

Multigenerational living

An opportunity for UK house builders?



Informing the debate

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Housing research & guidance

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The NHBC Foundation is also involved in a programme of positive engagement with the government, academics and other key stakeholders, focusing on the current and pressing issues relevant to house building.

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New multigenerational homes are appearing on the market. In this example, built by Redrow Homes, the upper floor provides separate, private space for young adult family members

Foreword

In the western world, particularly in the UK and the USA, the 20th century saw a dramatic change in the living arrangements for older people. Rather than three or more generations sharing a single home it became the norm for grandparents to be accommodated separately, often in homes for the elderly, where, removed from the hubbub of family life and community, many were effectively isolated from the stimuli that give encouragement, purpose and hope so important in later years.

At the other end of the adult age spectrum, hardly a day goes past without reference in the media to the demoralising reality faced by today's generation of young people, who are unable to afford to buy or rent a home of their own.

These changes play to powerful altruistic feelings among heads of families and the desire to support older parents or adult children is strong. Indeed survey findings show that many families would welcome the availability of new multigenerational homes that could provide the flexibility for families to accommodate older or younger relatives.

Against this background, I welcome the publication of this latest NHBC Foundation report, which provides a timely contribution to the debate on multigenerational living and its social and economic significance. It considers the market and challenges the basic premise that multigenerational households are predominantly large, requiring expansive properties. Instead, a key finding is that these households are typically much smaller than often portrayed and many could be accommodated successfully in quite average-sized homes with little or no modification. At the detail level, by exploring the experiences of multigenerational families, this report helps to establish the design features that can allow even complex households to live together comfortably.

While not a preference for all, multigenerational living is recognised in other countries as a contributor to improved wellbeing and the more efficient use of housing stock. I hope this report will help us to recognise and realise these benefits as we strive to deliver an expanded and appropriate modern house-building programme within the UK.

Rt. Hon. Nick Raynsford
Chairman, NHBC Foundation



1 Executive summary

Multigenerational living is an area of established international interest, with house builders developing homes for this market in the USA, Asia and parts of Europe. In contrast, in the UK this market sector is not well-understood and there has been little development of new home designs to suit the needs of families that might wish to live in a multigenerational household.

This research contributes to a better understanding of the market for multigenerational homes in the UK. It analyses the scale and types of multigenerational households currently found in the UK and explores the experiences of British families living in this way. In addition, multigenerational living was also discussed with a range of house builders to understand their perspective on this market, in terms of their perception of both opportunity and risk.

1.1 Defining a multigenerational household

In this research households are defined as multigenerational where there are:

- three or more generations of the same family living together, or
- two generations of the same family living together, consisting of parents and one or more adult children (over the age of 25), or
- two generations of the same family living together consisting of one or more adult children (typically middle aged) and their elderly parent(s).

1.2 Key findings

- The data suggests that nearly 7% of UK households are multigenerational, which is roughly equivalent to 1.8 million households.
- The number of multigenerational households in the UK has been increasing, driven by greater numbers of adult children (aged 25 or over) living in the parental home.
- Four out of five multigenerational households in the UK are White British, although some ethnic groups (predominantly Asian families) are more likely than White British people to live in multigenerational households.
- The research shows that multigenerational households tend not to be large. Approximately one-quarter of households with grandparent(s) present contain three people, just over 20% contain four people and a similar proportion contain five people. Two-adult-generation households are generally smaller and are most likely to comprise just three people. Average-sized homes may therefore provide satisfactory accommodation for many multigenerational households.
- Multigenerational households are most likely to live in three- or four-bedroom homes that they own, and the households, in general, are not living in poverty.
- Some house builders already have home designs that could suit, or be easily adapted to meet, the needs of multigenerational households.
- Multigenerational households predominantly live in 'standard' properties, and not all have annexes or extensions to accommodate household members separately.

- The main drivers of multigenerational living were identified as:
 - pooling resources to buy larger, more expensive properties
 - allowing younger household members to save money, e.g. towards a wedding or a home of their own
 - helping with childcare
 - helping to provide support for older family members
 - responding to unexpected life changes, such as death, illness or divorce in later life
 - specifically choosing to live as an extended family because it is a positive experience.
- Multigenerational living may be a planned choice for some families, but for others it is unplanned, often in response to major life events, such as divorce or the death of a family member.
- Multigenerational living is not purely driven by housing affordability problems or care crises. Living together does not replace a need for formal childcare or care for elderly household members. Rather than providing formal care, household members offer support, ad hoc care and company, which may extend independent living for older relatives or those with certain types of illness.
- Financial and inheritance arrangements relating to multigenerational living can be informal and based purely on goodwill. The research found that there was little formal consideration of the future impacts of these types of living arrangements on inheritance issues in particular.
- There were great benefits of living in a multigenerational household for family members. However, it was not a deliberate choice for all of the people interviewed. The level of enjoyment of multigenerational living experienced by individuals seemed to be linked to the degree of choice over the living arrangement.
- Households informally or formally arranged their homes to provide a mix of private and communal space for household members.
- This research provides evidence that challenges some myths about multigenerational living in the UK: it is not just ethnic minority families who choose to live in multigenerational households; it is not just a response to care needs or housing affordability problems; and it is not just about living in properties with annexes.
- The evidence on multigenerational living offers a range of opportunities to house builders: from marketing existing home designs to multigenerational households, to adapting current designs (possibly to include an extra bathroom or downstairs bedroom), to designing new homes with flexible layouts to suit different household compositions throughout the life course.

2 Background and introduction

2.1 Aims of the research

The aims of this research are to analyse the scale and nature of multigenerational living in the UK and to explore the opportunities that this presents to the house-building sector. The research analyses the proportions and types of households living in multigenerational homes.

The report examines the drivers behind the increase in multigenerational living and evaluates whether this is a market that the house-building industry should consider. It explores how people live in multigenerational households and offers suggestions to the house-building sector about how it might best meet the needs of people who choose this style of living.

2.2 What is multigenerational living?

In this research households are considered to be multigenerational where there are three or more generations of the same family living together, or where there are two generations of the same family, consisting of parents and one or more adult children (over the age of 25).

For this research, three basic types of multigenerational households are recognised:

- three generations of the same family living together – grandparents living with two younger generations, e.g. their children and grandchildren: referred to in this report as a **three-generation household with grandparent(s)** (Category 1).
- two adult generations of the same family living together: referred to as a **two-adult-generation household**. These generations may be:
 - parents living with their adult, non-dependant children: a **two-generation adult-child household** (Category 2)
 - middle-aged people living with their elderly parents: a **two-generation elderly-parent household** (Category 3).

Figure 1 summarises the different types of multigenerational households described above; however, within each type there can be a considerable range of household sizes, from as few as two individuals (see Figure 2).

In this research we have considered multigenerational living to constitute a permanent or semi-permanent household living arrangement, rather than people sharing a home on a short-term temporary basis. However, the available secondary data does not contain any indication of how long people have been living in their multigenerational household, which is a weakness identified in the national survey data. The qualitative data suggests that multigenerational living may be permanent, or may last for at least a few years.

