TECH & TENURE

Digital trends among renters and their satisfaction with tenure

Affinity Sutton

INTRODUCTION

Technology and tenure are two important contemporary sector issues that have seen rapid change in the past few years. However much of the knowledge we have about these areas is outdated - or worse, it is not knowledge but assumption.

Between 2001 and 2011 England and Wales saw the first fall in homeownership in over a century and in the decade to 2011 the percentage of households renting increased in all English regions and in Wales. For the first time in over 40 years, private renting drew level with social renting with each tenure housing 18% of the population. This marks a dramatic change from 1981 when Right to Buy had just been introduced, 31% of households were living in social housing and just 11% were renting privately[1].

Similarly, technology is changing – real time bus and train information on your mobile and instant photo sharing would have been inconceivable just 15 years ago. And as digital technology continues to permeate every part of people's lives it follows that expectations of service delivery are changing. The social housing sector needs to understand and respond to these changes to avoid being left behind. For example some councils and housing associations allow customers to log repairs online[2] and others already enable them to select an appointment and follow up the repair[3] but this facility is by no means standard across the sector.

In the motoring industry it has been the norm to book appointments online some time and a survey commissioned by GForces of over 2,000 motorists earlier this year found that 62% of them prefer to book their car service online rather than speak to staff[4]. Affinity Sutton's 2014 resident survey found that 11% of residents would prefer to report repairs online compared to 8% last year so although these figures are low compared to the motor industry example, the trend is an upward one. Online booking outside the housing sector has been an option for some time whereas the Affinity Sutton repairs portal is still relatively new so this may in part explain why residents mentioned other channels. Despite this Affinity Sutton is starting to feel the business benefits of residents being familiar with digital technology. Increasingly our asset management teams receive photographs of a repair directly from a tenant where previously the initial diagnosis would have required a site visit.

The growth of the rented sector and changes in the digital landscape have taken place independently of one another but there is surely an opportunity for social housing providers to lead the private rented sector in this area. Social housing has been working both on digital exclusion and towards channel shift for services for some time. We need to understand the issues for renters of both tenures as a foundation for understanding how technology and tenure might influence each other and where support is needed.

This summary report presents a snapshot of preliminary findings within a wider customer insight project, filling knowledge gaps and providing current insight. We hope these findings will benefit others in the housing sector and beyond.

1 ONS (2013) *Part of 2011 Census analysis, A century of homeownership and renting in England and Wales release*
2 Affinity Sutton has an online portal for this service
3 Birmingham City Council and Northwards Housing offer this service
4 GForces (2014) *Aftersales – according to the customer*

WHY WE NEED THIS RESEARCH

As a sector we are aware of the importance of customer satisfaction. If customers cannot simply move to a different provider if they are unhappy with our service, how can we tell if we are delivering those services well? Whilst most, if not all, housing associations measure their customer satisfaction regularly and compare results where possible, there has been no robust cross tenure assessment of satisfaction with tenure since DCLG discontinued their reporting of this in 2009[5]. Looking deeper it is clear that not only are key pieces of cross tenure information no longer available, but some crucial questions (particularly those around digital usage) have never been asked.

Another gap is confidence in the quality of insight available. There are surveys and studies on these topics which purport to be good research but which exclude large groups of residents who are not online, fail to quota, and/or select samples from a non representative population. It is vital that material being used by the sector is robust and methodologically sound.

