



BRIEFING

Migrants and Housing in the UK

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

Key Points

People born abroad had lower home ownership rates than the UK born (47% vs 70%), and were more likely to be in the private rental sector.

Recent migrants were almost three times as likely to be renters compared to other migrants. Migrants who had been in the UK for at least 20 years did not differ much from the UK-born population.

UK-born and foreign-born people had similar levels of participation in social housing, on average (16% and 17%, respectively).

Migrants and UK-born households living in privately rented homes in London spent more than a third of their net income on rent.

An estimated 11% of households headed by non-EU born adults lived in overcrowded accommodation, especially in London (18%)

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

Understanding the evidence

The determinants of migrants' experiences 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, though the magnitude and direction of the effect depends on multiple factors, including policies that influence the construction of new homes, immigration and emigration, and the behaviours of the local population. 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. In England, the social housing sector has declined in size substantially over the years: there were 5.5 million social homes in 1979, but only 4.1 million in 2021 (Wilson and Barton, 2022). The independent Affordable Housing Commission concluded in March 2020 that the lack of growth of social rented housing is the main factor behind people's affordability problems in the UK (Affordable Housing Commission, 2020).

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) 2019–2021 and wave 11 (2019–2020) of the UK Longitudinal Household Panel (UKLHS), also known as Understanding Society. Regarding the APS, we opted for using the combine datasets from 2019 to 2021 data instead of the most recent from 2021. We consider data from before the pandemic to be more reliable than those from 2020 and 2021, especially for analyses by region of birth or nationality. This is due to the impact that the change in the mode of data collection during the pandemic had on the survey response rate.

The APS is the largest official household survey in the UK, but has some 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. APS's response rate has declined over time, particularly during the pandemic; this means that the type of people who are more likely not to respond to the survey may be under-represented in the survey. 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. While the APS aims to be representative of the UK population at the time of data collection, the UKHLS is representative of the UK population in 2015, when a refreshment sample of 2,500 were added to the survey to compensate for attrition of migrant and ethnic minority respondents.

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.

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 either all EU born or include both EU and non-EU born adults.

Margins of error in the estimates

Because the APS and UKHLS are sample surveys, the estimates come with margins of error. This means that small differences between numbers or percentages may not be statistically significant. However, all the differences between groups that are described in the text of the briefing are statistically significant. A difference between two groups is considered statistically significant when the probability that this difference is caused by chance is very small. In that case, we assume that the differences we observe in the data are likely to exist in the population. Note that small differences between estimates for different groups may not be statistically significant, if they are not described in the narrative of the briefing.

Understanding the policy

The UK imposes limitations on access to public benefits and housing benefit for some types of migrants. Migrants with 'no recourse to public funds' (NRPF) condition attached to their immigration status, or who are undocumented, will *not* be eligible for housing benefit or allocation of social housing. This includes people with work, family, or student visas. People with indefinite leave to remain, refugee status or humanitarian protection, or discretionary leave are eligible to apply for housing benefit. Commonwealth citizens with right of abode in the UK are also eligible. Migrants with pre-settled status, most of whom are European, are not eligible to apply for housing benefit if they do not have a right to reside apart from pre-settled status or their only right to reside is as a jobseeker or Zambrano carer.

Social housing is managed by social landlords, which are generally councils or housing associations (private registered providers). Social housing includes *social rented housing* (typically at 50% of market price), *affordable rented housing* (at around 80% of market price), and *rent-to-buy* housing. Overall, the social housing sector is smaller now than in previous decades: 4.1 million homes were rented from social housing providers in 2021, which represents a fall of 24% from the peak of 5.5 million social homes in 1979 (Wilson and Barton, 2022: 36).

Social rented housing represented 12% of the new social housing supply in 2020-21, down from 87% in 1991-92, (DLUHC Live tables on affordable housing supply, Live table 1000). This was due to an increase in right to buy sales, conversions of properties from social rent to affordable rent, and low levels of new supply of homes for social rent (Wilson and Barton, 2022: 39).