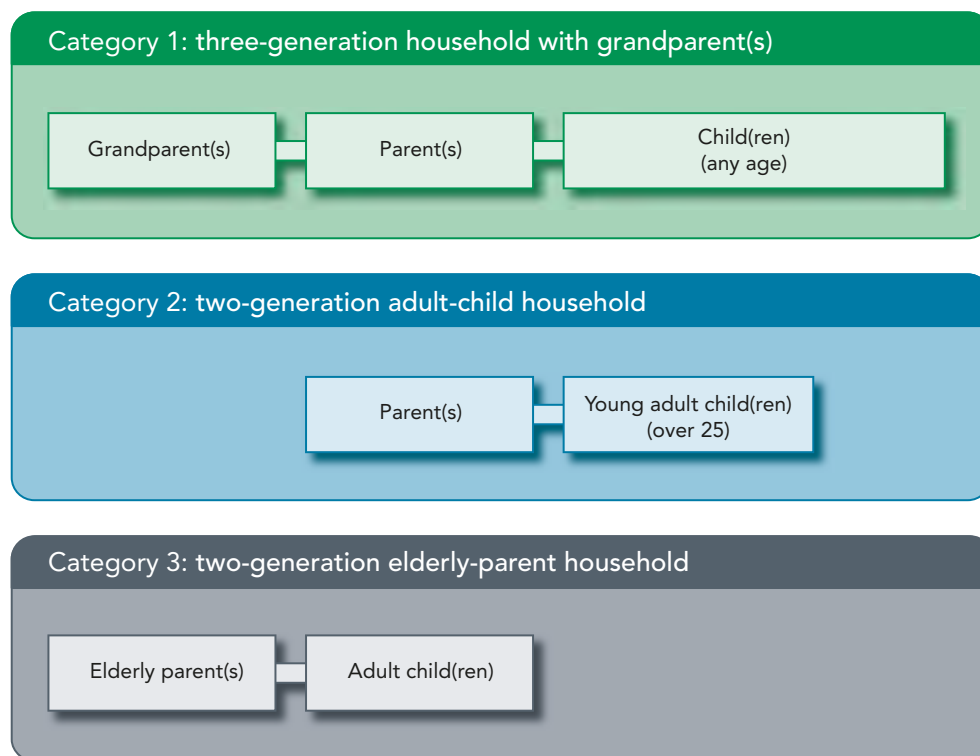


Figure 1 Different types of multigenerational households

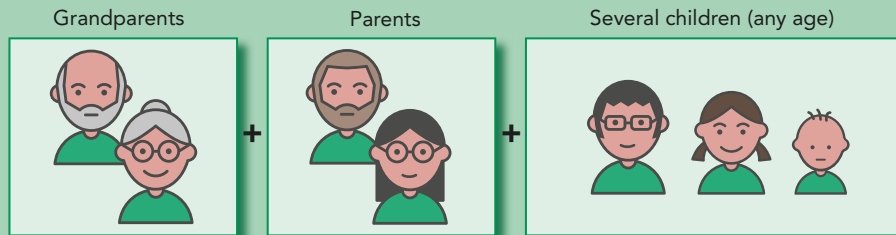
Multigenerational living is an area of established international interest among house builders in the USA, Asia and parts of Europe, who are delivering homes specifically designed to meet the needs of these households. In comparison, multigenerational living is an area of emerging interest in the UK. While not yet a high priority for UK house builders, the media identifies large multifunctional living spaces and multiple bathrooms as characteristic features of the newbuild homes of the future and highlights the lack of large affordable family homes that might be suitable for multigenerational living.

However, relatively little is known about multigenerational living in the UK. The research found that current estimates of its prevalence are prone to misrepresentation or lack robust evidence. In addition, there is little information on the properties that multigenerational households occupy or their living arrangements. This is an area of interest as, according to research conducted for the *Telegraph* by Barclays, two-thirds of people surveyed believe the solution to an ageing population would be to move towards multigenerational living, although only 16% said their current house would be suitable^[1]. More than half of the 2,000 adults surveyed said they would need to move house to accommodate three generations.

[1] See <http://www.telegraph.co.uk/finance/personalfinance/borrowing/mortgages/10191448/Three-generations-living-together-to-save-cash.html> (article dated 3 June 2017)

Category 1: three-generation household with grandparent(s)

Potentially large households of this size:

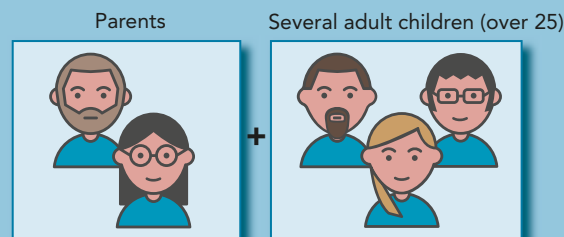


But could be much smaller households with as few as three people:

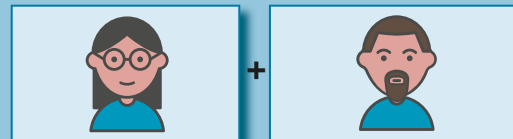


Category 2: two-generation adult-child household

Potentially households of this size:

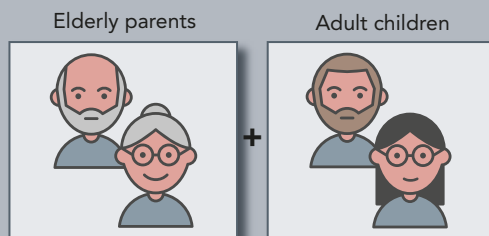


But possibly small households with as few as two people:



Category 3: two-generation elderly-parent household

Potentially households of this size:



But possibly small households with as few as two people:



Figure 2 Size of multigenerational households

3 Methodology for the research

This section describes how the research was carried out and outlines the different types of data that were collected. Figure 3 shows the project plan.

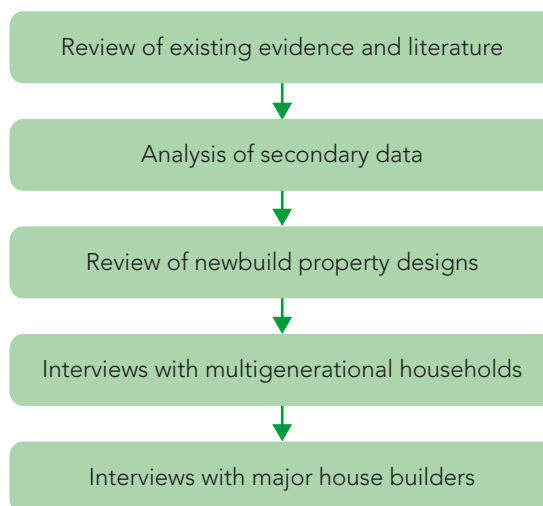


Figure 3 The project plan

3.1 The research process

The project began with a **review of the existing evidence and literature** on multigenerational living. This included both academic and ‘grey’ literature as there has been a degree of coverage of this phenomenon in various media.

Secondary data from the *Understanding Society* survey^[2] was analysed to show the scale and nature of multigenerational households. This was a particularly challenging process which had not previously been undertaken and it is anticipated that it will make a significant contribution to the knowledge base. As the literature review suggested differences between the various categories of multigenerational households, the two-generation households were analysed according to the age of the youngest generation.

A **design review** of existing newbuild designs for larger houses was conducted to assess the extent to which existing newbuild housing could cater for, or be easily adapted to suit, the needs of multigenerational living. The study included examination of a number of international case studies.

Householder interviews were conducted to explore the experiences and living arrangements of people in multigenerational households. A total of 30 interviews were conducted with 29 different households (in one case, two generations were interviewed from a single household). Interviews were around 30 minutes in length and were carried out by telephone between May and July 2016.

[2] University of Essex. Institute for Social and Economic Research, NatCen Social Research, Kantar Public, 2016, *Understanding Society: Waves 1–6, 2009–2015* [data collection], UK Data Service, 8th Edition. Accessed 20 December 2016. SN: 6614, <http://dx.doi.org/10.5255/UKDA-SN-6614-9>

To be eligible for participation, households had to consist of:

- three generations (of any age), or
- two generations where the youngest generation contained an adult aged 25 or over.

Half of the sample were recruited via a public relations agency through a social media campaign; the majority of these households lived in existing homes. The other half of the sample were recruited via the NHBC's New Homes Community Panel of new homebuyers; all households in this sample had bought a new home within the past two years.

All participants received a £10 shopping voucher in compensation for their time.

Interviews were also conducted with six major house builders (including some who had developed designs aimed specifically at this market) and with other relevant stakeholders.



4 The extent and character of multigenerational living in the UK

This section presents findings from the secondary data analysis. It estimates the number of multigenerational households in the UK and defines their key characteristics.

4.1 Data source

Secondary data from the *Understanding Society* survey was analysed to determine how common multigenerational living is in the UK.

Understanding Society is a UK-wide survey with a longitudinal design, meaning that it follows the same people over a period of time. At the time of the research, there were five 'waves' of data available to researchers. It is a large survey, involving around 30,000 households. The survey also includes an 'ethnic minority boost' to ensure that it adequately represents key ethnic minority groups.

The data for each wave is collected over a two-year period. Data collection for wave 1 took place in the period 2009–2010, for wave 2 in 2010–2011, wave 3 in 2011–2012, wave 4 in 2012–2013 and wave 5 in 2013–2014.

The dataset contains the key information necessary for compiling estimates about the population from the sample. The data is weighted to be representative of the UK population as a whole.

4.2 How common are multigenerational households in the UK?

The research found that in 2009–2010, at the start of the longitudinal *Understanding Society* study, 1 in 20 households were defined as multigenerational (Table 1). By 2013–2014 this figure had risen to 1 in 15, equivalent to about 1.8 million multigenerational households.

