

Ages and Stages

Meeting the need

The widening mismatch between the homes being built and the homes people need.





Ages and Stages: What we've learned

With housing, affordability and economic growth inextricably linked, Ages and Stages has explored the extent to which our housing system is meeting the demands of the people and places it supports.

Over the past year, through regional roundtables, public and private sector engagement and data analysis, we have explored how changing life stages intersect with local economies and demographic patterns to shape demand for homes.

Industry leaders have consistently told us that the UK is not building enough homes. The resulting mismatch between homes, services and employment is holding back economic growth, which is increasingly dependent on whether places are providing the right homes to support the people driving that growth.

In this report we focus on how growth, infrastructure and the Industrial Strategy are likely to shift demand patterns and the three shifts that are driving the mismatch:

- 1. Delayed independence and affordability**
- 2. Family life that is increasingly complex**
- 3. Under-occupation and blocked mobility**

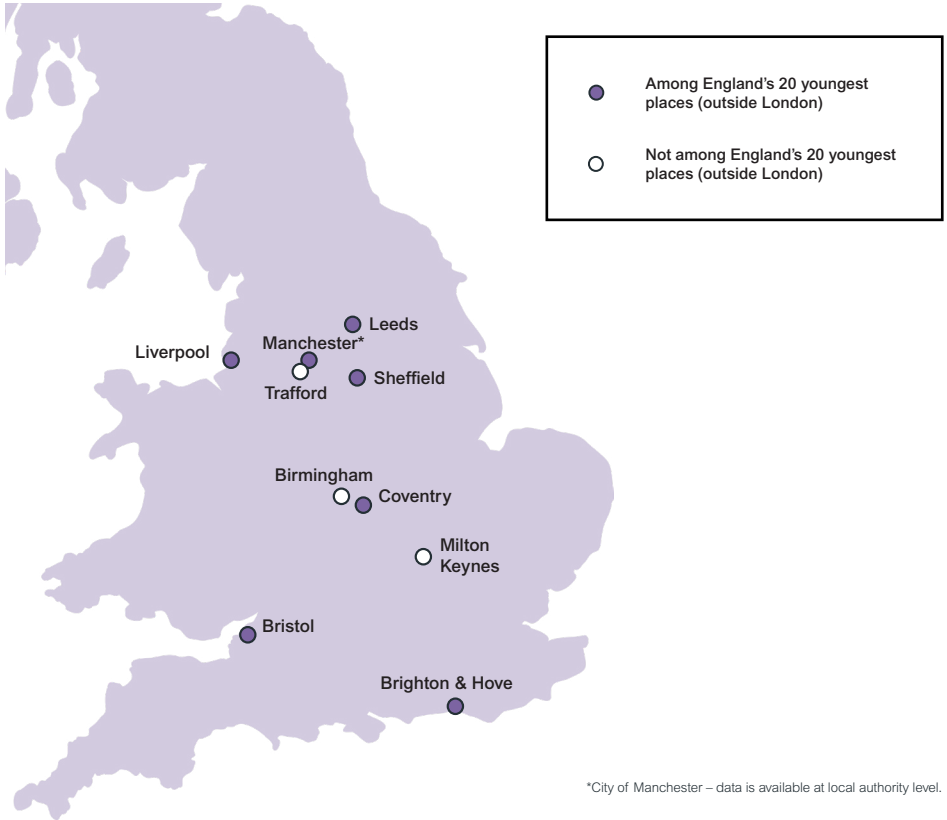
Patterns of economic activity are changing. Growth in the sectors currently being prioritised by the Government as part of its Invest 2035 Industrial Strategy* is not evenly distributed. Instead, it is increasingly concentrated in places with younger populations. As these sectors expand, they are likely to attract and retain more working-age people, placing additional pressure on local housing systems.

Manchester and Cambridge dominate among England's youngest places for both how much activity is currently happening in Industrial Strategy sectors, and how fast that activity is growing. But smaller cities, such as Lincoln, Norwich and Exeter are also growing – albeit from a lower base. Future housing pressures will be shaped by a combination of shifting demographic demand and changing economic conditions, rather than simply a reflection of where people live today.



Many of England's biggest growth sector business hubs outside London are concentrated in the youngest places

The 10 places in England with the most organisations active in growth sectors, outside London.



The ten largest concentrations of activity outside London are in Birmingham, Manchester, Leeds, Bristol, Milton Keynes, Coventry, Sheffield, Brighton, Liverpool and Trafford.** Seven of these are also among the 20 youngest places outside the capital.

