

## **Housing in Ireland: *changing trends in headship rates and tenure by age group.***

**By**

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### **Key Point:**

In recent decades, there has been a decrease in home ownership and a substantial increase in renting from a private landlord by those in the younger population age groups. A growing proportion of the younger population are also living at home with their parents. The evidence presented on changing trends in household tenure raises concerns about the ability of the younger population to set up independent living in comparison with previous generations, their capacity to become owner occupiers in the future, and their likely reliance on the private rental market in later life.

### **Review:**

Table 1 shows the headship rates<sup>1</sup> of the population across all age groups between the years 1991 and 2011, combining those owning or renting their homes. There was a steady increase in headship rates of all age groups between 1991 and 2011. However, headship rates declined after 2011 for all age groups less than 45 years and the decline was particularly marked among those aged less than 30.

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<sup>1</sup> 'Head of household' is used by the Central Statistics Office to designate the first person in the household identified as a parent, spouse, cohabiting partner or head of a non-family household containing related persons. Where no person in the household satisfies these criteria, the first usually resident person is used as the reference person.

**Table One: Total Percentage of the Population who are Head of Households**

Age Group	1991	2002	2006	2011	2016
20-24	14	18.9	19.3	18.5	9.7
25-29	29.8	31.2	33.8	35.3	29.6
30-34	42.8	42.9	45	46.8	43.3
35-39	47.6	47.8	49.2	50.9	49.5
40-44	49.6	50.8	51.3	53.0	52.7
45-64	54.8	54.2	55.3	56.1	56.2
65+	61.1	61.9	62.6	62.9	62.0
<b>Total</b>	<b>45.7</b>	<b>46.4</b>	<b>47.6</b>	<b>49.5</b>	<b>49.1</b>

Sources: 1991-2006: Norris, N. and Winston, N. (2013) 'Young people's trajectories through Irish housing booms and busts; headship, housing, and labour market access among the under 30s since the late 1960's'<sup>2</sup>  
 2011-2016: CSO (2016) *Profile 1 Housing in Ireland – Tenure and Rent*. Dublin: Stationary Office.

Table 2 shows rates of home ownership – with or without a mortgage – by age group for the years 1991, 2011 and 2016. Overall, home ownership has declined from 72% of all housing units in 1991 to 67.5% in 2016. This decline in home ownership has been particularly marked among the younger population age groups: home ownership declined from over 68% of 25-34 year olds in 1991 to 42% in 2011 and to just 30% in 2016, and among 35-44 year olds it fell from over 82% in 1991 to less than 61% in 2016. This trend has coincided with a substantial increase in the population who are in rented accommodation. These changing patterns can be linked to the variations in macro-economic conditions of economic growth, recession and recovery, to trends in house prices and in the availability of credit, particularly during the Great Recession and thereafter<sup>3</sup>.

**Table 2: Home Ownership Rates among Household Heads by Age Group**

Age Group	Owner Occupied 'without' Loan/Mortgage			Owner Occupied 'with' Loan/Mortgage			Total Owned		
	1991	2011	2016	1991	2011	2016	1991	2011	2016
<b>0-24</b>	6.2	3.0	5.0	15.8	5.8	3.8	22.0	8.8	8.8
<b>25-34</b>	9.1	2.9	5.0	59.3	39.4	25.0	68.4	42.3	30.0
<b>35-44</b>	19.0	9.0	7.8	63.2	59.9	53.0	82.2	68.9	60.8
<b>45-54</b>	35.9	29.5	25.6	45.9	49.2	49.3	81.8	78.7	74.9
<b>55-64</b>	56.8	58.5	54.6	27.9	24.9	26.6	84.7	83.4	81.2
<b>Over 65</b>	69.1	81.4	80.8	13.1	5.3	5.7	82.2	86.7	86.5
<b>Total</b>	<b>34.5</b>	<b>35.3</b>	<b>31.5</b>	<b>37.5</b>	<b>34.3</b>	<b>36.0</b>	<b>72.0</b>	<b>69.6</b>	<b>67.5</b>

Sources: 1991: NESc (2014) *Homeownership and Rental: what Road is Ireland On?* [Online] Available at: [http://files.nesc.ie/nesc\\_reports/en/140\\_Homeownership\\_and\\_Rental.pdf](http://files.nesc.ie/nesc_reports/en/140_Homeownership_and_Rental.pdf);  
 2011 and 2016: CSO (2016) *Profile 1 Housing in Ireland – Tenure and Rent*. Dublin: Stationary Office.

