



The Resolution Foundation Housing Outlook Q2 2024

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Welcome to this quarter's Housing Outlook, where we investigate changes in the number and distribution of bedrooms in England over time, evolving norms around the number of bedrooms households require, and the policy challenges in this space.

Our findings reveal that, over the past 30 years, the number of households in England reporting living in homes with four or more bedrooms has significantly increased. Indeed, today, the majority (71 per cent) of households live in under-occupied homes with 'spare' bedrooms. Despite this, overcrowding has not fallen; in fact, for certain groups such as single parents, renters, and some ethnic minority groups, it has worsened, widening pre-existing inequalities.

Reforming Council Tax so that larger homes are more highly taxed, and scrapping the single person discount too, would clearly make under-occupying less appealing. However, expecting millions of households to move home to 'right-size' is an implausible policy aim. Indeed, it is increasingly 'normal' for people to want extra rooms for uses like home offices, rooms for non-resident children, or separate sleeping spaces for partners. Updating the current bedroom standard to reflect these changes results in 6 per cent of households being classified as overcrowded, compared to 4 per cent currently.

Ultimately, to tackle overcrowding effectively, we need to build more large homes, especially in the social rented sector. Eliminating overcrowding in the social rented sector in England today would require building 140,000 additional four-bedroom homes.

In [Housing Outlook 2024 Q1](#), we showed that the UK lags behind other developed economies in terms of floorspace per person. This quarter, we shift our focus on how the floorspace we do have is distributed across the population focusing specifically on the number of bedrooms households have. Why bedrooms? First, the number of bedrooms in a property is a good proxy for the overall [space in a home](#). Second, bedrooms are [important for wellbeing](#), providing private space as well as increasingly serving as workspaces in the era of remote work. Third, the measurement of dwelling space in housing policy is often based on the number of bedrooms. For example, the 'bedroom tax' reduces the amount of housing benefits that social tenants with 'spare' bedrooms receive, and the 'bedroom standard' (which we explain in detail later) is used to determine overcrowding by assessing the number of bedrooms that a household needs given its composition.

¹ The author gratefully acknowledges research direction and advice provided by colleagues Mike Brewer and Lindsay Judge in the development of this Housing Outlook.

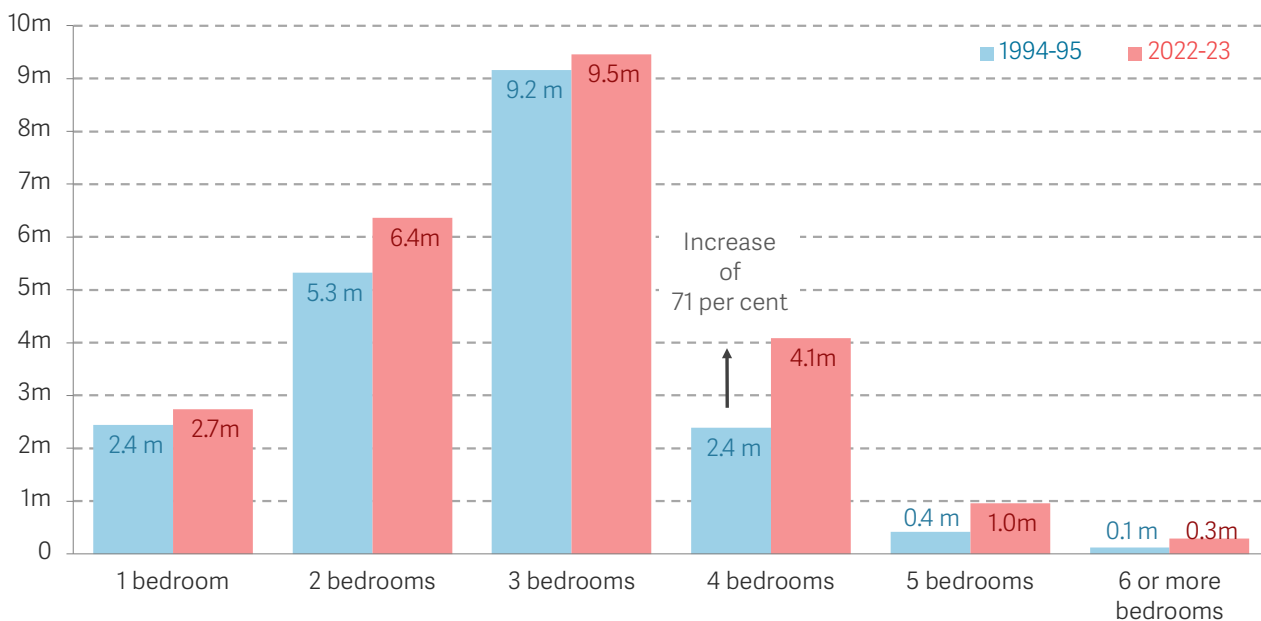


The past three decades have seen a striking rise in the number of households living in four-plus bedroom homes

The total number of bedrooms households report they occupy in England has risen from 53 million in 1994-95, to 66 million in 2022-23. But this increase has not been evenly spread across different sized homes. As Figure 1 shows, there has been a 71 per cent rise in the number of households living in four-bedroom properties in the last three decades, up from 2.4 million in 1994-95 to 4.1 million in 2022-23. Over the same period, the number of households in three-bedroom properties has risen by only 3 per cent, while those in one-bedroom or two-bedroom properties rose by 12 per cent and 20 per cent respectively. As a result, the share of all households reporting they have four-plus bedrooms has increased from 15 per cent in 1994-95, to 22 per cent in 2022-23.