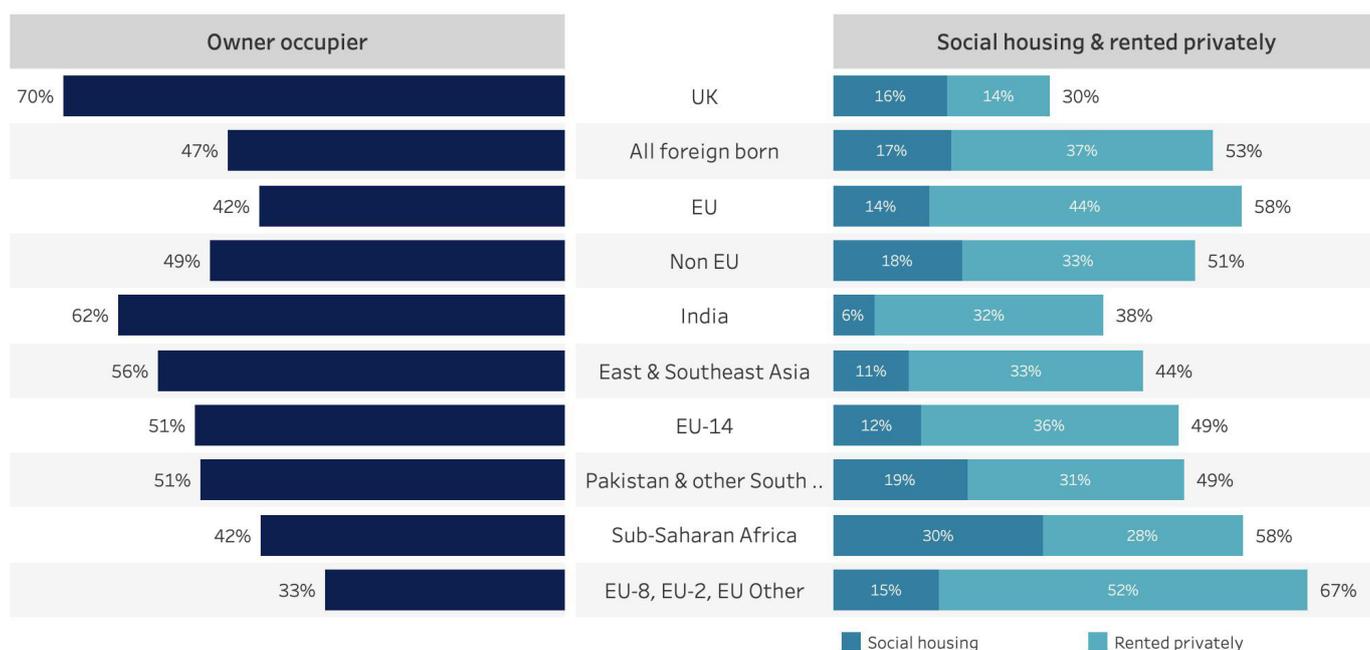
The criteria to allocate people to social housing vary slightly from council to council. The Localism Act 2011 gave councils more powers to exclude applicants from waiting lists, based on criteria such as unacceptable behaviour or lack of a local connection with the area (Wilson and Barton, 2022: 25). For more information about the rules for allocating social housing in England, see [Wilson \(2022\)](#). Some of the factors taken into consideration when placing people in the waiting list include: being homeless, living in overcrowded accommodation, living a house that caused the onset of an illness, having a disability, escaping domestic abuse, having very low income, having local connections or working in the area, or caring for someone resident in the area.

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

Between 2019 and 2021, 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 (42% and 49%, respectively) compared to the UK born (70%). Residents born in post-2004 accession countries had the lowest home ownership rate at 33% and the highest percentage of private rental accommodation (52%).

Figure 1

Housing accommodation of the UK-born and foreign-born population in the UK, 2019-2021



