



**CML RESEARCH**

# Home-ownership or bust?

Consumer research into tenure aspirations

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October 2016

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# Home-ownership or bust?

Consumer research into tenure aspirations



# Foreword

By Paul Smees, Director General, Council of Mortgage Lenders



I am a great fan of series research. Its big selling point is that it can track the evolution of attitudes to some fairly fundamental issues over time. This particular piece of CML-backed research has been repeated at regular intervals over a period of decades, giving us a unique long-term insight into the housing tenure zeitgeist of the UK.

In my experience it is the degree to which attitudes do not change, or change at a glacial rate, which is often the most striking finding. My prejudice is confirmed by this report. The great desire of the UK public for home ownership is surviving everything which the 21st century can throw at it. The timing of the plunge into home-ownership may be delayed by a combination of rising prices and tighter lending criteria, but it is still the destination of choice for the vast majority of UK citizens.

I am also a great advocate of well evidenced research. This is well enough evidenced enough for any taste. I hope that all will read it with the attention it deserves.

Like all good research, the findings give rise to some searching questions for the industry and Government – not least, how far it is possible to balance the tension between aspiration and achievability, which continues to be a feature of the UK's relationship with home-ownership? And should tenure neutrality be the ultimate policy aspiration?



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# Introduction



# Introduction

## Why this research?

Our main aim in commissioning this research has been to gauge how far the home-ownership dream exists in the UK, and to get some sense of the role that government housing initiatives currently play.

Recent years have been challenging in many ways for society, not least because of the need to deal with the aftermath of the worst global credit crunch since the 1930s.

Longer-term tenure patterns have been shifting profoundly, marked by a powerful renaissance of the private rented sector, following almost a century of continuous decline.

Within home-ownership too patterns are changing, with relatively few younger households getting on to the housing ladder over recent years and ownership tilting more heavily towards the middle-aged and later years groups. This can also be seen in the growing proportion of owner-occupied homes that are now owned outright.

Despite a broad political consensus that the UK needs to build far more dwellings across all tenures, new build levels have been disappointing for a number of years. With strong population growth, as a result of household formation rates and net inward migration, and increasing numbers of people living on their own, we have built far fewer homes than are needed.

Related to all of these issues, we have also seen what is probably the most significant degree of government intervention in our housing market for a generation.

Elsewhere, financial regulators remain wary of the potential for recovery in the housing market to get out of hand and risk undermining financial stability. Such concerns have led them to implement measures that set speed limits for the growth of mortgage lending.

And, as if life was not complicated enough, the UK now also has to come to terms with the recent EU referendum result as our policy-makers negotiate what is meant by Brexit!

As well as trying to make sense of the general public's current sentiment and behaviour with respect to home-ownership, our report will also highlight some of the ways in which attitudes have changed over the years.

The Council of Mortgage Lenders (CML) has commissioned consumer research into the tenure aspirations of British households over many years. The findings presented in this report form part of a continuous set of market research findings that stretch back in some cases to the mid-1970s. The wording of some of the questions has barely changed over this period, and this means that our survey findings offer a unique insight

into how attitudes about tenure have changed across four decades, three economic cycles and numerous governments.

As we are now almost a decade on from the credit crunch, we also felt that it was an appropriate juncture to revisit questions about how easy it is for younger adults to get on the housing ladder, and whether there is a case for further action.

The comparison with findings from late 2006 makes for an interesting if slightly disheartening read. The public perception is that housing affordability issues remain as intractable as ever.

In this context, we look briefly at whether low cost home-ownership initiatives that lead to partial home-ownership, and in particular shared ownership, offer a way forwards.

Finally, we draw together our research findings to reflect on whether home-ownership aspirations are becoming more attainable and sustainable, and what this may mean for the future state of the housing market and home-ownership.

## Methodology

This report presents the findings from consumer research fieldwork conducted online by YouGov plc during the period 24th June - 7th July 2016 for the Council of Mortgage Lenders (CML).

The survey questionnaire is appended to this report.

This report is based on an online survey of 1,998 adults. Results have been weighted to be representative of the UK adult population.

In cases where sample bases have fewer than 50 respondents, results are not considered to be statistically reliable. In one or two places, we may include such results for reasons of completeness, but we always highlight where figures are not reliable.

## Key Findings

### *Aspirations*

- There continues to be a strong bedrock desire for home-ownership across all age groups - 72% of adults want to be home-owners in two years' time and 80% hope to be so in ten years' time.
- Social housing retains some core support, mainly from those already living in local authority or housing association properties, but relatively few people view the private rented sector or living with family or friends as their desired permanent tenure.
- All age groups have a dominant preference for home-ownership longer-term.

- Aspirations for home-ownership are strong across the UK, albeit a little stronger in Wales and a little weaker in Scotland, in part echoing existing tenure patterns.
- Sentiment may have ebbed in recent years, in line with declining home-ownership rates, but even so the proportion of adults hoping to be home-owners in ten years' time remains in line with the 30-year average.
- We continue to see a marked home-ownership aspiration gap, with a far greater proportion of people wanting to be home owners than the current 62% who are.

### *Popularity of home-ownership*

- Home-owners, whether or not they have a mortgage, are happier with their homes than those in other tenures.
- Home-ownership is generally seen to provide non-financial as well as financial benefits for households. Owning a home represents security and independence, and may result in lower housing costs in the long term. For many purchasers, home-ownership also represents a source of prospective wealth over the longer term, reinforcing the benefits of security and independence.
- Households remain wary of repair and maintenance costs, but generally speaking have downplayed the risks associated with home-ownership in recent years.

### *Tenure shifts*

- Future tenure preferences are strongly conditioned by existing tenure patterns. Nearly all existing home-owners wish to continue as home-owners for the foreseeable future. Even looking ten years ahead, more than two-thirds of the adults who wish to be home-owners are already home-owners.
- Short-term prospects for home-ownership are unclear. Nearly a quarter of all those hoping to be home-owners in two years' time are currently in other tenures who hope to make the switch into home-ownership. Relatively few of these (less than a quarter) think that they are likely to make the switch, however, with the result that home-ownership is the short-term tenure preference that people generally feel least confident about satisfying.
- Most of those who want to become home-owners over the short-term are younger adults, but these are the very groups who feel least likely to do so.
- Looking ahead ten years, there is a strong aspiration for home-ownership and better prospects for achieving it. But, amongst those who are not already home-owners, the longer-term appetite for home-ownership appears to have abated since 2010.

## *What should be done*

- There is a strong consensus across all age groups, that it is very difficult or the hardest it has ever been for young households to get on the housing ladder.
- Three quarters of adults believe that something should be done to improve matters, and are mainly, but not exclusively, looking to government to take action.
- The survey findings convey an overall sense that the general public favours a variety of moderate and targeted actions, that will assist younger households at the margins, rather than major stimulus or a return to more liberal market conditions.
- A small majority of people (54%) think that schemes that facilitate part ownership of properties are a good idea.
- Shared ownership enjoys some short-term popularity among the under 35s, but this entirely dissipates longer-term, in line with the majority view that part ownership schemes serve as a stepping stone to full ownership.

# Current tenure aspirations



# Current tenure aspirations

This chapter summarises latest YouGov research findings on current tenure aspirations looking 2 and 10 years ahead, with particular emphasis on the importance of age, geography and current tenure.

We have tracked tenure aspirations using similar questions in market research surveys going back to the mid-1970s. These market research results are not exactly comparable over time, because of changes to sample sizes and methodologies, the use of different research companies and slight alterations in question wordings. But they do nevertheless offer a unique context and perspective for how tenure aspirations have shifted over time and under different economic and housing market conditions.

Detailed tables, summarising how 2- and 10-year tenure preferences have changed over time, are featured in the annex to this paper.

## *Overall attitudes to home-ownership*

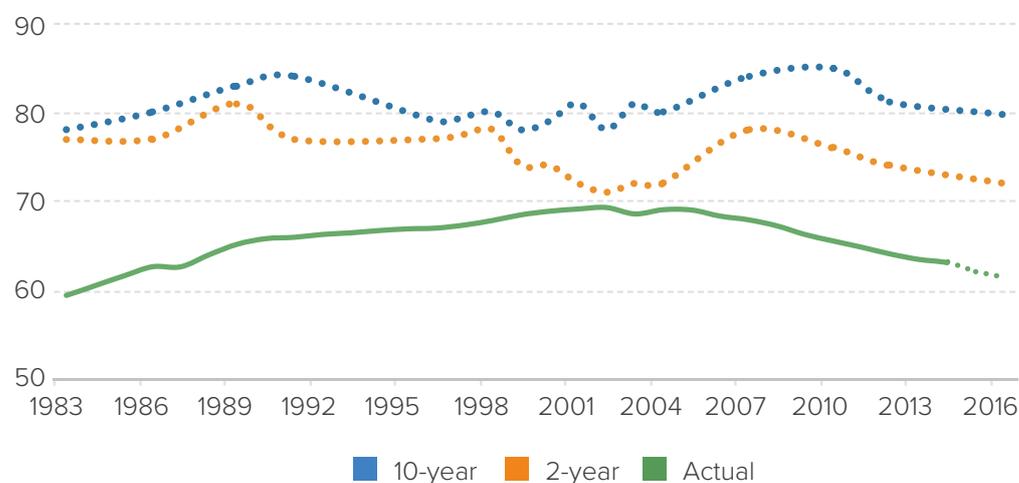
We have asked two questions about tenure preferences consistently over the years – what tenure respondents would most like to have in two years' time and a similar one looking ten years ahead, but conditioned on things going as well as the respondent can expect.

The first question gives a sense of what is desirable over the near-term, while the second one serves as a barometer of underlying aspirations.

Whilst circumstances will prevent some respondents from satisfying their longer-term aspirations, the difference between the aggregate 10-year measure and current tenure patterns may be thought of as an aspirations gap.

Chart 1 illustrates how home-ownership preferences have moved over more than 30 years, alongside actual home-ownership rates. We have imputed figures for those years when consumer research did not take place.

**Chart 1:**  
Home-ownership preferences in 2 and 10 years' time, % of respondents



Source: Actual figures Department for Communities and Local Government, survey results as Table 1. Post 2014 home-ownership rates are CML estimates.

**Notes:** Figures have been interpolated for those years when surveys were not carried out.

The chart illustrates a number of key points.

The first is the enduring popularity of home-ownership. For more than 30 years, a substantial majority of adults have indicated that they want to be home-owners.

Despite the latest survey being conducted in the immediate aftermath of the EU referendum result, when we know that household sentiment was somewhat brittle, 72% of adults stated that they want to be home-owners in two years' time and 80% hope to get there longer-term.

These figures are not greatly different from our previous 2012 results. Although sentiment appears to have ebbed a little, the proportion of adults hoping to be home-owners in ten years' time remains in line with the 30-year average.