FIGURE 1: Two-and-a-half million more households live in homes with four-plus bedrooms today than in 1994-95

Current number of dwellings by number of bedrooms: England, 1994-95 to 2022-23



SOURCE: RF analysis of DWP, Family Resources Survey.

It is reasonable to think that this growing share of households living in homes with four or more bedrooms reflects the types of additional dwellings that have been built in England over the last three decades. But Figure 2 suggests this is not entirely the case. Residential completions data shows that over the period spanning 1994-95 to 2022-23, an additional 4.3 million homes have been built in England, allowing just over 4 million more households to form.² (The Family Resources Survey from which we derive our household numbers does not count second homes, so at least some of the difference between the figures above is likely explained by their growing number). But interestingly, when we break these totals out by bedroom size of properties they do not line up well at all. Instead,

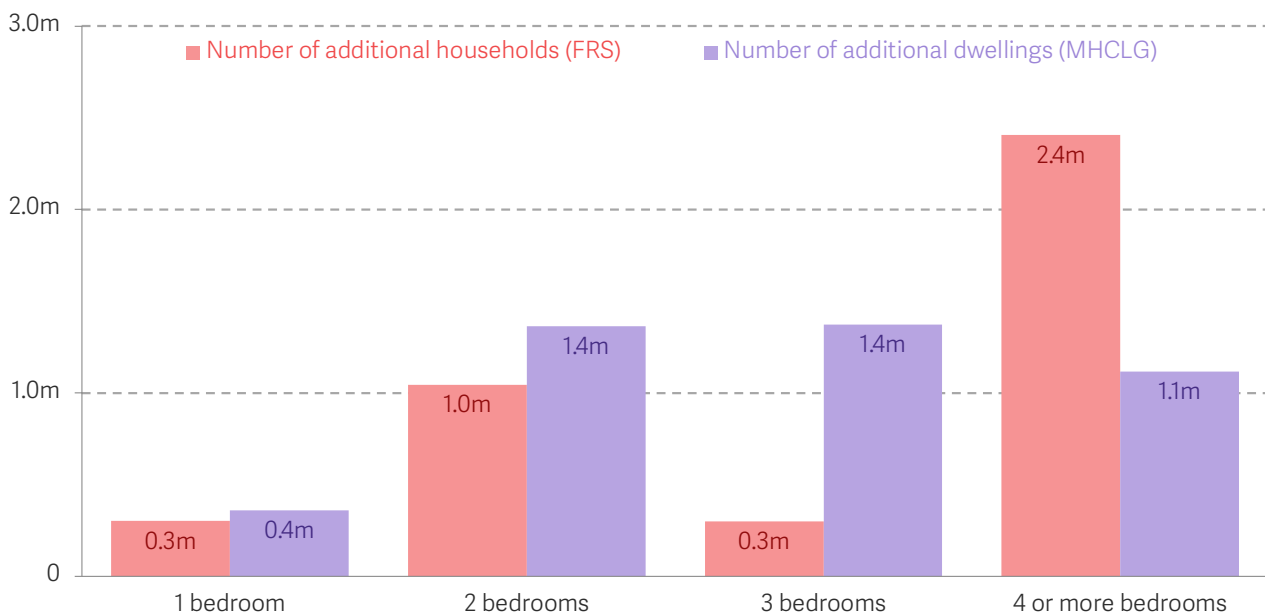
² Completions are not the whole story when it comes to net additional stock; there are also conversions, change of use and demolitions to consider. But they do form the largest share of net additions. See: [MHCLG, Net Additional Dwellings, Table 120](#)



as the chart makes clear, 2.4 million households have formed in homes reported to have four-plus bedrooms, far in excess of the 1.1 million the official data suggests have been built over the same period. The difference between the two figures can be explained either by home-owners adding bedrooms to their homes through extensions, partitioning, or conversion (e.g. of attics or garages), or by households nowadays using rooms as bedrooms that would previously have been used as something else (such as a living room).

FIGURE 2: Far more additional households report living in a four-plus bedroom home today than have been built in the last three decades

Additional number of households and dwellings, by bedroom size: England, 1994-95 to 2022-23



SOURCE: RF analysis of DWP, Family Resources Survey; MHCLG Housebuilding tables 213 and 254

