

Welfare reform hitting vulnerable young people in the housing market

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Young people face considerable challenges navigating the housing market, with those on low and insecure incomes vulnerable and at potential risk of homelessness, according to a new report from the University of St Andrews published today (24 June 2015).

"Housing Generation Rent - What are the Challenges for Housing Policy in Scotland?" by the Centre for Housing Research highlights the challenges facing people under 35 who are now living in the private rented sector (PRS) for longer periods of their lives: a phenomenon described as 'Generation Rent'.

The report notes that housing problems faced by [young people](#) cannot be understood in isolation from the wider social-economic context of the nation, with youth employment and parental support being key determinants in accessing homeownership.

The impact of welfare reform has also hit vulnerable young people hard. Although the Scottish Government is to get additional powers concerning housing related benefits under the Smith Commission, efforts to buffer the impact of further austerity measures will be limited as the main levers of the social security system will remain reserved to the UK Government, "...which means many Scots will continue to face the same benefit cap and sanctions as those in other parts of the UK".

The report also challenges the simplicity of the term 'Generation Rent' by drawing attention to key differences amongst young people, not least

in relation to geography, age, household size and socio-economic background.

Key findings of the report are:

- there is a geography of (un)affordability across the country. This is most problematic in 'hotspot' areas such as Aberdeen and Edinburgh. Particular pressures in rural areas were also highlighted. Yet there are few incentives for landlords to keep their rent levels down in areas of high demand;
- low-income households, especially those reliant on [social security](#) benefits, are vulnerable in the PRS. They are likely to be unable to meet their full housing costs and some resort to using food banks, living in fuel poverty and/or using payday loan companies to avoid rent arrears;
- the insecurity offered through short assured tenancies is problematic for some young people, especially those with children, who wish to create a home and put down roots in their community;
- whilst the attractiveness and positive benefits of the PRS were recognised, it was nonetheless acknowledged it was not a suitable tenure for all young people, some of whom would be better supported in the social rented sector.

Report co-author Dr Kim McKee, Director, Centre for Housing Research University of St Andrews, said: "Young people face considerable challenges navigating the [housing market](#), with those on low and insecure incomes vulnerable and at potential risk of homelessness. The growth of the private rented sector not only includes frustrated potential homeowners, but also young people who would previously have rented from a social landlord.

"This underlines the importance of continuing to invest in affordable

housing. This includes traditional social rented housing as well as low-cost homeownership and mid-market rent products.

"Young people are a diverse group with different needs. Policy solutions need to reflect this. Linked to this, more [housing](#) support is needed for those vulnerable young people who are currently in danger of falling through the welfare-safety net."

Provided by University of St Andrews

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