If we focus only on understanding demand for where and how people most want to live now, we risk missing where future pressures will emerge. Understanding where economic

activity is accelerating is therefore critical to understanding where housing need will increase.

Together, these insights point to a structural question: if demographics should shape housing decisions, do we fully understand how they are changing and how economic policy will accelerate that change? And is delivery equipped to respond, both now and in the future?

*The eight 'growth sectors' in the Invest 2035 strategy are advanced manufacturing, clean energy, creative industries, defence, digital/technologies, financial services, life sciences and professional and business services. **Based on number of active firms in seven of the eight 'growth sectors' in the Invest 2035 strategy: advanced manufacturing, creative industries, defence, digital and technologies, financial services, life sciences and professional and business services. Data not available for clean energy. Source: EvaluateLocate.com

Growth, infrastructure and industrial strategy

Housing demand is shaped by economic growth and infrastructure investment, and delivery patterns can quickly fall out of step in the face of rapid industrial development. Places that align housing with these forces will be better placed to retain talent and support expansion.

This is particularly relevant in the context of the Government's Industrial Strategy, which aims to accelerate economic growth nationally. By backing the sectors where the UK has a comparative advantage, and concentrating activity in the places best placed to support them, the strategy is likely to increase pressure on local housing markets in those areas.

One example is Barrow-in-Furness, where significant investment is expected to attract younger workers into ageing communities, accelerating shifts in housing demand. Another is the South West, where growth in

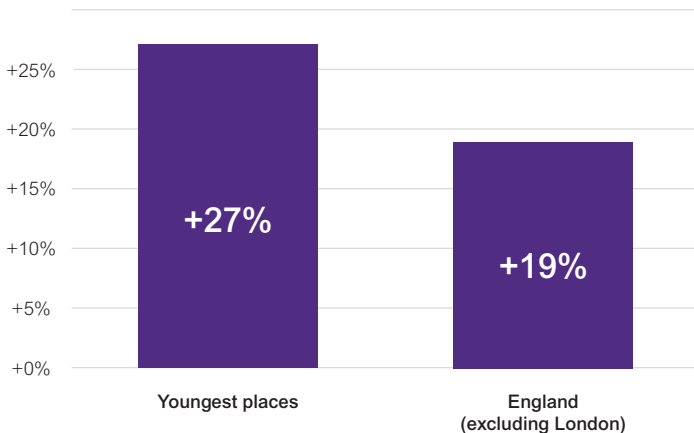
sectors such as marine, advanced manufacturing and clean energy is expected to increase employment in a region with one of the oldest population profiles in England, placing further pressure on already constrained housing markets.

What the data shows

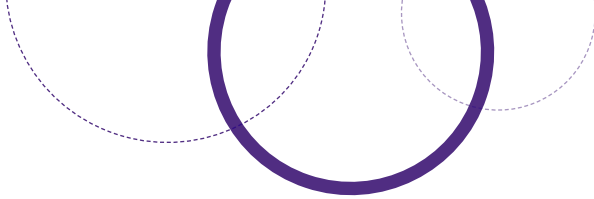
Economic activity in Government-prioritised sectors is growing faster in England's youngest places than it is nationally (see Appendix for definitions). Looking beyond London, the number of active companies in these sectors nationally (excluding professional services) increased by 19% over the past five years. In the places outside London with the highest share of 25–34-year-olds, that number increased by 27% - a rate of growth nearly 50% faster (see chart). Among those young places, growth has been especially strong in Cambridge (+60%), Manchester (+37%) and Lincoln (+33%).

Future growth sector economic activity growing faster in England's youngest places

Five year growth in the number of active firms in Invest 2035 sectors, youngest places vs. England



Source: EvaluateLocate.com. Based on five year growth in number of the sectors identified in the Government's 2035 Strategy: advanced manufacturing, creative industries, defence, digital and technologies, financial services and life sciences. Data not available for clean energy. Data on professional services firms excluded as these account for more than a third of all Industrial Strategy firms. 'Youngest places' = local authorities in England with the highest share of 25-34-year-olds, excluding London: Cambridge, Oxford, Manchester, Nottingham, Bristol, Exeter, Newcastle, Norwich, Lincoln, Salford.



As the sectors expand, they are likely to attract and retain more working-age people, particularly younger cohorts, in places where they are already concentrated, which will intensify the demand for housing.

