BRIEFING
Migrants and Housing in the UK: Experiences and Impacts

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This briefing provides statistics on migration and housing in the UK.

**Key Points**

Foreign-born migrants have lower home ownership rates than the UK born, and are more likely to be in the private rental sector.

Recent migrants are almost three times as likely to be renters compared to other migrants. Migrants who have been in the UK for longer tend to have accommodation similar to that of the UK-born.

UK-born and foreign-born people have similar levels of participation in social housing, on average.

For both migrants and the UK born, the rent-to-income ratio is highest for privately-rented houses in London.

Migrants are more likely to live in overcrowded housing than the UK born, especially in London.

There is some evidence that migration has increased average UK house prices.

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**Understanding the evidence**

The determinants of migrants’ experiences in and impacts on the UK housing system include many factors such as migrants’ characteristics (e.g. age, income level, type of visa, time in the UK), preferences (e.g. location, household size, renting versus owning, minimum acceptable level of quality of accommodation) and restrictions of access to social housing. Therefore, different groups of migrants, with different rights, opportunities and resources are likely to have different experiences in and impacts on the UK housing system.

Positive net migration may affect house prices and rents. In the case of social housing, where supply and demand are not primarily balanced by using the price, positive net migration may increase shortage of social housing. The magnitudes of these impacts depend on the responsiveness of the supply of housing to changes in demand. The impact of immigration on housing can also be expected to vary across local areas with different housing markets and experiencing different scales of migrant inflows and outflows. There can also be important inter-relationships between the owner-occupier sector and the private rented sector. For example, the increased demand for rented accommodation may encourage more investors to enter the buy-to-let market, which in turn could affect house prices.

The word ‘migrant’ is used differently in different contexts. In this briefing, we use the term ‘migrant’ to refer to the foreign born, regardless of whether they have become UK citizens. For a discussion of this terminology, see the Migration Observatory briefing *Who Counts as a Migrant: Definitions and their Consequences*.

**Data sources and definitions**

This briefing relies on the Annual Population Survey (APS) and the UK Longitudinal Household Panel (UKLHS), also known as Understanding Society. The APS is the largest official household survey. This survey has some important limitations. Some people are excluded, such as residents of communal establishments like hostels, and other groups may be under-counted due to survey non-response. Its response rate has declined over time, and is now below 50% (ONS, 2016); this means that people who are more likely not to respond to the survey may be under-counted. ONS analysis based on the Census suggests that non-response is a greater problem among people born outside of the UK (Weeks et al, n.d.).
The UKHLS is a longitudinal survey of approximately 40,000 households dealing with themes such as family life, education, employment, finance, health and wellbeing. Both surveys are designed to be representative of the population, although like all surveys there may be some error in the estimates resulting from the fact that not everyone agrees to participate.

This briefing presents data on overcrowded housing. The overcrowding indicator used by the government and in this briefing is based on Section 325 of the Housing Act 1985 (Wilson and Carton, 2018: 4). A house is considered overcrowded if it has fewer bedrooms available than the notional number needed. This number is based on the ‘bedroom standard’ definition, according to which a separate bedroom is allowed for each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10–20 of the same sex, and each pair of children under 10. Any unpaired person aged 10–20 is notionally paired, if possible, with a child under 10 of the same sex, or, if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child under 10.

Data breakdowns

The data breakdowns based on the APS differentiate between UK born, EU born and non-EU born populations. When displaying household-level data, based on the UKHLS, we use an indicator of household composition that takes into account the region of birth (UK, EU and non-EU) of all household members aged 21 and older. This indicator differentiates between households whose adult members are either all UK born; UK and foreign born; all non-EU born; or households where all members are all EU born. Small numbers of households with both EU and non-EU born people are included in the ‘EU born’ category. Some charts also distinguish between London and the rest of the UK.

