% aged 75 or over. In other words, approaching three-quarters (71%) of low-income homeowners in 1999/00 were over the age of 60<sup>11</sup>. This compares with average figures for all owner occupied households of 22% and 9% respectively (and 15% and 4% for those with incomes in excess of £10K).

### 1.5 Economic activity

Participation in employment forms one of the key distinguishing features of low-income home ownership. Analysis of the SHS reveals that more than four-fifths (81%) of owner occupied households with an income of less than £6K have no adult member in employment, in the main reflecting the dominance of pensioner households (see Section 1.4). In contrast, only 29% of all owner occupiers (and just 15% of those with an income in excess of £10K) have no adult member in employment. Given the high level of economic inactivity, it is not surprising that the proportion of low-income owner occupied households with one or two members in employment (at 13% and 5% respectively) is considerably below the average for all owner occupiers (Table 1.5).

Owner occupied households in the £6K to £10K income band are similarly characterised by economic inactivity with two thirds having no adult member in employment. However, the proportion of these households with one member in employment (27%) is little different from the average for all owner occupiers.

**Table 1.5 Participation in employment: owner occupied households**

<b>Adult household members in employment</b>	<b>£0-£6000</b>	<b>£6000-£10000</b>	<b>More than £10000 (%)</b>	<b>ALL Incomes</b>
0	81.2	66.4	14.9	<b>28.8</b>
1	13.0	27.0	31.2	<b>28.8</b>
2	4.8	5.4	45.8	<b>36.0</b>
3+	1.0	1.1	8.1	<b>6.5</b>
<b>ALL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Scottish Household Survey 1999-2000

An earlier analysis of the SHCS (Bramley et al. 2001: 58) provides some comparisons with England. Using a different definition of low-income (see Preface), this analysis identified just 7% of low-income homeowners in Scotland with a working head of household, two-fifths

<sup>11</sup> Owner occupier households in the £6K to £10K income band had a similarly older profile – two thirds of them being over 60 – but were towards the younger end of ‘the elderly’: 21% being over the age of 75 compared with 32% of low-income homeowners.

with a household head not in employment and 54% with a retired household head. This is a similar position to that in England. Within the economic status categories, homeowners comprise two-fifths of the retired low-income household heads; one-fifth of the not-working low-income household heads; and one fifth of the working low-income household heads. Again this is a similar situation to that in England

Data from the 2000/01 Family Resources Survey highlights the dependence of low-income owner occupiers on state benefits. In half of owner occupier households with incomes below £10,000 at least three quarters of their income was derived from state benefits, though this proportion was well below that of all low-income households two thirds of whom had this level of dependency.

## **1.6 Financial Issues**

### *Attitudes to finance*

According to the SHS, one in five low-income owner occupied households worry about money quite often or almost all the time, one third only sometimes and getting on for half (46%) never. The proportion of low-income homeowners worrying about money quite often or almost all the time is only slightly greater than the average for all owner occupied households of 18%. Furthermore, it is interesting to note that low-income owner occupiers appear to worry *less* frequently about money than low-income households as a whole where 30% claim to worry about money quite often or almost all the time.

Despite the close similarities across income bands in terms of the frequency with which owner occupied households worry about money, low-income owner occupied households are less likely to see themselves as managing well financially. 12% of low-income owner occupied households state they do not manage very well financially or have some financial difficulties. By contrast 48% say they get by alright and 38% think that the household is managing very or quite well. In comparison more than half (51%) of all owner occupiers believe that they manage financially very or quite well and only 7.5% admit to not managing very well or having financial difficulties.

### *Savings*

This difference in how successfully households manage financially might be partly related to, or reflected in, the extent of their savings. More than two-fifths (43%) of low-income homeowners and 38% of those in the £6 to £10K income band claim to have no savings compared with only a third (32%) of all owner occupiers and just 30% of higher income households. (Low-income owner occupiers are however substantially more likely to have savings than low-income households as a whole three-fifths of whom claim to have no savings at all). A further 15.5% of low-income owner occupiers have savings of less than £5K compared with a fifth (21%) of all owner occupiers. In contrast, just 18% have more than £5K of savings, compared with over a quarter (27%) of all owner occupiers (and 29% of those with an income in excess of £10K). (NB a fifth of households refused to answer this question).

### *Access to a bank account*

While the vast majority (87%) of low-income owner occupied households have a bank account this is a lower proportion than for all owner occupiers and lower than for owner occupier households in the £6K to £10K income band (of whom 95% and 93% respectively have an account). The proportion of low-income homeowners who lack a bank account (8%)

is however considerably lower than for low-income households as a whole where one in five (21%) of households are in this position.

#### *Access to insurance*

Possession of insurance is similarly high across the different income bands but slightly lower for low-income homeowners. According to the SHS, 90% of owner occupied households with an income of less than £6K have both contents and building insurance, compared with an average for all owner occupied households of 94%. However, in terms of the worrying small minority of homeowners without buildings insurance, low-income homeowners are more than twice as likely to fall into this category. In 1999/2000 5.8% of low-income homeowners had no insurance or contents insurance only compared with an average for all homeowners of just 2.4%.

#### *Mortgage payments*

Considered in terms of interest payments as a proportion of income, Scotland is consistently identified as the most affordable of the UK countries (CML 2002). In 2000, first year mortgage interest payments in Scotland accounted for 26% of single male net earnings and 15% of the earnings of two income couples compared with a British average of 35% and 19% respectively (Stewart 2001 cited in CML 2002).

However, although considered in these terms owners' housing costs in Scotland are relatively lower than in England, lower income homeowners commit a greater percentage of their income to housing than those in higher income quintiles (Ford & Wilcox 1998, Burrows et al. 2000). As Table 1.6 demonstrates it is the lowest income mortgaged owners who pay most relative to their income.

**Table 1.6 Income and mortgage costs as a % of household income**

Income quintiles	First	Second	Third	Fourth	Fifth	All
Scotland 1996	25.9	12.2	10.2	9.3	8.0	13.1
England 1996/97	24.0	13.0	11.0	10.0	9.0	14.0

Source: Bramley et al. 2001: 96 (extract)  
(1996 SHCS; 1996/7 SEH)

#### *Arrears*

There appears to be a paucity of large-scale studies examining the relationship between household income and housing arrears or repossession and what information is available tends to be drawn from relatively small samples of households. This research however suggests a possible link between low-income and repayment difficulties. In-depth interviews conducted with mortgagors who had experienced mortgage arrears or repossession in Scotland for example, revealed that of 37 interviewees providing details of income, 54% (20) had incomes under £10,000, 24% (9) an income between £10,000 and £20,000 and 22% (8) an income of over £20,000 (McCallum 2002).

Other research has found that borrowers giving possession have considerably lower incomes than borrowers in arrears who in turn are less well-off than non-arrears borrowers. A study of mortgagors in Luton and Bristol in 1993 (Ford 1994) for example, found incomes of £157, £251 and £304 respectively (Ford & Burrows 1999).

