



# CENSUS 2021

What Does it Mean for Housing?

[www.psdgraphics.com](http://www.psdgraphics.com)





## Note

# Census 2021 – what does it mean for housing?

---

## 1 Introduction

- 1.1 The Office for National Statistics (ONS) has published the first data from the 2021 Census for England and Wales. It shows the population is still growing fast, although less than in the previous decade.
- 1.2 This note details frequently asked questions regarding the Census 2021 with a focus on what it means for housing and Local Plans.

## 2 Has planning policy changed as a result of this?

- 2.1 No. National Planning Policy Guidance<sup>1</sup> stipulates that the starting point for setting housing targets is to assess need with the Standard Method using 2014-based sub-national household forecasts. This is unchanged in order to

*provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.*<sup>2</sup>

- 2.2 Deviations from this approach are only in “exceptional circumstances” and “can expect to be scrutinised more closely at examination”.<sup>3</sup>
- 2.3 Local authorities should not be reviewing or altering their Local Plan targets in response to the recent Census publication.

## 3 Are the Census numbers accurate?

- 3.1 Caution is needed. The Census is the most comprehensive picture we have of the population, and it is conducted very thoroughly. However, like any data source it is important to understand what it is measuring and how – as this determines how we use it.
- 3.2 Any data collection can suffer from under-counting of some groups, and previous Censuses have been challenged and updated to reflect this, after the initial release. It remains to be seen how Covid may have affected Census returns, with collection taking place during partial lockdown.

---

<sup>1</sup> NPPG, Housing and economic needs assessment, Paragraph: 004 Reference ID: 2a-004-20201216, Department for Levelling Up, Housing and Communities

<sup>2</sup> Ibid, paragraph 5

<sup>3</sup> Ibid, paragraph 3



3.3 Early statistics released by the ONS detail a 97% response rate for the 2021 Census (94% in 2011), of which 89% were completed online (16% in 2011). The shift from offline to online reporting has been significant and any potential implications of this are currently unknown.

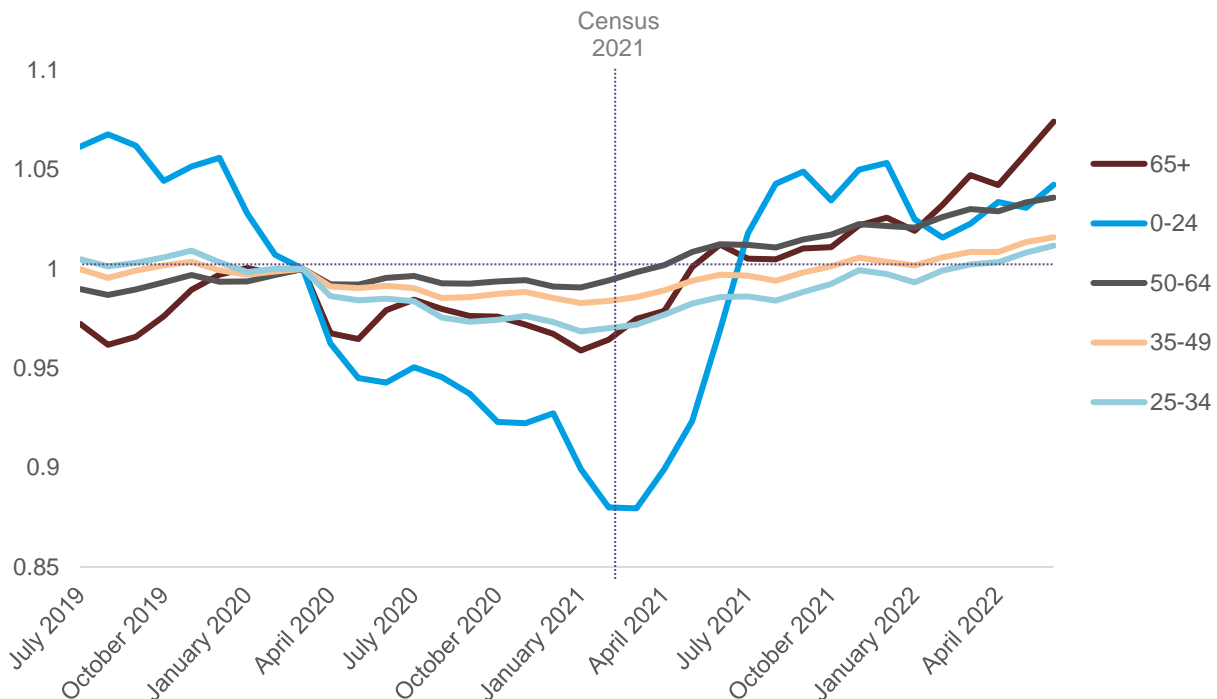
#### 4 Is the Census representative of the population?

