

### **The Effects of divorce, remarriage, separation and the formation of new couple households on the number of separate households**

The large increase in the number of divorces in the 1970s and 1980s and the consequent increase in the number of households headed by divorced men and women, led to growing interest in the housing effects of divorce and how far they are cancelled out by remarriage. There has also been a large increase in the number of cohabiting couple households and dissolutions of couple households, which are not picked up by divorce statistics. To collect information about the housing effects of divorce and remarriage the Department of the Environment (now DETR) arranged for special questions to be placed in the General Household Survey (GHS) Family Information Section. Results from the GHS are analysed with data from other sources including the Survey of English Housing, the 1991 Census Sample of Anonymised Records, and the ONS Longitudinal Study. The latter includes data on the housing of cohabiting couples that dissolved. The report has been written by Alan Holmans of the Property Research Unit in the Department of Land Economy, University of Cambridge.

#### **Key Findings**

- The net increase in households due to divorce and separation of cohabiting couples, net of the effect of new couples formed by remarriage or cohabitation averaged about 70,000 a year in the early 1990's - about 35% to 40% of the estimated annual average increase in all households.
- Of these 70,000 (net) new households around 37,000 were housed in new social sector tenancies and 15,000 in new private tenancies supported by Housing Benefit.
- Slightly more than one half of the gross effect of divorce on the number of households is estimated to have been offset by remarriage and new cohabitation.
- Divorce rates among owner-occupiers were lower than among tenants. However, because of the number of owner-occupiers, divorces among owner-occupiers were very numerous, just over 100,000 per year in the early 1990s.
- Around 60,000 individuals left owner-occupation each year in the early 1990s due to divorce. More female than male owner-occupiers remained in the matrimonial home.

- 65,000 owner-occupiers moved into other owner-occupied accommodation following divorce; these tended to experience an overall worsening of accommodation quality, particularly among lone mothers.
- Separation rates for cohabiting couples were much higher than for married couples.
- An estimated 65,000 to 70,000 cohabiting couples separated each year in the early 1990s. This compares with around 160,000 divorces a year in the same period.

## The Study

The housing effects of divorce depend on housing circumstances both before and after divorce. To find out about circumstances both before divorce and how they are related to housing circumstances after divorce required a special survey. A free standing survey to collect the information was considered prohibitively costly, so the Department of the Environment (now DETR) arranged for special questions to be placed in the General Household Survey (GHS) Family Information section. To obtain a sufficient sample, questions were placed in GHS for three years, 1991/92, 1992/93 and 1993/94 and the results accumulated for analysis. The Department of the Environment commissioned the report to analyse these data.

Material on divorcing households and their ex-members was brought together from other sources as well. They include information from the data set for the official 1992 based household projections about households headed by divorced men and women; data from the Survey of English Housing (SEH) about the housing occupied by divorced men and women and about how the housing of remarried couples compared with that of first married couples; data from the Office for National Statistics (ONS) Longitudinal Study about divorce rates specific for housing tenure and age; from the 1991 Census Sample of Anonymised Records and from several other sources. These sources were used together with the data from the GHS to produce as comprehensive a picture as possible of the housing effects of divorce in the early 1990s and how these had changed from previous periods. Particular subjects were the effect on the number of separate households, on demand and supply in the market for owner-occupied housing and on demand for subsidised rented housing.

Because there has been so large an increase in the number of cohabiting couple households (see, for instance, Department of the Environment, Projections of Households in England to 2016), there are a substantial number of dissolutions of couple households not picked up by divorce statistics and surveys of the housing circumstances of divorced men and women. Separations of cohabiting couples leave no record; but there are good reasons for thinking that they are too numerous not to justify an attempt to estimate their number, however tentatively, and their housing tenure pre and post separation. Because a higher proportion of cohabiting couples than of married couples are tenants of local authorities and housing

associations (the "social rented sector"), how large is the increase in the number of social rented sector tenants as a result of separation of cohabiting couples is potentially important for the magnitude new social sector tenancies generated by relationship breakdown. Data from the ONS Longitudinal Study were used for a preliminary study of dissolution of cohabiting couple households.