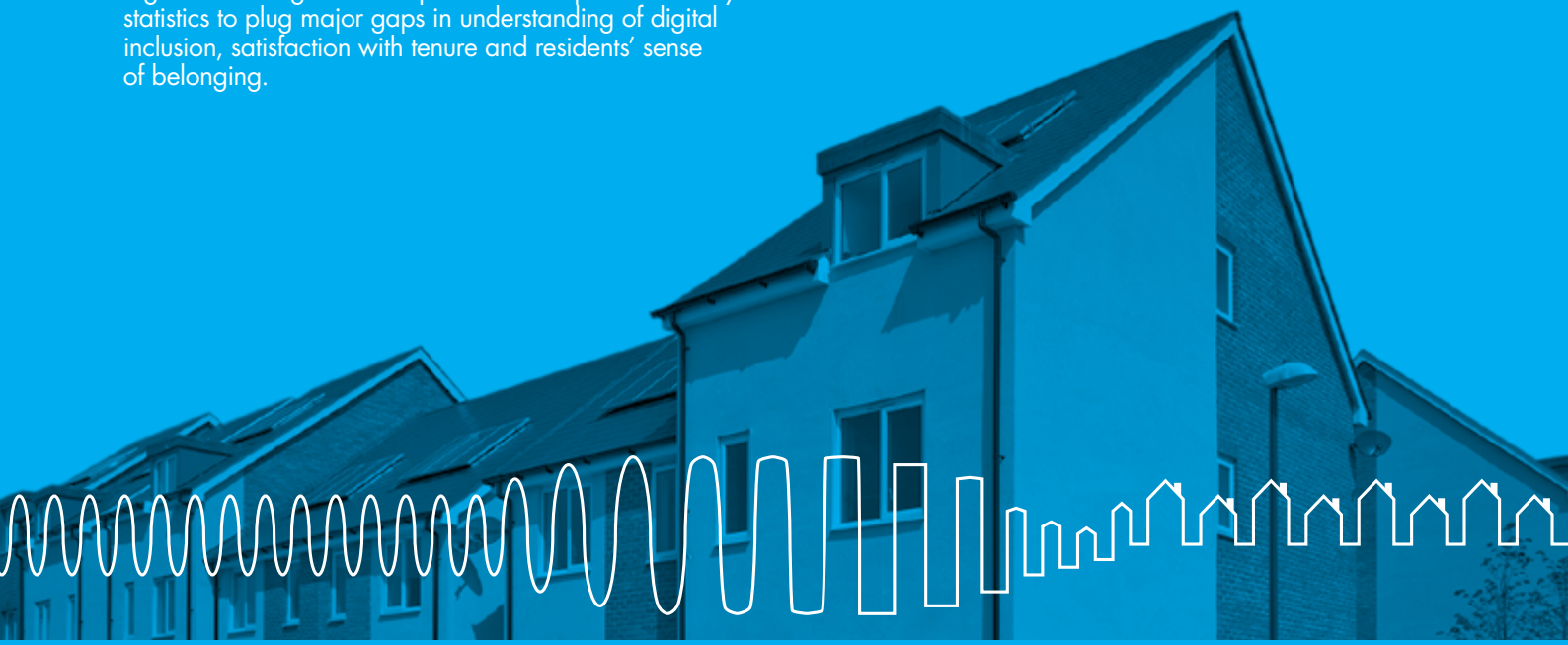
We therefore commissioned Ipsos MORI to include questions about tenure in their regular Capibus survey. Between 6 June to 16 July 2014 Ipsos MORI conducted a total of 6,067 face to face interviews with adults in Great Britain aged 16 and over. This included interviews with 1,159 private renters and 1,056 social renters with results weighted to the known profile for each tenure.

Renters were asked about satisfaction with their tenure, as an exercise to both fill the gap left by DCLG and to provide national context for Affinity Sutton's own customer insight survey, The Index 2014[6]. Renters were also asked a range of questions about how connected they feel to their neighbourhood and their usage of digital technologies. This report therefore provides timely statistics to plug major gaps in understanding of digital inclusion, satisfaction with tenure and residents' sense of belonging.

Housing associations collectively spend thousands of pounds supporting residents to get online, not least because of the suspicion that social renters are being left behind in the race to go digital. Research carried out in 2009[7] showed that getting someone online saves them an average of £560 per year and offers benefits for education, employment and social connectedness. The HACT Social Value Bank[8] calculated an improvement in wellbeing with an equivalent value of £1,875 over a year to an individual able to access the internet. The introduction of Universal Credit also proposes that online access will be the only way to apply for and manage benefit applications for the majority of those in receipt of benefits. Affinity Sutton therefore views digital inclusion as both beneficial to the individual and the business.