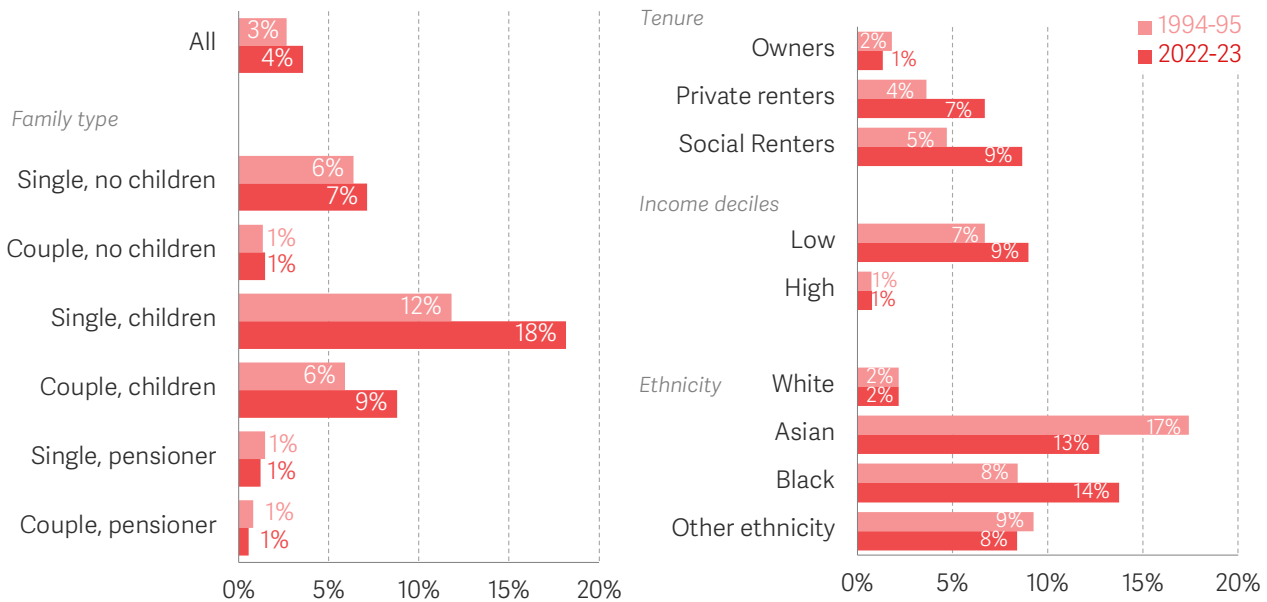
Inequalities have widened, as overcrowding has become more severe for some groups

We next turn to looking at how overcrowding has changed, as well as its opposite, which is usually referred to as 'under-occupation' (although the phrase has implications that we do not endorse). To answer these questions, we use the 'bedroom standard', a policy framework introduced in 1960 to assess whether a household has the appropriate number of bedrooms, based on the number of people in the household, their age, sex and relationship to one another.

We start with overcrowding (shown in Figure 3). At first glance, it might seem that overcrowding is not a big issue: the proportion of households in overcrowded homes is up very slightly since the mid-1990s (3 per cent in 1994-95 to 4 per cent in 2022-23). Yet this is still a situation that applies to 850,000 households. Moreover, this aggregate figure masks significant disparities among different types of households, and evidence of a widening inequality.

FIGURE 3: Overcrowding has worsened for low-income households, renters, those with children, and from some minority ethnic communities

Proportion of households living in overcrowded homes, by various characteristics: England, 1994-95 and 2022-23



NOTES: 'Low' and 'high' income deciles correspond to the 2nd and 9th deciles respectively. Due to dataset constraints, the chart uses a simplified version of ethnicity categories. The household's ethnicity is classified based on the ethnicity of the household reference person. Overcrowding is measured at the household level; where an overcrowded household consists of more than one benefit unit, all benefit units are assumed to be overcrowded.

SOURCE: RF analysis of DWP, Family Resources Survey.

Critically, many of the groups that had above-average levels of overcrowding in 1994-95 have seen rates of overcrowding become more severe over time, whereas the opposite is true for most groups who had below-average rates of overcrowding in 1994-95. In particular, renters, low-income, ethnic minority and single-parent households are among the groups most likely to be in overcrowded homes, and almost all are more likely to be living in overcrowded homes than they were three decades ago. The most notable change can be seen among Black and single parent households, where the overcrowding rate has climbed by 6 percentage points for both groups. One exception to the worsening rates is among Asian households, where the rate of overcrowding is down 5 percentage points, from 17 per cent in 1994-95 to 13 per cent in 2022-23, although this remains a very high rate of overcrowding. On the other hand, overcrowding rates are extremely low and have fallen since 1994-95 for pensioners, owner occupiers, and households without dependent children.

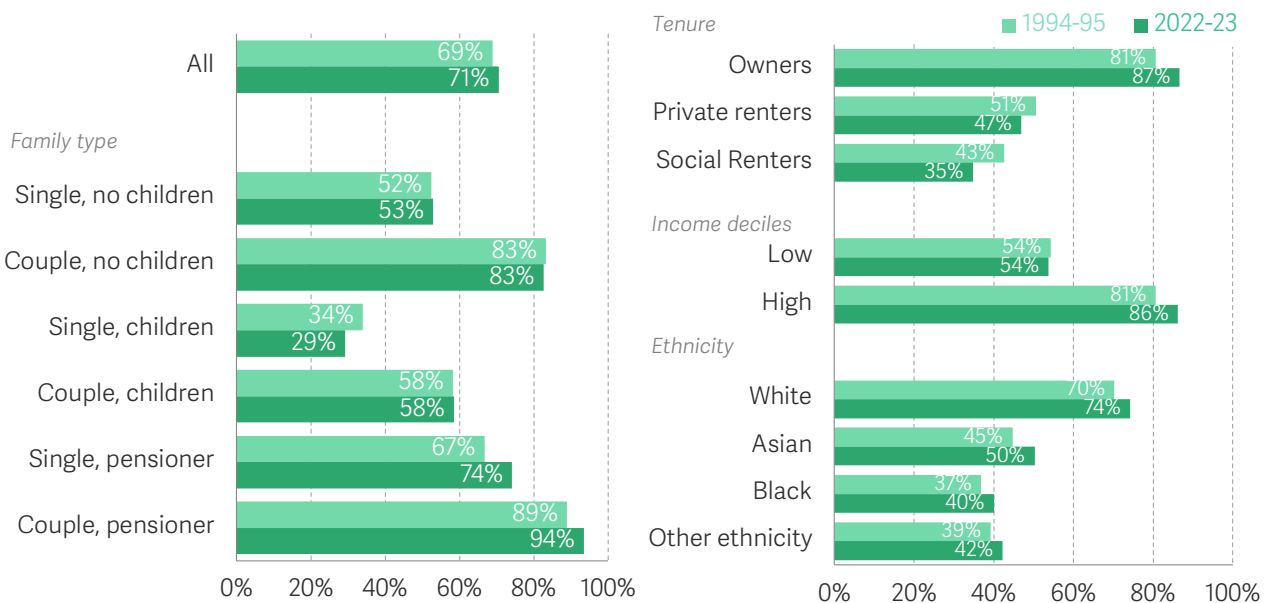
If we turn to under-occupation, then Figure 4 shows that the share of households living in homes with at least one spare bedroom has increased by 2 percentage points between 1994-95 and 2022-23, and now stands at 71 per cent. Again, we see signs of widening inequality: among the groups traditionally more likely to live in under-occupied homes, the rise in under-occupation has been more pronounced: for example, single pensioners experienced the largest rise in under-occupation over