Two-year period in which data collected	Multigenerational households as a proportion of all UK households	Number of UK multigenerational households (millions)
2009–10	5.0%	1.3
2010–11	5.8%	1.6
2011–12	5.6%	1.5
2012–13	5.8%	1.5
2013–14	6.8%	1.8

Table 1 The estimated proportion and number of multigenerational households in the UK

Over the first five years of the study, from wave 1 in 2009–2010 to wave 5 in 2013–2014, there was a 38% increase in the estimated number of multigenerational households in the UK (as shown in Figure 4); this roughly translates into an extra 500,000 multigenerational households over this time period, indicating a potential demand for 125,000 multigenerational homes per year.

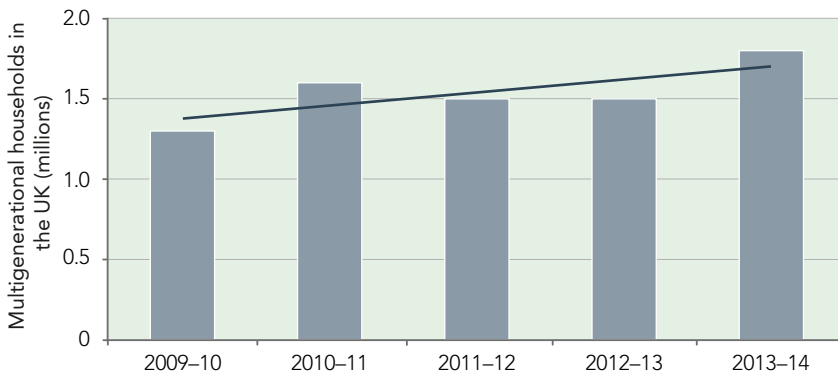


Figure 4 Estimated number of multigenerational households in the UK (2009–14). Source: *Understanding Society*

To explore what is driving this increase in multigenerational living, the numerical estimates were repeated for the two main categories of multigenerational living: three-generation households living with grandparent(s) and households with two adult generations. The estimated proportions and numbers of these two main categories of multigenerational households are shown in Figures 5 and 6.

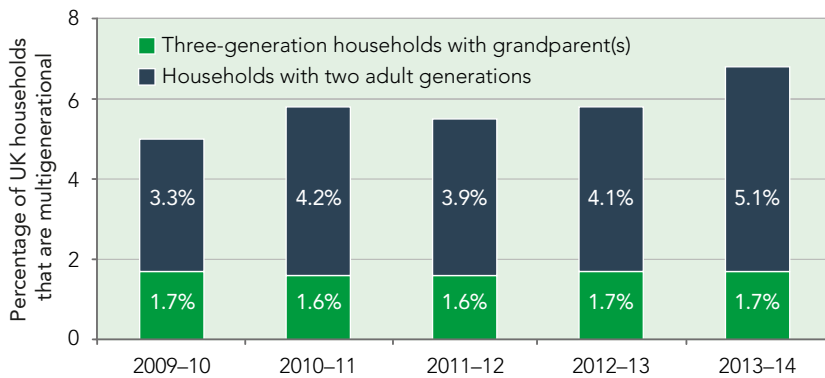


Figure 5 Breakdown of UK multigenerational households as an estimated proportion of all UK households (2009–14). Source: *Understanding Society*

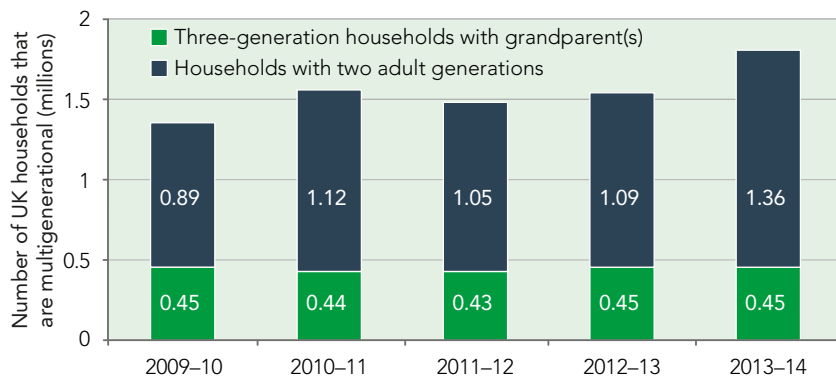


Figure 6 Breakdown of UK multigenerational households (estimated millions of households, 2009–14). Source: *Understanding Society*

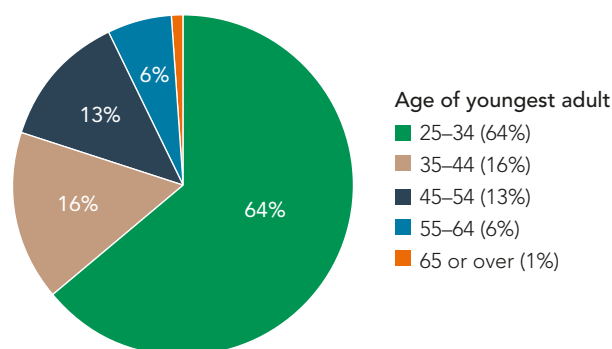


Figure 7 Two-adult-generation households: distribution by age of youngest adult (2013–14). Source: 2013–14 data from the Understanding Society survey

The number of **three-generation households** with grandparents present is remarkably stable over the period (the difference between the highest and lowest estimates is just 0.08%). This suggests that the increase (approximately 38%) in multigenerational households shown in Figure 4 is not attributable to increased numbers of three-generation households but to growing numbers of two-adult-generation households.

Within **two-adult-generation households**, two-thirds consist of households where the youngest adult is aged between 25 and 34, as shown in Figure 7.

This, combined with the information presented about two-adult-generation households overall, suggests that around 3% of all UK households are two-generation households with the youngest adult aged between 25 and 34. There is evidence from the successive waves of data that it is the **growth of these two-generation households** (those with younger adult family members aged between 25 and 35) that is increasing the overall number of multigenerational households in the UK.

4.3 Ethnicity and multigenerational living

The breakdown of **three-generation households** by ethnicity is shown in Figure 8. Approximately four out of five (78%) of these households in the UK are White British (which constitutes by far the largest ethnic group in numerical terms).

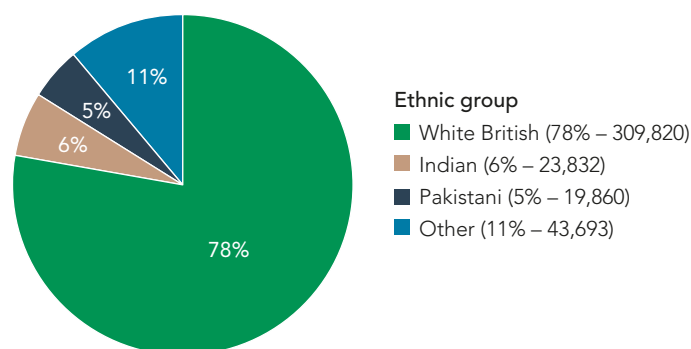


Figure 8 Proportions of the UK's total number of three-generation households recorded for the main ethnic groups (2013–14). Source: 2013–14 data from the Understanding Society survey

Of the **two-adult-generation households**, those that are White British constitute an even higher proportion of the total:

- 82% of households where the youngest adult is aged between 25 and 34
- 85% of households where the youngest adult is aged 35 to 54
- 94% of households with the youngest adult aged 55 or over.

Compared to the national picture (Figure 5) the analysis found that 10% of British Bangladeshi households have two adult generations living together, 9% of British Pakistani households have this composition, as do 7% of British African households.

Overall, while some minority ethnic groups were more likely than White British people to live in multigenerational households, the relative sizes of these groups are small and they do not form a large proportion of households living in this way.

4.4 Household size

For **three-generation households** with grandparent(s) there is an approximately equal number of households with three, four, five or six or more family members (Figure 9). A few of these households (7%) contain just two people – presumably the grandparent and grandchild, with nobody representing the middle generation. Around 10% of households have more than six members.

To provide context, the three-generation households can be compared with the national household size distribution^[3], also shown in Figure 9. Nearly 70% of three-generation multigenerational households have four or more household members. This contrasts markedly with the national picture, where just over one in five (about 21%) households have four or more people.