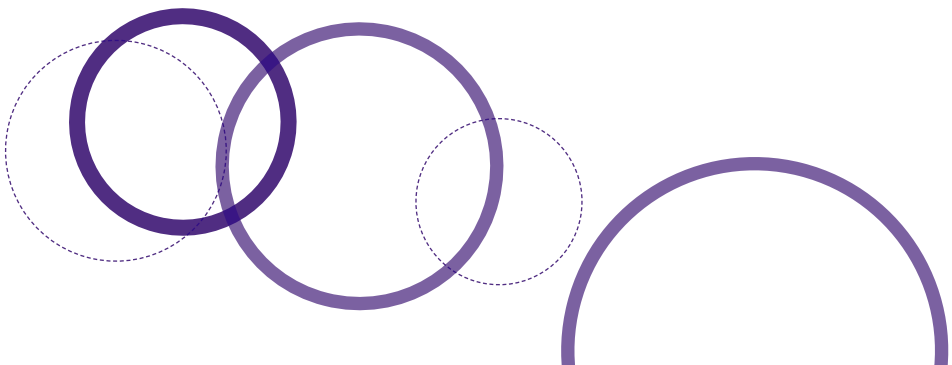
In addition, economic performance across England's youngest places has been uneven since the 2024 general election, with the average annual change in economic vitality ranging from -1.4% in Cambridge to +7.6% in Norwich and Nottingham. Six of these places have outperformed the national average, while four lagged behind.

Taken together, this suggests that the places where housing demand is likely to intensify are also those where economic conditions are changing most quickly, increasing the need to align housing delivery with what people need.

Equally, while this pattern is most visible in younger places, it is not limited to them. Several of the fastest-growing locations for Industrial Strategy activity, including Stafford, Coventry and Ipswich, sit outside the demographic groups analysed in this report. This reinforces the fact that housing pressure will emerge not only in places where populations are changing, but also where economic activity is accelerating.

What this means

- **The places expected to see the strongest economic and population growth are also the places likely to need additional support to adjust their housing offer. Pressure arises when demand intensifies in places whose housing systems have not adapted to how people now live and move through different life stages.**
- **The critical issue is no longer just where growth will occur, but which places are able to translate that projected growth into the housing delivery it will require.**



Delayed independence and affordability

The transition to economic and housing independence is now extending well into people's 30s. With older first-time buyers more likely to have dependants and other work and life responsibilities, their housing needs become more varied and complex.

In places such as Exeter and Plymouth, economic growth linked to infrastructure and construction is increasing demand for early-career workers, but housing supply is not adapting quickly enough to retain them locally. Meanwhile post-pandemic changes in places such as Bromley also highlight how housing models built around more traditional commuting patterns can quickly come under pressure when economic activity moves elsewhere.

What the data shows

In England's 10 youngest places*, flats account for a larger share of recent delivery than across cities nationally (36% vs 28%).** People are staying in shared housing for longer, living with parents into their late 20s or 30s,

or moving into more stable, long-term homes later than previous generations. In growing cities, there are challenges in retaining younger workers, as limited housing options make it harder for people to put down roots locally.

In some cases, the growth of the build-to-rent sector has begun to respond to this gap, by providing more stable, professionally managed rental options. However, it still accounts for only around 2% of the UK private rented sector and remains heavily concentrated in London and a small number of large regional cities such as Manchester, Birmingham and Leeds. Provision in smaller urban markets, which are overrepresented among England's youngest places, remains limited.^[1]

What this means

- **People are spending longer in the early stages of their housing journey, but the system is not yet providing a sufficient range of options to support them through that phase.**
- **The issue is not simply whether the right homes are being built, but whether places are offering viable, long-term pathways towards homes that reflect how people want and need to live.**
- **Without a stronger and more varied rental offer, including build-to-rent (BTR) and other models, people's transition into stable housing remains constrained, even where supply is increasing.**

*Excluding London.

**Cities national average: England's 55 largest cities and towns.



Family life is increasingly complex

Mid-career life stages, between the ages of 35 and 54, are increasingly diverse. Households in this bracket encompass dual-earner families, single adults, single parents, blended families, mid-life renters and multi-generational households, yet delivery remains focused on traditional housing models.

For those in this bracket, significant demand for high-quality, flexible, and often rental-based accommodation is increasingly at odds with constrained supply. While many aim for homeownership, financial pressures and a lack of available supply are driving them towards alternative solutions, including BTR and co-living arrangements.

What the data shows

Data from the 10 places in England with the highest proportion of 35-54-year-olds* shows that recent delivery is skewed towards houses, rather than flats, maisonettes or bungalows. It also shows that the houses being delivered are more likely to be large (over 85 sqm) compared with the national average**.