### *Housing equity*

Levels of net equity are lower in Scotland than in England across the income bands. Even so analysis of the SHCS reveals that the average reported net equity held by the lowest income quintile of homeowners in Scotland in 1996 was £31,077. While this is over 25% less than the net equity of homeowners in the highest income quintile, as Table 1.7 highlights, homeowners in the lowest income quintile in Scotland have greater levels of equity than those in the second, third and fourth quintiles, probably reflecting their age and length of stay in their current properties. A similar pattern pertains in England.

**Table 1.7: Net equity by income quintile**

Income quintile	Net Equity – England (£)	Net Equity – Scotland (£)
Lowest	50,830	31,077
Second	47,490	22,393
Third	46,233	23,787
Fourth	44,773	25,247
Fifth	67,505	39,942

Source: Bramley et al. 2001: 101

Other research using the SHCS confirms the presence of higher levels of equity among older (aged 60+) homeowners. Research examining equity release schemes for older homeowners (Leather & Terry 2000) revealed that these households had an average equity of £62,000. This average figure however conceals notable differences by ownership status, age and income. Thus in 1996, three quarters (76%) of older homeowners with a mortgage had equity of less than £40,000 compared with just over a quarter (27%) of outright owners. At the other end of the scale just 4% of older mortgagors had equity in excess of £80,000 compared with 43% of older outright owners.

In terms of age, Leather and Terry (2000) note that the amount of equity peaks in the 65-69 age group and declines thereafter. This may be partly explained by trading down but, according to Leather and Terry, might also be a cohort effect resulting from the tendency for older generations of owners to occupy older and lower value properties.

Extending their analysis to look at age and income, Leather and Terry (2000) highlight that in 1996 only 6% of older homeowners (some 21,000 households) in Scotland were 'equity rich-income poor' having equity in excess of £60,000 and an income of under £100 per week. A further 8% had £40,000-£59,000 in equity and an income of under £100 per week. 9% of low-income older homeowners however had equity of less than £40,000. Table 1.8 (below) provides a more detailed breakdown of equity by age and income<sup>12</sup>.

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<sup>12</sup> There does not appear to be a similar analysis for younger homeowners.

**Table 1.8: Equity and income by age group**

Age group	% of age group			
	Weekly income	Home equity		
		Under £40,000	£40,000-59,000	£60,000 or more
60-69	Under £100	6	6	4
	£100-299	26	16	19
	£300 or more	5	3	14
70-79	Under £100	11	10	8
	£100-299	23	20	20
	£300 or more	-----	----- 9 -----	-----
80 or more	Under £100	15	13	10
	£100-299	18	22	15
	£300 or more	-----	----- 7 -----	-----
All older	Under £100	9	8	6
	£100-299	24	18	19
	£300 or more	3	2	10

Source: Leather & Terry (2000)

## 1.7 Relationship to other forms of poverty

### *Child poverty*

Analysis of the Households below Average Income (HBAI) dataset<sup>13</sup> reveals that just one in ten children in owner occupation were living in poverty (defined as households with <60% median income) in Scotland in 1999/00 (compared with 6 out of 10 children in social housing and 4 out of 10 in private rental housing). However, given the dominance of owner occupation, children in owner occupied households (according to the 1999/00 SHS) accounted for 29% of all children in poverty (Dean et al. 2002).

### *Fuel poverty*

According to the 1996 SHCS, almost one in four (24%) owner occupier households in Scotland were defined as fuel poor spending over 10% of their income on fuel (total fuel costs) (Macintyre et al. 2000). While the proportion of public sector households in fuel poverty is twice as high at 50%, proportions in extreme fuel poverty (spending more than 20% of their income on fuel) is more similar accounting for 7% of owner occupier households and 9% of those in the public sector.

Further analysis of fuel poverty by tenure and income reveals significant differences between owner occupiers according to household income. Thus, in 1996, 93% of owner occupier households with an income of less than £100 a week were in fuel poverty, compared with 58% of those with an income of between £100 and £199, 10% of those with an income of between £200 and £299 and just 1% of owner occupier households with a weekly income in excess of £300.

<sup>13</sup> Produced by the Department for Work and Pensions, the HBAI dataset is based on the *Family Resources Survey*, a continuous survey of over 20,000 households in Great Britain.

## 1.8 Summary

From this evidence low-income owner occupiers appear to fall into two distinct groups. They are predominantly an elderly group of people who own their homes outright and have lived in them a long time. The remainder include younger households some, but not all, of whom contain someone in employment; who have lived in their homes a shorter time and were previously either renting or living with parents; and are likely to have a mortgage.

## 2. ROUTES IN TO LOW-INCOME OWNER OCCUPATION

There is widespread consensus within the research literature that only a minority of low-income households directly enter home ownership (Burrows et al. 2000, Bramley et al. 2001). As Wilcox (2000) points out:

*'The growth of low-income home ownership is not a consequence of direct entry into the sector but the result of decrease in income due to changes of circumstance such as unemployment, ill-health, relationship breakdown or retirement'*.

However, studies do not put a figure on the proportions and the evidence cited in the previous section suggests that the proportion of low-income homeowners moving directly from rented accommodation or staying with parents is – at 32% of recent movers – not insignificant. It is important therefore to consider the reasons *why* low-income households enter owner occupation.

### 2.1 Routes in: existing low-income households

In terms of the minority of low-income households who enter the sector directly, a number of factors can be identified:

#### *Household Preferences*

Surveys consistently identify a strong preference for home ownership (Jowell et al. 1999, IPPR 1999, Kemp 2000, CML 2002). While preferences for owner occupation increase with income, a CML MORI UK Survey in 1999 found that, even among low-income groups (incomes less than £5000 p.a.), two-fifths (41%) of adults would prefer to be owner occupiers in two years time and 46% in ten years time (cited in Burrows & Wilcox 2000). (This compares with 74% and 78% of all adults). Preferences for home ownership among low-income households appear to be even stronger in Scotland where, according to the 1996 SHCS, 55% of households in the lowest income quintile identified owner occupation as their preferred tenure (see Table 2.1).

**Table 2.1 Housing aspirations of households in Scotland**

Income quintile	Owner Occupation	Social Renting	Private Renting	Other / Don't Know
Lowest	54.5	37.7	3.5	4.4
Second	57.0	37.8	2.0	3.2
Third	74.1	22.5	1.7	1.7
Fourth	88.0	9.8	1.0	1.2
Highest	97.0	1.8	0.3	0.9
All households	76.5	20.0	1.5	2.1

Source: SHCS 1996 (in Bramley et al. 2001: 102)

### *Alternative Options*

Low-income households may be drawn into home ownership through the unavailability and / or unacceptability of alternative options. The Right to Buy (which saw one-third of original local authority stock in Scotland sold off in the period up to 1997) (Wilcox 1998) combined with limited replacement build, has led to a dramatic reduction in social housing stock. At the same time, limited replacement new-build and the concentration of sales among the more desirable parts of the stock has contributed towards the residualisation and stigmatisation of council housing (Forrest & Murie 1990, Hogarth et al. 1996) such that even where this housing is available it is often not considered a desirable option. (As Table 2.1 above highlights even among households in the lowest income quintiles fewer than two-fifths express a preference for social renting).