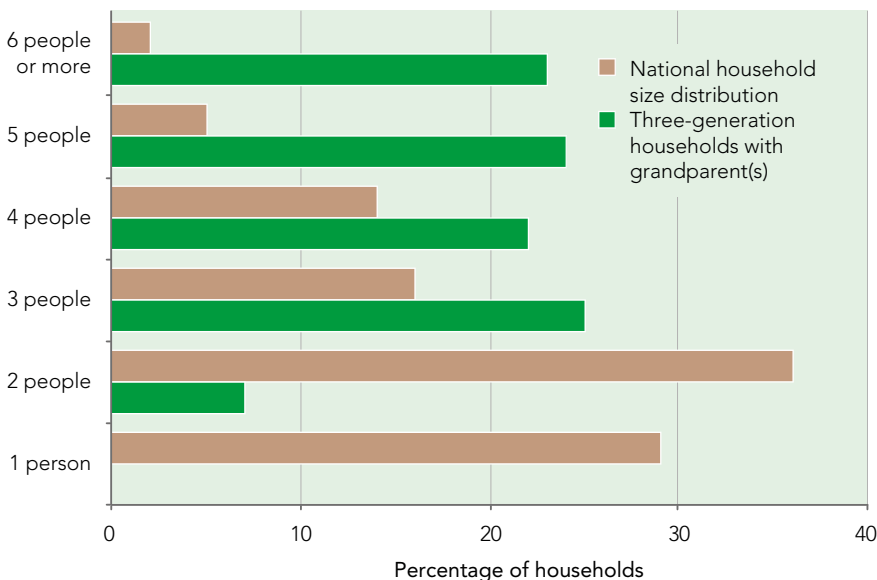


Figure 9 Household size for three-generation multigenerational households with grandparents, compared with the overall national household size profile (2016)

A full analysis of the household size distribution among **two-adult-generation households** was not carried out. However, the most common household sizes were identified, as shown in Table 2.

[3] Data from Statista: The Statistics Portal. Available at <https://www.statista.com/statistics/281627/households-in-the-united-kingdom-uk-by-size/> (Statista 2017)

Age of youngest adult in household	Most common household size	Second most common household size
25–34	Three people (43% of households)	Four people (24% of households)
35–54	Two people (41% of households)	Three people (36% of households)
55 or over	Two people (58% of households)	Three people (33% of households)

Table 2 Most common household sizes among two-adult-generation households

This evidence on household size indicates that the market for multigenerational homes should be defined by a variety of accommodation needs. Notably, and as a result of the large proportion of households with two adult generations in the overall mix, **accommodation suitable for three adults (typically a couple and one other) emerges as the most common requirement**. The need for larger homes, though more relevant to the three-generation household category, is actually of secondary importance to the multigenerational market as a whole.

4.5 Household incomes

The data analysis shows that multigenerational households are not likely to be living in poverty. **Three-generation households** with a grandparent present are unlikely to be poor. Only one in five of these households are living on less than 60% of the median income, which is the agreed international measure (adjusted for family size) used throughout the European Union to define poverty. Also only one in five claim Housing Benefit or Council Tax Reduction. Households with **two adult generations** are also unlikely to be poor; 85% are living above the 60% median income level and are not claiming Housing Benefit or Council Tax Reduction.

4.6 Property size

The research found that the homes occupied by multigenerational households are likely to have three or four bedrooms. For **three-generation households** with grandparents present, 56% occupy three-bedroom homes and 24% occupy homes with four bedrooms.

Overall, properties accommodating **two adult generations** also tend to have three or four bedrooms, as shown in Table 3.

Age of youngest adult in household	Most common property size	Second most common property size
25–34	Three bedrooms (56% of households)	Four bedrooms (24% of households)
35–54	Three bedrooms (58% of households)	Two bedrooms (19% of households)
55 or over	Three bedrooms (60% of households)	Four bedrooms (20% of households)

Table 3 Most common property sizes among two-adult-generation households

Significantly, two-bedroom homes are also quite commonly used by two-adult-generation households. In cases where the youngest adult is aged 35 to 54, two-bedroom homes provide accommodation for 19% of these households, very slightly more than the 18% that live in four-bedroom homes. Overall, however, **the three-bedroom home emerges as by far the most common property size currently used by multigenerational households.**

All these properties are likely to have one or two living rooms available for the household's communal use (i.e. rooms that are not bathrooms, kitchens or bedrooms).

4.7 Tenure

The homes of multigenerational households are most likely to be owner-occupied. The **three-generation households** with grandparents are mainly owner-occupied (63% owned either outright or with a mortgage). A further 29% of properties are rented from a social landlord and 8% rented from a private landlord. The majority (84%) of these properties are in urban areas.

The properties of **two-adult-generation households** are also generally owner-occupied (either with a mortgage or owned outright):

- 70% are owner-occupied where the youngest adult is aged between 25 and 34
- 76% are owner-occupied where the youngest adult is aged 35 to 54
- 77% are owner-occupied where the youngest adult is aged 55 or over.

The next most likely tenure is social rented, ranging from 18% of two-adult-generation households with the youngest adult aged 35 to 54 to 23% of households with two generations where the youngest adult is aged between 25 and 34.



5 Designing homes for multigenerational living

This section presents some of the findings from the review of newbuild property designs in the UK and internationally. It describes some existing house designs, similar to those used by UK house builders, and discusses their suitability for multigenerational households. It then considers case studies from the USA and Singapore, where house designs have been developed explicitly for multigenerational living.

5.1 Do UK house builders already have house designs that are suitable for multigenerational households?

The design review shows that there are various existing common newbuild house designs that are suitable for multigenerational households, or which could easily be adapted to be so. The results indicate that suitable house types fall into four categories, as detailed below.

5.1.1 Suitable without change

These are typically designs in which one or two bedrooms and a bathroom form a relatively separate suite of rooms on its own floor (typically the top floor of a three-storey house).

These house types offer the possibility of immediate use of this suite of rooms, either by an elderly relative or by adult children, without any alteration or conversion of the existing plan. Such homes are appearing on the market and Figure 10 shows a plan for one type of home that has been promoted for its potential as a multigenerational home. In this case the two bedrooms and bathroom on the upper floor were presented to purchasers as suitable for adult children who might return to live in the parental home, and marketing material highlighted key features:

Flexible accommodation and multiple bathrooms are key to parents and their grown-up children living in harmony.

It's the ideal space for two older children or for one young adult to have his or her own bedroom, a separate living area and bathroom, all conveniently tucked away from the rest of the household.

Grown-up children can enjoy some freedom and privacy on the top floor, leaving their parents and younger siblings to share the middle floor, There are ample bathrooms so that no-one is left waiting and the ground floor accommodation is spacious enough for the whole family.

This marketing material reflects a clear understanding of the needs of multigenerational households and is a positive initiative to supply to this growing market.

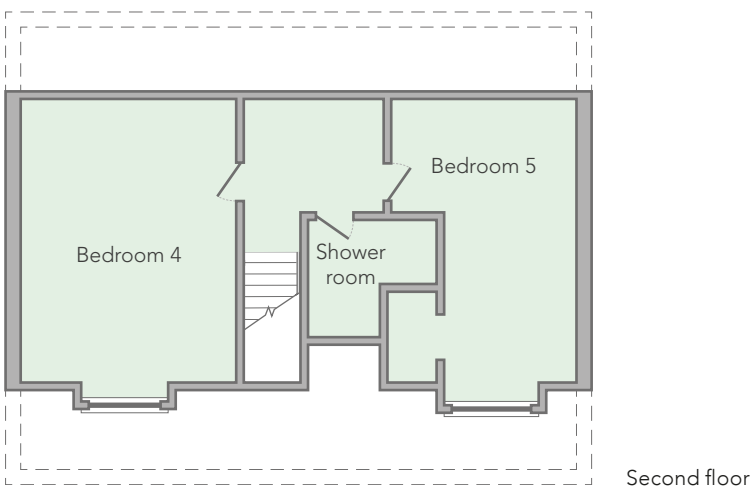
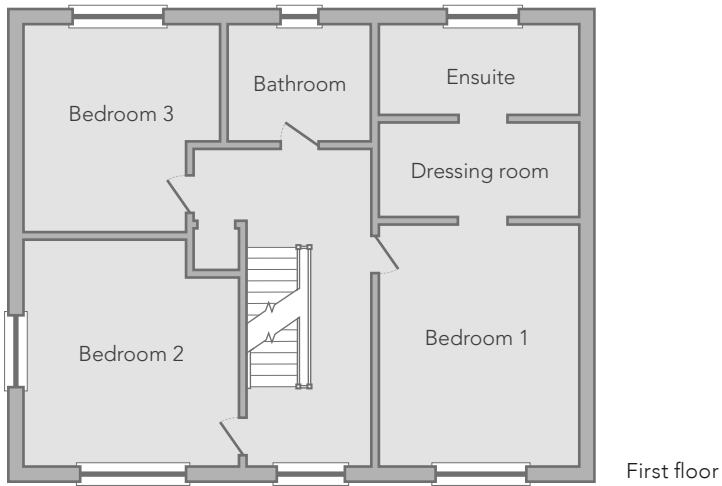
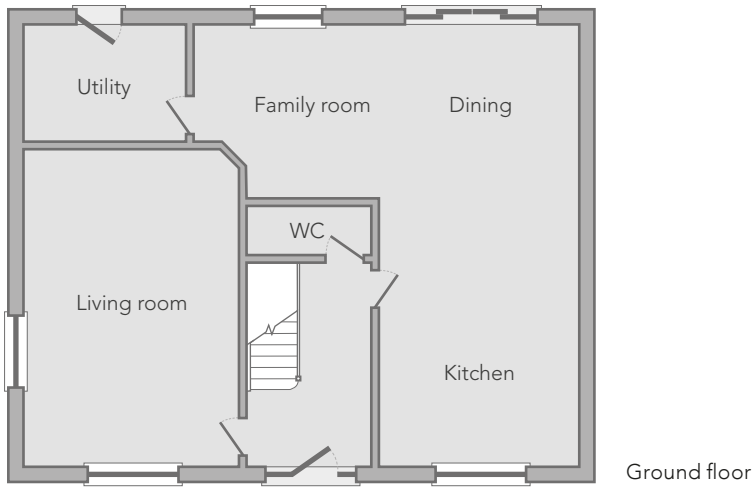