the past three decades, with rates climbing from 67 per cent in 1994-95 to 74 per cent in 2022-23, and under-occupation among homeowners rose by 6 percentage points over the same period. By contrast, under-occupation has declined among single parents, private renters and social renters; the latter change is unsurprising, given the past Government's efforts to curb under-occupation in the social rental sector through the 'bedroom tax'.

FIGURE 4: Over two-thirds of households still live in under-occupied homes

Proportion of households living in under-occupied homes, by various characteristics: England, 1994-95 and 2022-23



NOTES: 'Low' and 'high' income deciles correspond to the 2nd and 9th deciles respectively. Due to dataset constraints, the chart uses a simplified version of ethnicity categories. The household's ethnicity is classified based on the ethnicity of the household reference person. Under-occupation is measured at the household level; where a under-occupied household consists of more than one benefit unit, all benefit units are assumed to be under occupying the property.

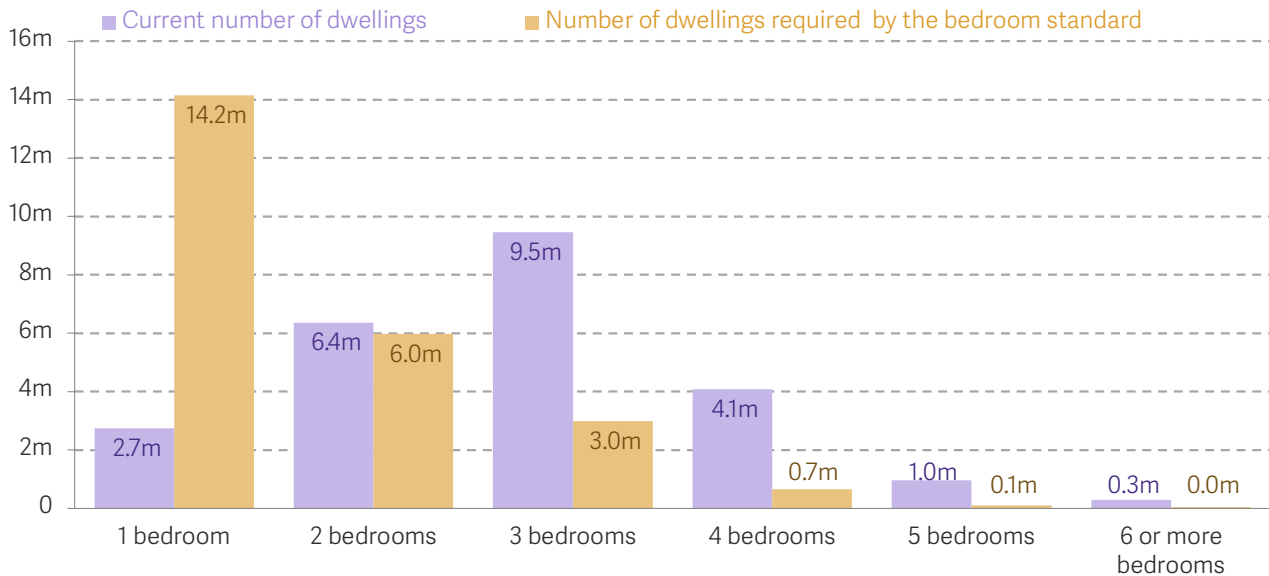
SOURCE: RF analysis of DWP, Family Resources Survey

Although there are enough suitably-sized dwellings in England today, 'right-sizing' is an implausible policy aim

It should be clear that, with over two-thirds of households having spare bedrooms, and fewer than one-in-twenty having not enough, there is no national shortage of bedrooms, at least according to the bedroom standard. If every household were housed according to the bedroom standard, then we would need 38 million bedrooms; in fact, we actually have 67 million bedrooms, as the average English household has at least one 'spare room'. This is shown in Figure 4 which outlines the disparities between the current distribution of dwellings against the distribution the bedroom standard requires. For example, the bedroom standard says just under 1 million four-bedroom homes are needed, meanwhile the data indicates that 4.1 million households are currently living in four-bedroom homes.

FIGURE 5: In theory at least, there is an ample supply of bedrooms in England today, exceeding the number required by the bedroom standard

Current number of dwellings, and number of dwellings required by the bedroom standard, by bedroom size: England, 2022-23



NOTES: The current bedroom standard in the UK specifies housing needs based on household type. Couples require one bedroom. Children need a room for each pair of children under 10, or each pair of children of the same sex aged 10-20, while children aged 10-20 of different sexes should each have their own room. Single adults aged 21 or over need one room.