### *Accessibility*

Research suggests that the entry of low-income households into owner occupation has been facilitated by the greater availability of housing credit. Financial deregulation in the mid-1980s 'widened financial resources available to traditional mortgage lenders, brought new players into the market, increased competition and, in its wake, led to a relaxation of lending criteria allowing an influx of new home buyers' (Hogarth et al. 1996, Audas & Mackay 1997). In such a highly competitive market, lenders were increasingly willing to offer mortgages to groups – including those on low-incomes – which had previously been regarded as 'riskier' customers (Burrows 2002). There does not appear to have been any research to examine whether lending criteria have been tightened up in more recent years, nor on the effects of lowered interest rates in the past few years.

### *Low Cost Home Ownership (LCHO)*

Bramley et al.'s review of the future of owner occupation highlights a range of LCHO initiatives in Scotland including: Shared Ownership (PBSO – 'purpose build' – and SOOTS – 'off the shelf'), shared equity (pilot), Grants for Rent and Ownership (GRO), Rural Home Ownership Grants (RHOG), Improvement for Sale (IFS) and Tenants incentive Scheme (TIS) (Bramley et al. 2001: 48). No numbers are given as to how many households in general – and low-income households in particular – have entered owner occupation through these schemes. While it might be assumed that LCHO schemes have been an important contributor to the rise in low-income home ownership, figures from England suggest that such schemes have resulted in only modest additions to the numbers of homeowner households. For example, there are currently just 78,000 shared home owner households in England (less than 0.5% of all households) and in 1999/00 fewer than 50,000 house purchases were assisted by the Housing Corporation in various LCHO schemes (Burrows & Wilcox 2000: 39).

Furthermore, research suggests that such schemes are predominantly utilised by middle, rather than low-income households (Burrows et al. 2000). According to Wilcox (2000):

*‘Only one in five of those entering home ownership through the RtB [Right to Buy] and other low-cost home ownership schemes have very low-incomes (in the lowest fifth of all incomes). Most have moderate or even high incomes’.*

In Scotland, analysis of the SHS reveals that 70% of owner occupied households who had previously rented their property from the council had incomes in excess of £10K, one fifth (19%) had an income of between £6 and £10K and just one in ten had an income of less than £6K<sup>14</sup>. However, this analysis also suggests that RtB owners are slightly more likely to be living on a low-income than owners in general. As Table 2.2 illustrates a slightly higher proportion of RtB owners have an income of less than £6K (10%), than owners who were not previously renting their current property (7%) and than owners as a whole (8%). The differences are more distinct if low income is extended to include all households with an income less than £10K: 29% of RtB owners have an income of under £10K compared with 17% of owners who were not previously renting their current property (and 20% of all owners).

**Table 2.2 Right to Buy**

<b>Did you previously rent this property?</b>	<b>£0-£6000</b>	<b>£6000-£10000</b>	<b>More than £10000 (%)</b>	<b>ALL Incomes</b>
Yes, from Council	10	19	70	<b>100</b>
No	7	10	84	<b>100</b>
<b>ALL</b>	<b>8</b>	<b>12</b>	<b>80</b>	<b>100</b>

Source: Scottish Household Survey 1999-2000

Other analysis of the SHS confirms that the importance of RtB as a route into low-income home ownership should not be under-estimated. Homeowner households that initially purchased as sitting tenants from social landlords now constitute – according to the SHS – a quarter (23%) of all owner occupied households in Scotland with an income of less than £6K, 27% of those with an income between £6K and £10K and 17% of all home owning households<sup>15</sup>. On the basis of the estimated 145,000 low-income homeowners identified in Section 1.1, this suggests that in 1999/2000 some 34,000 were previously council tenants.

There is also some tentative evidence to suggest that the importance of RtB as route into low-income homeownership grew during the 1990s with a widening of the income gap between RtB and non-RtB owners from an average of £2,600 in 1991 to £4,000 in 1996 (SHCS).

<sup>14</sup> A more detailed, but now somewhat dated, examination of Right to Buy purchasers in Scotland based on an analysis of the 1991 SHCS revealed that RtB owners were skewed towards the lower end of the income distribution. In 1991, 47% of RtB owners had an annual income of less than £10K compared with 35% of non-RtB owners (Scottish Homes 1995).

<sup>15</sup> In England just over a fifth (21%) of all homeowner households within the lowest income quintile (BHC) initially purchased as sitting tenants from social landlords (Burrows & Wilcox 2000: 61).

## 2.2 Routes in: reduction in household income

As noted above, research suggests that more low-income owner occupiers become poor in absolute or relative terms than start off in this position. The literature highlights a number of key factors leading to a reduction in income. These can be broadly categorised as demographic / household change and factors relating to the operation of the labour market. (Much of this evidence relates to owner occupation generally rather than the specific sub-set of low-income owner occupiers discussed so far in this paper.)

### *Household Change*

Relationship breakdown and divorce are significant factors in the expansion of low-income households within the owner occupied sector (Burrows & Wilcox 2000). A study by Holmans (2000) found that divorcee households remaining in owner occupation have lower incomes than other homeowners. While just 11% of all homeowner 'first married' couples had gross weekly incomes below £200 a week, almost three in five of divorced female lone parents had incomes below this level. Other evidence supports the impact of relationship breakdown on the household income of homeowners. In a postal survey of households receiving state support in paying their mortgage, 21% of mortgagors cited separation from a partner as the reason for claiming assistance (Bramley et al. 2001).

Other factors associated with a reduction in income include: the death of a partner, or self or partner becoming a carer (Bramley et al. 2001). Given the characteristics of low-income owner occupation discussed in Section 1 above it is likely that these are the main reasons applicable in Scotland, particularly the former. Each of these factors – separation, widowhood, becoming a carer – is also an important cause of mortgage arrears. Amongst all homeowners in arrears in England in 1996/7 (SEH figures), 14% were due to separation and 15% due to death / provision of care. One in ten cases of arrears in Scotland in 2000 were attributed to relationship breakdown (White Horse Mortgage Services 2001 - see Table 2.3 below)<sup>16</sup>.

### *Labour market factors*

Labour market factors leading to a reduction in income (and a probable route into low-income home ownership) include unemployment and reduced earnings (through job change, loss of overtime, fewer working hours, reduced commission payments).

In a national study of mortgage arrears and possessions (Ford et al. 1995) almost three-fifths of those in arrears and those giving possession identified labour market changes – including unemployment, reduced earnings and failed self-employment – as the main reason for their debt (Table 2.2).

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<sup>16</sup> Figures for death / provision of care are not provided.

**Table 2.3 Mortgage arrears and possessions**

Main reason for mortgage default	Borrowers in arrears (n=362)	Households losing property by possession (n=306)
Job loss	23	23
Illness / disability / accident	8	2
Loss of earnings	23	20
Failed self-employment	12	18
Relationship breakdown	10	14
Leaving work for children	3	5
Unexpected bills	2	3
Credit commitments	4	0
High interest rates	3	11
Other reasons	14	2

Source: Ford et al. 1995 (cited in Ford & Wilcox 1998).