Some councils and housing associations will know the proportion of their residents who are online – we know that 73% of Affinity Sutton residents have internet access for example - but there have been few, if any, attempts to reliably quantify this by tenure, at a national level. We are therefore sharing the findings of this survey to provide the sector with a benchmark to measure digital progress. We also want to identify excluded groups but equally to question the assumptions we are basing our activities on.

Feeling connected to your neighbourhood has a significant impact on your life[9] and Affinity Sutton's resident survey asks whether our customers feel a sense of belonging in their neighbourhood. We know how much this varies between neighbourhoods and so were interested in finding a national reference point. We wanted to provide a context for social renters and examine if private renters feel any differently.



5 DCLG, '*Attitudes to Housing*' (last reported in 2009) http://www.communities.gov.uk/documents/housing/pdf/1298556.pdf
6 Affinity Sutton (2014) *The Index 2014* http://www.affinitysutton.com/en/news and resources/latest research
7 PricewaterhouseCoopers (2009) *Champion for Digital Inclusion – the economic case for digital inclusion*
8 HACT (2014) *"Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach* http://www.hact.org.uk/measuring social impact community investment guide using wellbeing valuation approach
9 This is reflected in the allocation of a HACT social value of £3,753 a year per person. HACT (2014) *"Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach* http://www.hact.org.uk/measuring social impact community investment guide using wellbeing valuation approach

KEY FINDINGS

74% of social renters are satisfied with being a council/housing association tenant.

65% of private renters are satisfied with being a private tenant.

Those aged 65+ are most likely to be satisfied with being a tenant with 68% of private renters aged 65+ and 83% of social renters aged 65+ reporting that they are satisfied.

Those with children tend to be less satisfied with private renting as a fifth of private renters with children are dissatisfied with being a private tenant (compared to 11% of those without children).

Private renters tend to think that private renting best provides privacy and peace from neighbours – and social renters tend to think that social renting provides this better.

Likewise, both groups of tenants believe that their own tenure provides the better sense of community and prompt repairs when needed - although social renters believe more strongly that social renting provides a better repairs service.

Private renters are more likely to be online than social renters - 91% of private renters have access to the internet compared to 71% of those who rent from a council or housing association.

Of those with internet access social tenants also tend to go online less frequently than private renters – 80% of private renters go online several times a day compared to just 65% of social renters.

Having children living in a household has a significant impact on the likelihood of residents being online as 97% of all British households with children have internet access and 91% of social renters with children do.

TECHNOLOGY

Uptake of digital technology is growing fast but it is moving faster for some more than others. The findings of this survey highlight those groups most likely to be excluded and may help the sector to identify where to focus interventions as well as providing a benchmark against which to measure progress.

In the survey results there is a clear correlation between household income and internet access. Only 70% of British adults surveyed with an annual income up to £9,449 have internet access compared to 82% with an income £9,500-£17,499. This rises to 92% of those with an income £17,500-£24,999 and 98% of those with an income of £25,000+.

As social renters tend to have lower household incomes than average (45% of social renters who answered the question on income have an income below £9,500 compared to 25% of private renters) it is unsurprising that they are less likely to have internet access. There is significant variance between tenures with 91% of private renters being online compared to just 71% of social renters. However we need to take care not to overstate this as age is a key determining factor in whether people are online. So is the older demographic of social housing the factor that means the sector lags behind?

TABLE 1

Age	**Private Renters** (% online)	**Social Renters** (% online)
16-24	98	95
25-34	97	93
35-44	93	90
45-54	85	77
55-64	74	60
65+	53*	34

*small base

As the table shows, age alone does not explain why social renters are less likely to be online - even taking account of age differences, social renters are less likely to be online than their private renting counterparts. The dramatic drop-off among social renters over 55 years old is particularly concerning to those aged 55-64 who will be impacted by welfare changes and the looming digital-by-default introduction of Universal Credit.