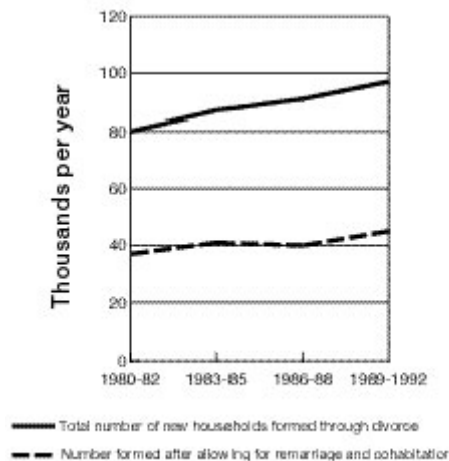
## Findings

### **Effect on the Total Number of Households**

What may be termed the "gross effect" of divorce (in the sense of the process that begins when a married couple separate and ends when their divorce decree becomes absolute) on the number of separate households depends on the number of couples that divorce year by year and on the proportion of the ex-spouses that head households, i.e. the number of successor households per divorce. The rise in the proportion of divorced men and women living independently has multiplied the effect of the larger number of divorces. The number of successor households rose from about 125 per 100 divorces in the early 1960s to 150 in the early 1970s, 160 in the early 1980s and nearly 170 in the early 1990s. The theoretical maximum is 200; so even if the halt to the rise in the number of divorces evident in the mid 1990s persists, a further increase in the gross effect of divorce on the number of separate households (the number of successor households minus the number of married couple households dissolved) could still occur. This gross effect is estimated at 34,000 a year in the early 1970s, 82,000 in the early 1980s and 97,000 a year in the early 1990s. These are estimates, not exact figures.

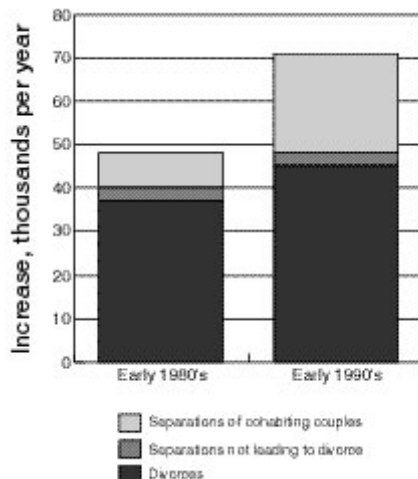
The "gross effect" of divorce on the number of households is partly cancelled out by remarriages and formation of new cohabiting couples by divorced men and women. Remarriage rates are known; but cohabitations that do not subsequently become remarriages (more than 80 percent of remarrying divorced men and women cohabit with the future spouse) have to be estimated. These estimates suggest that slightly more than one half the gross effect of divorce on the number of households is offset by remarriage and cohabitation. The "net effect" on the number of households is estimated at 37,000 a year in the early 1980s and 45,000 a year in the early 1990s. The figure for the early 1990s is equal to about one quarter of the total increase in the number of households year by year.

**Chart 1: Estimates of households formed through divorce**



Estimates of the gross and net effects on the total number of households due to separation of cohabiting couples are necessarily much more tentative and depend on a number of assumptions. The estimates made of the effect of divorce of married couples and of the probably small number of separations that do not culminate in divorce, plus separations of cohabiting couples, is about 70,000 a year in the early 1990s, between 35 and 40 percent of the total increase in the number of households year by year.

**Chart 2: Estimated net effect of divorces and separations on the number of households**

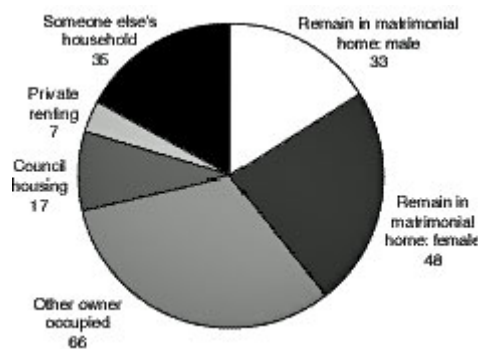


## Housing Tenure of Divorcing Couples and of Successor Households

Estimates were made of the housing tenure of divorcing couples from the data from GHS (which asked for the tenure immediately before separation) and divorce rates specific for tenure and age from the ONS Longitudinal Study. Divorce rates among owner-occupiers are lower than among tenants, but with no significant difference in this respect between private

sector and social sector tenants. The Longitudinal Study data (which relate to the decade between the 1981 and 1991 censuses) show divorce rates at ages under 40 to be about one third to one quarter lower among owner-occupiers than among tenants. However, so high was the proportion of married couples that were owner-occupiers (70 percent at ages under 30 and over 80 percent at ages 30 - 44) that, notwithstanding their lower divorce rate, the divorcing owner-occupier couples were very numerous, just over 100,000 a year in the early 1990s. What became of the 200,000 or so ex-members of these couples in housing terms is therefore a very important question. The answer is shown in round terms in Chart 3.

**Chart 3: Tenure post divorce of former owner-occupiers**



Some 60,000 annually of the ex-members of divorcing married couples were forced out of owner-occupation altogether. Of the 65,000 that moved to other owner-occupied houses or flats, it is clear that some moved to poorer and presumably cheaper accommodation. Quite how many cannot be calculated since details of the former matrimonial home (other than its tenure) were not asked for. Comparisons between the housing of non cohabiting divorced household heads and that of married couples leaves little room for doubt about the overall worsening. Female lone parents with dependent children fared worst. They were also most likely to be spending a high proportion of their incomes on mortgage payments and to be in arrears with their mortgages or be finding keeping up their payment very difficult. Other non cohabiting divorced owner-occupiers were also more likely than married couples to be in arrears or finding keeping up their payments very difficult, though not to the same extent as female lone parents with dependent children. Divorced lone fathers with dependent children are too few to study with SEH data, so how many were in arrears with mortgages is not known. Evidence about their dwellings from the Sample of Anonymised Records, though, shows the proportions of the different dwelling types (e.g. detached, semi-detached or terrace house or flat) to be very similar to the proportions for first married couples. An inference is that divorced lone fathers with dependent children remain in the former matrimonial home.