Source: Migration Observatory analysis of the Annual Population Survey 2019-2021

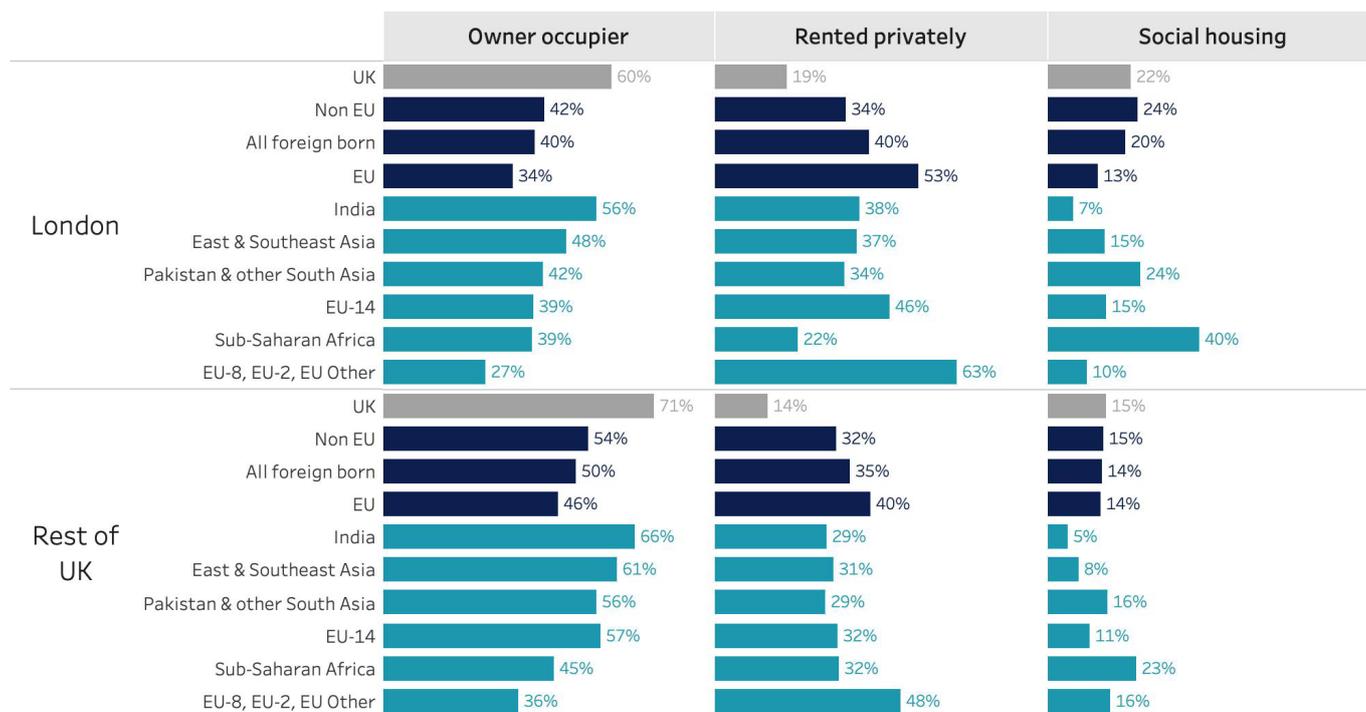
Note: respondents in social housing are those who said their landlords are LA/council/Scottish homes, housing associations, charitable trusts, or local housing companies.



The London housing market is quite different from many other areas of the UK. All Londoners are less likely to own their homes regardless of their country of birth, and more likely to be in the private rental sector. This is especially the case for London residents born in EU-8, EU-2 and EU Other countries: only 27% own their home while 63% live in privately rented accommodation (Figure 2)

Figure 2

Housing tenure in London and the rest of the UK, 2019-2021



Source: Migration Observatory analysis of the Annual Population Survey 2019-2021.

Note: respondents in social housing are those who said their landlords are LA/council/Scottish homes, housing associations, charitable trusts, or local housing companies.



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

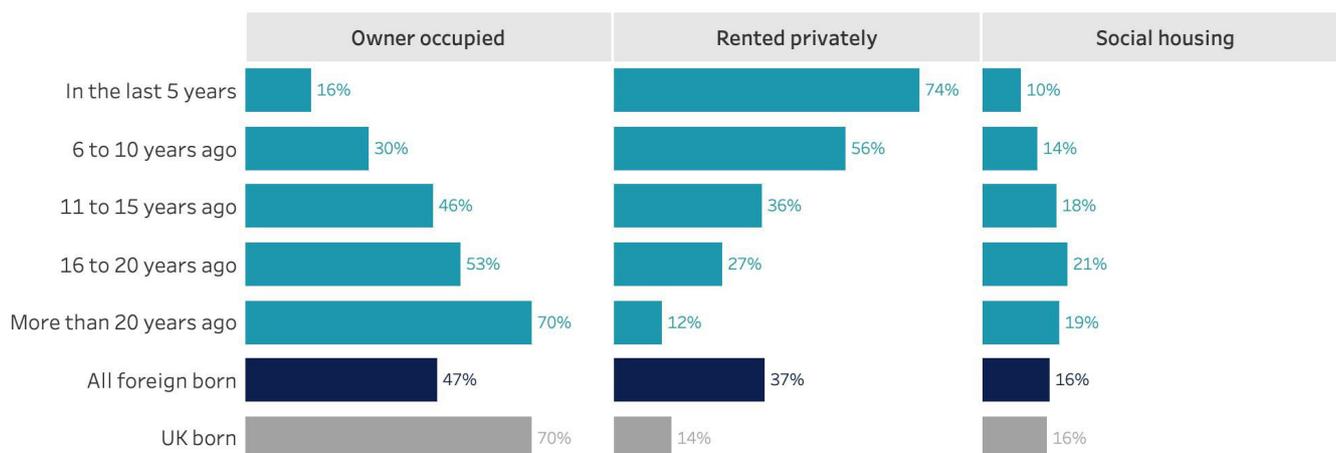
Migrants who moved to the UK recently (that is, fewer than 5 years ago) are much more likely to live in privately rented housing (74%) compared to the average among all foreign born (37%, see Figure 1). By contrast, those who have been in the UK longer tend to have housing accommodation that is closer to that of the UK-born (Figure 3). In fact, the housing accommodation of those who have been in the UK for 20 years or longer is very similar to that of the UK-born population, with 70% in owner occupied housing, 12% in private rent and 19% 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, those who settled permanent may look for better housing choices including particular neighbourhoods and avoiding sharing accommodation with other families (Robinson et al. 2007).