Figure 10 Example of a larger home type that is designed and marketed for multigenerational living in the UK. It has flexible second floor accommodation which provides separate space and some privacy, particularly suitable for young adult children

Many house builders offer more average-sized homes, typically on three storeys, that could be marketed similarly as suitable for multigenerational living. An example is shown in Figure 11. This house has a master bedroom in the loft with an ensuite, which could offer a degree of privacy for an adult child or for an elderly family member capable of managing the stairs.

The marketing material for this smaller home highlighted the 'appealing seclusion' of the top floor accommodation:

A large bedroom makes a comfortable guest room on the first floor, where there's also a further bedroom and a main bathroom. The ensuite master bedroom with dressing area enjoys appealing seclusion on the top floor.

However, it did not highlight the flexibility of the layout and its eminent suitability for smaller multigenerational households. For homes of this configuration, the absence of a reference to suitability for multigenerational living is perhaps a missed marketing opportunity.

5.1.2 Adjustment of existing plan layout

The second type of newbuild design identified by the review comprises houses in which the original plan offers a particularly large double bedroom, usually with an ensuite bathroom, often located above a double garage or a ground floor wing. In these cases the layout can often be changed to provide a self-contained space with a living room, double bedroom and ensuite bathroom, plus the option of a kitchenette. This layout offers a greater degree of privacy and separation, which may be suitable for an elderly parent, a divorced or separated child returning home, or for an adult child with an increasingly separate lifestyle.

Two examples of plans which could be readily adapted for marketing as offering an opportunity for more than one generation to live together in the same house without being 'on top' of each other are shown in Figures 12 and 13. Figure 12 shows an additional variant that could suit households that wish to provide separate space for two adult children.

5.1.3 Opportunity to extend

These are houses which offer the opportunity to provide a separate self-contained extension to the original house. Such homes might be marketed either with planning consent and designed to comply with Building Regulations, leaving the purchaser to engage a contractor to carry out the work, or as an 'off plan' option in which the house builder would complete the extension as part of the main work.

5.1.4 Ground-floor alteration

Where the existing ground-floor plan has a large bedroom or family room, this may be suitable for conversion into a self-contained living area with its own entrance.

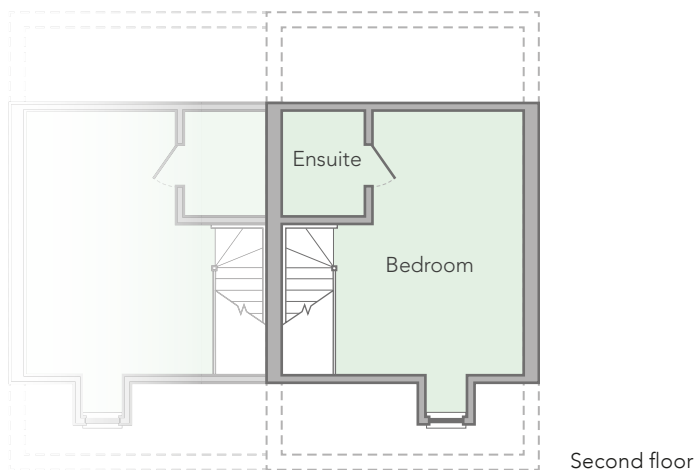
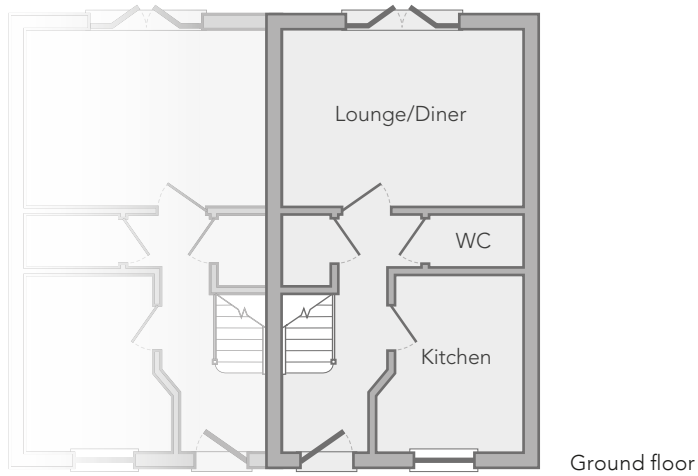


Figure 11 An average-sized semi-detached home design. With a second floor offering separate space. Such homes could provide suitable accommodation for the many smaller multigenerational families



Alternative multigenerational options for bedroom 1



Figure 12 A house plan that could be reconfigured relatively simply to provide one of two variants that have greater potential if building for a multigenerational market

Notes:

Building Regulations: All proposed modifications will need to be checked for compliance with Building Regulations, with special attention to fire protection where kitchenettes are included and where the escape route from a room involves passing through another room.

Council Tax: When a part of a home offers an independent living area for one or more occupants, local authorities may classify it as a 'self-contained unit', leading to an increase in Council Tax (see *Council tax bands and self-contained units*, published by the Valuation Office Agency).



Figure 13 A house plan that, with some redesign of the first floor, could provide greater flexibility for multigenerational living – in this case providing a self-contained suite as an alternative to a large master bedroom. See notes to Figure 12.

5.2 Do other countries build properties specifically for multigenerational households?

The design review carried out for the research also considered international examples. Case studies in the USA and Singapore show how property types have been developed for these households, marketed as such and encouraged by the use of financial incentives.

5.2.1 The United States

Lennar Homes, a major US house builder, has successfully developed a property range aimed directly at different types of multigenerational households.

Lennar Homes is the second largest house building company in the USA, building 18,290 homes across 19 States^[4].

One of their products is the NextGen home. Details of the NextGen homes and associated marketing material can be found at: <http://nextgen.lennar.com>. It is clear from the marketing material that the NextGen concept is, in practice, being marketed to a wide range of family types, from 'empty nester' couples to multigenerational families to adult children providing space for a parent.

Lennar describe the NextGen home as:

The home within a home: a unique new home solution for homebuyers who need to 'double up' to share the cost of their mortgage and other living expenses.

And as:

Two homes. Under one roof. For the family you're raising and the family that raised you. Lennar is the first production homebuilder to offer a solution for the multigenerational family, living under one roof. The NextGen® suite provides both privacy and togetherness for today's modern family—featuring a separate private entrance, bedroom, bathroom, laundry, eat-in kitchenette and living room.

These are very large detached properties. The marketing material suggests that these homes could contribute to providing care for older relatives and sharing household costs, and emphasises the flexibility of the space provided. Through case studies, illustrating six types of potential purchasers, the marketing material then highlights the range of uses that different purchasers have made of their properties. It covers three different house layouts, and includes photographs of the 'typical' families with biographical details. Each family's house plan is shown, marked up with comments on how the rooms can be configured and used in different ways.