Understanding the policy

Social housing is managed by social landlords, which are generally councils or housing associations. The UK imposes limitations on access to public benefits, including social housing, for some types of migrants. Most EU citizens are eligible to apply, but non–EU citizens can apply only if they have indefinite leave to remain, refugee status or humanitarian protection, or discretionary leave. Commonwealth citizens with right of abode in the UK are also eligible for social housing. Non–EU citizens who are foreign students, work-permit holders, or have a limited leave to remain have ‘no recourse to public funds’ and are not eligible for social housing.

The criteria to allocate people to social housing vary slightly from council to council, but the factors taken into consideration when placing people in the waiting list include: being homeless, living in an overcrowded accommodation, living a house that caused the onset of an illness, having an income below a certain level, having connections or working in the area, or caring for someone resident in the area.

Foreign-born migrants have lower home ownership rates than the UK born, and are more likely to be in the private rental sector

In 2018, migrants were almost three times more likely to be in private rented accommodation than the UK born (Figure 1). Both EU and non-EU migrants had significantly lower home ownership rates (37% and 48%, respectively) compared to the UK born (70%). EU migrants were most likely to be in private rental accommodation (48%).
The London housing market is quite different from many other areas of the UK. All groups (UK, EU, and non-EU) are less likely to own their homes if they live in London, and more likely to be in the private rental sector.

Recent migrants are almost three times as likely to be renters compared to other migrants

Given the different characteristics of recent migrants to the UK compared with previous incoming migrant groups, it is likely that recent cohorts of migrants differ in terms of their housing experiences from previous ones.

Migrants who moved to the UK recently (i.e. fewer than 5 years ago) are much more likely to be renters (76%) compared to the average among all foreign born (39%). By contrast, those who have been in the UK longer tend to have housing accommodation that is closer to that of the UK-born. In fact, the housing accommodation of those who have been in the UK for 20 years or more is very similar to that of the UK-born, with 71% in owner occupied housing, 11% in private rent and 18% in social housing.

These differences in accommodation for different cohorts of migrants may reflect a degree of convergence over time of migrant accommodation with the UK-born accommodation, but it may also reflect changes in the composition of migration over the decades. Research on the housing pathways of new immigrants in the
UK suggests that most new migrants moved into temporary accommodation upon arrival. Migrants who are only staying for a short period in the UK may tolerate living in overcrowded conditions or even in low quality housing. However, after that it is common for migrants to look for better housing choices including particular neighbourhoods and avoiding sharing accommodation with other families (Robinson et al. 2007).

**Figure 3**

**Housing Accommodation: recent arrivals vs. longer-term residents, 2018**

<table>
<thead>
<tr>
<th>All population</th>
<th>Owner occupied</th>
<th>Rented privately</th>
<th>Social housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer than 5 years</td>
<td>14%</td>
<td>76%</td>
<td>10%</td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>29%</td>
<td>54%</td>
<td>17%</td>
</tr>
<tr>
<td>11 to 15 years</td>
<td>45%</td>
<td>36%</td>
<td>20%</td>
</tr>
<tr>
<td>16 to 20 years</td>
<td>48%</td>
<td>25%</td>
<td>27%</td>
</tr>
<tr>
<td>More than 20 years</td>
<td>71%</td>
<td>11%</td>
<td>18%</td>
</tr>
</tbody>
</table>


**UK-born and foreign-born people have similar levels of participation in social housing on average**

About 16% of the population of the UK lives in social housing. Not all migrants are eligible for social housing. In order to be eligible, migrants must have, in general, settlement status or be a national of the EEA (see the Housing Rights Information website for details about the different housing rights of migrants).

About 16% of UK-born and 18% of the foreign born lived in social housing in 2018 (Figure 4). The share was lower for EU migrants (15%) than for non-EU migrants (19%). Overall, this meant that about 16% of people living in social housing in 2018 were born abroad (not shown in figure).
While the differences in the use of social housing between the migrant and UK born populations are relatively small, there have been claims in the popular press that migrants often receive priority status in the allocation of social housing. Several studies have failed to find evidence supporting this claim (e.g. Battiston et al. 2014, Robinson 2010). However, some migrant groups are more likely to have the characteristics required to gain priority for social housing. Social housing allocation policies vary by location, making it difficult to generalize these findings.