We also see that throughout this period there has always been a notable aspirations gap – more people want to be home-owners than are. There is also a gap consistently between longer-term aspirations and what people hope for in two years' time.

The chart suggests that the state of the wider economy may affect tenure sentiment, with peaks in the popularity of home-ownership more or less coinciding with the strong performances of the labour markets and the wider economy during the late 1980s and 2007.

Short-term sentiment tends to be a little more volatile and sensitive to changes in the immediate economic environment.

A wide range of factors have contributed to the renaissance of the private rented sector, and rapid growth of buy-to-let activity, over the past 15 years or so. According to DCLG figures, the actual rate of home-ownership across the UK as a whole peaked at just under 70% in the early 2000s. Chart 1 suggests that declines in home-ownership rates, at least in the period since the credit crunch, may have exerted some gravitational impact on home-ownership sentiment.

While this would seem logical, it may be several more years before we know whether any cooling in sentiment represents a permanent shift or is simply a pragmatic response to home-ownership being less accessible. The 2016 survey results may have been undermined in the wake of the EU referendum result and anyway provide weaker evidence of a further erosion in sentiment.

# Why home-ownership is popular



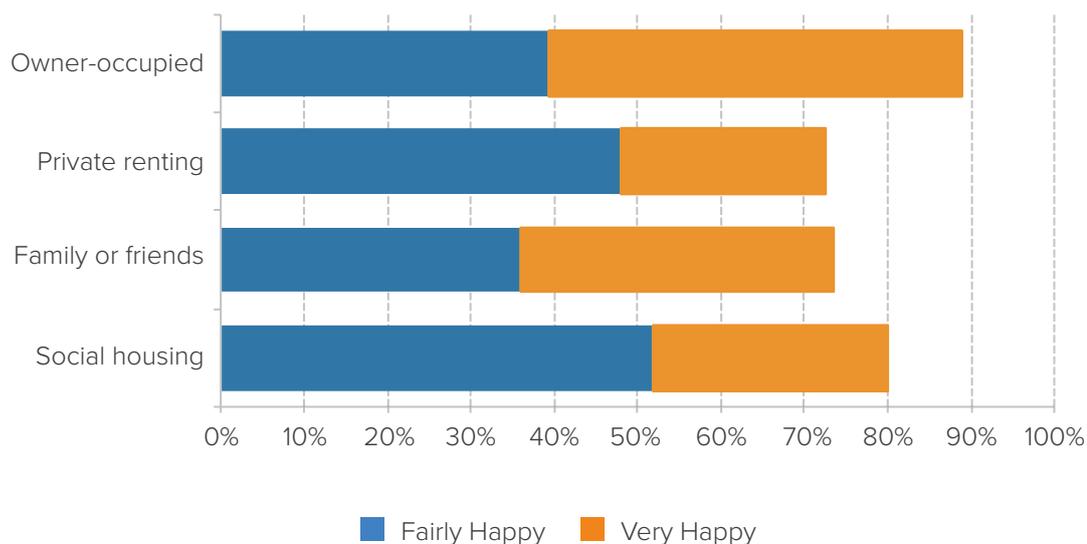
# Why home-ownership is popular

Although a significant majority of people (83%) report that they are happy with their current homes, those in home-ownership give the strongest approvals ratings.

Overall, 89% of current home-owners state that are very happy or fairly happy. Those who own their homes outright are a little happier still than those who have a mortgage, and much more likely to indicate that they are very happy - 58% compared with 41%.

Social housing gets the next strongest overall rating. Those renting privately or sharing with family or friends appear to be less content, although even so nearly three-quarters express a positive view.

**Chart 2:**  
Happiness with home, % of respondents by current tenure



Source: YouGov (2016)

When we asked respondents about their tenure aspirations, we also asked them to indicate whether their present home was where they would most like to live in two and ten years' time.

Not surprisingly, given the happiness metrics above, home-owners and those renting from HAs or LAs are the most keen to stay in their existing homes.

So, what underpins the popularity of home-ownership?

In our more recent surveys, we have asked respondents what they see as the main benefits and risks associated with home-ownership. We set out some of the key findings in the rest of this section.

“It is the place I most love to be”

“it is my pension”

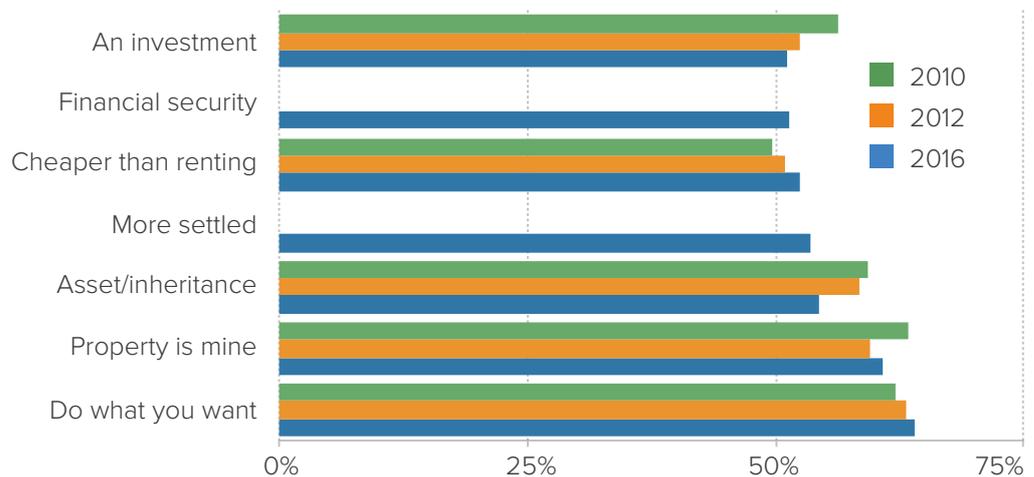
“When the mortgage is paid, that outgoing ceases. Rent never ends.”

## Benefits of home-ownership

People ascribe a wide range of benefits to home-ownership. These include financial benefits, such as providing financial security, acquiring an asset or source of wealth and lower lifetime housing costs, and non-financial ones, related more to a sense of independence, freedom and being settled.

Chart 3 highlights the main benefits reported by respondents to our 2016 survey, and (where available) the corresponding results from 2012 and 2010.

**Chart 3:**  
Perceived benefits of home-ownership



Source: YouGov (2016)

Respondents have identified pretty much the same key benefits over recent years (allowing for the fact that previous surveys did not distinguish between physical security and financial security). This suggests that these features are seen as fairly integral to home-ownership.

The survey provides a strong sense that home-ownership is about more than just money. Indeed, it is worth noting that the principal benefits associated with home-ownership - having the freedom to do what you want and ultimate ownership of the property – are essentially non-financial in nature and more about people wanting to have control over their own lives.

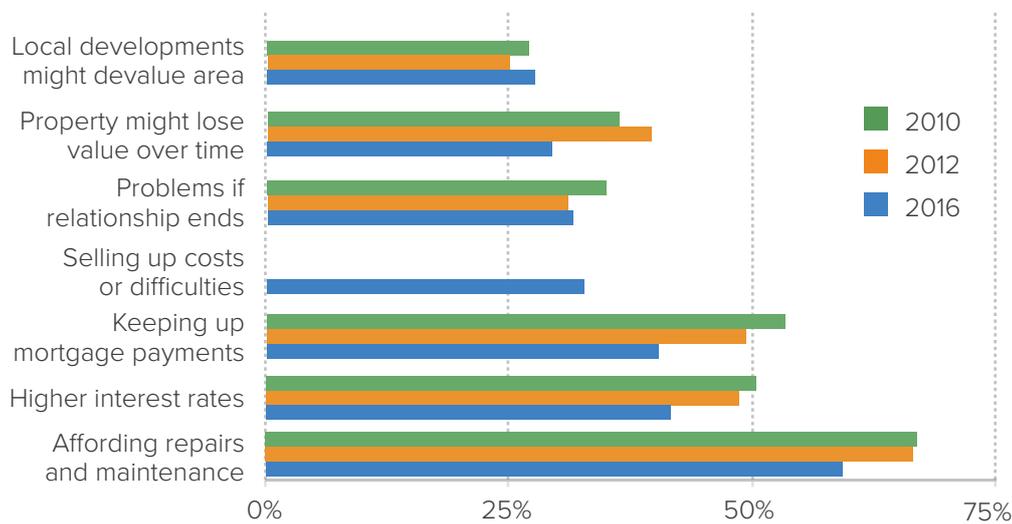
Some of the factors which are most closely linked to the investment appeal of home-ownership – although still substantial - appear to be nudging lower over time. A greater awareness that owning may be cheaper than renting may simply reflect historically low level of interest rates in recent years.

Existing home-owners are even more positive about all the perceived benefits associated with home-ownership.

Households are less likely to highlight the perceived risks of home-ownership than the perceived benefits.

There appears to be a general downward shift in perception of risks, with a consistently smaller proportion of people citing the three principal risks since 2010. This may be linked to the relatively benign backdrop of rising house prices and low interest rates over recent years.

**Chart 4:**  
Perceived risks of home-ownership



Source: YouGov (2016)

As in previous surveys, an ability to afford necessary repairs and maintenance is seen as the biggest perceived risk, and is in fact the only factor now cited by a majority of respondents.

The proportion of households thinking that there were no risks associated with home-ownership stood at 10%, almost double the proportion of previous surveys.

With the exception of the risk that future local developments might devalue an area, existing home-owners are less likely to mention any of these risks.

# Factors influencing home-ownership aspirations



# Factors influencing home-ownership aspirations

A wide range of factors are likely to influence tenure aspirations, and we focus on just a few key ones here – income, age, current tenure and geography.