Mobile access to the internet is growing rapidly and as with other developments in digital technology it is young people who are driving the trend. Of those have online access, 75% of social and 70% of private renters aged 16-24 access the internet via a mobile terminal (e.g. mobile phone, PDA, or Blackberry). Among social renters with access to the internet over 25, mobile access starts dropping off immediately with 67% of 25-34 year olds and 59% of 35-44 year olds accessing it in this way. Among private renters with internet access the use of mobile internet actually increases slightly to 71% of those aged 25-34 before beginning to drop off to 63% of 35-44 year olds. The reduction among private renters is less absolute than it is among social renters - just 9% of online social renters aged 65+ access the internet via a mobile device whereas 21% private renters in this age group do.

A trend discovered in the Affinity Sutton resident survey is that access to the internet via mobile phone declines rapidly by age band whereas use of a tablet is more stable across different age groups. Unfortunately the question asked in this Ipsos MORI survey does not differentiate between smartphone and tablet access but this may well be something to quantify in future.

Those most likely to access the internet using multiple devices across both rental tenures are those still in education.

TABLE 2

Those still in education: means of accessing the internet (multiple selections permitted)	**Private renters**	**Social renters***
Computer/laptop at home	**96%**	**91%**
Computer/laptop at work/university/school	**64%**	**55%**
Mobile terminal (e.g. mobile phone, PDA, Blackberry)	**63%**	**76%**
Public place (e.g. library, internet café)	**13%**	**7%**
Through television	**3%**	**4%**
Games console	**9%**	**5%**

*small base

Although not a significant difference, social renters in education are less likely than their private sector counterparts to access the internet at a library/internet café whilst they are more likely to access it on a mobile device.

Of those with access to the internet, private renters are significantly more likely than social renters to use the internet every day with 91% saying they access it roughly every day compared to 81% of social renters. Four out of five (80%) private renters go online several times a day compared to nearly two-thirds (65%) of social renters.

It is not only in terms of online access where social renters are falling behind the general population – as a group they have fewer digital devices at home as well. Only a quarter (25%) of social renters interviewed say that they have a personal computer/desktop PC in their household compared to 44% of all British adults and 30% of private renters. Fewer than half (47%) of social renters have a laptop or netbook in their household compared to 68% of renters in the private sector.

Social renters are also significantly less likely to have a smartphone or tablet than private renters or the national average: 46% of social renters have a web-enabled mobile phone compared to 66% of private renters and 62% of British adults. Just over a fifth (22%) of social renters have a tablet computer compared to 31% of private renters and 43% of British adults. In the current environment, where digital 'snacking' is increasingly commonplace and online services are moving across to apps and mobile sites, there is a danger that, left unaddressed, this mobile access divide could see social renters left even further behind.

Having established here that fewer social renters are online and access the internet less frequently than private renters some housing associations may be tempted to rest on their laurels and see no need to facilitate digital access to their services. However - and this will sound very obvious - fewer is not the same as none. Online residents are an increasing proportion of the customer base at Affinity Sutton - from 57% with internet access in 2011 to 73% in 2014[10] and our younger residents are most connected. We are unaware of any evidence to suggest that we are unique and this trend is not being replicated across the sector. Residents who are online have no reason to expect a different service from their landlord than they do from, say, their bank. To delay the provision of a digital option to view rent accounts for example will not only cost the business more in the long term (printing and postage), but is likely to have a negative impact on customer satisfaction among a growing number of residents who will simply expect it.

So how ready to transact online are social renters? Are they online but mostly just emailing or do they do the same internet activities as their private renting counterparts? Ipsos MORI asked both groups of renters with access to the internet what online activities they had done in the past three months and these results are set out in table 3.