This suggests that the model of delivery continues to reflect a more traditional view of family housing, centred on larger homes in suburban settings. This challenge may become more pronounced in some locations as patterns of economic growth shift.

Places such as Trafford and Milton Keynes show how this is starting to play out. As well as being among the top ten locations in England for the share of people aged 35-54, they are also among the top ten for the number of firms in the Government's priority growth sectors. Industrial Strategy business activity in these sectors has grown more quickly over the past five years in these places than it has across England as a whole (+21% and +17% respectively, compared to 7% nationwide)***.

As these places add more jobs, they draw in new residents – and with them, different housing needs. This could increase demand for a broader mix of housing types in areas where delivery remains focused on traditional options.

What this means

- **A more diverse set of needs is being served by a relatively narrow set of homes, limiting choice and constraining how people move through the system.**
- **This reflects a model of housing delivery that has not fully adjusted to how people live today, or how they will live in the future.**

*Among local authorities in England, excluding London and its 30-mile commuting zone: Milton Keynes, South Cambridgeshire, Trafford, Swindon, Rushmoor, Rugby, Basingstoke & Deane, Hertsmere, Peterborough, Cherwell.

**National average: England and Wales average, excluding inner-London and the main local authorities of each of the nine largest English cities, where housing delivery tends to be structurally constrained towards higher-density formats.

***Based on 5-year growth in number of the sectors identified in the Government's Invest 2035 Strategy: advanced manufacturing, creative industries, defence, digital and technologies, financial services and life sciences. Data not available for clean energy. Data on professional services firms excluded as these account for more than a third of all industrial Strategy firms.



Under-occupation and blocked mobility

Under-occupation is widespread, with many people still living in large, family-sized homes after their children have moved out, owing to a lack of suitable alternatives.

Barriers to downsizing were repeatedly raised in our regional discussions, with suggestions including targeted interventions such as stamp duty reform to help unlock movement.

Discussions also highlighted that later-life housing is not only about downsizing but also access to appropriate care and support. Current provision is often limited to either council-led schemes or high-cost private options, leaving a gap in the middle of the market.

What the data shows

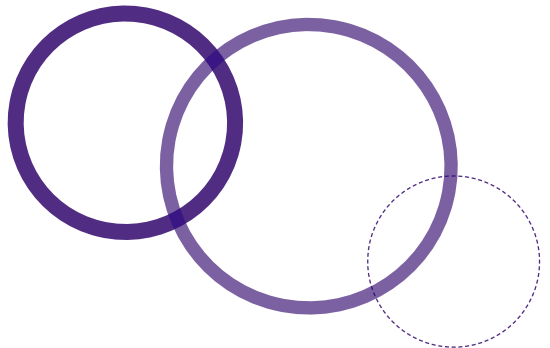
Nationally, an estimated three million people aged 65+ want to downsize. The most recent available figures from Homes for Later Living suggest making

it easier to do so could release around one million homes and free up two million spare bedrooms across England.^[2]

However, in England's 10 'oldest' places*, the share of recently delivered homes that are downsizing friendly (under 70 sqm) is 9% lower than the national average**. This equates to about 10,000 fewer downsizing-friendly homes than if these places had followed the national pattern of housing delivery.

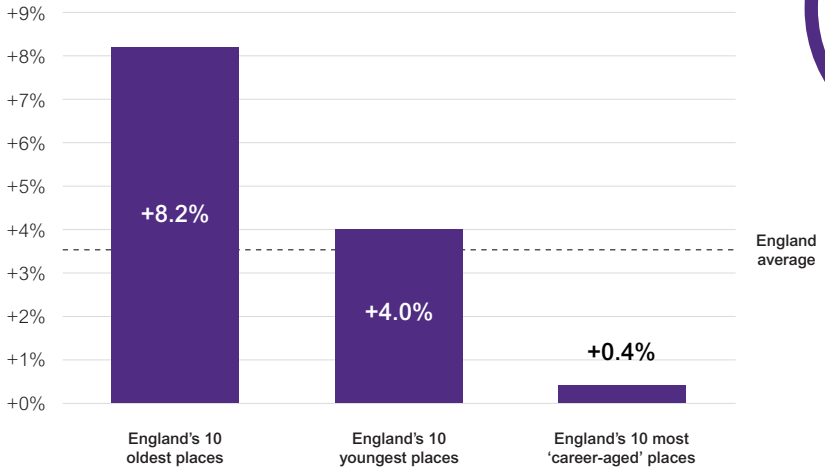
Economic trends add a further layer of complexity. Over the course of the current parliament, average economic vitality has grown faster in England's oldest places than in both the youngest and 'mid-career' places.