The marketing of the NextGen concept appears to hover between the idea of two generations who 'need to double up to share the cost of their mortgage' and two generations who wish to live separately together for care and support. The houses illustrated are clearly large (in contrast to the Singapore case study that follows), between 230 and 325 m². Figure 14 shows one variant from a range provided for different types of family.

[4] Lennar Homes Annual Report 2013. Available at https://materials.proxyvote.com/Approved/526057/20140214/AR_193467/#/1/

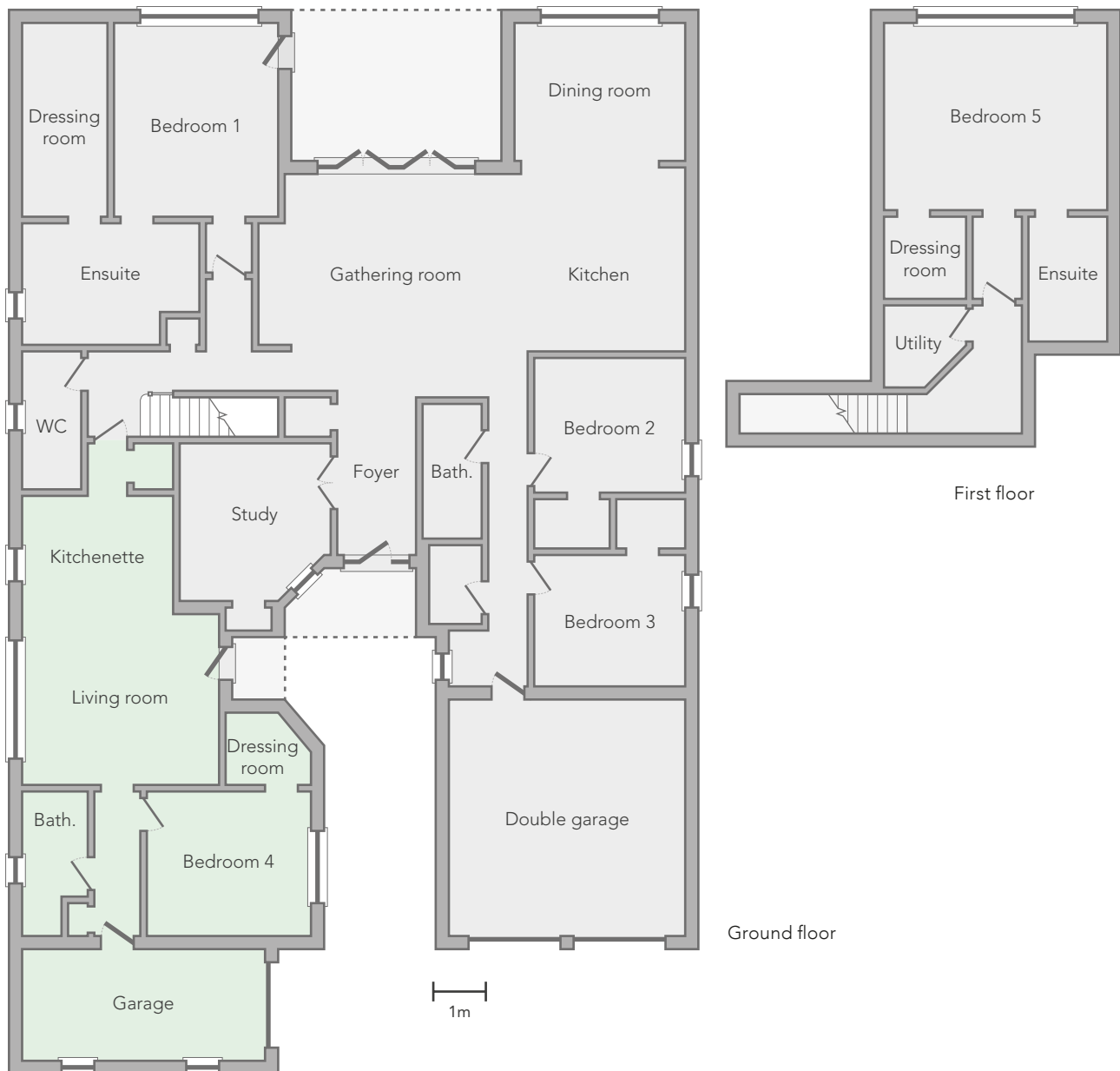


Figure 14 Typical plan for a NextGen home, built for and marketed to intergenerational (multigenerational) households in the USA by Lennar Homes

5.2.2 Singapore

Multigenerational living is officially recognised as a household type in Singapore and a specific housing design has been developed and marketed to three-generation households. It is a relatively small apartment property. This is closely linked to the issues concerning supporting the country's ageing population and providing childcare. Singapore has a very limited welfare state with no state pension, no free medical care and no unemployment benefit.

Singapore's multigenerational housing designs have evolved within a housing system that is characterised by a high proportion of homes which are developed directly by the government, through the Housing Development Board, and an exceptionally high rate of owner occupation, supported by an extensive subsidy system.

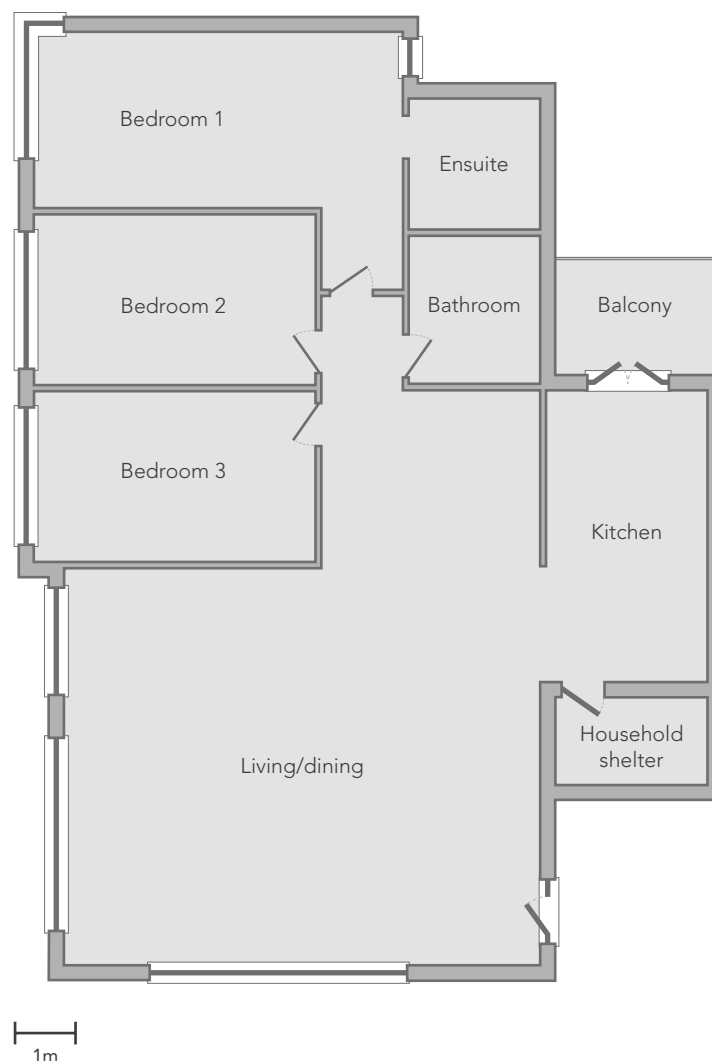


Figure 15 Singapore – a typical multigenerational apartment design

The Housing Development Board attempts to promote intergenerational care by prioritising apartment allocations and offering grants of 20,000 Singapore dollars (approximately £11,000) to families so that adult children can live within 2 km of their elderly parents, and grants of 10,000 Singapore dollars (£5,500) to single people over the age of 35 to enable them to buy an apartment jointly with their parents.

The Housing Development Board also builds a small proportion of larger apartments for sale as ‘intergenerational’ (‘3Gen’) units, so that an elderly parent or grandparent can live with their adult children. These are variants on the basic five-room (three-bedroom) 110 m² apartment shown in Figure 15.

The multigenerational home designs in Singapore and the USA are quite different. Although designed with similar households in mind, they are very different in size. However, both suggest that marketing and design potential exists in relation to multigenerational living in the UK too.

6 Experiences of multigenerational living

This section analyses the findings from 30 in-depth interviews with members of multigenerational households. It discusses the drivers, financial arrangements and experiences of living in multigenerational households, and what the interviews suggest for newbuild property designs.