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.

Figure 3

Housing accommodation: recent arrivals vs. longer-term residents, 2019-2021



Source: Migration Observatory analysis of the Annual Population Survey 2019-2021.

Note: respondents in social housing are those who said their landlords are LA/council/Scottish homes, housing associations, charitable trusts, or local housing companies.



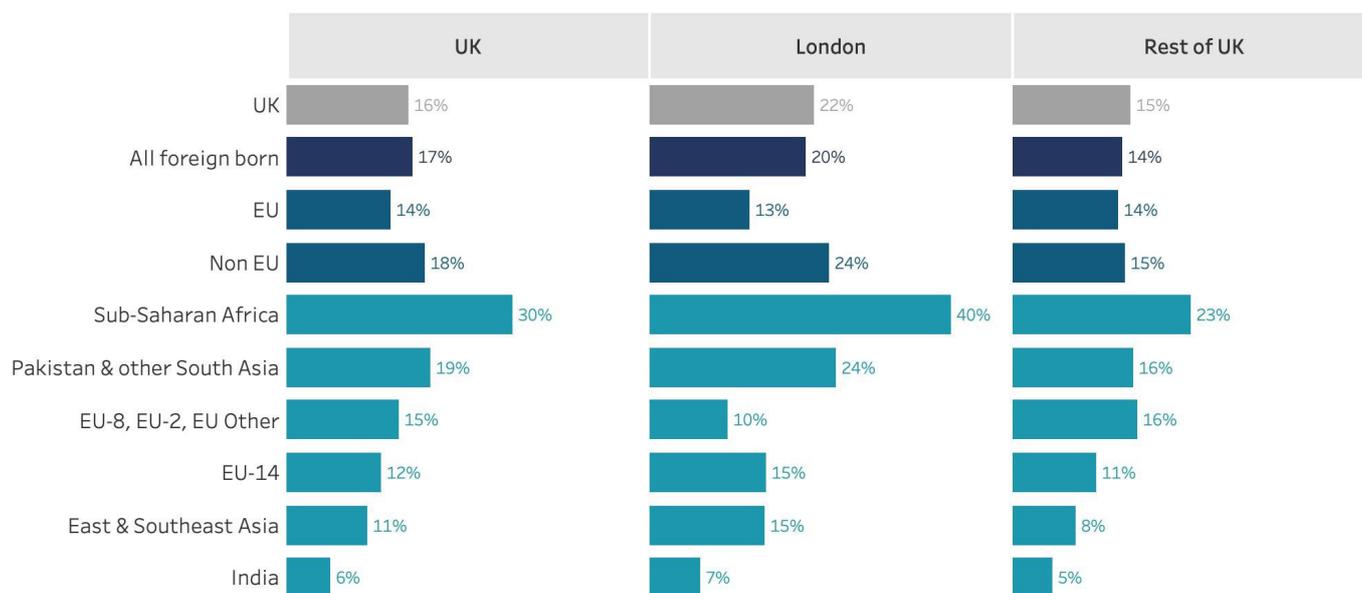
UK-born and foreign-born residents have similar levels of participation in social housing (16% and 17%, respectively)

About 16% of the UK population lives in social housing, which includes social rented housing (typically at 50% of market price), affordable rented housing (at around 80% of market price), and rent to buy/own housing schemes (which allows to rent a home at a reduced price while saving for a deposit to buy it) (Wilson and Barton, 2022). Not all migrant residents are eligible for social housing; see ‘Understanding the policy’ section of this briefing and 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 between 2019 and 2021 (Figure 4). The share was lower for migrants born in India (6%) East and Southeast Asia (11%) and EU-14 countries (12%), and higher for migrants born in Sub-Saharan Africa (30%). Overall, this meant that about 15% of people living in social housing in 2019-2021 were born abroad (not shown in figure).