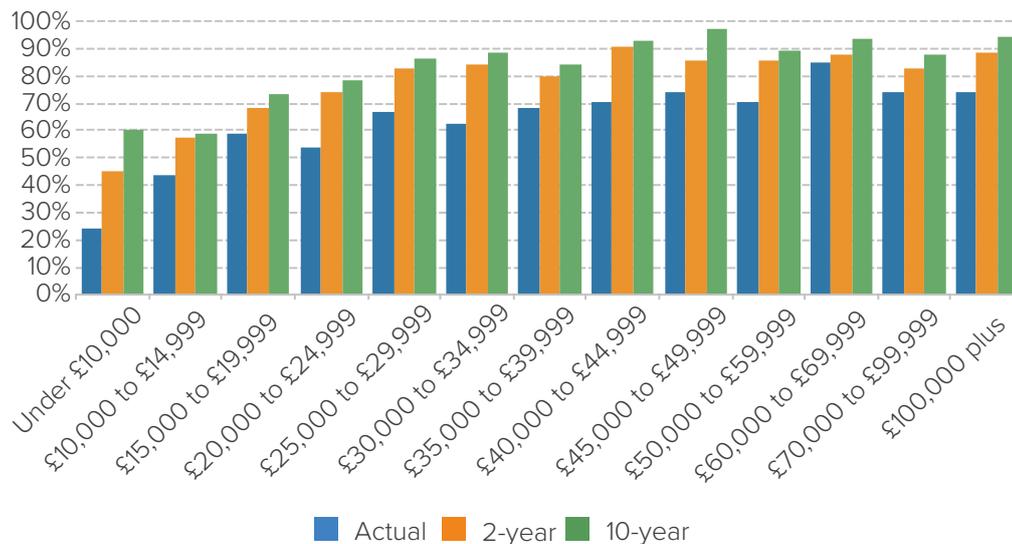
## Tenure preference by household income

There is an obvious financial challenge in getting on the housing ladder and meeting the ongoing costs associated with home-ownership. Reflecting this, although the relationship is by no means linear, we can see that current income levels strongly influence current and prospective rates of home-ownership (see Chart 5).

Broadly speaking, all income groups hope to achieve higher rates of home-ownership in two years' time and higher again in ten years.

The desire for home-ownership is crystal clear for those with gross household (not necessarily personal) income of £25,000 or more. According to our survey, 70% of this group are currently home owners, 85% hope to be home owners in two years' time, climbing to 90% in ten years.

**Chart 5:**  
Preference for home-ownership in two and ten years' time, % of respondents by household income

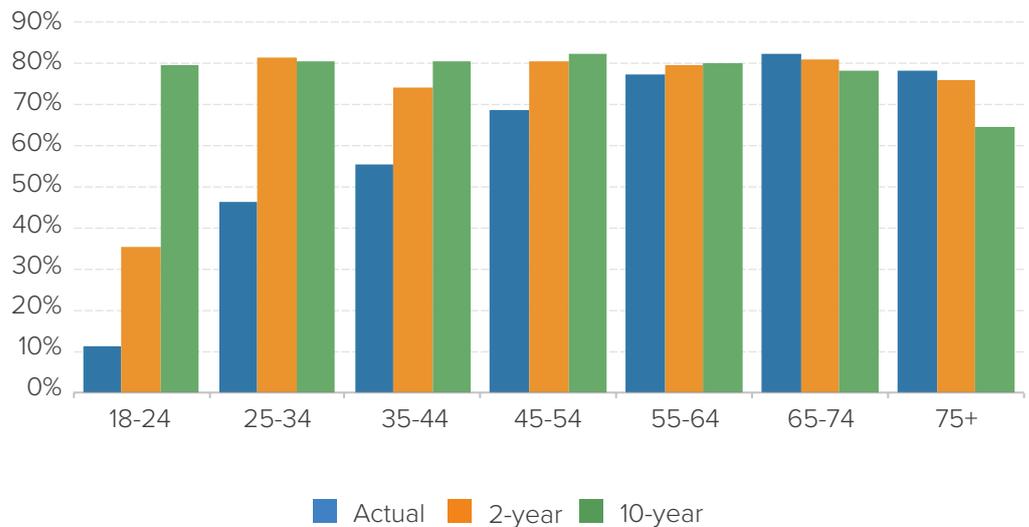


Source: Actual tenure figures from DCLG; survey figures YouGov (2016)

## Tenure preferences by age

As Chart 6 illustrates, all age groups have a dominant preference for home-ownership longer-term, but near term views differ enormously.

**Chart 6:**  
Preference for home-ownership in two and ten years' time, % of respondents by age group



Source: Actual tenure figures from DCLG; survey figures YouGov (2016)

As many younger adults will find themselves at an early stage of their careers, on relatively modest salaries or not yet in stable long-term relationships, financial and lifestyle factors may combine to suppress their appetite for home-ownership.

For many young people, especially the under 25s, home-ownership very much represents a longer-term goal, and they are not looking to get on the housing ladder within the next two years.

Based on previous surveys, we would have expected a diluted version of this narrative also to apply to 25-34 year olds. But, as Chart 6 and Table A3 shows, there appears to have been a sharp upwards spike in their short-term preference for home-ownership. Our 2016 survey reports that 81% of 25-34 year olds would like to be home-owners in two years' time, the strongest reading for this age cohort since the late 1990s.

This runs counter to a general softening of sentiment over the past decade or so. Assuming that our survey provides a true reading of sentiment for this age cohort, we would attribute the strong pick-up in expectations to a period of government housing initiatives that perhaps make the aspiration seem a more realistic prospect, allied with low interest rates and several years of recovery in the jobs market and wider economy.

Generally speaking, there is relatively little variation in longer-term aspirations across the different age groups. About four-fifths of most age cohorts hope to be home-owners in ten years' time.

The main exception relates to those in their later years, where a long-standing feature of our tenure preference surveys holds true. Namely that longer-term appetite for home-ownership starts to wane during the retirement years, as issues surface about the upkeep of the property and the suitability of homes in the face of mobility, physical well-being and other concerns. Thus, we see that only 76% of those aged 65 and older wish to be home-owners in ten years' time, reducing to 64% among those who are 75 or older.

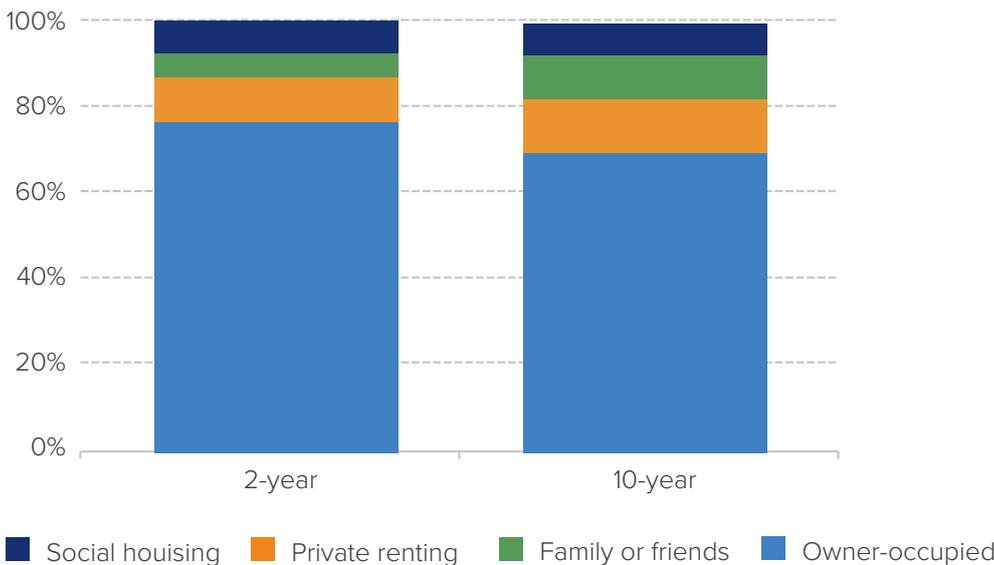
### Tenure preferences by current tenure

Future tenure preferences are very strongly conditioned by existing tenure patterns.

As Chart 7 shows clearly, the lion's share of adults who wish to be home-owners in 2 or 10 years' time are in fact already home-owners (76% and 68% respectively).

Private renters represent the primary source of those hoping to get onto the housing ladder by switching tenure within the next two years. Longer-term, their numbers are broadly matched by those currently living with family or friends.

**Chart 7:**  
Current tenure mix of aspiring home-owners, %



Source: YouGov (2016)

Table 1 sets out future tenure aspirations, broken down by people’s current tenure.

**Table 1:**  
Tenure preferences by current tenure

Current tenure	Preferred tenure in							
	2 years				10 years			
	Owner-occupied	Private renting	Family or friends	Social housing	Owner-occupied	Private renting	Family or friends	Social housing
Owner-occupied	95%	0%	0%	1%	94%	1%	0%	1%
Private renting	56%	26%	1%	5%	71%	15%	1%	5%
Family or friends	38%	16%	28%	2%	75%	5%	5%	1%
Social housing	30%	1%	1%	57%	39%	0%	1%	46%
<b>Grand Total</b>	72%	6%	4%	10%	80%	3%	1%	8%

Source: YouGov (2016)

**Note:**

1. Social housing refers to renting from a local authority, council, housing association, housing trust or some other registered social landlord.
2. Family or friends refers to all cases where the respondent is living at home with his/her parents, staying with other family members or friends, whether this is rent-free or paying some rent.
3. For clarity, don't knows and other tenure choices are not shown

Very few existing home-owners wish to have a different tenure in the future, short- or longer-term. 95% of current home-owners would like to continue as home-owners in 2 years’ time and - at 94% - this percentage barely changes looking 10 years ahead.

Elsewhere, the key choice is between remaining in one’s current tenure or switching into home-ownership.

The majority of people renting privately or living with family or friends appear to view their position as a temporary state. Amongst those renting privately or living with family or friends, home-ownership is the dominant preference, whether looking ahead 2 or 10 years. More than half of private renters (56%) would like to become home-owners within the next 2 years. Looking 10 years ahead, 71% of private renters hope to be home-owners.

Social housing tenants exhibit a stronger attachment to their current tenure, but even so a significant minority hope to become home-owners short- or longer-term (30% and 39% respectively).

Comparing the above findings with earlier surveys conducted in 2010 and 2012, there are signs that, amongst respondents who are not already home-owners, longer-term enthusiasm for home-ownership may be on the wane. For example, the 71% of private renters who want to be home-owners in 10 years time compares with 79% back in 2010, whilst for social renters the proportion has fallen to 39% from 51%.

## Tenure preferences by geography

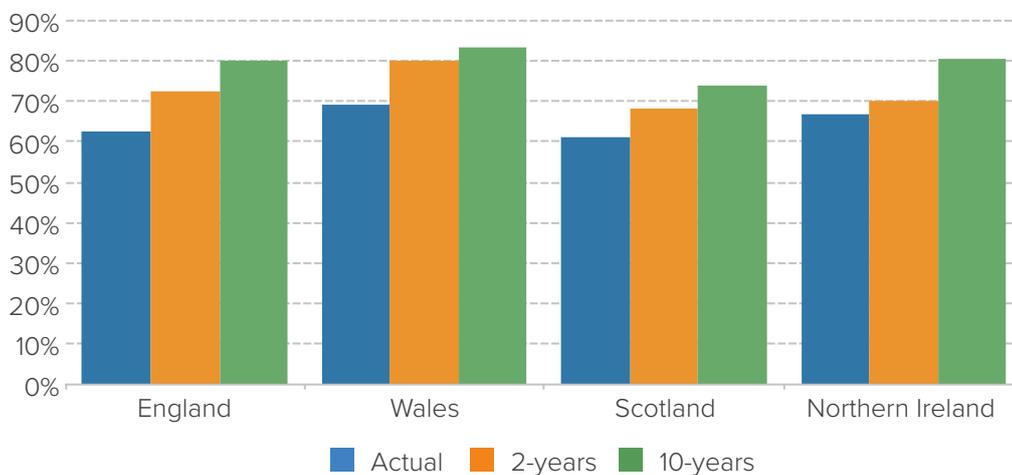
Longer-term aspirations favour higher rates of home-ownership across all parts of the UK.