4.1 As well as potentially affecting data collection, Covid will certainly have affected the population itself.

4.2 The Census was carried out in extraordinary circumstances, and what it measured will reflect that. Therefore, Census data must be read as a measure of population at that particular point in time, and many of those changes will have been temporary.

4.3 As an example the graph below details changes in payrolled employees in England and Wales, indexed to the pre-pandemic level. At the time of the Census the number of payrolled employees was at a relative low across all age groups.

Figure 1: Change in number of payrolled employees in England and Wales by age<sup>4</sup>



#### Internal migration

4.4 Many people spent lockdown somewhere different – for example leaving town to stay with parents while working remotely. At the time of the Census Government was instructing people to work from home if they could, and there was little incentive to rent space in an expensive or crowded flatshare to be near a workplace that was closed. While the Census records “usual residents” people define and interpret this themselves, and for many their temporary arrangements would still have counted as a usual residence. This can be seen clearly in the

<sup>4</sup> Earnings and employment from Pay As You Earn Real Time Information, UK: July 2022



Inner London rental market which saw a 17.1% fall in average rents between March 2020 and March 2021<sup>5</sup>.

#### *International migration*

- 4.5 International travel was difficult and in some cases impossible at the time of the Census, which will have distorted the makeup of the population.
- 4.6 There is evidence that with much of the hospitality sector closed, many migrant workers had returned home, some of which will have been temporary. Analysis of the Labour Force Survey highlighted that the non-UK-born population could have fallen by up to 1.3m between summer 2019 and summer 2020<sup>6</sup>.

#### *Students*

- 4.7 At the time of the Census schools were just re-opening, and many university students were being taught online rather than in person.
- 4.8 Some students will have been “attending” remotely, while overseas students in particular may have been unable to move to their university. As of 8<sup>th</sup> March 2021 guidance allowed universities to resume some in-person teaching and learning for students, however, 94% of students responding to an ONS survey at the time of the Census stated their university study mainly involved remote or online learning<sup>7</sup>.

## **5 Will the trends shown by the Census continue?**

- 5.1 The Census 2021 confirms a slowdown in population growth that has long been expected from recent revisions of ONS population projections. However, there are a number of reasons to think this may change again, or at least significant uncertainty over whether the trend will continue.

#### *Natural Change*

- 5.2 Births and deaths have been on established trajectories as detailed in the graph below. Yet, provisional statistics for 2021 suggest that some reversal is possible. Further years data will be needed before this is confirmed.

---

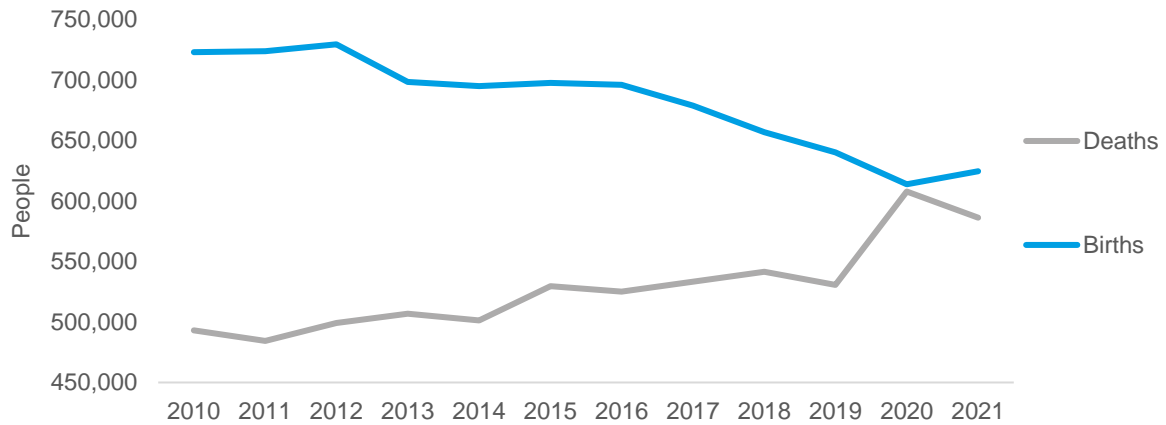
<sup>5</sup> Hamptons Lettings Index. Available here: <https://www.hamptons.co.uk/research/articles/rental-divide#/>