Figure 4

Share of people living in social housing, 2019-2021



Source: Migration Observatory analysis of the Annual Population Survey 2019-2021



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, such as very low income. In 2020–21, an estimated 92% of lead tenants in social rented housing in England were UK citizens (Social housing lettings in England, 2020/21, table 3d). Social housing allocation policies vary by local authority, making it difficult to generalize these findings. For more information, see the [House of Commons Research Briefing](#) about rules allocating social housing (Wilson, 2022).

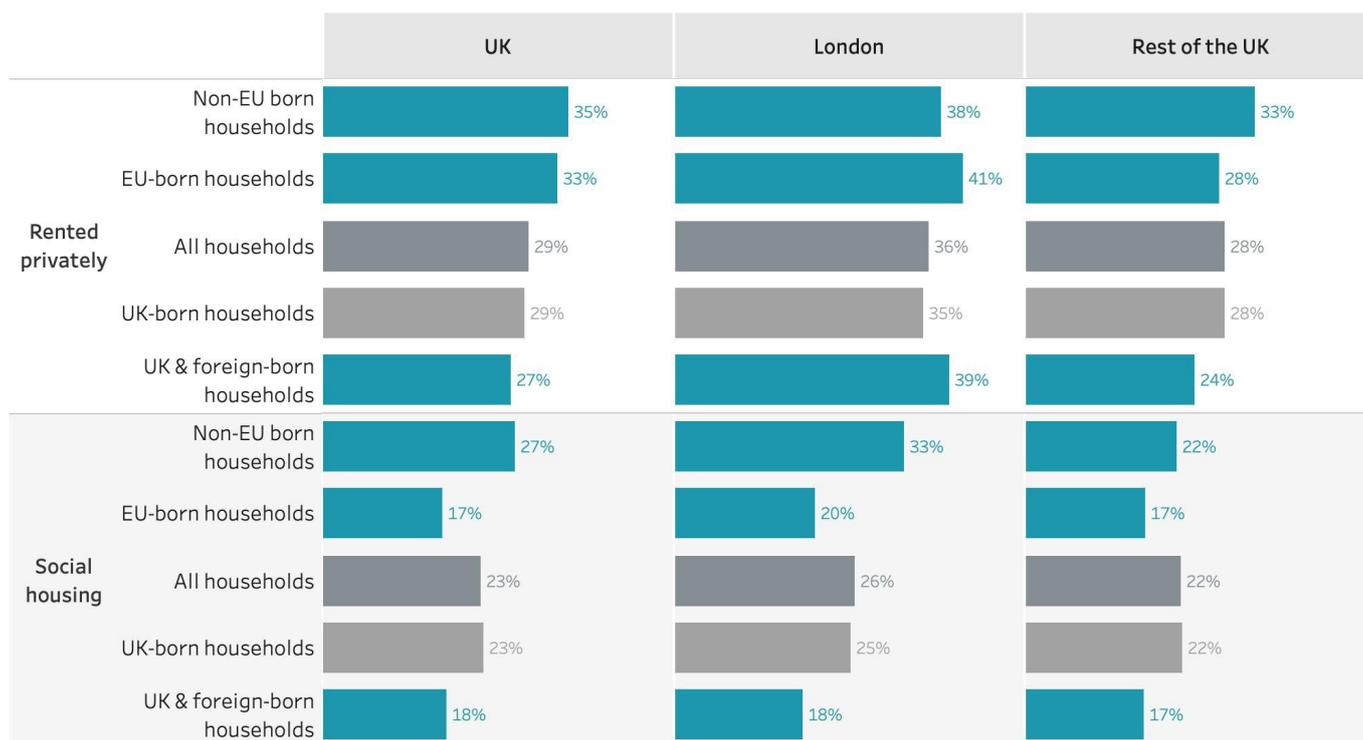
Both migrants and the UK born spend a higher share of their net incomes on rent if they live in London

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 2019 to 2020, the median rent-to-income ratio in the UK was 23% for households living in social housing and 29% 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 EU-born households renting privately in London (41%) (see Figure 5). Households that include UK-born and foreign-born adults had the lowest rent-to-income ratios in most cases.