Much of the increase in appetite relates to the next two years, except for NI, where short-term enthusiasm for home-ownership appears to be held in check for the time being by the widespread negative equity challenges associated with the earlier boom-bust in house prices.

For the most part, home-ownership aspirations reflect the different starting points for the constituent nations of the UK. Wales currently has a rate of home-ownership that is several percentage points higher than the rest of the UK, and so it is no surprise that a higher proportion of households (84%) would like to be home-owners in ten years' time than, say, England, where the corresponding figure is 80%.

At the other extreme, Scotland trails behind the other nations, and reflecting the country's stronger attachment to social housing, only 74% of adults want to be home-owners ten years ahead.

**Chart 8:**  
Home-ownership preferences across the UK, % of national respondents



Source: Actual tenure figures from DCLG; survey figures YouGov (2016)

**Notes:**

1. Actual figures represent latest DCLG tenure figures, not the survey figures for current tenure which are somewhat lower.

# Is home-ownership realistic?



# Is home-ownership realistic?

While there continues to be a strong long-term preference for home-ownership, the experience of the past decade or so tells us that this is a necessary but not a sufficient condition for future growth of the tenure. Future tenure patterns will also be influenced by a range of factors that determine how easily existing home-owners can stay in the tenure and the barriers to switching from other tenures into home-ownership.

This section explores how likely people think it is that they will be in their preferred tenure, in two and ten years' time.

It may be surprising to know that, looking two years ahead, home-ownership is the tenure that households generally feel least confident about. Only two-thirds of all the adults who would like to be home-owners in two years' time think that it is likely.

This may feel a little counter-intuitive, given that home-ownership is the majority tenure and that a sizeable majority of home-owners wish to continue as such and expect to do so in two years' time.

The uncertainty about future home-ownership hinges on the fact that nearly a quarter of all those hoping to be home-owners in two years' time (Chart 7) are currently in other tenures and hoping to make the switch into home-ownership (see Table 1).

Home-ownership prospects look far from certain for those not already in the tenure, with less than a quarter expecting to get onto the housing ladder within the next two years.

As we have seen, over the next two years private sector tenants comprise the largest group hoping to get onto the housing ladder. More than half of those renting privately want to be home-owners in two years' time, but only a minority think that it is likely to happen (see Table 2).

Our survey suggests that existing home-owners and those currently in other tenures are less optimistic with respect to maintaining or entering into home-ownership over the next two years than reported in 2012. The survey does not identify any explanation for this. There have of course been significant market changes over the intervening years, including a number of regulatory interventions – MMR and macro-prudential – and an intensification of affordability pressures. All of these are likely to have been relevant factors, but it is also possible that uncertainties following on from the EU referendum result may have played a part.

**Table 2:**  
Likelihood of satisfying home-ownership aspiration, % of respondents by current tenure

Current tenure	2-year	10-year
Private renting	23%	46%
Family or friends	20%	38%
Social housing	24%	32%

Source: YouGov (2016)

**Note:**

1. Figures indicate percentage of respondents who want to be home owners and who think they are very likely or fairly likely to achieve this
2. Social housing refers to renting from a local authority, council, housing association, housing trust or some other registered social landlord.
3. Family or friends refers to all cases where the respondent is living at home with his/her parents, staying with other family members or friends, whether this is rent-free or paying some rent.
4. For clarity, don't knows and other tenure choices are not shown

As we know, the aspiration for home-ownership is stronger ten years ahead. For those looking to make the switch from other tenures, the prospects for doing so appear to be materially better over ten years. Roughly speaking, the perceived likelihood of getting on to the housing ladder doubles amongst those renting privately or living with family or friends, compared with the two year horizon. Nearly half of those renting privately, and who want to be home-owners (46%), expect to make it within ten years.

Looked at overall, the proportion of those who think that they are likely to be home-owners in ten years' time is only marginally stronger than the 2-year picture. This is because the greater numbers looking to become home-owners over ten years still face much lower odds of doing so than existing owner-occupiers do of staying on the housing ladder, and arithmetically the two effects are more or less self-cancelling.

This contrasts more favourably alongside the other tenures, however, where the overall confidence about outcomes slips between the two and ten year horizons.

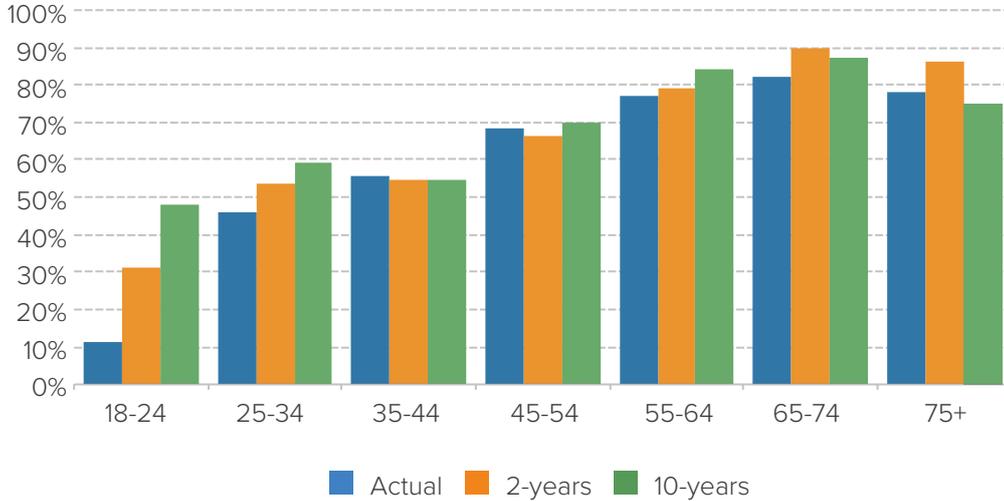
We have seen earlier that the majority of those who want to become home-owners over the short-term are younger adults.

Unfortunately, as Chart 9 shows, the perceived prospects of being a home-owner (becoming a home-owner for the first time for many younger adults) increases with age.

Today's 18-24 year olds are the only age group where more think that home-ownership within two years is unlikely rather than likely to be the case. This net balance becomes progressively more positive with older age groups, and strongly so from the mid-40s.

**Chart 9:**

Likelihood of being in desired home-ownership tenure, % respondents by current age



Source: Actual tenure figures from DCLG; survey figures YouGov (2016)

- Notes:**
1. Forward-looking figures show proportion of age groups who think that home-ownership is very or fairly likely within the period.
  2. Semi-transparent columns indicate where sample sizes are not statistically robust.

Although the expectations of younger adults have narrowed over the past two decades, there still appears to be a degree of unjustified optimism about the ability to get on the housing ladder.

The survey does not directly tell us how realistic these self-declared expectations are. But more 18-24 year olds and 25-34 year olds think that they are likely to be home-owners in ten years' time, than is the experience today for the older age cohorts they will eventually belong to. For example, 59% of 25-34 year olds judge it likely that they will be home-owners in ten years' time, despite the fact that only 56% of today's 35-44 year olds are home-owners. Given that only 46% of today's 25-34 year olds are currently home-owners, according to the survey, there must be a danger that younger adults are being overly optimistic.

# Obstacles to home-ownership



# Obstacles to home-ownership

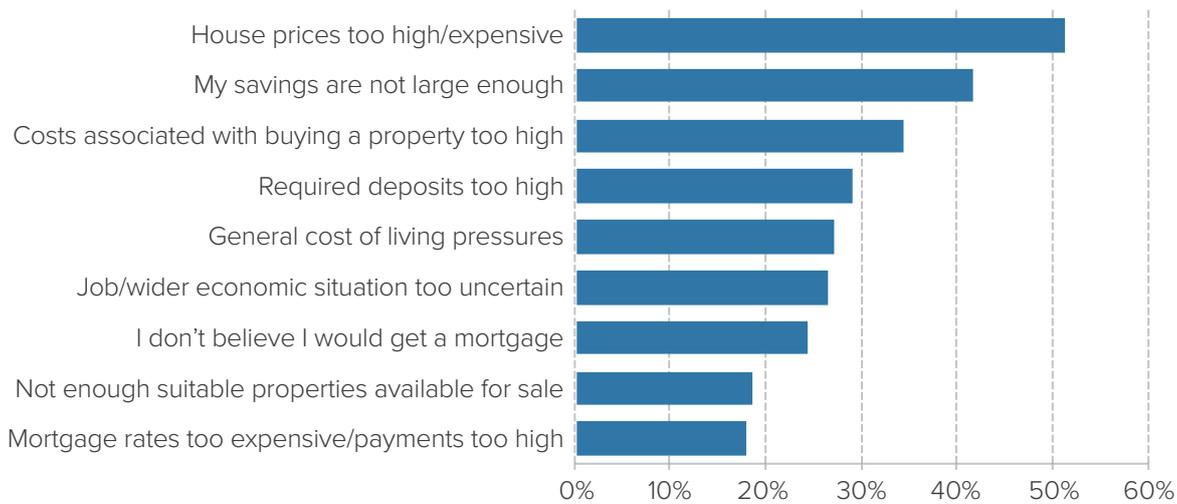
We have seen that, even if aspirations have dimmed over the past decade or so, a large proportion of adults would like to be home-owners in the future. It is clear that the desire is there. What then is affecting people’s ability to get on the housing ladder?

For most people, buying a residential property represents one of the biggest financial undertakings of their lives.

What are the biggest obstacles to achieving home-ownership, and how are these changing?

Our survey asks those who want to be first-time buyers or purchase a different property within the next two years, what they see as the main obstacles.