<sup>2</sup> Book chapter in Forest, R. and Ming Yip, N. (2013) *Young People and Housing: Transitions, Trajectories and Generational Fractures* Oxon: Routledge, pp. 199-216;

<sup>3</sup> NESc (2014)

The decline in home ownership among the younger age groups has taken place both in respect of those who own their home outright as well as those with a loan or mortgage. In 1991 almost 1 in 5 householders in the 35-44 year age group owned their own home outright, but this had fallen to less than 8% of that age group in 2016, and the proportion of the 35-44 year age group those who owned with a mortgage also declined, from 63% to 53% over the period. The only age group to differ significantly from this declining pattern is those aged 65 year or more, the proportion of whom owning their homes outright increased from 69% in 1991 to about 81% in 2011 and 2016.

By comparison with previous generations, the evidence suggests a significant shift has occurred in home ownership among those in the younger population. In particular, it shows that a smaller proportion of the younger age groups now achieve home ownership than was previously the case in 1991. This decline in owner occupation raises important policy concerns and questions about the capacity of the younger population to achieve home ownership, with or without a loan/mortgage, in the future.

Table 3 shows the percentage of each age group renting from either a private landlord or a local authority in 1991, 2011 and 2016. Overall, the proportion of housing units that were rented has increased from 16% in 1991 to almost 27% in 2016. There has been a slight fall in the proportion renting from local authorities over time, and a substantial increase in renting from a private landlord, from less than 7% in 1991 to over 18% in 2016. During this period, renting from a private landlord has become increasingly common among the younger population age groups. In 2016, over 50% of 25-34 year olds were in private rented accommodation, up from 15% on 1991 and 44% on 2011. The proportion of the 35-44 year age group renting form a private landlord increased from 5% in 1991 to 24% in 2016. The increase in rental accommodation combined with the decline in home ownership highlight an increasing gap between the proportion of those who own and who rent among the younger age groups. This raises critical policy issues pertaining to the capacity of the younger population to become owner occupiers in the future.

There has also been an increase in the proportion of 45-54 year olds living in private rental accommodation, rising from 3% in 1991 to 10% in 2011 and 11.6% in 2016. While this is a gradual increase by comparison with the younger age groups, it nonetheless suggests concerns about the ability of individuals in this age group to maintain continue renting from private landlords into old age given uncertainly of rent prices and security of tenure in the private sector.

**Table 3: Proportion Renting from a Private Landlord or Local Authority among Household Heads by Age Group**

Age Group	Rented from Private Landlord			Rented from Local Authority			Total Rented		
	1991	2011	2016	1991	2011	2016	1991	2011	2016
<b>0-24</b>	56.8	74.7	67.5	12.8	9.4	10.4	69.6	84.1	77.9
<b>25-34</b>	15.3	44.4	50.8	12.4	8.7	10.1	27.7	53.1	60.9
<b>35-44</b>	5.2	19.4	24.2	10.2	8.4	9.3	15.4	27.8	33.5
<b>45-54</b>	3.3	10.3	11.6	8.4	8.1	8.9	11.7	18.4	20.5
<b>55-64</b>	3.0	5.3	5.9	8.4	8.0	8.4	11.4	13.3	14.3
<b>Over 65</b>	4.1	2.5	2.3	8.3	5.7	5.8	12.4	8.2	8.1
<b>Total</b>	<b>6.8</b>	<b>18.5</b>	<b>18.2</b>	<b>9.4</b>	<b>7.8</b>	<b>8.4</b>	<b>16.2</b>	<b>26.3</b>	<b>26.6</b>

Sources: 1991: NES (2014) *Homeownership and Rental: what Road is Ireland On?*

2011 and 2016: CSO (2016) *Profile 1 Housing in Ireland – Tenure and Rent*. Dublin: Stationary Office.

In addition to the changing housing tenure of the younger population, this period has also seen an increasing number of the younger population continuing to live at home with their parents. In 2016, 458,874 adults were living at home, increasing by 19,396 on 2011. The largest proportion of the adult population living at home was in the 18-34 years age group, representing 53.3% of the total share of this age group<sup>4</sup>. This raises policy issues relating to the ability of young adults to set up independent households, either as owner occupiers or in the rental housing sector. Notwithstanding these policy concerns, it is important to note that the trends on young people living at home with their parents are countercyclical. Data derived from the EU-Survey of Income and Living Conditions (EU-SILC) show that in 2006 (during a time of economic growth) 53% of young adults aged 18-34 years in Ireland lived at home with the parents. This percentage decreased to 44% in 2011 during the Great Recession, before increasing again to 53% during the recovery<sup>5</sup>.

### Summary of overarching trends in Irish housing sector

Figure 1 below summarises the overall trends in housing tenure across the entire population. It is evident that the level of owner occupation increased steadily between 1991 to 2011 and fell slightly between 2011 and 2016. Particularly noteworthy is the rise in the number of people renting from private landlord: from about 81,000 in 1991 to almost 196,000 in 2006 and to over 326,000 in 2016.