Ex-members of divorcing owner-occupier couples who moved to social sector tenancies were part of the demand for additional social rented housing generated by divorce. Also very important were tenancies needed to accommodate both the ex-members of divorcing social

rented sector tenant couples. Where the wife leaves and takes the children with her, the husband is normally entitled to remain in occupation, but the wife will be in priority need and the local authority will be responsible for providing her and the children with housing. Divorce generated an additional 37,000 social rented sector tenancies annually in the early 1990s plus another 15,000 fresh lettings by private sector landlords with the rent paid in full or in part by housing benefit.

## **Remarriage and Cohabitation by Divorced Men and Women**

That information of new couple households by divorced men and women offsets about one half the "gross effect" of divorce on the number of separate households was noted in an earlier section of this summary. This offset takes in all three tenures (owner-occupied, social rented sector and private rented sector). There is also evidence of the worsening of housing conditions experienced by divorcing owner-occupiers who remain in owner-occupation but move out from the matrimonial home being reversed through remarriage. Comparison of the housing of each tenure of remarried couples with that of first married couples shows no material difference. The proportion of owner-occupiers was lower, but by an amount that can be explained by the lower proportion of owner-occupiers than of tenants who divorce and so can remarry.

Where remarried men and women are owner-occupiers at the time of interview but were tenants before beginning to live with the new wife or husband, the probability is that the rented accommodation was relinquished in order to move in with the owner-occupiers or buy a fresh house with him or her. Certainty is not possible, because information was not collected about the housing circumstances of the other partner or about who moved in with whom. However, if as a rule the rented dwelling was given up, then about 16,000 social sector tenancies were relinquished annually in the early 1990s by remarriage of social sector tenants to owner-occupiers and 2,000 by remarriage between tenants. In combination these effects of remarriage offset about half the demand for social sector tenancies generated by divorce.

Remarriages between owner-occupiers were much more numerous than remarriages between tenants. The number can only be estimated on the basis of assumptions about whether there is any tendency towards "like marries like" in terms of housing tenure and if so, how strong it is. An assumption of no tendency for like to marry like, termed in Chapter 9 of the Report the "independence basis" is almost certainly too extreme. There is known to be a degree of "like marries like" in terms of occupation and the propensity to be an owner-occupier rather than a tenant is known to be associated with occupation both directly and via income. With a fairly modest degree of like marries like, the number of remarriages of owner-occupiers to owner-occupiers would run at around 20,000 a year. One at least of the

dwellings would then be available for sale (or possibly for letting or use as a second residence). This is a sizeable offset to the demand for house purchase generated by divorce.

## **Separations of Cohabiting Couples**

Separations of cohabiting couples leave no record, so not only tenure before and after separation has to be estimated, but also the number of separations. The estimates presented here are tentative. They depend on comparison of the proportion of married couples and cohabiting couples in 1981 that had separated by 1991 (from the ONS Longitudinal Study), specific for tenure and age in 1981. The ratio of proportions separating was used to scale up divorce rates in 1991 to estimate separation rates for cohabiting couples. The separation rates were then applied to the number of couples in 1991. On this evidence, separation rates for cohabiting couples were much higher than married couples' separation rates (divorces plus separations that do not lead to divorce). At ages under 40 (the ages at which divorce rates are highest) separation rates for cohabiting couples were one and three quarters to twice as high as for married couples. The number of cohabiting couples separating year by year in the early 1990s is estimated at between 65,000 and 70,000. As with divorce rates so with separations of cohabiting couples, there was a differential between owner-occupiers and tenants in separation rates, but no significant difference between social sector and private sector tenants. A higher proportion of cohabiting than of married couple households were tenants, so the tenure differential has a multiplied effect on the number of cohabiting tenant households that separate.

Estimates of the tenure of successor households are more tentative still than of the couples that separate and even more so the number of new couple households formed. To present numerical estimates here would not be appropriate without a discussion of methods and limitations that would be out of place in a summary. Reference should be made to Chapter 10 of the Report.

## **Further Information**

More Information is available in the full report, *Divorce, Remarriage and Housing: The Effects of Divorce, Remarriage, Separation and the Formation of New Couple Households on the Number of Separate Households and Housing Demand Conditions* by **Alan E Holmans** priced £73.00, ISBN 1-85112-35-3.