10 Affinity Sutton (2014) *The Index 2014*

TABLE 3

Online Activity	Private renters	Social renters
Sending/receiving emails	**90%**	**79%**
Information on hobbies / personal interests	**80%**	**71%**
Information on products / services that they are thinking of buying	**73%**	**62%**
Buying products/services online (not groceries)	**69%**	**56%**
Buying groceries	**23%**	**15%**
To check bank account / other financial holdings	**63%**	**42%**
Play video games online	**21%**	**19%**
Downloading / streaming music	**43%**	**27%**
Downloading / streaming films	**33%**	**17%**
Online dating	**5%**	**1%**
Voice calls (e.g. Skype)	**35%**	**19%**
Social networking	**72%**	**63%**
Online gaming (for money)	**7%**	**6%**
TV streaming	**31%**	**22%**
Searching for jobs	**28%**	**20%**
Online surveys	**9%**	**9%**
Reading newspapers	**30%**	**18%**
Did not access internet	**2%**	**7%**

Whilst it is true that social renters are less likely to have carried out the activities listed, they are less far behind private renters in some key areas than may be expected. Over half (56%) of online social renters said they had bought something online in the past three months and 42% had checked a bank account or other financial holding. If 56% of the 71% of social renters with access to the internet are confident transacting online, it is reasonable to conclude that 40% of social renters nationally are comfortable with online financial dealings. In the face of such a finding it would be difficult to argue that housing associations do not need to offer digital options to their customers. The 29% of residents who are not online can no longer be used as an excuse to defer digital; rather they should highlight to service providers the need to offer multi-channel options.

One finding here that we need to be particularly mindful of is that 7% of social renters with internet access have not accessed the internet in the last three months compared to just 2% of private renters. It can be easy to claim success when people who were not online get connected through one of our digital initiatives but this usage needs to be sustained. We need to ensure people receive the full financial and social benefits of having internet access and offering landlord services online must form part of this picture.