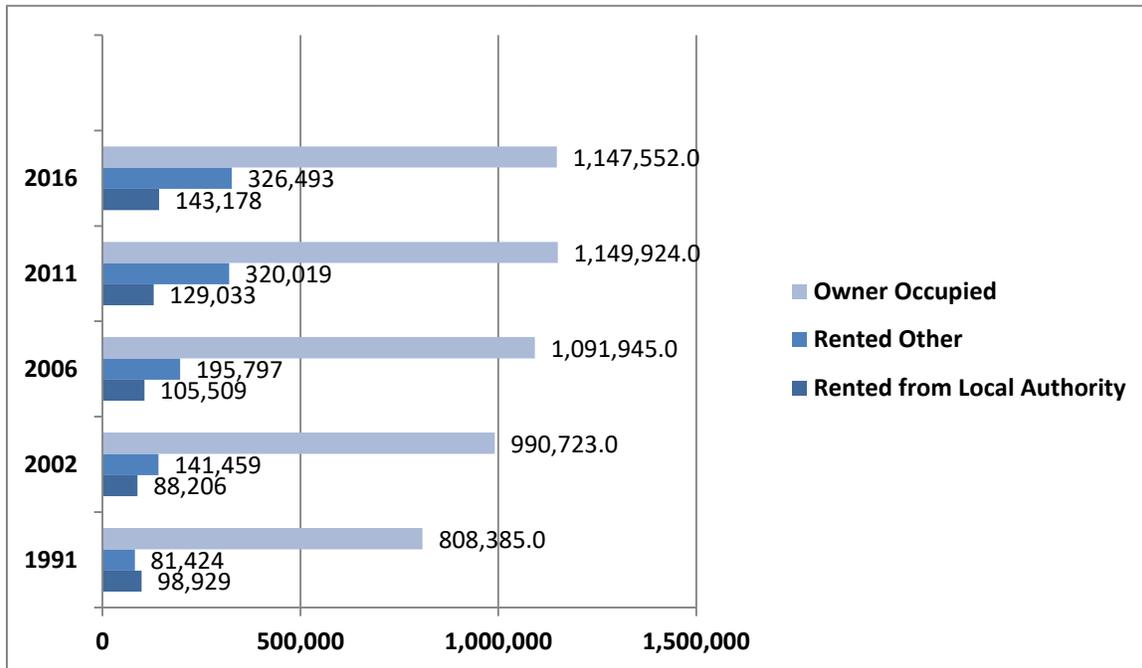
Contrary to the popular narratives, the number of rental units in the local authority this sector actually increased by over 35% over the past decade. The number of local authority units

<sup>4</sup> Eurostat EU-SILC Survey (2019) *Share of Share of young adults aged 18-34 living with their parents by self-defined current economic status*. [Online] Available at: [https://ec.europa.eu/eurostat/en/web/products-datasets/-/ILC\\_LVPS09](https://ec.europa.eu/eurostat/en/web/products-datasets/-/ILC_LVPS09)

<sup>5</sup> Eurostat EU-SILC Survey (2019)

increased by about 23,500 between 2006 and 2011, in the context of Recession and austerity, and by another 14,000 between 2011 and 2016<sup>6</sup>.

**Figure 1: Housing Tenure Status 1991-2016**



Source: Central Statistics Office (2016) *Profile 1 Housing in Ireland*. Dublin: Stationary Office.

### Conclusion:

Since 1991 there has been a substantial decrease in the younger age groups owning their own home, with 30% of 25-34 year olds owning their homes in 2016 by comparison to 68% in 1991. For those aged 65 or over, owner occupation has increased modestly from 82% in 1991 to more than 86% in 2016. This evidence shows that young people are less likely to own their homes than was the case twenty five years ago. Instead of becoming owner occupiers, an increasing proportion of the younger population are renting from private landlords or local authorities. The private rental sector generally has expanded dramatically, while there has been a slow but steady increase in renting from local authorities since 2011.

Overall, the evidence highlights a widening gap between owners and renters, particularly among the younger age groups. These trends point to the difficulties facing young people seeking to become owner occupiers. We have also seen an increase in the number of young adults who continue to live at home rather than set up independent households. The increase

<sup>6</sup> Note the data on local authority housing may include numbers of household heads not classified in this housing tenure, such as some of those in receipt of Housing Assisted Payments (HAP) who declared that they were in Local Authority Housing. However, this does not detract from the changing patterns in Local Authority Housing.

in renting amongst middle-aged individuals also raises concerns about their future housing security when they reach older age, given uncertainty of rent prices and security of tenure in the private rental sector.