Figures for Scotland, suggest a similarly important role for unemployment in causing mortgage arrears (Table 2.3). This survey also identifies the rather nebulous category 'reduced income' (which may or may not include factors relating to the labour market) as a key cause of arrears:

**Table 2.4 Reasons for arrears, Scotland and UK 2000**

	Scotland	UK
Unemployment (now resolved)	11.9	8.1
Unemployment (unresolved)	7.9	8.5
Reduced income (now resolved)	11.6	12.3
Reduced income (unresolved)	9.7	12.5
Over indebtedness (now resolved)	2.6	2.9
Over indebtedness (unresolved)	8.4	5.5
Financial mismanagement	22.7	19.7
Relationship breakdown	9.6	11.0
Ill health (recovered)	5.1	4.6
Ill health (long-term)	5.2	5.3
Other reasons	5.3	9.5

Source: White Horse 2001 (cited in CML 2002)

Retirement is a further key factor associated with a reduction in household income, particularly for households who only have a state pension to rely on. However there is no research evidence that the process of retirement is linked to financial difficulties in sustaining home ownership. A high proportion of retired low-income homeowners own their property outright. According to the 1996 SHCS of the two-fifths of retired household heads with incomes below £5000 in owner occupation in Scotland, 85% were outright owners. Furthermore, secondary analysis of the 1994/95 Survey of English Housing (Ford and Burrows 1999) found that retired mortgagors (all incomes) along with those in full-time employment were at least risk of arrears with just 0.8% and 1.1% of these households respectively three or more months in arrears. In contrast, 4.8% of mortgagor households in

part-time employment, 5.9% of those unable to work and 11.6% of unemployed mortgagor households were in this position<sup>17</sup>.

### *Unsafe safety nets*<sup>18</sup>

In discussing, low-income home ownership, much of the literature allies household and labour market changes with the inability of public and private safety nets to provide an (adequate) replacement income. As Bramley et al. (2001: 11) note:

*'Gaps in social insurance / income maintenance arrangements are a potentially important reason why households may suffer a large loss of income following redundancy / end of work contract/accident/illness etc.'*

State support for mortgagors (ISMI) has been increasingly restricted. Yet while withdrawal of state support has been seen as a way of encouraging the take-up of private insurance, less than a third of new mortgages (and a fifth of all mortgages) are covered by mortgage payment protection insurance (MPPI) policies (Wilcox 2000). (This compares with a Government and industry target take-up of 55% by 2004 (Bramley et al. 2001: 43). Research suggests a range of reasons for not taking up private insurance including: perceived low risk, ability to cover mortgage payments some other way, cost and negative attitudes to insurance (Ford and Kempson 1997). Furthermore, take-up is concentrated amongst those facing the least risk and having the higher resources and less common among more vulnerable households (Ford & Kempson 1997, Holmans et al. 1999, Pryce & Keoghan 1999). The study by Pryce and Keoghan (1999) for example, found some of the greatest rates of non-insurance amongst households in the most vulnerable categories of employment including unskilled manual workers (74% of whom were uninsured), self-employed non-professionals (73%) and agricultural workers (81%)<sup>19</sup>. This study also revealed differential take-up rates by income. Thus 29.3% of households with net weekly take home pay of less than £150 per week had MPPI in 1995/6 compared with 33.2% of households with a weekly income between £150 and £250<sup>20</sup>.

Even homeowners who have MPPI, may find themselves unprotected from a reduction in income. MPPI is only available against a limited range of risks – accident, sickness and employment, and does not cover a number of the key reasons for loss of income including relationship breakdown, death of a partner, or a household member becoming a carer. Even for those circumstances which MPPI purports to cater for there are often restrictions on the cover available to households in insecure employment (such as on fixed term contracts) or with an existing medical condition. The effectiveness of cover has also been questioned. One survey (Kempson et al. 1999) for example, indicated that a fifth of successful claimants nevertheless developed arrears (principally due to the deferral period before a claim and a shortfall between MPPI and mortgage payments).

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<sup>17</sup> There does not appear to be a similar analysis for Scotland.

<sup>18</sup> This phrase is taken from a recent analysis of mortgage arrears and repossession by Ford et al. (2001).

<sup>19</sup> That said non-insurance rates were lower among manual skilled and partly skilled workers (at 69.4% and 71.0% respectively) than among workers in some of the more-secure types of employment with 72.5% of workers in professional occupations and 72.1% of those in managerial occupations lacking private insurance. This compares with an average non-insurance rate for all groups in the UK of 71.3%.

<sup>20</sup> It should be noted however that there was no simple relationship between household income and take-up of MPPI with rates of take-up falling off again among those on higher incomes. Thus 30.6% of households with a net weekly income of between £250 and £350 per week and just 27% of those with an income higher than £350 per week had private insurance in 1995/96.

There is some evidence to suggest that low-income homeowners are particularly adversely affected by withdrawal of state support and reliance on private insurance for a number of reasons. Low-income homeowners are:

- less likely to have the resources to tide them over the ISMI gap (the eligibility period before making a claim) and / or deal with any shortfall in payments;
- less likely to have private insurance
- more likely to be in circumstances which are not covered by MPPI

Furthermore, unlike low-income tenants, low-income homeowners are ineligible for Housing Benefit.

### 3. IMPACTS ON HOUSING QUALITY

According to the 1996 SHCS 19% of all occupied dwellings were in poor repair (SHCS 1996: Chapter 8).<sup>21</sup> All income groups were equally likely to be living in poor housing. In total 19% of owner occupiers lived in housing in poor repair.

However a more detailed analysis of the 1996 SHCS data (using different definitions<sup>22</sup>) revealed that **within** the sector low-income owner occupiers are more likely to be living in poor housing than high income owner occupiers. 8.9% of owner occupiers in the lowest income quintile lived in poor housing compared with 4.5% in the highest (Bramley et al. 2001). (According to these definitions 7.3% of all housing in Scotland is rated poor and 45% of all poor housing is owner occupied).

In terms of other housing quality attributes, the mean NHER of owner occupied properties increases with income. The poorest owner occupiers with incomes below £100 a week had average NHERs of 3.7 compared with 4.5 for those with incomes of more than £300 a week (SHCS 1996: Annex Table A9:29). Published 1996 SHCS data on dampness does not analyse low income owner occupiers separately. However it shows that low income households are more likely to live in damp housing – 11% of households with incomes below £100 a week do so compared with 8% of all households (self reported damp) although owner occupiers overall report fewer damp problems than other tenures.

It can be hypothesised that low-income owner occupiers occupy poorer housing for two reasons

- They occupy cheaper housing which is poorer quality
- They spend less on maintenance and repairs than other households

Evidence on the first point is circumstantial. Most BTS stock in Scotland is found in tenements, in pre-1919 stock, the owner occupied sector and urban areas. Housing in poor repair is disproportionately concentrated in pre-1919 stock, both owner occupied and privately rented (SHCS 1996: Chapter 6). The lowest income owner occupiers live in post-1919 tenements (median weekly income £203), pre-1919 tenements (£235), other pre-1945 flats (£228) and post-1945 flats (£236) compared with average income for owner occupiers of

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<sup>21</sup> Poor repair is defined as dwellings with visible repair costs in excess of £1,200 or comprehensive repairs in excess of £4,000.