**Chart 10:**  
Main factors that make it difficult to buy, % of respondents



Source: YouGov (2016)

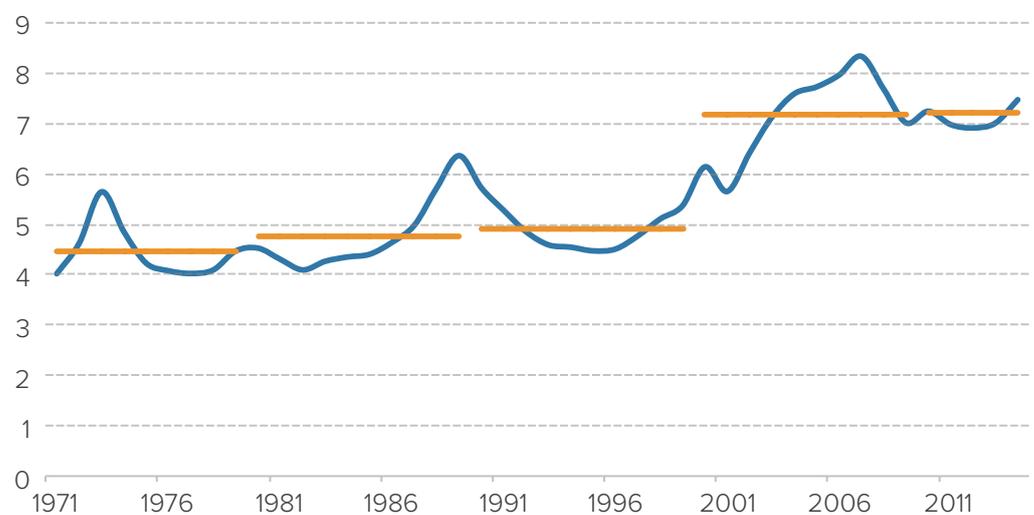
**Notes:** 1. The sample base are those adults who would like to be home-owners in two years’ time and who are not already living in their preferred home.

Chart 10 highlights the main factors that people identified as obstacles. The set of issues is a familiar one, reflected in other surveys, and much more about eligibility and access than ongoing debt-service costs.

Those looking to get on the housing ladder for the first time place even greater stress on the elevated nature of house prices, onerous deposit requirements and lack of personal savings. Reflecting these factors, would-be first-time buyers are also much less confident about their ability to get a mortgage, an issue explored more fully in a recent Halifax Generation Rent report.

Although the full list of impediments that people mention is wide-ranging, it is clear that matters of financial affordability loom large in people's thinking.

**Chart 11:**  
Trends in UK house price to earnings ratio



Source: Office for National Statistics

**Notes:** 1. The red lines represent the 10 year average house price to earnings ratio.

It is no exaggeration to say that we have seen a profound shift in the relationship between house prices and earnings over the past 15 years or so. On some measures, the ratio has roughly doubled (chart 11).

But this change has taken place alongside equally profound changes in the UK's inflation and interest rate environment. Annual consumer price inflation has averaged just 2% over the past twenty years or so and, echoing this greater price stability, UK base rates have fallen materially. This is true even for the period before the global credit crunch.

As a consequence, the debt service payments associated with much higher levels of mortgage debt have not risen dramatically against earnings. Indeed, our press release tables for first-time buyers suggest that initial mortgage payments have edged down relative to incomes over the past decade.

The financial picture alone is far from straightforward. But we also have to bear in mind that over the past decade we have seen the credit crunch and its aftermath, devolution,

strong demographic pressures, government efforts to boost housing supply, and far-reaching financial regulation.

The housing market has been influenced by a very large number of moving parts.

Against the backdrop of all this complexity, what do people think has happened to the affordability pressures facing those who want to get on the housing ladder? This is the subject of the next section.

# Has it always been this tough?



# Has it always been this tough?

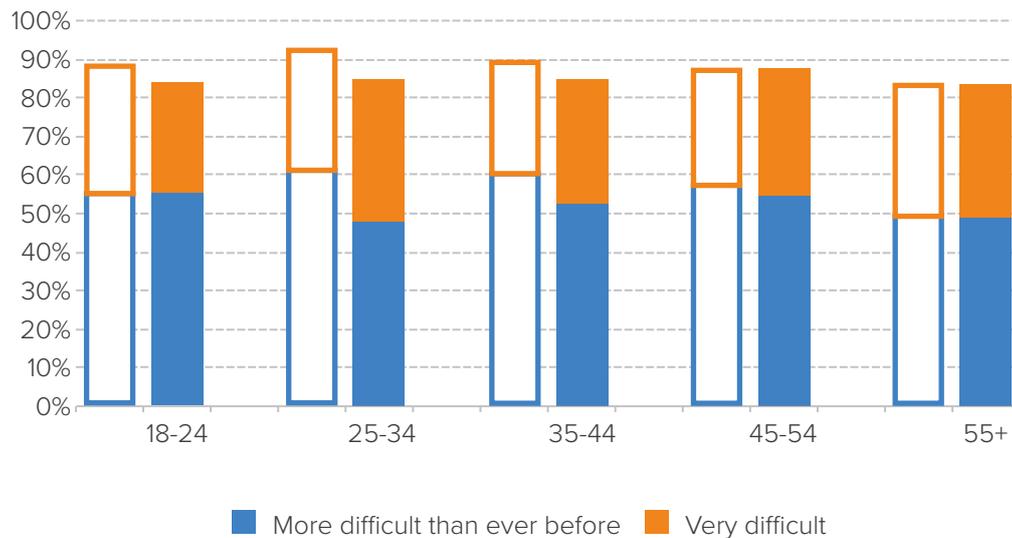
This section explores popular sentiment about the affordability challenges facing younger households.

For the most part, it reprises some consumer research we undertook with YouGov in November 2006. This was the immediate pre- credit crunch period, and came towards the end of a sustained buoyant period for the jobs market, wider economy, house prices and mortgage lending.

At this time, nearly ten years ago, the vast majority of adults – 88% - regardless of their own circumstances, felt that it was very difficult or harder than it had ever been for young people to buy their first home.

## Chart 12:

Views on how difficult it is for young people to buy their first home, 2006 and 2016, % of respondents by age



Source: YouGov (2006, 2016)

- Notes:**
1. Figures show proportion of age groups who think that it is difficult for young people to buy their first home.
  2. Outline columns indicate the corresponding 2006 metrics.

Today, that proportion has decreased, a little, to 85%, but there continues to be a strong consensus across all age groups, that it is difficult for young households to get on the housing ladder.

Although the headline metric has not changed relatively little over the past decade, the degree of pessimism has eased across several age groups, and particularly amongst 25-34 and 35-44 year olds.

Not surprisingly, perhaps, respondents who are currently renting privately or living with family or friends are more likely to highlight difficulties.

The survey results provide a strong sense that “something” should be done, in order to make it easier for young people to get on the housing ladder. This feeling is especially strong amongst those who feel that it is very difficult or harder than ever for young people to buy their first home.

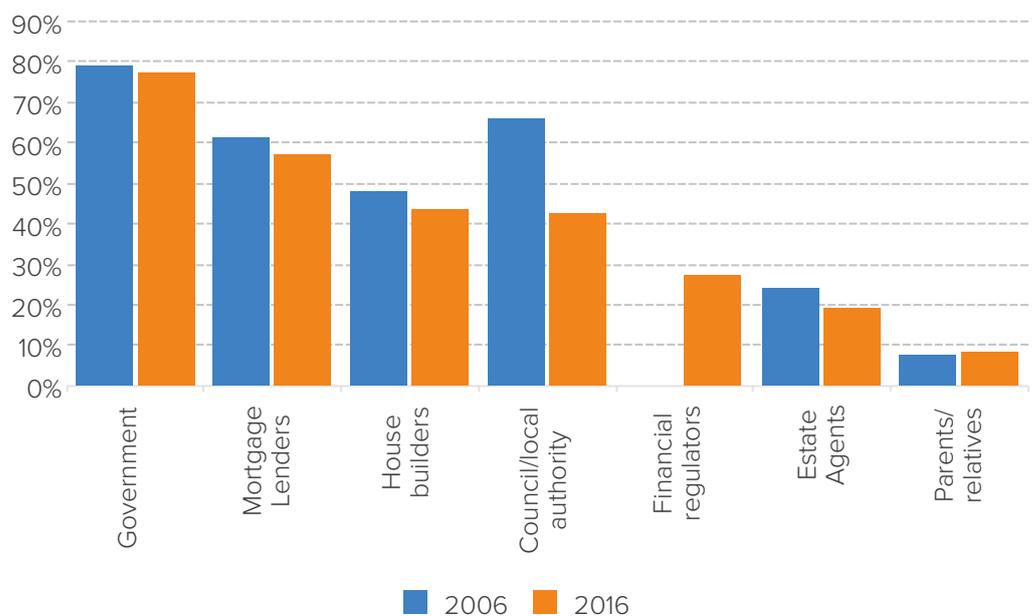
Across the board, 75% of adults currently feel that action is necessary. This is a little less than ten years ago (78%), but only because slightly fewer feel that it is very difficult or harder than ever for young people to buy their first home. Among the latter, the perceived need for action has not abated at all.

So, what actions are people looking for?

We asked those favouring action to identify from a list of stakeholders who they thought should be doing something. The list used closely mirrors that from 2006, except for the fact that we have added financial regulators as a distinct category.

Respondents could choose as many categories as they wished, and also offer verbatim suggestions.

**Chart 13:**  
Who should do more to help would be first-time buyers,  
% of respondents



Source: YouGov (2006, 2016)

**Notes:** 1. The sample base comprises all those adults who think something should be done to make it easier for young people to buy their first home.

Chart 13 shows responses this time round with those from a decade earlier. The ranking has changed remarkably little over the intervening period, except that local authorities are ascribed a much less prominent role.

As in 2006, people, regardless of their current tenure and age, continue to look predominantly to government to take action. But mortgage lenders also appear to be in the frame, with more than half of respondents also feeling that they could do more.

We asked supplementary questions as to what actions government, mortgage lenders and financial regulators might take to help would be FTBs.

We should not read too much into the specific rankings. For government and mortgage lenders, we presented respondents with a fuller set of options than ten years ago, and so the two sets of results are not directly comparable. With financial regulators, we are asking these questions for the first time.