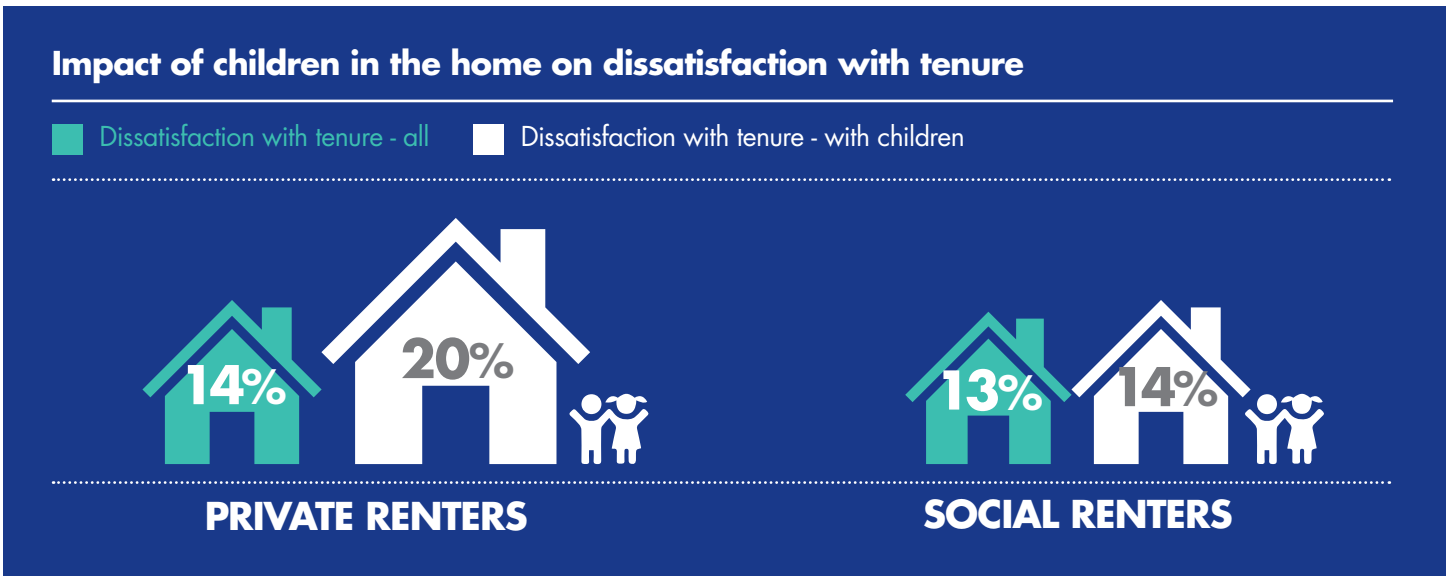
TENURE

The media at times presents private landlords as irresponsible and mercenary and portrays social renting as the tenure of last resort. We were interested in what renters living in these homes actually think. Having asked how satisfied renters are with their tenure we found a far more positive picture than perhaps expected. Although social renters were generally more satisfied, we found that there were surprisingly few statistically significant differences between how private and social renters view their tenure. It is important to note that renters were asked about their tenure, not their landlord.

Over two thirds (65%) of private renters interviewed are satisfied with being a private tenant and nearly a quarter (24%) state that they are very satisfied. Almost three quarters (74%) of social renters questioned say they are satisfied with being a council/housing association tenant and 35% of them are very satisfied. Only 5% of renters in either tenure are very dissatisfied and aggregate levels of dissatisfaction with tenure are very similar (14% private, 13% social). Private renters are more likely to report a neutral feeling toward their tenure and 21% said they were neither satisfied nor dissatisfied whereas social renters tend to be positive with fewer sitting on the fence as just 13% stated neither satisfaction nor dissatisfaction.

There are exceptions where the dissatisfaction score between the tenures widens. This is found most acutely among those with children who may desire greater stability than is ordinarily offered by the private sector: A fifth (20%) of private renters with children in the household state that they are dissatisfied with their tenure compared to 14% of social renters with children at home.

Impact of children in the home on dissatisfaction with tenure



Older residents of both rental tenures record higher satisfaction scores than average but it is another area in which clear differences in satisfaction between the tenures can be seen: 83% of social renters aged 65+ are satisfied compared to 68% of private renters aged 65+.

Although it emerges highest overall, social renting does not uniformly score the highest satisfaction result across all age groups:

TABLE 4

Age	**Private Renters** (% satisfied)	**Social Renters** (% satisfied)
16-24	67	62
25-34	65	68
35-44	60	71
45-54	67	78
55-64	60	71
65+	68*	83

*small base

Young people aged 16-24 are more satisfied with private renting than those of the same age who are social renters. The reason for this is unclear but it may be related to choice – young adults in the private rented sector are likely to have had some choice about where they live whereas young social renters are likely to have been allocated a home due to housing need and may have had more limited options. Young private renters are also more satisfied than all but the oldest private renters. This is perhaps in part due to the fact that young people may enjoy the freedom that private renting brings and they do not yet have keen aspirations to own their own home.

Some variance by region can be seen in the results. Renters overall are most dissatisfied with being a tenant in Yorkshire and the Humber (18% dissatisfied) and are least likely to be dissatisfied in the South West (8% dissatisfied).

Private renters in London are significantly less satisfied (59%) than private tenants overall which may reflect the competitiveness within the market place or frustration at being priced out of home ownership.

Renters of both tenures in general thought their own tenure was the better way to rent. This was true across a number of different measures but the extent to which they thought their own tenure was best varied depending on what was being asked, as shown below.