<sup>22</sup> Poor housing is defined as being below the tolerable standard and/or in substantial disrepair (>£1,000) and/or with improvement costs >£3,000. Income quintiles are for all household, unequivalised and before housing costs.

£286. According to the SHS, a third of low-income owner occupier households live in flats or maisonettes. (There appears to be no evidence on the relationship between income, property value and quality).

### **3.1 Maintenance and repairs**

There is more research-based evidence on low-income households' expenditure on and attitudes towards repairs and maintenance.

According to the 1997/98 (GB) Family Expenditure Survey the lowest income quintile (average income £87 per week) spent an average of £3.70 per week on housing repairs, maintenance and decorations (representing 4% of household income) compared with £10.55 a week for all home owners (Burrows & Wilcox 2000).

An analysis of 1991 SHCS (Scottish Homes 1994b) found a strong statistical relationship between socio-economic indicators and propensity to have repair or improvement works done. The relationship between propensity to conduct improvements and income was strong but the relationship between income and repairs and improvements together was less clear – for example those in lowest income band (<£3,000) were more likely to conduct work than those in the £3,000 - £7,000 income bracket.

61% of households in the lowest income band had done no work on their house in the previous 12 months compared with 30% in the highest income band. Those with savings were more likely to undertake work and 80% had used savings. Reasons given for not conducting works were they couldn't afford it (36%) and that work was not necessary (34%). Despite this, lower income households were less likely to use DIY and more likely to use tradespeople for large maintenance jobs, possibly reflecting the high proportion of elderly people in this group.

Some studies have explored motivations for repair and maintenance and the picture which emerges is more complex than simple lack of money. A 1998 study for JRF on homeowners approaches to repair and maintenance (Leather et al. 1999) found that "irrespective of condition, poorer and older households, and those who had lived in their houses a long time were less likely to be aware of surveyor-identified problems than other owner occupiers." One explanation suggested for this is those who think they cannot afford to tackle building work or cope with disruption simply avoid looking for problems. While some owners avoid doing work on an identified problem because of concerns about the cost, cost was not only factor – views on necessity, urgency, diagnosis etc. were also found to be relevant.

Nevertheless poverty was a constraint. The prevalence of repetitive patch repairs and short term DIY repair rather than replacement reflects both an inability to save and the existence of other spending priorities. Some of the poorest households said that even the most essential jobs competed directly with other priorities. Again spending preferences are complex and tend to relate more to the life stage of the household rather than absolute income levels. For example young families cited costs associated with their children, or holidays, as higher priority than repairs and maintenance. Young mobile people had no incentive to invest in their properties.

Other research has looked at disincentives to repair and maintain properties. Work in rural Scotland (Chapman & Shucksmith 1996) found that lower income groups were over-

represented in rural BTS housing (61% of which are owner occupied). Citing earlier work by Watkins, 34% of owners with repairs and 60% with improvements required said they could not afford them. However Shucksmith's and Chapman's qualitative work found other factors at play. Some elderly people were reluctant to use savings for repairs and maintenance because of their limited life span – day to day needs were more important. Some were oblivious to the poor condition of their property, particularly elderly widows and those with failing sight. This confirms other rural research which found that poor repair was influenced by old age, traditional attitudes, poverty and isolation (remoteness correlates with repair).

### **3.2 Paying for repairs**

The most common method of paying for repairs is from savings or existing incomes (Leather et al. 1999). Saving for a particular job was common and funding through loans comparatively rare. However some studies such as Shucksmith's found no one who actually set aside money specifically for repairs and maintenance. Grants were an equally rare method of funding repairs – in 1996 only 4% of repair jobs were grant funded (Leather & Revell 2000).

At the time of the 1996 SHCS 53% of all households and 30% of all owner occupiers had no savings to draw on for repairs and maintenance. The latest SHS figures show that only 50% of owner occupier households with an income below £6,000 and 55% of those with incomes £6,000 - £10,000 had any savings. (One in five of this group had no bank account). Right to Buy owners were generally poorer than all owner occupiers; 14% had incomes below £100 per week compared with 10% of other owners and 39% had no savings (Leather & Anderson 1999). RTB purchasers spend less on average on repairs than other owners. The authors of this work speculated this was both because their houses were in a better state of repair and because of the type of household.

Research on equity release schemes (Leather & Terry 2000) examined this as a potential mechanism for funding repairs for elderly people. This used 1996 SHCS data to model the relationship between repair costs and equity and found that the mean comprehensive repair cost for all elderly householders was 6% of the equity; for only 4% of elderly owners was it more than a quarter of their equity.

### **3.3 Initiatives affecting low-income owner occupiers**

With the exception of repair grants, the evidence here is based on English research.

#### *Repair grants*

As noted above, grants now make a very small contribution to repairs. Research for Scottish Homes (Leather & Revell 2000) (based on a sample of 114 cases) found that grants are more likely to go to low-income owners (39% compared with 31% of all owner occupiers), those who have not moved for 20+ years, people over 65 (27% compared with 22% of all owners). This relatively weak targeting reflects the schemes focus on poor condition rather than means to pay. The authors note that Care and Repair schemes contribute to grant effectiveness by supporting vulnerable households through the process

#### *Home Improvement Agencies*

Partly in response to the 1991 English House Condition Survey which showed that both lone and two person older households were disproportionately represented in pre-1919 stock, DoE

part-funded a large number of home improvement agencies in England to assist people to carry out repairs improvements and adaptations to their homes. The scheme was targeted at older people, people with disabilities and low-income families in private sector housing. An evaluation of the scheme in 1993-94 (Care and Repair 1994) found the targeting effective; 87% of clients were “social priority”, 93% aged over 60, and 46% aged over 75. 75% of single older people had incomes below £75 per week and 40% of older couples less than £100 per week. 10% of 18,000 houses repaired were rated as being in the worst condition in terms of the amount of work required.

#### *Urban Renewal*

Research by Groves and Niner (1998) looked at the medium term effects of concerted improvement activity among low-income owner occupiers living in pre-WWI stock in inner city Birmingham. They examined areas with comprehensive improvement and repairs, more limited improvements and a comparison area including individual grants. The research found that investment by the local authority stimulated no subsequent investment by occupants. The condition of houses in the limited programmes 13/14 years later was poor, and deteriorating into unfitness.

#### *Other measures – financial support*

In response to concern about future trends in repair and maintenance affecting all owner occupiers, JRF commissioned a programme of work summarised in a 2000 report by Philip Leather. He predicts a worsening problem of unfitness due to increasing proportions of very old people who are owner occupiers, rising levels of instability in jobs and personal relationships and hence difficulty keeping up with repair and maintenance. He argues that understanding the processes bringing about poor condition is more important than developing measures to address disrepair and highlights the importance of regular maintenance in reducing repair costs. A range of ideas for levering in money to assist low-income owners are put forward including loans, flexible tenure, equity release, and maintenance insurance.

## **4. IMPACTS ON HEALTH**

Data from the 1999-2000 SHS shows that the self-reported health of adults living in low-income owner occupied households was poorer than that of other owner occupiers or the general population. One in five (20%) low-income owner occupiers reported their health over the past 12 months as “not good”, more than twice the proportion of higher income owners (9%) and significantly higher than all adults (11%). It can be speculated that this figure is influenced by the high proportion of pensioners, with poorer average health, living in these households.