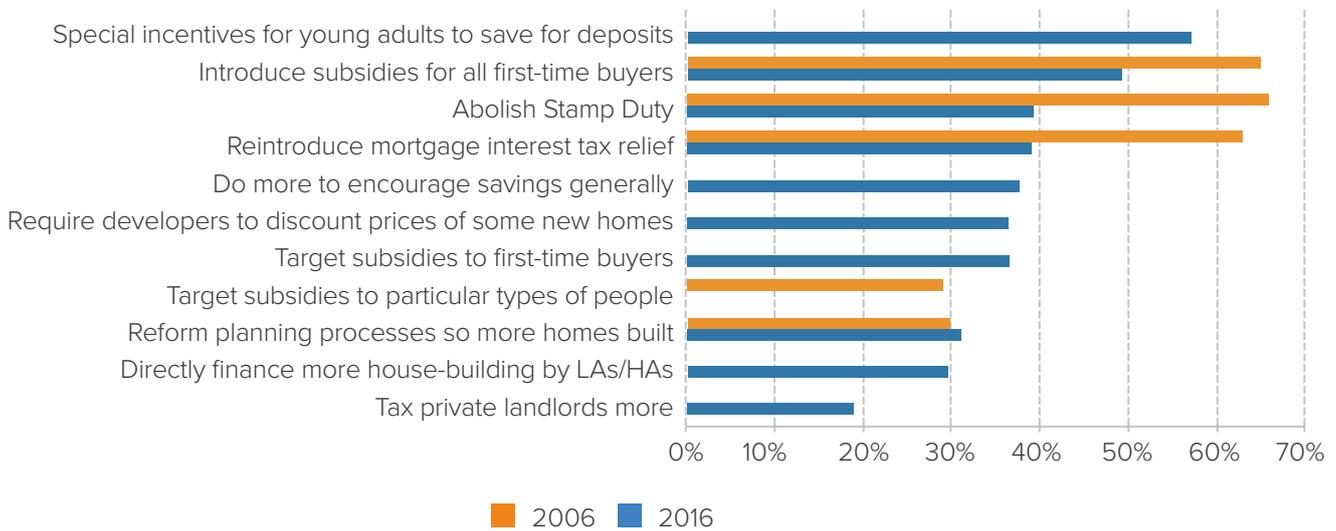
## What should government do?

Chart 14 sets out some options for government action.



“build lots more houses”

**Chart 14:**  
Preferred actions for government, % of respondents



Source: YouGov (2006, 2016)

**Notes:** 1. Sample base are all those adults who think something should be done to make it easier for young people to buy their first home. Greyed out figures are not statistically robust as they have sample size below 50 cases

The survey suggests that there continues to be strong support for the measures advocated a decade ago – abolishing stamp duty, offering subsidies for first-time buyers and re-introducing mortgage interest tax relief.

However, there is also a new priority of incentivising young adults to save for deposits to buy a home. This was also echoed in some of the verbatim comments. It is difficult to say how much this is influenced by the government’s initiatives on Help to Buy and Lifetime ISAs, or reflects a more general recognition that government policy needs to encourage individual effort and resilience.

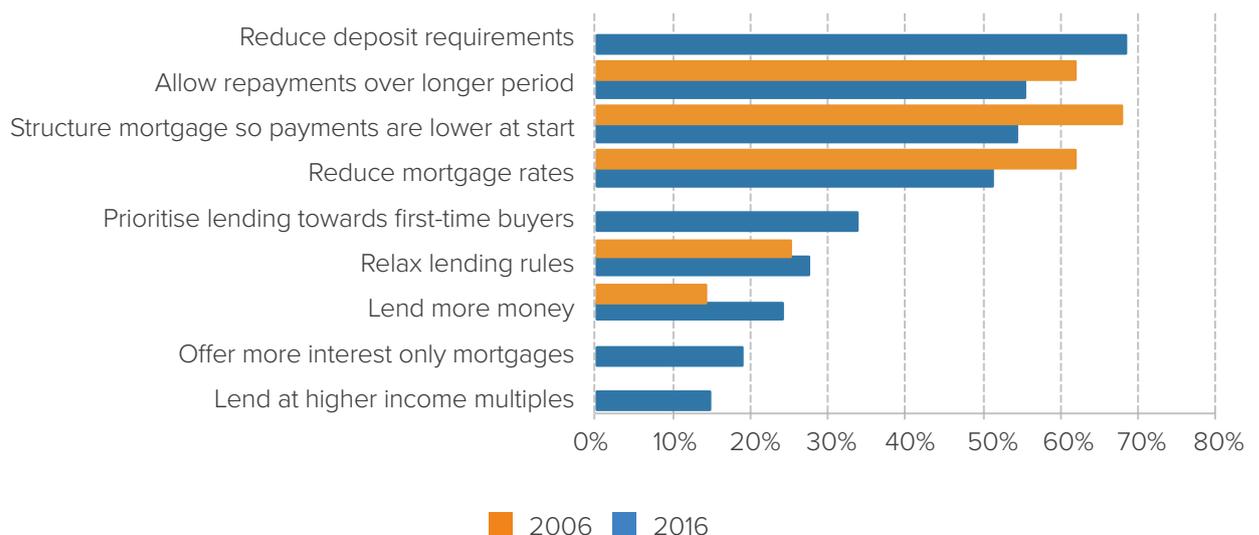
The verbatim responses featured a strong endorsement that more house-building was at least part of the answer.

### What should mortgage lenders do?

With mortgage lenders, the emphasis appears to be more about re-engineering mortgage products in ways that reduce the up-front or early debt-service costs, rather than loosening lending criteria per se. This may represent a significant challenge for lenders, given the difficulties associated with previous industry efforts to provide low start, stepped and other deferred interest mortgage products.

The stand-out feature of Chart 15 is the importance attached to reducing deposit requirements, an action favoured by nearly 70% of respondents. By contrast, ten years ago 100% mortgages were widely available and so the option was not relevant.

**Chart 15:**  
Preferred actions for mortgage lenders, % of respondents



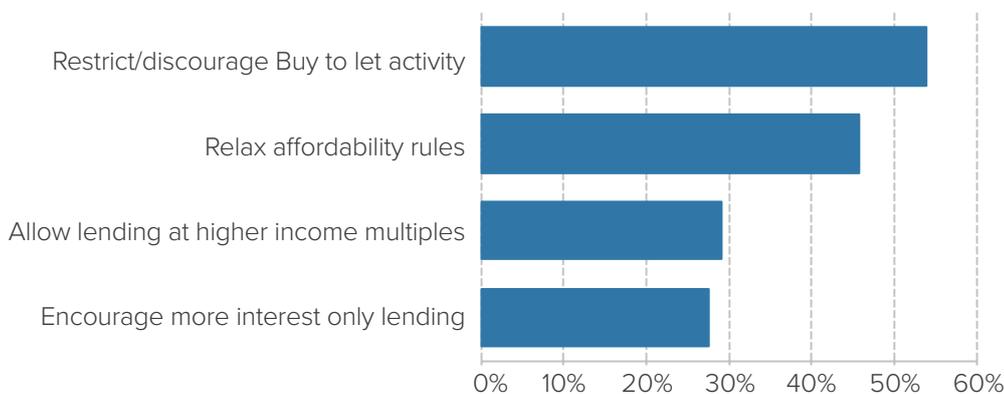
Source: YouGov (2006, 2016)

**Notes:** 1. The sample base comprises those adults who think mortgage lenders should do something to make it easier for young people to buy their first home.

## What should financial regulators do?

Nowadays, we have a number of financial regulators, including, but not limited to, the Financial Conduct Authority, Bank of England, Prudential Regulatory Authority and Financial Policy Committee. These bodies have wide-ranging ability and powers to influence the wider economic and financial environment, broad trajectory for lending growth, lenders' risk appetite and the competitive landscape. The regulatory regime was much lighter-touch ten years ago, and we felt no need to ask about specific actions by the regulators.

**Chart 16:**  
Preferred actions for financial regulators, % of respondents



Source: YouGov (2016)

Notes: 1. The sample base comprises those adults who think financial regulators should do something to make it easier for young people to buy their first home.

It is not clear whether the general public fully grasp the extent of financial regulation. Just 27% thought their activities might be relevant to would-be first-time buyers, and, generally speaking, there was less certainty about what policies to support.

The survey findings suggest that there appears to be greater support for inhibiting growth of Buy to let activity than measures which would liberalise lending actions and more directly affect prospective first-time buyers. But, it is hard to gauge how genuinely felt this view is, given recent policy interest in Buy to let – including the PRA's micro-prudential proposals and future changes in tax relief.

Elsewhere, it is worth noting that looser lending policies attract relatively lukewarm support.

# Alternatives to full ownership



# Alternatives to full ownership

A key take-away from the previous section is that, even following a process of significant market repair post credit crunch and several years of sustained government intervention in the housing market, we appear to have barely scratched the surface in addressing the affordability challenge facing younger households who want to buy their first home.

Looking ahead, many younger adults will make it onto the housing ladder, although not always as quickly as they would like. For others, the reality will be that they will simply never be in a position to become home-owners on a sustainable basis.

But there is also likely to be another, intermediate, group - those for whom partial home-ownership may be viable. This penultimate section looks briefly at what appetite for such schemes exists, and what the longer-term prospects may be for this intermediate tenure.

## Outright ownership

When asked about people eventually owning their home free of mortgages and other loans, an overwhelming majority of respondents - 84% - think that it is very or fairly desirable. Very few households, only 2%, think it undesirable.

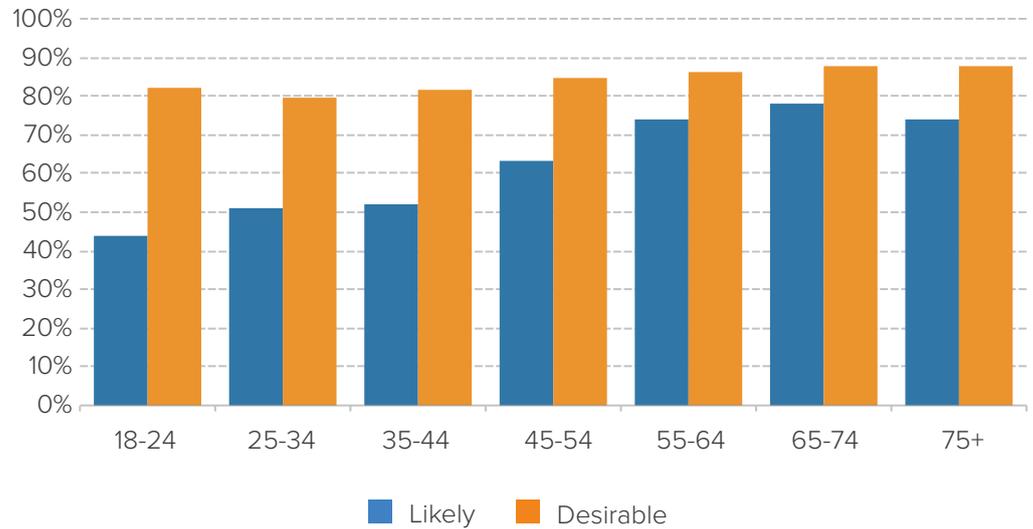
Crucially, far fewer people - 61% - believe that they will ever own their home outright.

While at least four-fifths of each adult age group see outright ownership as desirable, younger age groups are much less confident that they themselves will ever get there.

This suggests that there may at least be an a priori case for partial home-ownership schemes.

### Chart 17:

The gap between outright home-ownership being desirable and likely, % by age



Source: YouGov (2016)

**Notes:** 1. The sample base comprises those adults who think mortgage lenders should do something to make it easier for young people to buy their first home.

