

"Being a homeowner is now a privilege of the wealthy." (25 year old in employment)

**citizens
advice
scotland**

Young people and housing



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Citizens Advice Scotland's latest report, *Being Young Being Heard*, outlines the impact of the recession on young people in Scotland in their own words. Key findings include:

- A growing number of young people are living with their family as the effects of the recession take hold
- A collapse in mortgage lending, high house prices and competition with the buy-to-rent sector, ensure that first time buyers are priced out of owner occupier housing
- Priced out of owner occupier housing, and unable to access social housing, many are only able to access private rented housing
- Almost a third of homeless applications made in Scotland are made by single people under the age of 25.¹

Living at home

The effects of the recession, including fewer jobs and debt problems, are delaying the transition to adulthood and independent living for many young people. These young people can experience overcrowding, emotional distress, and frustration about being unable to afford independence.

"Banks expect you to be able to raise ludicrous amounts of money as a deposit, or you have to have rich relatives to back you up. Neither of which I have." (25 year old in employment)

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Buying a home

The odds are stacked against first time buyers in the housing market. Young people are required to save up unrealistic levels of deposits and chase restricted mortgage lending:

- The average house price for Scottish first time buyers in 2010 was £107,067²
- The average first-time buyer in Scotland has to pay a 20-25% deposit for a mortgage, amounting to around £25,000³
- New mortgage lending in October 2010 was at its lowest level in a decade.

The private rented sector

The private rented sector is now the default tenure for most young people, many of whom are priced out of owning a home and unable to access social housing.

- The average cost of private renting rose for the ninth consecutive month to £691 a month in October 2010⁴
- National evidence shows that young people living in the private rented sector have higher average housing costs than young people in all other tenures
- Rules surrounding Local Housing Allowance discriminate against young people by affording them less housing support based on their age.

Homelessness

Young people make up a disproportionate amount of people that make a homeless application each year. Almost a third of homeless applications made in Scotland are made by a single person under the age of 25.⁵

- The number of single young people aged 18-24 assessed as priority homeless increased by 40% between 2007 and 2009⁶
- Homelessness compounds a number of the problems faced by young people, including employment, relationship, and health problems.

CAS recommends that:

- The UK Government ensure the fair and equal treatment of young people in the Housing Benefit system
- The UK and Scottish Government improve access to affordable mortgage lending for young people through flexible approaches to home ownership, such as shared ownership schemes, and taking measures to encourage lenders to lend
- The Scottish Government place emphasis on building affordable housing that is suitable for young people.

A West of Scotland CAB reports of 22 year old client who has fallen into rent arrears, having been advised by her new landlord that benefit payments would cover the rent. However, the client's rent was £400 a month and her Local Housing Allowance was only £276. The client is making up the shortfall with her sickness benefit payments, but has not been eating properly as a result.

A South of Scotland CAB reports of a 20 year old client who was evicted by his housing association for rent arrears after losing his job. The client did not appeal the decision or seek any help, and his finances and benefit claims were complicated by the fact that he was in and out of short term work. The client initially slept in a tent in his sister's garden and then moved to sleep on his friend's sofa. The client was told by the local authority that he is not a priority for housing.

¹ Operation of the Homeless Persons legislation in Scotland: 2009-10

² Halifax data, quoted in the Herald (02/01/2011)

³ Genworth Financial Research

⁴ LSL Property Services

^{5,6} Operation of the Homeless Persons legislation in Scotland: 2009-10