The body of evidence on health inequalities points to a strong correlation between poor health and socio-economic deprivation including low-income. The Acheson Report (Acheson 1998) concludes that inequalities in health have been steadily increasing and that differences in material deprivation are the major cause of the increase.

### **4.1 Health and tenure**

A number of studies have found an association between tenure and self-assessed health, with those living in owner occupied housing generally being in better health. For example, work by Peter Craig on the Scottish Health Survey found a relationship between tenure and self-

assessed health, independently of a range of other markers of social position (but not income, though income-related benefit receipt was included). Other work on GP consultation rates found these to be consistently lower for owner occupiers than tenants (Carr-Hill 1997). An analysis of the OPCS longitudinal study (Filakti et al. 1995) found that while mortality fell between the 1970s and 1980s differences in mortality between tenures actually increased. Much of the detailed research on the links between housing and health has been carried out in areas of poor housing/deprived areas dominated by the public rented sector and the condition of low-income owner occupiers has remained unexplored.

As a marker of social position housing tenure is a “useful indicator” of social and economic status and “effective discriminator” of mortality (Filakti et al. 1995) but whether it has an effect on health independent of, for example, age and income is open to question. One study found that the relationship between tenure and mortality broke down at the small area level where pockets of poverty with the worst quality and least preferred housing had the highest death rates (Brimblecombe et al. 1999).

Some work has tried to unpack the confounding effects of tenure. Macintyre et al. (1998) investigated whether housing tenure (and car access) “predict” health or are simply markers of income or self esteem. They concluded that even after controlling age and sex some health conditions did seem to be related to tenure and car ownership and the topic needed further exploration.

Work on mortality in England (Sloggett & Joshi 1998) showed the odds ratios for risk of death aged 16-70 was 30% higher for owner occupiers without a car than for those with a car. Although lack of a car might be regarded as a proxy for low-income, Macintyre’s work suggests that other factors may be at play.

#### **4.2 Mechanisms linking health with low-income owner occupation**

It can be postulated that the main mechanisms whereby the health of owner occupiers **might** be exacerbated by their low-income lie in restricted access to housing, the poor quality of their housing (see Section 3), and the effects of debt and worrying about money (see Section 1.6). However the evidence on these relationships is limited.

Health problems or disabilities depress and destabilise incomes and affect borrowing capacity. Some authors have argued that constraints on borrowing for low-income households with health problems pushes them downmarket into the most marginal (poorer quality, least healthy) housing (Easterlow et al. 2000).

People with health problems are least eligible for mortgage protection plans and therefore may be at highest risk of mortgage default (see Section 2.2). Nettleton and Burrows (1998) in an analysis of BHPS<sup>23</sup> data found the experience of mortgage indebtedness had an independent effect on panellists’ mental health and well being and that it increased the likelihood that male panellists will visit their GP (cited in Dunn 2000). More recent qualitative work by Nettleton and Burrows (2000) looks at the “lived experiences” of these households.

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<sup>23</sup> The BHPS (British Household Panel Survey) is a general purpose longitudinal survey aimed at furthering understanding of social and economic change at the individual and household level in Britain (Hinds et al. 2001).

Some research has shown that worrying about money actually shows an independent association with perceived health status equal to or greater than that of the housing environment, including cold housing (Evans et al. 2000).

### **4.3 Excess winter deaths**

One area where the health and mortality of low-income owner occupiers has received scrutiny is excess winter deaths caused by cold and its relationship with fuel poverty (see Section 1.7). Work for the Joseph Rowntree Foundation on excess winter deaths concluded that people in poorly heated, older and less energy efficient housing without central heating were more vulnerable (JRF Findings 2001). However although they concluded that low (below average) household income was one determinant of low indoor temperatures, housing tenure and being on state benefits were not. This is confirmed by wider reviews. For example “It has been suggested that socio-economic deprivation may be a determinant of excess winter deaths, as substantial numbers of older people are reported to live in fuel poverty, but other research suggests no association between them. Research suggests that we should caution against the assumption the majority of excess winter deaths are to be found in the poorer socio-economic groups.” (Department of Health 2002). The review goes on to cite specific evidence which “found that fuel poverty affects the ‘thriving greys’, previously affluent group of old people who tend to live in large homes that they can no longer afford to heat.” i.e. not necessarily those defined as low-income households.

## **5. COPING STRATEGIES**

Existing research gives little indication of the way in which low-income households “manage” home ownership and the responsibilities it brings e.g. in respect of repairs and maintenance and the avoidance of debt. It cannot be assumed of course that low-income home ownership is always problematic. As this review has shown most low-income owner occupiers own their homes outright and most properties are in sound repair.

The idea of equity withdrawal to cope with a reduction in income or to fund repair and maintenance costs receives some attention in the literature but is seen to have limited potential. Equity release schemes available to enhance the incomes of owners tend to be restricted to people well above retirement age and have not proved particularly attractive (Pryce & Keoghan 1999, Wilcox 2000). Research suggests such schemes provide a very limited average income gain to lower income elderly home buyers (Hancock et al. 1999). It has also been noted that low-income homeowners occupy less expensive homes and have less equity than better-off homeowners (although, as Table 1.7 above highlights, low-income homeowners have more equity than all but the top income quintile)<sup>24</sup>.

Other strategies for coping with low-income home ownership are geared towards maximising income and reducing costs. Although not specifically focusing on those with a low-income, a study of home-owners in the 1990s (MacLennan 1994) found that 1 in 20 of the 50+ age

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<sup>24</sup> There appears to be a paucity of research examining the extent to which households use equity withdrawal schemes or trading down as mechanisms for coping with low-income home ownership. As noted earlier (Section 1.6), while the amount of equity peaks in the 65-69 age group and declines thereafter, it is not clear whether this reflects trading down or is a cohort effect arising because older homeowners occupy older and lower value properties.

group who were in employment delayed retiring, and 1 in 10 women of the 20-40 age group delayed leaving employment to have a child due to homeownership commitments. These commitments were also seen as encouraging unemployed men to seek lower wage jobs to sustain ownership.

Other mechanisms for coping with home ownership on a low-income highlighted in the literature include: reducing further an already subsistence standard of living, taking further debt or receiving help from family / friends. However, there is little actual *evidence* of the extent to which low-income home owners adopt these coping strategies – or need to.

Less a coping strategy than a response to low-income home ownership is to exit the tenure. Analysis of the 1996 SHCS reveals that – as in England – there are more moves out of owner occupation by low-income households than there are moves in to the sector. In 1996 just over half (53.9%) of the moves by low-income owner occupier households were out of the sector into either social or private rented accommodation. By contrast just over a third (37.3%) of low-income owner occupied households had moved into the sector from the private rented sector or ‘other’ category (principally newly formed households) (Bramley et al. 2001: 61).