## Part ownership

The desire for outright ownership does not adversely impact the perceived support for part ownership schemes. The proportion of households who see schemes that support part ownership as a good idea outweigh those who view part ownership as a bad idea by 5 to 1.

A majority of people (54%) are positive about schemes that facilitate part ownership of properties. Higher income groups appear to be a little more enthusiastic about such schemes – perhaps reflecting an enlightened view from more affluent people that a lite version of home-ownership would benefit those unable to get on the housing ladder under their own steam.

More people incline to the view that part ownership offers a stepping stone to full ownership than representing a permanent tenure, although a large cohort think that either can be true.

Our survey asked for views on two alternative types of ownership schemes:

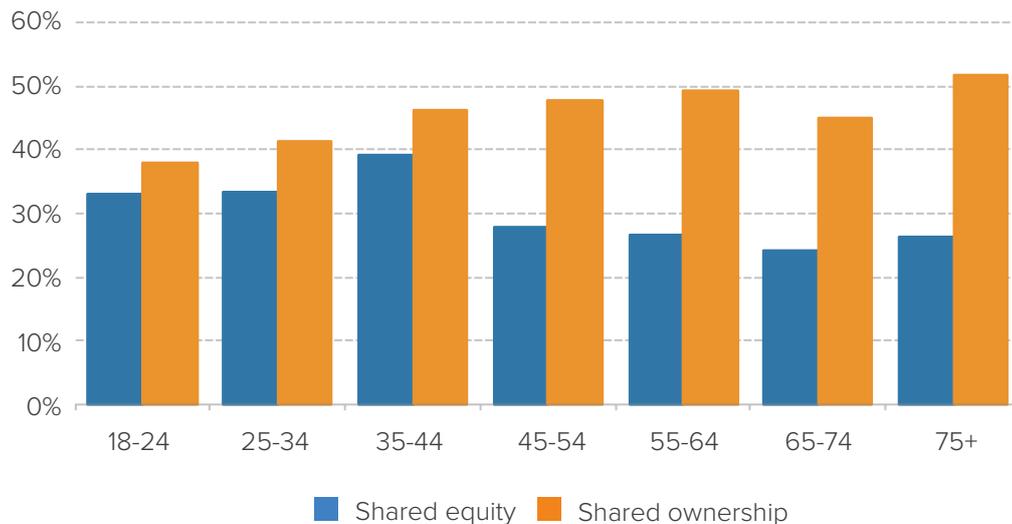
- shared equity, a full-ownership route, but one where people finance part of the cost of property purchase using an equity loan (which may or may not charge interest), the value of which changes over time in line with the value of the property, and

- shared ownership, where people initially purchase only part of a property and pay rent on the portion they do not own, and there is an option to purchase more of the property in future for a sum which reflects the value of the property.

When asked whether such schemes were a good idea, there appears to be less enthusiasm for shared equity schemes, especially amongst older age cohorts. Taken overall, 45% of respondents think that shared ownership schemes are a good idea, compared with 31% viewing shared equity schemes positively. For both types of scheme, about a fifth of respondents see them as a bad idea.

We should not read too much into these findings, as respondents may have been influenced by the scheme descriptions we set out and there was no opportunity for them to explain their answers.

**Chart 18:**  
Whether shared equity and shared ownership schemes are a good idea,  
% by age



Source: YouGov (2016)

**Notes:** 1. Figures show proportion of adults who think that schemes are a very good or fairly good idea

Shared ownership is sometimes described as the fourth tenure. Currently, this is a rather optimistic label, as it is something of a niche tenure, with a little over 1% of households living in shared ownership homes. Nevertheless, the government has ambitious plans for the tenure, and we explore prospects for shared ownership in a forthcoming CML research report.

Sample sizes for shared ownership are not large enough to be statistically robust, and for this reason our report includes such cases within our overall figures for home-ownership.

Anecdotally, our survey suggests that shared ownership schemes get high approval ratings from those currently using them. It also hints at a temporary increase in appetite for the tenure from younger adults over a two-year horizon, which fully dissipates longer-term.

This is consistent with the view of existing shared ownership households, most of whom are looking to assume full ownership over time, whether this is through the “stair-casing” arrangements built into the shared ownership set-up or some broader change of circumstances.

# Conclusions

Our 2016 survey confirms that most adults wish to remain or become home-owners. The reasons are both financial and non-financial in nature, and appear to be deep-seated.

One can envisage the vast majority of those who are already home-owners remaining in the tenure longer-term, but there are major uncertainties about younger households in particular being able to make the switch, and to do so on a sustainable basis.

Longer-term home-ownership aspirations appear to have edged lower over the past decade, broadly in line with actual tenure trends. Whilst this suggests a degree of realism about tenure preferences, there is evidence that younger adults still have unduly optimistic expectations about where they will live.

Such over-confidence is not a new phenomenon, but it is a little surprising that so little seems to have changed over recent years. Almost the same overwhelming majority of people as a decade ago believe that it is really difficult for young people to get on the housing ladder.

The survey provides a hint that it's a case of "now or never" for many of today's 25-34 year olds, with a large proportion wanting to become home-owners within the next two years. The survey does not tell us what is driving these expectations, but it may be that relatively benign economic conditions that characterised the pre-EU referendum period, combined with government rhetoric and measures in support of home-ownership, have played a part in making home-ownership feel more achievable.

The key for this age group, and for others, will be their ability to migrate across from other tenures. Part home-ownership schemes undoubtedly have a role to play in easing transition paths, but perhaps not a significant one based on current policies and viewpoints.

It may not be home-ownership or bust for most young adults, but the alternative to home-ownership may well be lengthy periods in less preferred tenures. The home-ownership dream seems alive and well, for now. But the gap between dream and reality remains a challenging one.

# Appendix tables

**Table A1:**  
Preferred tenure in two years' time, % of respondents

	Sample Size	Owner-Occupied %	Private Renting %	Living with family or friends %	Council Renting %	Housing Association Renting %
1975	1,597	51	12	na	32	na
1983	2,501	77	5	na	16	na
1986	2,455	77	4	na	17	na
1989	2,465	81	3	na	12	2
1991	2,260	77	6	na	13	2
1996	2,009	77	3	na	15	3
1998	2,329	78	3	na	14	4
1999	3,132	74	4	na	17	3
2000	3,310	74	5	na	12	3
2001	3,391	72	6	na	12	4
2002	3,206	76	4	na	11	3
2003	2,525	72	6	na	10	3
2004	1,986	72	7	na	12	4
2007	2,814	78	4	na	9	3
2010	2,056	76	9	na	4	3
2012	2,005	74	7	3	4	3
2016	1,998	72	6	4	5	4

Source: YouGov (2010 onwards), MORI (1996-99), BMRB other.

**Table A2:**  
Preferred tenure in ten years' time,  
% of respondents

	Sample Size	Owner-Occupied %	Private Renting %	Living with family or friends %	Council Renting %	Housing Association Renting %
1975	1,597	62	6	na	25	na
1983	2,501	78	3	na	15	na
1986	2,455	80	2	na	13	na
1989	2,465	83	2	na	11	1
1991	2,260	84	2	na	10	2
1996	2,009	79	1	na	12	2
1998	2,329	80	1	na	10	3
1999	3,132	78	1	na	13	3
2000	3,310	83	1	na	8	2
2001	3,391	81	2	na	9	2
2002	3,206	82	2	na	8	2
2003	2,525	81	3	na	8	2
2004	1,986	80	3	na	9	2
2007	2,814	84	2	na	6	2
2010	2,056	85	3	na	3	2
2012	2,005	81	3	...	4	3
2016	1,998	80	3	1	4	4

Source: YouGov (2010 onwards), MORI (1996-99), BMRB other.

**Table A3:**

Home-ownership preferences in two years' time, by age group,  
% of respondents

	<b>18-24</b>	<b>25-34</b>	<b>35-54</b>	<b>55-64</b>	<b>65 and Over</b>	<b>All Adults</b>
	%	%	%	%	%	%
1975	41	60	58	48	42	51
1983	79	89	84	71	56	77
1986	73	88	86	73	61	77
1989	79	89	90	76	64	81
1991	60	83	87	82	71	77
1996	55	79	86	76	66	77
1998	49	80	85	80	68	78
1999	59	77	84	74	60	74
2000	43	76	82	85	70	74
2001	39	74	80	81	76	72
2002	40	78	79	79	78	71
2003	37	76	83	85	75	72
2004	43	66	78	84	74	72
2007	50	75	83	87	80	78
2010	42	75	81	85	80	76
2012	40	74	80	83	76	74
2016	35	81	78	79	80	72

Source: YouGov (2010 onwards), MORI (1996-99), BMRB other.

**Table A4:**  
Home-ownership preferences in ten years' time,  
by age group, % of respondents

	<b>18-24</b>	<b>25-34</b>	<b>35-54</b>	<b>55-64</b>	<b>65 and Over</b>	<b>All Adults</b>
	%	%	%	%	%	%
1975	79	77	65	49	41	62
1983	92	93	85	66	51	78
1986	89	93	88	70	54	80
1989	95	93	90	75	59	83
1991	90	91	89	80	64	84
1996	84	86	88	74	61	79
1998	83	90	86	81	60	80
1999	86	89	86	73	57	78
2000	83	88	86	77	64	80
2001	80	87	85	80	71	81
2002	78	87	86	82	71	81
2003	76	87	87	84	70	81
2004	77	86	83	83	71	80
2007	84	86	86	87	78	84
2010	88	87	87	84	75	85
2012	77	87	83	81	74	81
2016	79	81	81	80	76	80

Source: YouGov (2010 onwards), MORI (1996-99), BMRB other.

# Survey questionnaire

## CML tenure aspirations survey

### (ASK ALL)

#### Q1.

Which of the following BEST describes the current home that you live in? If you live in more than one home, please think about the home you live in for the majority of the year. (SINGLE CODE)

- Own property outright
- Own property using a mortgage or loan
- Part own and part rent property (shared ownership)
- Renting from Local Authority/ Council
- Renting from Housing Association/ Trust/ Registered
- Social Landlord
- Renting from private landlord – furnished
- Renting from private landlord – unfurnished
- Living with family or friends, but pay rent
- Living with family or friends, rent free
- Other
- Don't know

**NET: HOMEOWNERS (1-3)**

**NET: SOCIAL RENTING (4-5)**

**NET: PRIVATE RENTING (6-7)**

**NET: LIVING FAMILY OR FRIENDS (8-9)**

#### Q2.

How happy are you with the current home that you live in? (SINGLE CODE)

- Very happy
- Fairly happy
- Neither happy nor unhappy
- Fairly unhappy
- Very unhappy
- Don't know

#### Q3.

Do you currently own any residential property in the UK (with or without a mortgage) either on your own or jointly with someone else?

Please choose the option that BEST applies.