SOURCE: RF analysis of DWP, Family Resources Survey.

Some have suggested that we should use policy to bring about [a reallocation of bedrooms](#) from some of those under-occupying to those who are overcrowded. Certainly, there are currently some aspects of policy that are actively working against this reallocation. For example, the regressive nature of Council Tax means that those living in more expensive houses are paying less in Council Tax as a fraction of the house value than those living in cheaper houses, and we give a discount to single people living alone. Reforming these aspects of Council Tax could motivate people to relocate to properties that better fit their needs. Stamp Duty, as a tax on transactions, also is a significant barrier for those who wish to move; [removing it](#) – perhaps only for people who are downsizing – could allow (usually older) homeowners to free up larger homes for other families and promote efficiency in housing distribution.

But just because incentivising households to move seems like an appropriate solution, it does not mean it is the most effective one. In particular, when the previous Government tried to address under-occupation in the social rented sector by introducing the [‘Removal of the Spare Room Subsidy’](#) (also known as the ‘bedroom tax’), which reduces the amount of housing support social renters receive if they have spare rooms, the measure was found to be [unsuccessful](#).³ Instead of encouraging social tenants to move, its main impact was to impose a financial cost on those unable or unwilling to downsize.

³ For socially rented households with one spare bedroom, Housing Benefit is reduced by 14 per cent of the full rent. For those with two or more spare bedrooms, the reduction increases to 25 per cent.



But even if incentives for households to move to more appropriately sized homes were stronger, it is unlikely that they would have a big impact. Moving home is an expensive task that demands significant upfront costs, even if there are future savings. But most importantly, people's preferences for their homes and where they are located are strong. This also includes cases where households do not always believe it is in their best interest to downsize. What housing policies often deem as 'spare' bedrooms are not necessarily considered spare by the households themselves. Studies have found that many of these ['extra' rooms are regularly used as either separate bedrooms](#) for same-sex or young siblings, couples choosing to sleep separately, or children staying overnight as part of shared parenting arrangements. [Wider research](#) has highlighted how reluctant people are to moving, especially once they have settled with a family and have made strong community ties.

Social norms around housing have changed, indicating the need for more homes that align with today's norms

Our discussion about under occupancy so far has relied on the bedroom standard definition of how many bedrooms are enough. But insights from qualitative research reveals that the bedroom standard may no longer mirror the realities of today's social norms around living conditions. [Room sharing](#) among children can encourage sibling bonding, but [focus group discussions](#) undertaken as part of the Minimum Income Standard (MIS) reveal that parents believe that different-sex siblings and children of varying ages need separate bedrooms to accommodate their growing needs for privacy, and that in an ideal world, each child would have a separate room. However, they also agreed that room sharing often is the most likely situation, especially within the social rented sector.⁴ Later discussions as part of the MIS work extended this principle to [non-resident parents \(NRP\)](#), suggesting that those whose children stay over frequently should also have bedrooms available for their children. In addition, the MIS focus groups reached a consensus that two-bedroom homes were [most appropriate](#) for pensioner couples to allow for any health-related needs that require separate sleeping arrangements. Other studies have also highlighted how the [pandemic underscored](#) the need for designated study and workspaces at home, and have suggesting that inadequate space may have contributed to [educational inequalities](#) observed during the pandemic. As remote working becomes more common, it will be important to see how social norms regarding home space evolve to accommodate this shift.⁵ In essence, these studies highlight how changing social norms have redefined what we consider the minimum acceptable standard for bedrooms today.

As an indicative exercise, then, it is useful to reassess the amount of overcrowding and under occupancy with a revised bedroom standard that better reflects current norms. Drawing on the evidence from the MIS (cited above), our updated standard differs from the current one in the following ways:

- pensioner couples are entitled to two bedrooms, instead of one; and,
- each child aged 10 and above is entitled to a separate bedroom.

⁴ [The Minimum Income Standard \(MIS\)](#) research for the United Kingdom reflects public views on what is necessary for an acceptable minimum standard of living. This standard goes beyond food, clothes, and shelter, emphasising the importance of having the resources needed to engage in society and make meaningful choices.