<sup>6</sup> Analysis available here: <https://www.escoe.ac.uk/estimating-the-uk-population-during-the-pandemic/>

<sup>7</sup> ONS, Coronavirus and higher education students: 12 March to 22 March 2021. Available here: [Coronavirus and higher education students - Office for National Statistics](#)



Figure 2: Births and Deaths in England and Wales from 2010 to 2021<sup>8</sup>



*International Migration*

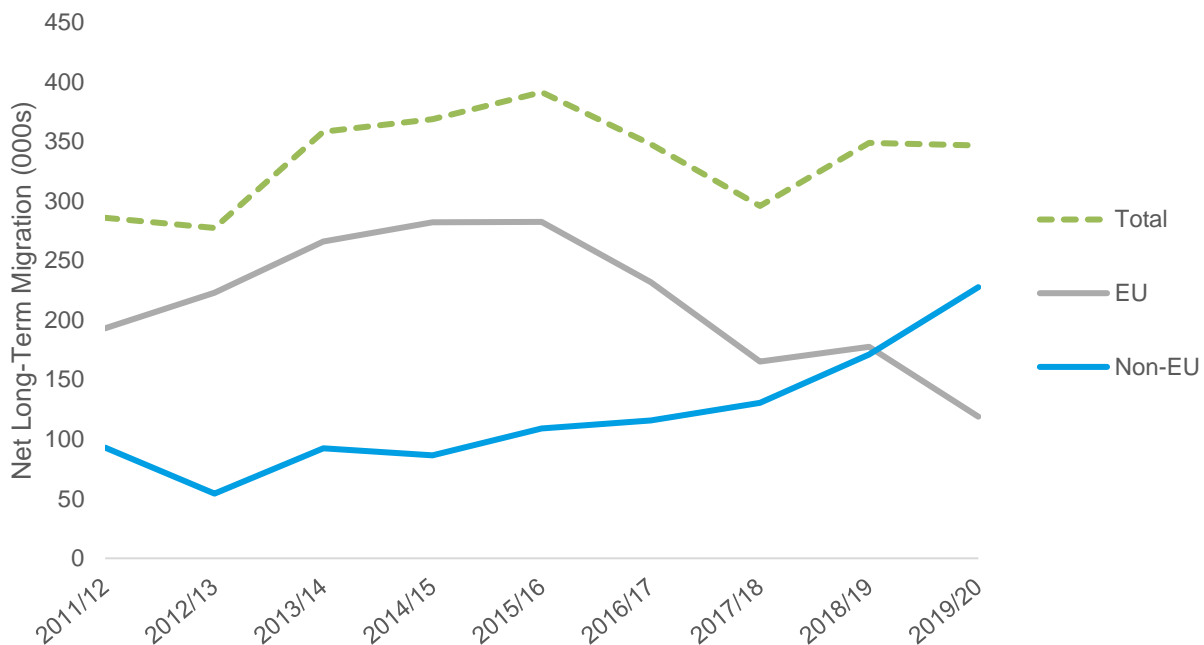
5.3 Since the Brexit referendum, the UK has seen net migration from EU countries more than halve from 282,400 in 2015/16 to 118,900 in 2019/20. The majority, but not all, of this fall has been replaced by a doubling of non-EU migration to the UK as shown in the graph below.

---

<sup>8</sup> ONS, Births in England and Wales: summary tables  
 ONS, Deaths registered in England and Wales, 2021



Figure 3: Net Long-Term Migration to the UK from 2011/12 to 2019/20 (ONS RAPID<sup>9</sup>)



5.4 Political events in recent years may have accelerated this trend. ONS population projections (2020-based) anticipate net international migration to be between 180,000 and 225,000 going forward. However, official statistics show that:

5.4.1 over 100,000 people have left Hong Kong for the UK in 2021, since the introduction of the BNO Visa scheme;

5.4.2 a further 100,000 have migrated to the UK from Ukraine since war broke out in February 2022.