*English local authorities with the highest share of those aged 65+: North Norfolk, Rother, East Lindsey, New Forest, Dorset, East Devon, Isle of Wight, West Devon, Torridge, Tendring. **England and Wales average.



Economic vitality has recovered fastest in England's oldest places

Average rolling annual change in economic vitality*, July 2024 to March 2026

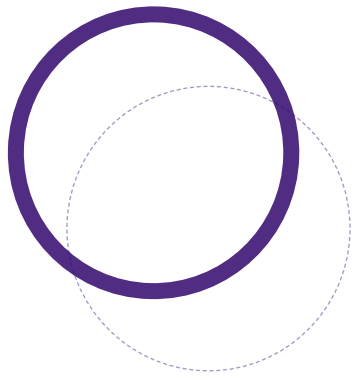


Source: EvaluateLocate.com. *Economic vitality is an overall measure that aggregates more than 100 data metrics across three pillars: household prosperity, business activity, and labour market. July 2024 to March 2026 reflects period from the start of the current parliament to latest available data. Oldest = highest share of 65+. Youngest = highest share of 19-34 (outside London). Most 'career-aged' = highest share of 35-54 (outside London commuting zone).

This suggests that in some ageing areas, renewed economic activity may increase demand for housing at the same time as mobility remains constrained and suitable later-life options remain limited.

What this means

- The overall offer does not yet reflect the full range of needs associated with later life, particularly where housing and care provision need to work together.
- The most recent available evidence from Housing LIN suggests that assisted living can generate health and social care savings of around £2,500 per person per year.^[3] Where suitable options are not available, those benefits are not realised, and pressures remain elsewhere in the system.
- As the population ages, the challenge is not only about providing smaller homes, but about enabling movement into housing that supports independence, wellbeing and access to care. Without this, both the housing system and wider public services become less efficient.



What this means

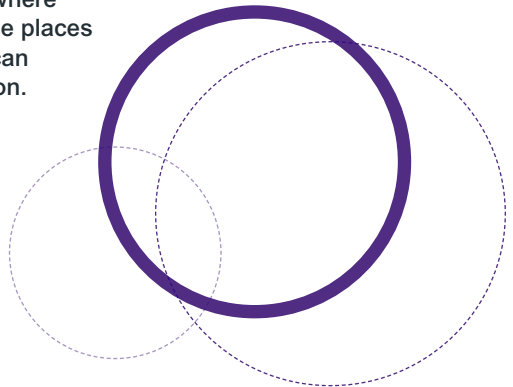
and what comes next

Ages and Stages, which began in spring 2025, set out to test whether housing delivery reflects how people live now. Industry insights, and data gathered since then, both confirm that it does not.

The data also suggests that the ability to address this mismatch is not evenly distributed. Some places will see demand accelerate faster than others, driven by economic policy, sector growth and investment.

Investors are likely to increasingly focus on areas where employment opportunities for younger workforces create a resilient foundation. As a result, places that demonstrate strong potential for sustained economic growth are advantageously positioned to attract long-term investment into housing delivery.

Our research points to the need for a clearer understanding of evolving demand and the link with future economic growth – this will help the industry pinpoint where growth is likely to intensify and whether those places can translate growth into delivery. Then we can shift the conversation from diagnosis to action.





References

^[1] https://www.savills.com/research_articles/255800/376156-0

^[2] https://www.hbf.co.uk/documents/13803/23_July_-_HBF_manifesto_2024_extended_version.pdf

^[3] https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/HLIN-Mears_Demonstrating_cost-benefits_ECH.pdf

Appendix

Energy Performance Certificate (EPC) data from the past three years is used as a proxy for recent delivery. New EPCs are lodged for new builds, conversions, new lettings and change of use. Nevertheless, they allow housing to be assessed by both type and floor area.

Time period reviewed 1 Jan 2023 to 31 December 2025.

Youngest places Places in England outside of London with the highest share of 25-34-year-olds. Excludes London boroughs because otherwise 8 of the 10 would be London boroughs.

'Mid career' places Places in England outside of the London commuting zone (30 miles) with the highest share of 35-54-year-olds. London's demographic profile and housing delivery models are structurally different from the rest of England.

'Oldest' places Places in England with the highest share of people aged 65+.

All demographic data is correct as at most recent local authority estimates (mid 2024).





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