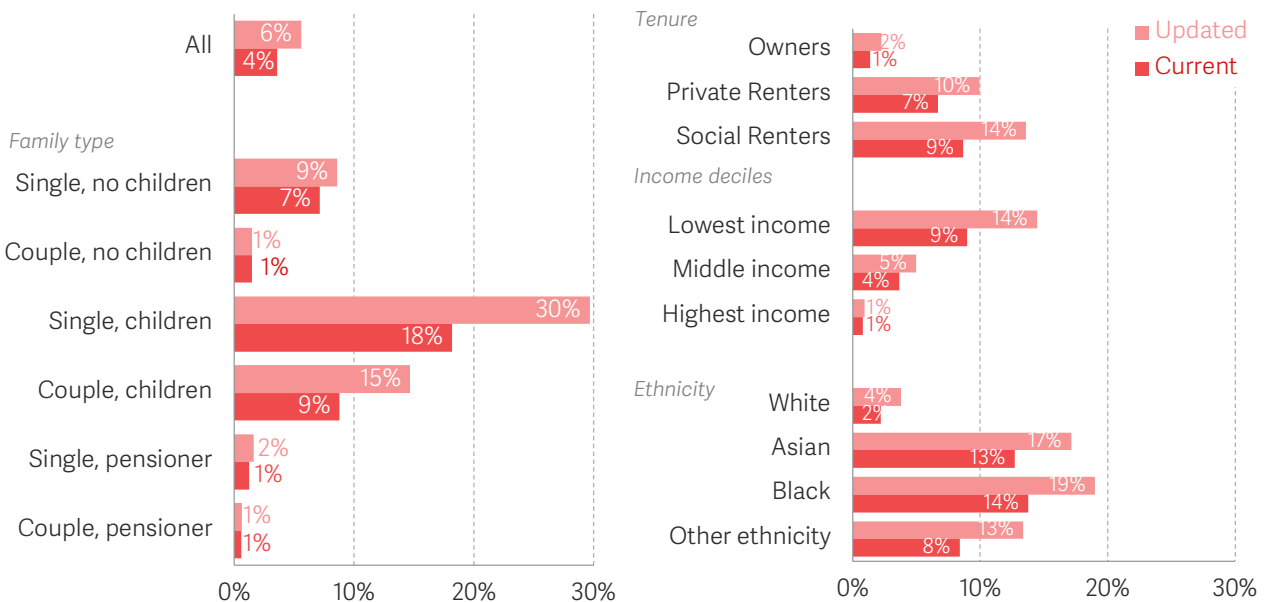
⁵ Between October to December 2019 and January to March 2022, homeworking in the UK more than doubled from 4.7 million to 9.9 million people. ONS, [Homeworking in the UK – regional patterns: 2019 to 2022, 11 July 2022](#); ONS, [Is hybrid working here to stay?, 23 May 2022](#).



Unsurprisingly, this more demanding (or more generous) bedroom standard leads to a rise in overcrowding (shown in Figure 6) but it remains very low on average, at just 6 per cent – but note that our new standard doesn't allow for a spare room for homeworking, or for children to have a bedroom in the home of a NRP. But there are particularly large changes among single parent households, where the overcrowding rate jumps from 18 per cent under the current bedroom standard to 30 per cent with our updated requirements, indicating the extent of bedroom-sharing currently going on among children aged 10 or more within single parent households. Overcrowding also rises a considerable amount among renters, as rates rise from 7 and 9 per cent for private and social renters respectively, to 10 and 14 per cent under our updated standard.

FIGURE 6: Overcrowding increases when the bedroom standard is updated to reflect common socially accepted norms around home size

Proportion of households living in overcrowded homes, by various characteristics: England, 1994-95 and 2022-23



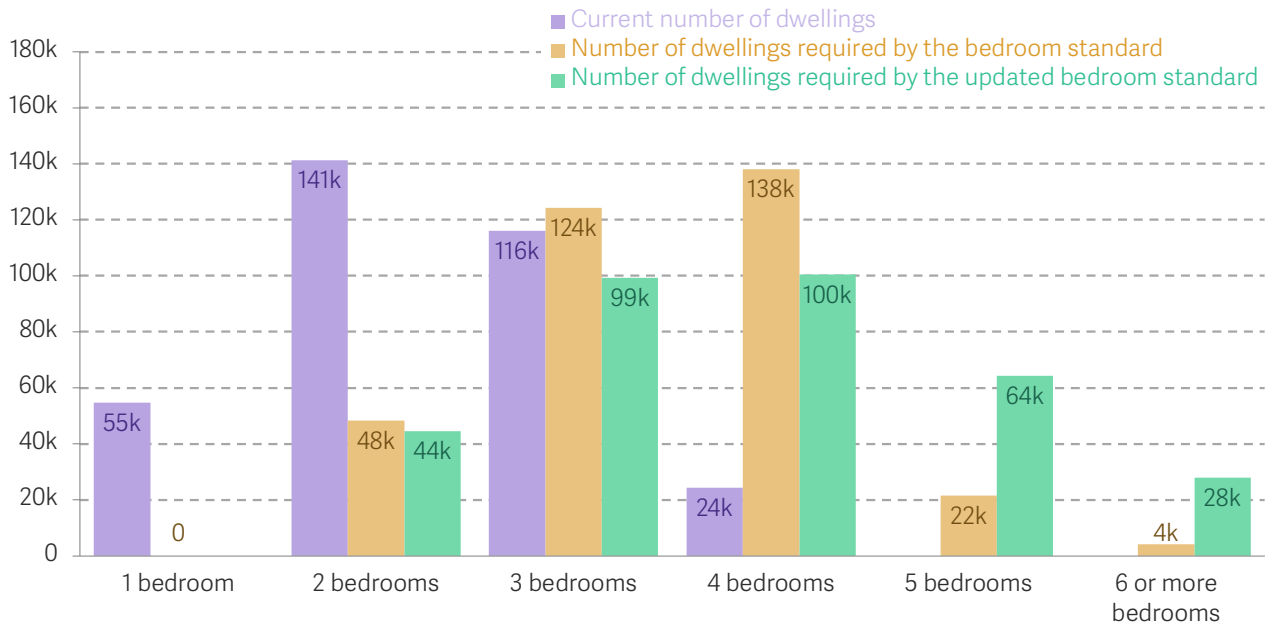
NOTES: The updated bedroom standard in this analysis is as follows: working-age couples require one room, whereas pensioner couples are allocated two rooms. Each child above the age of ten has their own room. Single adults are allocated one room. Overcrowding is measured at the household level; where an overcrowded household consists of more than one benefit unit, all benefit units are assumed to be overcrowded. 'Low' and 'high' income deciles correspond to the 2nd and 9th deciles respectively. Due to dataset constraints, the chart uses a simplified version of ethnicity categories. The household's ethnicity is classified based on the ethnicity of the household reference person
 SOURCE: RF analysis of DWP, Family Resources Survey.