(SINGLE CODE)

- Yes, I do - one property, my current home
- Yes, I do - one property but not my current home
- Yes, I do - more than one property, including my current home
- Yes, I do - more than one property, but not including my current home
- No, I don't
- Don't know

**IF NO AT Q3 (5)**

#### Q4.

Have you previously owned any residential property in the UK (either on your own or jointly with someone else)? (SINGLE CODE)

- Yes
- No
- Don't know

**(ASK ALL)**

#### Q5.

In which type of home would you MOST like to be living, in two years' time? (SINGLE CODE)

- Own property outright
- Own property using a mortgage or loan
- Part own and part rent property (shared ownership)
- Renting from Local Authority/ Council
- Renting from Housing Association/ Trust/ Registered
- Social Landlord
- Renting from private landlord – furnished
- Renting from private landlord – unfurnished
- Living with family or friends, but pay rent
- Living with family or friends, rent free
- Other
- Don't know

**NET: HOMEOWNERS (1-3)**

**NET: SOCIAL RENTING (4-5)**

**NET: PRIVATE RENTING (6-7)**

**NET: LIVING FAMILY OR FRIENDS (8-9)**

**Q6.**

And how likely, if at all, is it that you will be living in this type of home in two years' time? (SINGLE CODE)

- Very likely
- Fairly likely
- Neither likely nor unlikely
- Fairly unlikely
- Very unlikely
- Don't know

**Q7.**

Is your present home where you would most like to be living in two years' time? (SINGLE CODE)

- Yes, it is
- No, it isn't
- Don't know

**IF NO AT Q7, AND YOU WANT TO BE HOME OWNER IN TWO YEARS' TIME (1, 2 or 3 at Q5):**

**Q8.**

Which, if any, of the following do you think are making it more difficult for you to buy a home within the next two years? Please choose all that apply. (MULTICODE)

- House prices are too high/expensive
- House prices may fall after I buy
- The general cost of living pressures
- My job situation/ wider economic situation is too uncertain
- Potential relationship breakdown
- My own sickness/ ill health or sickness/ ill health of a family member/ partner
- Previous/ current debt problems
- My savings are not large enough
- Required deposits are too high
- I have limited housing equity/ negative equity
- I don't believe I would get a mortgage
- Mortgage rates are too expensive/ mortgage payments are too high
- There are not enough suitable properties available for sale
- Costs associated with buying a property (e.g. stamp duty, estate agency fees, solicitor's fees etc.) are too high
- Other, please specify (WRITE IN)
- Don't know

**(ASK ALL)**

**Q9.**

Thinking further ahead, say ten years from now, if things go as well as you might expect them to, which type of home would you MOST like to be living in? (SINGLE CODE)

- Own property outright
- Own property using a mortgage or loan
- Part own and part rent property (shared ownership)
- Renting from Local Authority/ Council
- Renting from Housing Association/ Trust/ Registered Social Landlord
- Renting from private landlord – furnished
- Renting from private landlord – unfurnished
- Living with family or friends, but pay rent
- Living with family or friends, rent free
- Other
- Don't know

**NET: HOMEOWNERS (1-3)**

**NET: SOCIAL RENTING (4-5)**

**NET: PRIVATE RENTING (6-7)**

**NET: LIVING FAMILY OR FRIENDS (8-9)**

**Q10.**

And how likely, if at all, is it that you will be living in this type of home in ten years' time? (SINGLE CODE)

- Very likely
- Fairly likely
- Neither likely nor unlikely
- Fairly unlikely
- Very unlikely
- Don't know

**Q11.**

Is your present home where you would most like to be living in ten years' time? (SINGLE CODE)

- Yes, it is
- No, it isn't
- Don't know

**Q12.**

In general, which, if any, of the following do you think are the rewards of owning your own home? Please choose all that apply. (MULTICODE)

- Once you have paid the mortgage off, the property will be yours
- It offers financial security
- It is an investment
- It is cheaper than renting/ better value than renting
- It is an asset/ inheritance than can be passed on to family/ children
- You are more settled/ you cannot be made to move at short notice
- You can do what you want with your own home
- Other, please specify (WRITE IN)
- Don't know
- Not applicable - I don't think there are any rewards to owning your own home

**Q13.**

In general, which, if any, of the following do you think are the risks of owning your own home? Please choose all that apply. (MULTICODE)

- Concern about keeping up mortgage repayments if you became unemployed / ill
- Increasing costs/ mortgage repayments if interest rates rise
- Problems if your relationship/ marriage ends
- Affording repairs and maintenance
- Property might lose value over time
- Local developments might devalue the area (e.g. a factory, motorway etc.)
- Costs/ difficulties of selling up if you had to live elsewhere (e.g. for either personal or professional reasons)
- Other, please specify (WRITE IN)
- Don't know
- Not applicable - I don't think there are any risks to owning your own home

**Q14.**

Leaving aside your personal circumstances, how difficult do you think it is for young people to buy their first home? (SINGLE CODE)

- More difficult than ever before
- Very difficult
- Difficult, but no harder than it has ever been
- Not difficult at all
- Don't know

**Q15.**

Leaving aside your personal circumstances, do you think that something should be done to make it easier for young people to buy their first home? (SINGLE CODE)

- Yes
- No
- Don't know

**IF NO AT Q15 (CODE 1)**

**Q16.**

Who do you think should be doing more to help young people afford to buy their first home? Please tick all that apply. (MULTICODE)

- Mortgage lenders
- House builders
- Estate agents
- Parents/ relatives
- Government
- Council/ local authority
- Financial regulators
- Other, please specify (WRITE IN)
- Don't know

**Q17. IF MORTGAGE LENDERS (1) AT Q16**

What do you think mortgage lenders should do to help young people afford to buy their first home? Please tick all that apply. (MULTICODE)

- Relax their lending rules
- Reduce their mortgage rates
- Structure the mortgage so that payments are lower at the start of the loan
- Lend at higher income multiples
- Reduce deposit requirements
- Offer more interest only mortgages

- Allow repayments over a longer period
- Lend more money
- Prioritise lending towards first-time buyers
- Other, please specify (WRITE IN)
- Don't know

### IF GOVERNMENT (5) AT Q16

#### Q18.

What things do you think the Government should do to help young people afford to buy their first home? Please tick all that apply. (MULTICODE)

- Do more to encourage savings generally
- Provide special incentives for young adults to save for deposits (to buy a home)
- Abolish Stamp Duty Land Tax/Land and Buildings Transaction Tax (in Scotland)
- Reintroduce mortgage interest tax relief (MIRAS)
- Introduce subsidies for all first-time buyers
- Target subsidies to first-time buyers
- Reform planning processes so that more homes can be built
- Require developers to sell some new homes at below market prices
- Directly finance higher levels of house-building by local authorities and/or housing associations
- Tax private landlords more
- Other, please specify (WRITE IN)
- Don't know

### IF REGULATORS (7) AT Q16

#### Q19.

What things do you think financial regulators should do to help young people afford to buy their first home? Please tick all that apply. (MULTICODE)

- Relax affordability rules
- Allow lending at higher income multiples
- Encourage more interest only lending
- Restrict/discourage Buy to let activity
- Other, please specify (WRITE IN)
- Don't know

### ASK ALL

#### Q20.

How likely do you think it is that you will ever own your home outright, that is where you have no mortgage debt or similar loans? (SINGLE CODE)

- Very likely
- Fairly likely
- Neither likely nor unlikely
- Fairly unlikely
- Very unlikely
- Don't know

#### Q21.

Leaving aside your personal circumstances and thinking about home ownership more generally, how desirable do you think it is for people to eventually own their home outright, that is without a mortgage or similar loan? (SINGLE CODE)

- Very desirable
- Fairly desirable
- Neither desirable nor undesirable
- Fairly undesirable
- Very undesirable
- Don't know

#### Q22.

Traditionally, most people have got on the housing ladder by putting their own savings towards a deposit and taking out a mortgage loan.

In recent years, schemes that allow part ownership of a property, and so lower monthly mortgage costs, have also been available. In your view, do you think such schemes are a good or a bad idea? (SINGLE CODE)

- Very good idea
- Fairly good idea
- Neither a good nor a bad idea
- Fairly bad idea
- Very bad idea
- Don't know

**Q23.**

Do you see these schemes as a “stepping stone” to eventual full ownership, or will part ownership be a permanent housing tenure for households?

(SINGLE CODE)

- A stepping stone to full ownership only
- A permanent housing tenure only
- Both a stepping stone to full ownership and a permanent housing tenure
- Neither of these
- Don't know

**Q24.**

Looking in more detail at such schemes, one option is for people to finance part of the cost of property purchase using “equity loans”. Equity loans charge a low or no interest rate, but the amount you owe changes over time in line with the value of your property.

In your view, do you think equity loans are a good or a bad idea for someone buying a home? (SINGLE CODE)

- Very good idea
- Fairly good idea
- Neither a good nor a bad idea
- Fairly bad idea
- Very bad idea
- Don't know

**Q25.**

Another option is for people to purchase part of a property, and to pay rent on the part that they do not own. This part own, part rent model is often called “shared ownership”.

Rent payments are normally below market rates. You are under no obligation to purchase more of the property, but if you decide to do so, the cost you will have to pay will change over time in line with the value of your property.

In your view, do you think shared ownership is a good or a bad idea for someone buying a home? (SINGLE CODE)

- Very good idea
- Fairly good idea
- Neither a good nor a bad idea

- Fairly bad idea
- Very bad idea
- Don't know

**Q26.**

Leaving aside your personal circumstances, do you think that it makes sense for home-owners to release some of the value of their home to provide additional income and/or cover their living costs in their later years? (SINGLE CODE)

- Yes
- No
- Don't know

**IF YES AT Q3 (CODE 1-4) OR HOMEOWNER AT Q5 (CODE 1-3) OR HOMEOWNER AT Q9 (CODE 1-3)**

**Q26.**

Thinking about when you near retirement or actually retire, how likely do you think you would be to use some of your housing wealth, for example by releasing equity or down-sizing, to supplement your pension income or to finance large expenditures? (SINGLE CODE)

- Definitely will/already using housing wealth in this way
- Very likely
- Likely
- Not sure whether likely or not
- Not at all likely
- Don't know

## Acknowledgements

We would like to thank Gabbie Comfort, Tom Rees and their colleagues at YouGov, both for undertaking the latest consumer research and also for reviewing the information we present in this report. It should be emphasised, however, that any interpretation put upon the data is entirely the responsibility of the author





## The Council of Mortgage Lenders

The Council of Mortgage Lenders (CML) is the trade association representing the mortgage industry. Its members comprise banks, building societies, insurance companies and other specialist residential mortgage lenders, which together represent around 98% of the UK mortgage assets.

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