#### Students

5.5 The UK is also seeing growing popularity as a place to study for international students, having increased enrolments by a third from the 2016/17 (450,835) academic year to 2020/21 (605,130). Whilst ONS is currently updating its student population methodology, the magnitude and direction of this change shows a clear trend. This increase mainly being driven by students coming from outside the European Union.

## 6 Have we been building more homes than we needed?

6.1 No, household formation has been artificially low, suppressed by the rising unaffordability of homes. DLUHC data on net housing completions in England from 2011 and 2021 is higher

<sup>9</sup> Available here:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/datasets/estimatinglongterminternationalmigrationusingrapid>



than the growth in households shown by the Census<sup>10</sup>. However this does not mean we have built “too many” homes.

- 6.2 The DLUHC statistics are self-reported by Local Authorities, unlike the Census data. The official dwelling figure from the 2021 Census will be released later this year and is likely to be different, if not significantly so. The two sources are not necessarily directly comparable.
- 6.3 In any case, there are several reasons why we actually *need* to be building homes faster than household growth. Firstly, the population shifts over time, and additional homes are needed to make sure there are enough homes in the right places. Between 2011 and 2021 over 25 local authorities saw a decrease in population, without a decrease in dwellings, meaning growing areas need to provide more homes.
- 6.4 Secondly, a well-functioning housing market naturally needs a percentage vacant at any one time – but the UK has one of the lowest percentages of housing stock vacant in the OECD. Of the countries in the OECD that are most comparable to the UK: over 8% in Germany, just under 8% in France and over 4% in the Netherlands<sup>11</sup>.
- 6.5 Low vacancy levels push up prices and makes the housing market less efficient. DLUHC Live Table 615 shows there was a fall in vacant dwellings of 66,000 between 2011 and 2021 in England. Highlighting that even though there were an additional 1.9 million dwellings, the dwelling stock was more intensively used in 2021 (2.6% vacant) vs. 2011 (3.1%).

## 7 Do larger households mean we don't need so many homes?

- 7.1 No, the growth in household size is a consequence of too few homes, and making it hard for people to form new households imposes a real and serious human cost.
- 7.2 Between 2011 and 2021, the population in England and Wales increased by 6.3%. The number of households went up as well, but at a slightly lower pace (6.1%), reversing the long trend since Victorian times of households getting smaller.
- 7.3 This is a symptom of overcrowding, and people having to share homes to reduce costs. This can be seen clearly in trends of other multi-person households, which between 1996 and 2018 increased by 63% in London and 55% across England.
- 7.4 This is further supported by the sub national trends in the number of people per household between 2011 and 2021:
  - 7.4.1 The cities that saw the most significant increase in average household size were Slough, Oxford and Cambridge; and
  - 7.4.2 The cities saw the most significant decrease in average household size were Sunderland, Telford and Doncaster.
- 7.5 Highlighting that home sharing is much more prominent in the most expensive parts of the country (i.e. where demand for housing outstrips supply).
- 7.6 Recent trends have also seen affordability ratios (median workplace-based) worsening. These are a key input to the Standard Methodology, where, for a 1% increase in the ratio of house prices to earnings (where the ratio is above 4) the average household growth should be

---

<sup>10</sup> As set out by Ian Mulheirn, Executive Director at the Tony Blair Institute for Climate Change, on 28 June 2022.

<sup>11</sup> Available here: <https://www.oecd.org/els/family/HM1-1-Housing-stock-and-construction.pdf>



increased by a quarter of a percent. The change in affordability ratios between 2020 and 2021 increased the Standard Method figure for housing in England by 6,800 (2.3%).

## **8 Can Census be compared with ONS population estimates and projections?**

- 8.1 They are not directly comparable. Population projections are estimates for 30 June, while the Census took place on 21 March. In a fast-growing population, we should expect the later figures to be higher. This accounts for a significant proportion of the difference between the Census and the latest 2020-based projections.
- 8.2 ONS population projections are that the England and Wales population would grow by 259,953 between 30<sup>th</sup> June 2020 and 30<sup>th</sup> June 2021, or 712 people a day. On this basis alone, we would expect the Census 2021 population estimate (21<sup>st</sup> March 2021) to be c. 72,000 people less than the ONS population projection equivalent estimate for the same year (30<sup>th</sup> June 2021).