Although wholesale reallocation of bedrooms is neither desirable or feasible, we end by looking at what it would take to address the issue of overcrowding in the social rented sector, where the state has some control over housing construction.

Figure 7 looks at the actual number of bedrooms in the overcrowded homes in the social rented sector, and what would be required under the existing and our new bedroom standards. Even with the current bedroom standard, we would need an additional 140,000 homes of four or more bedrooms in the social rented sector to remove overcrowding; with our new standard, that would rise to 168,000. Though ambitious, this ultimately emphasizes the need for the government to increase investment into building the right size and type of homes, to match the needs of those who need them.

FIGURE 7: At least an additional 140,000 homes of four or more bedroom would need to be built to completely eliminate overcrowding in the social rented sector

Number of overcrowded dwellings in the social rented sector, and number of dwellings required to meet the current and updated bedroom standard, by bedroom size: England, 2022-23



NOTES: The updated bedroom standard in this analysis is as follows: working-age couples require one room, whereas pensioner couples are allocated two rooms. Each child above the age of ten has their own room. Single adults are allocated one room.

SOURCE: RF analysis of DWP, Family Resources Survey.

Conclusion

In this Housing Outlook, we have looked at the distribution of floorspace and its evolution in England through the lens of bedroom availability. Over the last three decades, we have seen a rise in the total number of bedrooms and a shift towards larger homes, but overcrowding remains a problem for certain groups, particularly single parent and some ethnic minority households. With more than enough bedrooms to go around, some have suggested that policy should incentivise households to move into more suitably sized homes, but this would be a massive undertaking, and seems unlikely to have a huge impact. It also doesn't help that previous attempts to do so have been unsuccessful and instead penalised lower-income households for having an extra bedroom.

But it is also probably time to reassess the bedroom standard. A considerable volume of work suggests that what policy currently deems as a 'spare' room is often a room in regular use for reasons that most people now deem to be entirely appropriate. Updating the bedroom standard to reflect some of these changes would obviously increase the recorded amount of overcrowding, especially among groups that were already at risk. In the long term, we need to build more large homes, especially in the social rented sector, and we need to support housing costs fully – by indexing Local Housing Allowance to local rents – so that people in overcrowded homes can afford to live in larger homes.⁶

⁶ Under the Local Housing Allowance (LHA) system, maximum support is determined by what a household needs [according to a version of the bedroom standard](#), rather than the number of bedrooms they actually occupy. This, coupled with the freezing of LHA rates, means that the 'four-bedroom rate' does not reflect the current cost of a four-bedroom home. As a result, many families may choose to live in smaller, more affordable homes to lower the shortfall between their rent and housing support.

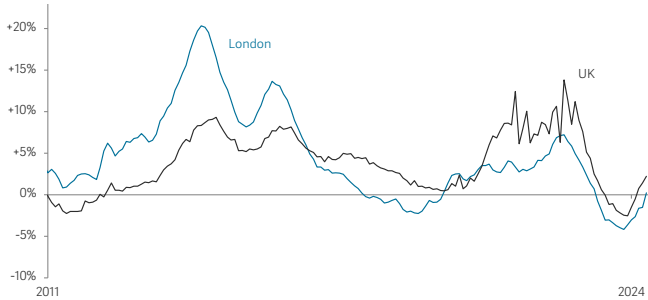


Housing indicators | Exploring key trends in the UK housing market, and what this means for households and policy makers

The charts below look at key trends in the UK housing market as a whole, as well as among regions, tenures and age groups where these trends have differed or been more pronounced. View notes, sources and the interactive data behind our indicators at resolutionfoundation.org/housingoutlook

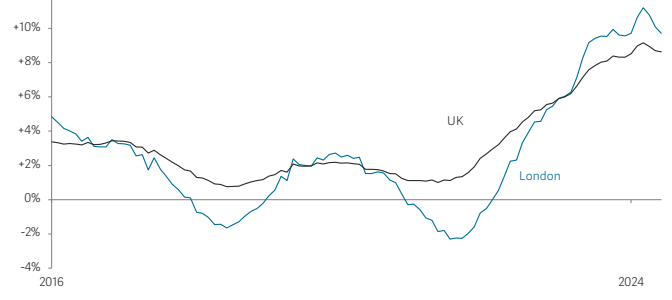
Housing market trends:

House prices, annual change



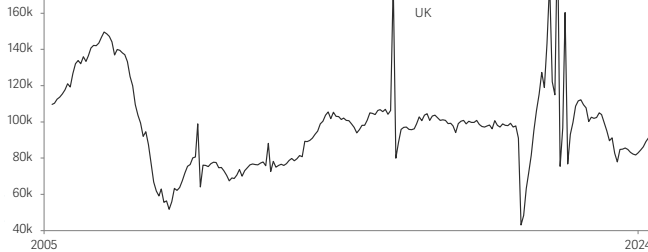
UK house price growth increased during the pandemic, but fell in the wake of higher interest rates. However, it has bounced back in recent months.