Privacy and peace from neighbours

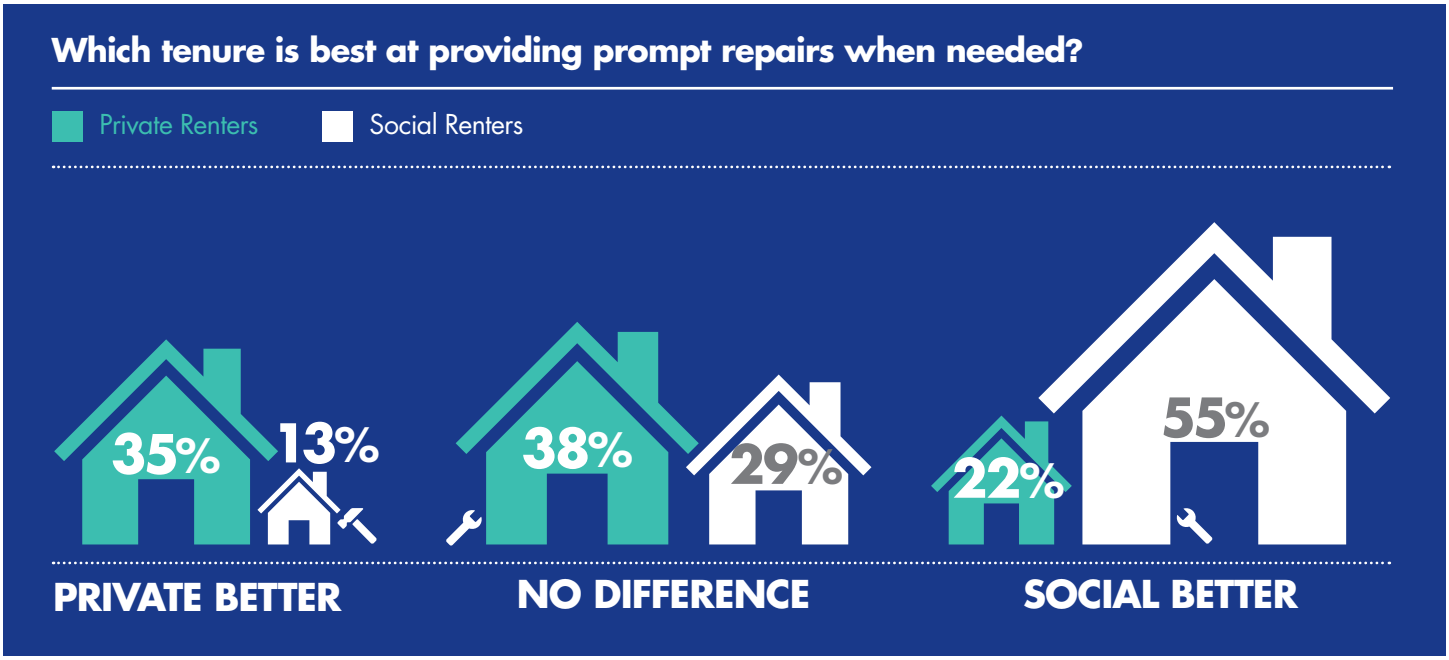
Private renters tend to think that renting from a private landlord offers better privacy and peace from neighbours. 43% of private renters said their tenure was better for this compared to 31% of social renters who thought their tenure was better – the highest proportion of renters though (47%) did not believe there was a difference between the tenures. Only 18% of social renters and 9% of private renters thought the grass was greener and the other tenure offered more privacy and peace from neighbours.

Area with a sense of community

Social renters tend to believe that renting from a social landlord better provides an area with a sense of community. 42% of social renters said their tenure was better for this compared to 29% of private renters who thought their tenure was better – again, the highest proportion of renters (48%) saw no difference between the tenures. Just 11% of social renters said they thought private renting might better offer an area with a sense of community and 17% of private renters thought that social renting would. Having a sense of belonging in one's neighbourhood creates an improvement in wellbeing with an equivalent value of £3,753 a year per resident[11]. Many local authorities and housing associations recognise this positive benefit (even without quantifying it) and work with communities to support them, and to encourage greater social cohesion. It seems that these efforts may be returning a substantial social benefit as 72% of social tenants agreed with the statement, "I feel I belong in my neighbourhood" compared to 61% of private tenants. Of course, the more transient nature of private renting, particularly among younger residents, may account for why some private renters do not feel so connected to their neighbourhood but with a significant 11% difference additional explanations seem likely. Encouragingly for Affinity Sutton, 81% of our residents interviewed for The Index 2014 agreed that they felt they belonged.