Research in England (there does not appear to be a comparable Scottish study) indicates how this translates in numerical terms. In the three years from 1995 – 1997, just over 80,000 low-income homeowners in England moved out of owner occupation while 50,000 low-income households entered the sector including 20,000 who exercised the RtB (Wilcox 2000). In other words, as Wilcox points out, even during a relatively benign period of economic growth and housing market stability (1995 – 1997) there was a net exodus of some 30,000 low-income households from the sector or 10,000 households a year

## **6. TRENDS: THE FUTURE OF LOW-INCOME OWNER OCCUPATION**

The secular trend in owner occupation in Scotland is continuing expansion, at least until UK levels are achieved. Low-income home ownership may also increase as part of this trend. In their study, *Half the poor*, Burrows & Wilcox (2000) highlighted a strong increase over time in the share of owners among the poor<sup>25</sup> and Scotland may be expected to demonstrate a similar upward trend as owner occupation continues to expand (Bramley et al. 2001).

Given that in 1999/2000 around a quarter of low-income owner occupied households were living in a property that they had previously rented from the council, future levels of low-income home ownership may also be influenced by RtB sales. Attempts to forecast RtB sales to 2010 based on average rates of sales between 1990-1993 and the average for 1993/4 and 1994/95 indicate a sales rate in Scotland of between 2.2 and 2.5% per annum (Jones & Murie 1999, cited in Maclennan et al. 2000). However, the accuracy of these figures is subject to some debate with predicted levels of sales varying according to what assumptions are made<sup>26</sup>.

Against this background, existing demographic and socio-economic trends are likely to make a growing number of owner occupiers vulnerable to spending a period of time in the tenure

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<sup>25</sup> Between 1979 and 1997/98 homeowners in England grew from two fifths to nearly three fifths of all households in the lowest income decile (a 42% rise) measured before housing costs and from a third to over two fifths of all low-income households (a 40% rise) measured after housing costs (Burrows & Wilcox 2000).

<sup>26</sup> See Maclennan et al. for a discussion of the issues involved in forecasting RtB sales.

on a low-income. The main drivers are changes in household structure and changes in the labour market.

## **6.1 Changes in household structure**

Prospective changes here include:

- an increase in relationship breakdown, in particular a significant rise in single parent households
- an increase in single adult households
- an increase in older owner occupiers

The implications of these changes for the nature and extent of owner occupation generally, and low-income home ownership in particular, are unclear. Analysis of 1996 SHCS suggests that the types of household that are growing in number are characterised by lower shares of owner occupation and lower incomes. ‘Therefore other things being equal, the projected change in household composition would tend to have a negative effect on the effective demand for and numerical scale of owner occupation’ (Bramley et al. 2001: 29) by between 1.8 and 2.5%. However this is likely to be offset by higher established rates of owner occupation carrying over into older age groups.

The number and proportion of retired homeowners with low-incomes may be affected by the trend towards occupational pensions. Between 1979 and 1997/98 the proportion of retired households in receipt of an occupational pension rose from 43% to 60% (Burrows & Wilcox 2000). However, as Burrows and Wilcox point out, for pensioners with the lowest incomes, occupational pensions (and investment income) provide only a small proportion of their total income. Research by the Department of Social Security (DSS 2000) reveals that in 1997/98, occupational pensions and investment income accounted for just 13% of the average income of pensioner couples in the lowest income quintile, while state pensions and other benefits accounted for 85% of their average income.

Bramley et al. (2001) highlight the pressure on households to enhance their pensions through ‘stakeholder’ or other private arrangements. However, it might be hypothesised that it is those households with the lowest income who are least likely to invest in such regular contractual payments, and who will continue to experience low-income homeownership in retirement. Furthermore, with state pensions and benefits linked to inflation rather than average earnings, these low-income homeowners are likely to become relatively worse off over time.

As the review has shown, relationship breakdown is one of the key influences in the transition to low-income owner occupation for those already in the sector. Increased household fragmentation will intuitively lead to an increase in the number and proportion of households who fall into low-income owner occupation by increasing the number of people vulnerable to experiencing a loss of income at some point in their housing career. Single person households for example, are more vulnerable to loss of work and income, because there is no opportunity to alleviate this problem by a partner or other household members continuing or starting to work. Lone parent households are particularly vulnerable due to the added complications of child-care responsibilities and costs, in finding alternative employment (Bramley et al. 2001: 30). In addition, as already highlighted (Section 2.2) single parent households tend to have lower incomes and are at greater risk of arrears than other homeowners (Ford and Burrows 1999).

## 6.2 Labour market restructuring

Changes in the labour market, in particular deregulation and emphasis on a flexible labour market, are widely considered to have contributed to the growth (and / or risk) of low-income home ownership (and as important risk factors in the sustainability of owner occupation more generally). Key changes include:

- a decrease in full-time and permanent employment
- an increase in casual, temporary and part-time employment
- an increase in self-employment
- an increase in low paid work.

These changes can be summarised in terms of an increase in the number and proportion of households in less secure 'precarious employment'. This has ramifications for the nature and sustainability of home ownership. Evidence from LFS and BHPS suggest that between a fifth and a quarter (depending on how part-time work is regarded) of mortgagor heads are in less secure employment (Bramley et al. 2001: 20).

This can be seen as the continuation of past trends which have seen home ownership extended to families at some risk in the labour market (Ford 1995) evident in such features as:

- an increase in owner occupation among skilled and unskilled manual workers<sup>27</sup> (Scottish Homes 1994, Ford et al. 2001)
- an increase in low paid mortgagors<sup>28</sup> (DSS 1995)
- an increase in the proportion of mortgagor households lacking a full-time worker<sup>29</sup> (Ford & Wilcox 1998).

Finally it should be born in mind that households move into and out of low-income over time. Most existing research and analysis deals with low-income owner occupation cross-sectorally. The number of low-income homeowners at any one time may therefore considerably understate the number and proportion of homeowners that experience a period of time on a low-income. Figures on income mobility by tenure are limited. However, analysis of BHPS data 1991-1998 reveals a strong measure of income mobility within the low-income owner occupier group with just a quarter remaining within the low-income group in all seven years (Burrows & Wilcox 2000)<sup>30</sup>.

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<sup>27</sup> While the proportion of owner-occupiers increased in every socio-economic group 1981-1990, increases were most marked amongst manual workers; the greatest proportionate increase being amongst the unskilled manual group which increased by 50% (Scottish Homes 1994b).

<sup>28</sup> The percentage of mortgagors in employment and in the lowest income decile (before housing costs) grew from 5% in 1979 to 11% in 1992/3 (DSS 1995) (quoted in Ford & Wilcox 1998).

<sup>29</sup> Between 1981 and 1995, the proportion of mortgagor households lacking a full-time worker doubled from 8% to 16% (Ford & Wilcox 1998).

<sup>30</sup> This research also found that pensioner and lone parent households were most likely to experience persistent low-income and households with an employed head of household the least. In addition, the figures indicated that the persistence of low-income was related more to household type and economic status than tenure.