Private rents, annual change



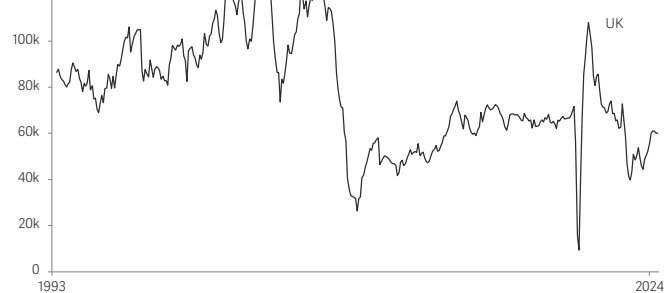
Growth in nominal private rents accelerated over the last two years but has begun to slow down.

Property transactions, monthly



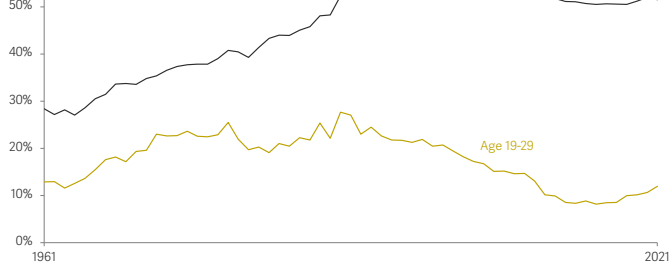
Transactions were highly volatile during the pandemic, but are currently at below pre-pandemic levels.

Monthly number of mortgage approvals



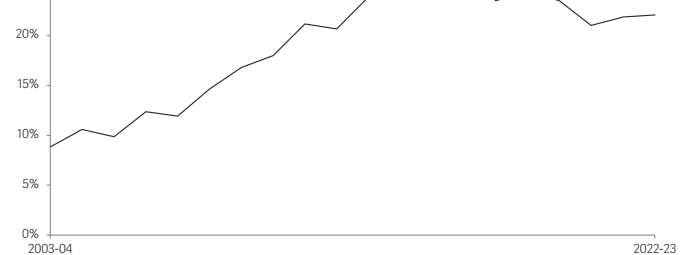
Mortgage approvals are currently at below pandemic levels

Home ownership rates



Home ownership rates among young people have increased slightly in the latest data.

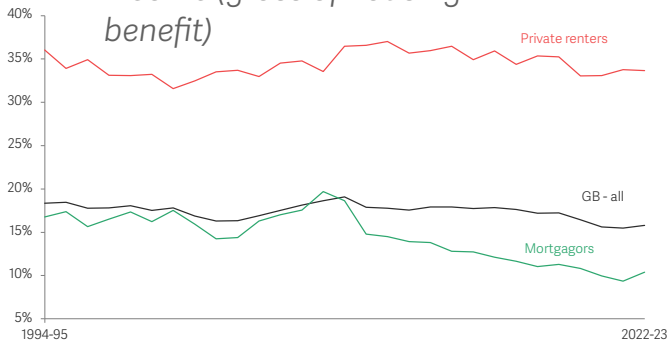
Share of families with children living in the PRS rented sector



The share of households with dependent children that live in the PRS has increased by two and a half times since the early 2000s.

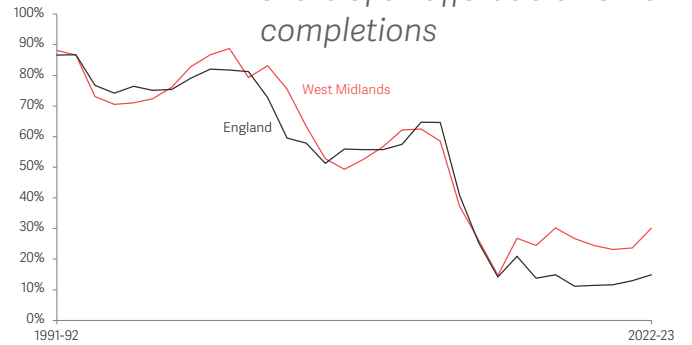


Housing costs as a share of income (gross of housing benefit)



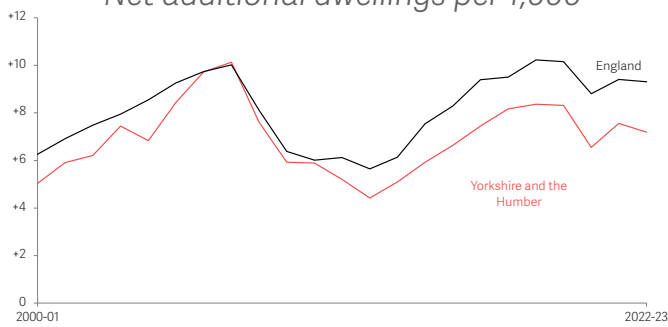
We should expect housing costs as a share of income to rise for mortgagors in future data, but they will remain far below the high costs faced by private renters.

Social rented properties, as a share of all affordable home completions



True social rental properties fell significantly as a proportion of all the affordable housing built in England through the 2010s.

Net additional dwellings per 1,000



Net additions as a share of total stock fell in 2020-21, after increasing to the pre-financial crisis high. They currently remain below pre-pandemic levels.

Households on UC with housing costs fully covered by Local Housing



The share of households receiving UC with housing costs fully covered by LHA has fallen recently, but is higher than before the pandemic.

The Resolution Foundation is an independent research and policy organisation. Our goal is to improve the lives of people with low to middle incomes by delivering change in areas where they are currently disadvantaged.

We do this by undertaking research and analysis to understand the challenges facing people on a low to middle income, developing practical and effective policy proposals; and engaging with policy makers and stakeholders to influence decision-making and bring about change.

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