6.1 What can we learn from people who live in multigenerational households?

The interviews revealed the following:

- In contrast to common media stereotypes, these are not households that are primarily formed to provide care for frail elderly relatives, or to provide an affordable housing solution. They are households whose living arrangements reflect complex lives and a diverse array of drivers.
- While some multigenerational households were planned and had deliberately chosen their living arrangements, and some were unplanned and unexpected (such as a child never moving out of the parental home), the majority reflected a situation somewhere between these two scenarios.
- Some of the household arrangements, especially those with adult children, were quite transient with people joining or leaving the household as their circumstances changed, such as starting a new job or as a result of relationship breakdown.
- The discussion in the existing literature about 'boomerang children' is called into question by the results of the research, which found that many adult children had not previously lived independently, or had only done so for brief periods.
- Further, many households lived within a single property, dispelling the myth of the prevalence of the 'granny annexe'.
- The interviews also did not support the stereotype prevalent in the media of multigenerational living being driven by the necessity to provide care for elderly frail relatives.
- Multigenerational households were also not found to be a culturally-specific living arrangement.

This section summarises the interview findings. Quotes from the interviews have been used to highlight key points, but names have been changed to preserve participant anonymity.

Table 4 gives an overview of the households whose details have been included in the report.

Name in report	Household type	Household composition
Ben	Three-generation	Self (73), wife (72), adult child (45), grandchildren (16, 12)
Christopher	Three-generation	Self (59), wife (58), adult son (28), adult daughter (31), son-in-law (31) grandchild (1, from daughter)
Eleanor	Three-generation	Self (35), husband (40), two children (2 and 6), parents (both 66)
Helen	Three-generation	Self (43), two children (13, 15), mother-in-law (77)
Laura	Three-generation	Self*(40), mother (67), husband (45), twin daughters (6) *Laura is the adult child of Sue (below)
Linda	Three-generation	Self (64), husband (62), adult child (33), granddaughter (4)
Lisa	Three-generation	Self (36), husband (45), four children (9, 7, 5, 2), mother (67)
Marisha	Three-generation	Self (45), husband (47), two children (13 and 6), mother (73)
Sarah	Three-generation	Self (38), husband (48), two sons (16 months, 3), mother (63), father (64)
Sue	Three-generation	Self (67), adult child (40), son-in-law (45), twin grandchildren (6)
Anne	Two-generation adult-child	Self (57), husband (59), adult children (32, 27)
David	Two-generation adult-child	Self (66), wife (64), adult child (32)
Jane	Two-generation adult-child	Self (50), husband (67), adult child (25) moved out three months ago
John	Two-generation adult-child	Self (67), wife (58), adult child (25), wife's aunt (90)
Liz	Two-generation adult-child	Self (60), husband (63), adult child (33)

Table 4 Details of households whose comments are included in the report

6.2 What are the drivers of multigenerational living?

Main drivers include:

- pooling resources to buy larger, more expensive properties
- allowing younger household members to save money, e.g. towards a wedding or home of their own
- helping with childcare
- helping to provide support for older family members
- responding to unexpected life changes (e.g. death, illness or divorce in later life)
- specifically choosing to live as a multigenerational family because it is a positive experience.

The interviews revealed that the drivers of multigenerational living were diverse and not necessarily a response to financial concerns or care needs. There were complex and often overlapping issues that had led to households adopting their multigenerational living arrangements.

In some cases, multigenerational living had enabled families to afford a bigger and better house together. It allowed household members, particularly young adults, to save (e.g. for their own house or wedding). Affordability issues, were to a degree, a driver of multigenerational living, particularly where young single adults could not easily afford to live independently (e.g. they were seeking employment).

The reason she's [32-year old-adult daughter] still at home is really because of the financial position, not earning enough to be self-sufficient, I'm afraid, and doesn't yet have a partner, so without that or a good friend she's a bit stuck with Mum and Dad.

David, two-generation adult-child household

However, some young adults had never lived independently, nor were they thought likely to.

It's never been any other way, really and truly, it's just that she'd [33-year-old daughter] never wanted to move out, she didn't go to uni or anything, which is quite often the case when they move out and don't come back but she didn't do that. She didn't go into further education after college. And it's just gone on that she's never wanted – you know, she could probably afford to and we've said 'there's nothing holding you here at all'. It's nice to have her company, but equally she's her own person. If she wanted to she could ... she enjoys the company as well.

Liz, two-generation adult-child household

We didn't immediately expect her [25-year-old daughter] to move out just because she's of age. It comes about when they're ready to fly the nest.

Jane, two-generation adult-child household

Other drivers did include providing childcare or support for older family members, but this was support rather than personal care, and childcare tended to be an ad hoc arrangement and not a full-time replacement for other childcare.

She [mother-in-law] was getting very elderly, she lived a long way away and it became obvious that at some point she was going to need somebody being a bit closer. That's why we built the annexe.

Helen, three-generation household

Multigenerational living could be a response to unexpected life changes, such as death, illness or divorce in later life. But while for some households it was a predominantly pragmatic decision in response to life changes, for others the decision was driven by the desire to live as an multigenerational family.

We wanted to live somewhere like this, so the children could enjoy it. My parents wanted to see that too. And for the future as well, so that my mum is now on her own [recently widowed], she's with us. She helps us and hopefully we'll be able to help her ... My mum is brilliant help with the children and [good] company, because my husband works long hours. And, as mum gets older, hopefully we'll be able to help her out, like she has us.

Marisha, three-generation household

You know the expression 'it takes a village to raise a child'.

Sarah, three-generation household

We're very family orientated. My father was Italian and this is the way Italian families live – I'd have them all here [children and grandchildren] if I had the room!

Linda, three-generation household

6.3 What are the financial arrangements of multigenerational households?

Key financial issues:

- lack of clear legal arrangements regarding ownership of property and inheritance
- lack of discussion about ownership and inheritance and a reliance on goodwill
- lack of recognition of financial investment in property in formal documentation, such as house deeds.

The interviews raised numerous issues in relation to financial arrangements. It was apparent that matters relating to future inheritance were reliant on goodwill rather than covered by clear legal arrangements. Inheritance was not always discussed openly. There was a surprising lack of acknowledgement of the potential vulnerability of informal arrangements. So, for example, some family members had contributed significantly to the purchase of the collective home or to renovations, but were not named on the property deeds.

The intention was to put my mum on it [the deeds] at some point because she paid for the work, mostly. It just hasn't happened yet ... It gets a bit complicated if she [mother] dies suddenly, then my brothers own a large chunk of my house and I can't buy it off them. It's sort of silly negotiations.

Lisa, three-generation household

It appeared that the implications of inheritance for the remainder of the household had not been thought through. Many parents had 'standard' wills, which split their assets between their children, but contained no formal provision for the effect of this bequest on the generations they lived with.

Household running costs (such as utility bills and Council Tax) were not always shared between household members. Many adult children contributed only nominal amounts, or nothing at all, as parents helped them to save.

6.4 Experience of living in multigenerational households

Key positive aspects of living in multigenerational households:

- a positive experience, in cases where the living arrangement was chosen rather than imposed
- enjoyment of family time between the generations
- provision of company, social contact and support
- flexibility of childcare and the sharing of some chores.

In terms of the experience of multigenerational living, the evidence from the interviews suggests that enjoyment of multigenerational living may be affected by the degree of choice in the arrangement and the level of freedom and privacy that the household and property afford. For many it was a positive experience.

It just works so well for us, the whole family living situation. You've got privacy when you want it, you've got support when you need it, you've got company when you want it. It's just so fantastic for my kids to be brought up in this environment. I don't think any of us will have a desire to change it.

Sarah, three-generation household

It was clear that young children enjoy living in multigenerational households and everyone enjoyed being able to have family time together.

It's rather nice that several members of the family can live together. You share all sorts of joys and experiences.

Ben, three-generation household

I get to watch my grandson grow up, which I never did with my own kids because I was a police officer and I was always working overtime to pay for everything.

Christopher, three-generation household

Multigenerational living enables childcare to be provided on a flexible basis and some chores to be shared. The interviews reflected the financial and personal issues that often result from divorce or illness, the pressures on working mothers and the difficulties involved in wanting to support older parents or adult children.

For me, it gave me a certain peace of mind to know that mum was OK, we could look after her. We live in a house now – and I don't want it to sound like we've done this massive favour to my mum because there's been mutual benefit – and the house we live in now is not something that my husband and I would have been able to afford on our own.