Figure 5

Median share of net income spent on rent, 2019-2020



Source: Migration Observatory analysis of the UK Household Longitudinal Study, 2019-2020 (wave 11)
 Notes: this chart is based on net household monthly income, which is the sum of net monthly incomes from all household members minus council tax liability and any council tax reduction. **The household composition takes into account the region of birth of all household members aged 21 and above.** Over a quarter of households in the EU born category are households that also include some non-EU born members.

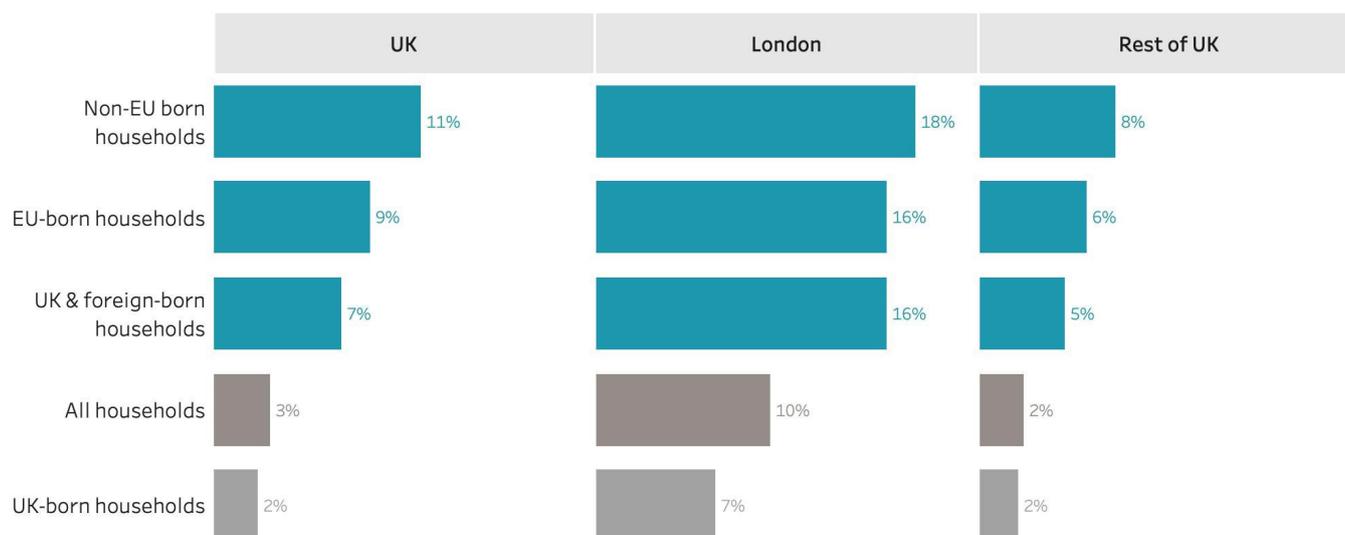


Migrants are more likely to live in overcrowded housing, especially in London

Households where at least one of the adult members was foreign born were more likely to be in overcrowded conditions, according to 2019-2020 data from the UKHLS (Figure 5). During this period, around 11% of households with non-EU born adults were considered overcrowded, and about 9% of households comprising EU born adults. The overcrowding rate was substantially higher in London than in the rest of the UK (10% vs 2% of all households). Overcrowding was also more prevalent among households living in social housing (12%) or privately rented accommodation (9%) compared to owner-occupied housing (2%) (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 the year to March 2019.

Figure 6

Overcrowding rate, by household composition, 2019-2020



Source: Migration Observatory analysis of the UK Household Longitudinal Study, 2019-2020 (wave 11)

Note: Households are said to be overcrowded if they have fewer bedrooms available than the notional number needed according to the bedroom standard definition. The bedroom standard allows a separate bedroom 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. The household composition takes into account the country of birth of household members aged 21 and above. Over a quarter of households in the EU born category had some non-EU born members.



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 difficult to estimate, but there is some evidence that migration is likely to have increased house prices in the UK. 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 the former MHCLG (2018) and the Office for Budget Responsibility (Auterson, 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.

However, findings across studies have not been uniform. Using 2010 data on immigration and house prices for 170 local authorities in England and Wales, for example, Sá (2015) found that an increase in migrant population equal to 1% of the local population reduced house prices by 1.7%. This reduction occurred because high-income locals left areas where migrant population increased. In other countries, there is evidence that migration increased housing prices: see, for example, the studies by Gonzalez and Ortega (2013) for Spain, Kabari and Aydede (2011) for Canada, or Saiz (2007) for the US.

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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