### Both migrants and the UK born spend a higher share of their net incomes on rent if they live in London

A key indicator of housing affordability is the rent-to-income ratio, which is calculated as the share of the household’s net (or post-tax) income spent on rent. Net income includes the housing benefit that some renters receive.

In the years 2016 to 2018, the median rent-to-income ratio in the UK was 23% for households living social housing and 28% for those who rented privately, according to UKHLS survey data. In general, the shares of net income that migrants and the UK born were spending on rent were not dramatically different, and in both cases were higher in London than in the rest of the UK (Figure 4). The highest share of income spent on rent was found among non-EU born (38%) households renting privately in London (see Figure 4).

Households that include both UK and foreign-born adults had the lowest rent-to-income ratios in most cases. This may be explained by the fact that these households are on average larger.
Migrants are more likely to live in overcrowded housing, especially in London

Households where at least one of the adult members was foreign born were more likely to be in overcrowded conditions, according to 2016–2018 data (Figure 5). During this period, around 13% of households with EU-born adults were considered overcrowded, and about 16% of households comprising non-EU born adults. Overcrowding was more prevalent in the rented sector compared to owner-occupied housing (1% vs 6%) (not shown in the figure). These rates are broadly similar to official estimates of overcrowding from the English Housing Survey, which suggested that 3% of all households were overcrowded in 2017-18 (MHCLG, 2018).

There is some evidence that migration has increased house prices

Migration contributes to demand for housing through its contribution to population growth. Given that the supply of housing in the UK has increased more slowly than demand (Barker, 2004), migration may be expected to increase
housing costs. The determinants of the costs of housing are complex, however, and establishing the contribution of migration is therefore a difficult exercise. Costs of housing take different forms – notably house prices, the private rental market and (low-cost) social housing – affecting different groups in different ways, depending on the type of housing they are most likely to occupy. In addition to demographic factors affecting the number of households (such as population growth and average family size), demand also depends on factors such as income growth and the availability of mortgage credit (Belfield et al., 2015).

The impact of migration on housing costs is very difficult to estimate, but there is some evidence that migration is likely to have increased house prices. For example, the Migration Advisory Committee (2018) found that a 1 percentage point increase in the UK’s population due to migration increased house prices by 1%, but cautioned that the results depend substantially on the statistical approach taken. Their finding was broadly consistent with other modelling by MHCLG (2018) and the OBR (2014). The Migration Advisory Committee study found that the impact of migration on house prices was larger in local authorities with more restrictive planning practices, i.e. those that have higher refusal rates for major developments.

Evidence gaps and limitations

Recent migrants are particularly likely to be in private rented housing. As a result, migration may be expected to affect prices in the private rental market to a greater extent. In practice, the research to date provides limited insight into the magnitude of any effect, in part because of data limitations.

Given the lack of information on the prices of the houses that are currently out of the market there remains great uncertainty about the impact of immigration on house prices. In addition, while immigration may affect the price of housing in a certain area, it is likely that the price of housing itself affects immigration decisions. Therefore, it is challenging to establish a causal relationship between the price of housing and the level of immigration. Finally, whilst wealthy foreign citizens own a considerable share of London's high-end property market, there is not much information about the impact of immigration at the top end of the housing market.

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References

- MHCLG. "English Housing Survey. Headline Report, 2017-18"
The Migration Observatory

Based at the Centre on Migration, Policy and Society (COMPAS) at the University of Oxford, the Migration Observatory provides independent, authoritative, evidence-based analysis of data on migration and migrants in the UK, to inform media, public and policy debates, and to generate high quality research on international migration and public policy issues. The Observatory’s analysis involves experts from a wide range of disciplines and departments at the University of Oxford.

COMPAS

The Migration Observatory is based at the Centre on Migration, Policy and Society (COMPAS) at the University of Oxford. The mission of COMPAS is to conduct high quality research in order to develop theory and knowledge, inform policy-making and public debate, and engage users of research within the field of migration.

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