Prompt repairs when required

Repair services are the area in which we see the most significant advantage of social renting over private renting in the eyes of renters. Over half (56%) of social renters said that they thought their tenure would best provide prompt repairs when required and over a fifth (22%) of private renters agreed with them. Only 13% of social renters and 35% of private renters thought that private landlords would provide a better repairs service than a social landlord.



11 HACT (2014) *"Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach"* http://www.hact.org.uk/measuring-social-impact-community-investment-guide-using-wellbeing-valuation-approach

For housing associations it may be tempting to get carried away with the positive responses from social renters to these questions. This is particularly because their views may be well-informed with many social renters having previously lived in a private rented home[12]. However, we must avoid complacency since none of the results were wholly positive and even for repairs, where social renting emerged strongest, 13% of social renters said they thought private renting would be better. Should these questions be asked again in the future we may also find that more private renters have experience of social renting since although private renters are currently unlikely to have rented socially before, with the introduction of shorter tenancies this may change in the future.

It is encouraging that both private and social renters tend to report that their own tenure offers something superior to the other but we must ask ourselves whether this is an effect of a positive experience of their own tenure, or a negative image of the other through media construct or hearsay. Further qualitative work would be required to investigate the source of these perceptions.

WHAT NEXT FOR THE SECTOR?

The differences between social renters and private renters in terms of satisfaction are less pronounced than might be expected. Likewise, although it is true that social tenants are less likely to be online than private renters, those who are digitally connected do largely the same online activities (albeit to a lesser degree) and are therefore likely to share similar expectations of online services. As with many research projects, this report raises further questions and highlights more avenues to be explored. There are some key questions that the sector still needs to address:

- What proportion of private and social renters receive any services directly from their landlords online?
- Will the trend to go digital continue to grow exponentially or will this stall or even retract in future?
- What are the strongest drivers for getting social renters online – push and pull factors such as welfare reform or opportunities for saving money and time?
- Is the pull to be part of an online community replacing people's desire for a connection with their local community/neighbourhood?
- What expectations do our customers have of our online services – are they different from those from their bank/utility provider? Why?
- Will customer expectations rise and outstrip service delivery at different rates across tenure?

And the final question that may justify looking more closely at all of the issues this research has raised is whether satisfaction with tenure is stable – or can we markedly increase satisfaction by improving our digital offer to remain in sync with customers' lives, capabilities and expectations?

12 15% of new lets to social housing in 2012/13 were to households from the private rented sector DCLG (2013) *Continuous Recording (CORE) Data*

METHODOLOGY

Ipsos MORI conducted a total of 6,067 interviews with adults in Great Britain aged 16+ on behalf of the Affinity Sutton Group. This included interviews with 1,159 adults renting in the private sector ('private renters'), and 1,056 adults renting from a local council or housing association ('social renters').

Fieldwork took place across three separate weeks of the Ipsos MORI Capibus omnibus face to face survey starting on 6 June and finishing on 16 July 2014.

Data was weighted to the known national profile of British adults. The sub samples of private renters and social renters were weighted to the known profile for each tenure using a number of sources including the English Housing Survey, the 2011 Census and the Ipsos MORI Capibus aggregates for 2013. For these groups, weighting was applied for gender, age, working status, number in household and region.

Where percentages do not sum to 100, this is due to rounding, multiple responses or the exclusion of 'don't know' categories. Where combinations e.g. % satisfied do not sum to their constituent parts (% very satisfied + % fairly satisfied), this is also due to rounding.

If you have found the information presented here useful and would like to form part of a broader sector group looking at how we can gain further value through partnership working please contact: kathy.ellis@affinitysutton.com

Authored by Kathy Ellis, 2014

Affinity Sutton

Affinity Sutton Group Limited
Level 6, 6 More London Place
Tooley Street, London SE1 2DA
Telephone: 0300 100 0303
Email: communications@affinitysutton.com
www.affinitysutton.com