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## ANNEX 1 Scottish Household Survey Analyses on Low-Income Owner Occupiers<sup>1</sup>

### Table A1.1 Geography

Urban/Rural	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
Urban settlements of over 125,000	35	38	37	36
Other urban	32	27	32	31
Small accessible towns, population 3-10,000	11	9	9	10
Small remote towns, population 3-10,000	3	4	4	3
Accessible rural, population below 3,000	15	13	12	14
Remote rural, population below 3,000	5	9	7	6
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

### Table A1.2 Property type

Property type	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
Detached house	31	23	20	29
Semi-detached house	28	22	25	27
Terraced house	20	21	22	21
Flat/maisonette	21	33	32	24
Other	<1	1	<1	<1
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>1</sup> Unless otherwise stated figures refer to owner occupied *households*. With the exception of Table A1.14 all figures are column percentages (i.e. columns sum to 100%). The results are based on unweighted sample sizes of 13,834 owner occupied households with an income of more than £10,000; 1,935 households with an income of less than £6000 and 2,712 households with an income of between £6000 and £10,000 (i.e. 18,914 owner occupied households in total). Shaded figures indicate low sample sizes and should be treated with caution.

**Table A1.3 Length of residence**

How many years lived at current address <sup>2</sup>	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
1-2 years	11	7	6	<b>10</b>
3-4 years	12	7	6	<b>11</b>
5-10 years	27	16	18	<b>25</b>
11-15 years	15	13	12	<b>14</b>
16-20 years	12	13	12	<b>12</b>
21-30 years	12	18	19	<b>13</b>
31 years or more	6	23	24	<b>10</b>
less than 1 year	6	3	4	<b>5</b>
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table A1.4 Previous tenure**

What was the tenure of your previous accommodation? <sup>3</sup>	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
owned it outright	11	49	35	<b>14</b>
buying it with help of a mortgage or a loan	46	13	14	<b>42</b>
paying part rent, part mortgage	1	2	0	<b>1</b>
rented it	24	23	29	<b>24</b>
in parental, family home	15	9	18	<b>15</b>
lived there rent free (including rent free in relatives/friends place)	2	1	3	<b>2</b>
other	1	4	2	<b>1</b>
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Unweighted Sample Sizes</i>	<i>796</i>	<i>56</i>	<i>95</i>	<i>972</i>

<sup>2</sup> Adults in owner occupied households. The results are based on unweighted sample sizes of 12,725 adults in owner occupied households with an income of more than £10,000; 1,882 adults in households with an income of less than £6000 and 2,598 adults in households with an income of between £6000 and £10,000 (i.e. 17,600 adults in owner occupied households in total).

<sup>3</sup> Adults (who moved in last year) in owner occupied households.

**Table A1.5 Area Satisfaction**

How rates the area as a place to live? <sup>2</sup>	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
Very good	57	59	59	<b>58</b>
Fairly good	38	35	36	<b>38</b>
Fairly poor	3	3	4	<b>3</b>
Very poor	1	2	2	<b>1</b>
No opinion	<1	<1	<1	<b>&lt;1</b>
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table A1.6 Households type**

Household type	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
Single Adult	11	14	15	<b>12</b>
Small Adult	24	8	10	<b>20</b>
Single Parent	2	2	4	<b>2</b>
Small Family	23	3	3	<b>18</b>
Large Family	10	2	2	<b>8</b>
Large Adult	14	5	6	<b>12</b>
Older Smaller	13	16	32	<b>16</b>
Single Pensioner	4	51	30	<b>12</b>
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table A1.7 Age of Household Head**

Age band	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
16-24	2	1	2	2
25-34	19	3	7	15
35-44	27	8	8	23
45-59	34	17	17	30
60-74	15	40	45	22
75 plus	4	32	21	9
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table A1.8 Employment**

How many adult members of the household are in employment?	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
0	14.9	81.2	66.4	<b>28.8</b>
1	31.2	13.0	27.0	<b>28.8</b>
2	45.8	4.8	5.4	<b>36.0</b>
3	6.4	0.7	0.9	<b>5.1</b>
4	1.6	0.3	0.1	<b>1.3</b>
5	0.1	0.0	0.0	<b>0.1</b>
6	0.0	0.0	0.1	<b>0.0</b>
<b>ALL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Table A1.9 Money worries**

How often respondent worried about money	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
Almost all the time	6	8	10	7
Quite often	11	12	12	11
Only sometimes	36	33	32	35
Never	47	46	46	46
Refused	<1	1	<1	<1
Don't Know	<1	<1	<1	<1
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table A1.10 Financial management**

How the household is managing Financially	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
Manage very well	17	10	11	<b>15</b>
Manage quite well	38	28	30	<b>36</b>
Get by alright	38	48	46	<b>40</b>
Don't manage very well	3	6	6	<b>4</b>
Have some financial difficulties	3	5	6	<b>4</b>
Are in deep financial trouble	<1	<1	1	<1
Refused	<1	<1	<1	<1
Don't know	<1	<1	0	<1
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table A1.11 Household savings**

Amount of savings and investments	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
None	30	43	38	<b>32</b>
Under £1,000	9	6	8	<b>9</b>
£1,000 - £4,999	13	9	11	<b>12</b>
£5,000 - £9,999	8	5	6	<b>8</b>
£10,000 - £15,999	5	4	4	<b>5</b>
£16,000 - £29,999	5	3	4	<b>5</b>
£30,000 - £74,999	5	4	5	<b>5</b>
£75,000 or more	4	2	2	<b>4</b>
Refused	20	24	22	<b>20</b>
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table A1.12 Access to a bank account**

Whether respondent has a bank account	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
Yes	97	87	93	95
No	2	8	4	3
Refused	2	5	3	2
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table A1.13 Possession of insurance**

What kind of insurance does the household have?	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
don't know	<1	<1	<1	<b>&lt;1</b>
contents only	1	3	3	<b>1</b>
buildings only	3	3	4	<b>3</b>
both	95	90	91	<b>94</b>
none	<1	3	2	<b>1</b>
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table A1.14 and A.1.15 Right to Buy**

Did you previously rent this property? <sup>2</sup>	Income			ALL Incomes	<i>Unweighted Sample Sizes</i>
	> £10000	£0-£6000	£6000-£10000		
Yes, from Council	70	10	19	<b>100</b>	<i>2,864</i>
Yes, from Scottish Homes	68	8	24	<b>100</b>	<i>236</i>
Yes, from Housing Association	72	8	21	<b>100</b>	<i>121</i>
Yes, from Other landlord	68	9	23	<b>100</b>	<i>218</i>
No	84	7	10	<b>100</b>	<i>13,876</i>
Don't know	63	12	25	<b>100</b>	<i>285</i>
<b>ALL</b>	<b>80</b>	<b>8</b>	<b>12</b>	<b>100</b>	<i>17,600</i>

Did you previously rent this property? <sup>2</sup>	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
Yes, from Council	15	23	27	<b>17</b>
Yes, from Scottish Homes	1	2	3	<b>2</b>
Yes, from Housing Association	<1	<1	1	<b>&lt;1</b>
Yes, from Other landlord	1	1	2	<b>1</b>
No	81	71	63	<b>78</b>
Don't know	1	2	3	<b>2</b>
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table A1.16 Health**

State of respondents health over the past 12 months <sup>2</sup>	Income			ALL Incomes
	> £10000	£0-£6000	£6000-£10000	
Good	63	44	43	<b>59</b>
Fairly good	28	36	39	<b>30</b>
Not good	9	20	18	<b>11</b>
<b>ALL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>