Laura, three-generation household

Multigenerational living can be a positive choice, providing company, shared experiences, a close family network and strong family contacts for all members.

It works, it's great. I know a lot of people think we're nuts 'how do you live next door and so on', but for us it has been a great experience.

Eleanor, three-generation household

Tremendous benefits! Tremendous! Emotional support for me. I'm still not divorced yet, not quite, and my daughter is absolutely wonderful, copes with me having my emotional moments. Sharing expenses. There's always company. We make decisions together, we work together and go out together, all those sorts of things. And being involved with the children, for me, and I suppose for [daughter and son-in-law], they've got a built-in babysitter. I look after the children when my daughter is at work, which I think is wonderful, and it gives them the knowledge that there's always someone there for the children.

Sue, three-generation household

It was less positive where the household arrangement was constrained and not a personal choice. It was challenging to be 'stuck' in multigenerational living arrangements, being financially unable to move or 'duty-bound' to continue the arrangement.

There's not a lot I can do about it. I'm stuck at the moment, so I can't see the situation changing. I've got no intention of, well, I can't move even if I wanted to. It wouldn't be fair, so I'm stuck.

Helen, three-generation household

I think it's going to continue. I can't see my mum voluntarily moving out. It's not the sort of thing she'll do, and we're not going to throw her out because that would just be wrong! Besides, we couldn't give her back the money we owe, unless we sell the house.

Lisa, three-generation household

A number of challenges presented by multigenerational living were identified. The different approaches to childcare were sometimes a source of tension, with clashes of parenting styles. For some there was a perceived reduction in freedom and privacy and a restriction on having guests because the property was not big enough.

At the moment they [adult sons] can't really have friends round, because there's nowhere for them to go. We would need to give up the room downstairs and we would need to go and sit in our room, or they'd need to take them upstairs, but then if they take them upstairs and they're there late at night and you're wanting to go to bed.

Anne, two-generation adult-child household

Some mentioned the personal constraints involved in issues such as feeling unable to argue. There was a need in some cases to mediate family tensions.

If I have an argument with my husband, you feel restrained, you can't have a proper row when your mother's next door! It is a bit like always having a chaperone, which can be a bit inhibiting. Even when she's not there, you're kind of aware.

Lisa, three-generation household

Key requirements for properties to enable multigenerational living:

- the ability to have and to manage privacy, for example having separate spaces to entertain friends or watch television
- space for interaction, such as family meals
- ensembles or multiple bathrooms
- flexibility and the ability to adapt to changing needs.

The interviews identified a number of requirements for multigenerational living, which included the ability to have or to manage privacy. People want to live separately, but not be too separate. There needs to be space for interaction, such as family meals, but also some privacy.

Oh no, we don't have separate living spaces, no. We all live together, we all eat together, every meal, and we all sit together in the evenings, unless my son wants to go and play computer games on his computer in his bedroom, which he sometimes does. Apart from that we're all together.

John, two-generation adult-child household

We live in a property where we can have our own space. I think it's only a matter of giving each other a little bit of time and freedom really, and the layout of the house does allow us to do that.

David, two-generation adult-child household

Limited bathroom provision can present a problem if everyone needs to be ready at the same time of day, so ensembles or multiple bathrooms were welcomed. A positive feature of a property was the ability to adapt it to accommodate different family arrangements over time, effectively future-proofing the house.

6.5 Summary of findings from interviews with multigenerational households

- The findings from these interviews challenge many media stereotypes about multigenerational living in the UK.
- It is not just ethnic minority households who choose multigenerational living; it is not simply a response to care provision requirements or housing affordability problems; and it is not only about living in properties with annexes.
- There is demand for multigenerational living, and many benefits and positive experiences were identified.
- The degree of choice that people felt they had over whether they lived in a multigenerational household seemed to affect their enjoyment of the living arrangements. The more positive experiences are found in situations where there are clear benefits for all parties.
- The research showed that, in terms of the design and use of space in the home, privacy is important but so is the ability to flexibly use any 'additional' space.
- The best model included some shared spaces, open-plan dining and an element of private space. For example, there needs to be space for interaction, such as family meals, but some privacy, such as separate rooms to entertain guests or watch television.
- A limited number of bathrooms can cause tensions if everyone needs to be ready at the same time of day, so ensembles or multiple bathrooms were welcomed.
- The flexibility to adapt properties over time to suit different family arrangements was welcomed. Such future-proofing might, for example, enable easy adaptation of a downstairs room (with access to a WC) into a bedroom.



7 Implications for UK house builders

This section discusses the findings from the six interviews with major UK house builders. It considers the opportunities that multigenerational living might present to the house-building sector.

7.1 What do house builders think about property designs and multigenerational living?

The interviews show that house builders recognise the opportunity created by the concept of multigenerational living, but also have concerns. They are cautious about entering what is regarded as a niche market and generally want to 'play it safe'. Because house builders will typically aim to build the majority of their homes from a range of standard plans, developed and tested with the benefit of extensive experience, there is an understandable reluctance to embrace untested designs for a new market which is as yet undeveloped.

However, there have been attempts to show different uses of space within the home using alternative furniture arrangements in show homes. Also, some house builders have experimented with offering alternative internal layouts, but commented that purchasers often have great difficulty in visualising what an alternative option might look like when built, and are sometimes disappointed by the reality. One major house builder previously had an initiative to design a home without load-bearing internal walls, to allow for a flexible layout. This gave customers the option to choose different configurations, if they bought the property early enough in the build. However, some customers were not happy with the final layout, despite having chosen it.

As a result, house builders have become reluctant to offer options for different internal layouts, preferring to provide a wider range of optional 'extras', such as additional kitchen or bathroom fittings, electric and media outlets and finishes for the purchaser to select.

One major house builder said that they had never 'thought seriously' about multigenerational living. However, they acknowledged that in other countries, such as Japan, multigenerational living is commonly catered for in newbuild housing, often with separate areas or storeys for different generations, and is therefore considered as a market in its own right.

7.2 Does multigenerational living present an opportunity for the UK house-building sector?

7.2.1 The current market

The data analysis and review indicate that there is a market opportunity for the UK house-building sector. The number of multigenerational households in the UK is growing. While some households may move house in order to accommodate new multigenerational needs, others may purchase a home with future potential for this style of living.

The data suggests that 6.8% of UK households are multigenerational, which is roughly equivalent to 1.8 million households. The number of multigenerational households in the UK has been increasing, driven by greater numbers of

adult children (aged 25 or over) living in the parental home. Four out of five multigenerational households in the UK are White British. The research suggests that multigenerational living presents an ongoing marketing and business opportunity for the house-building sector. This is a permanent or semi-permanent living style and will play a useful role as part of the housing mix of the future.

Multigenerational households are most likely to live in three- or four-bedroom homes that they own, and the households are not likely to be living in poverty. Many benefits of living in a multigenerational household to family members were identified; for many it was a choice and offered a positive experience.

Evidence from the interviews about how households use the space in their homes suggests that multigenerational households do not require a vastly different layout to many homes already being produced. For example, many households eat together and separate kitchens are not necessarily required or desired.

The research found that households arrange their homes to provide a mix of private space and communal areas for household members. Privacy is important but also the ability to use internal space flexibly. The best models comprise some shared areas, open-plan dining and some private space. For example, there needs to be space for interaction, such as family meals, but also some privacy, such as separate rooms to entertain guests or watch television. A lack of adequate bathroom provision can be a problem if everyone needs to be ready at the same time, so en-suites or multiple bathrooms are welcomed.

The ability to adapt properties over time to accommodate different family arrangements is welcomed, as is the ability to use the home layout flexibly to enable future-proofing, for example using downstairs rooms with access to a WC as bedrooms.

The properties needed are not necessarily large, as multigenerational households are generally small. The analysis shows that roughly one-quarter of households with grandparent(s) present contain three people and just over 20% contain four people. Two-adult-generation households are generally small and tend to contain two or three people.

7.2.2 Opportunities

This research, by characterising the extent and nature of multigenerational lifestyles, identifies a range of opportunities for UK house builders:

- Promotion of their existing designs that are inherently suitable for multigenerational living, noting that many multigenerational households may be quite small and easily accommodated by modestly sized homes.
- Suitable homes could include those in which two bedrooms (or one large bedroom) and a bathroom form a relatively independent suite of rooms, and which offer the possibility of immediate use, either by an elderly relative or by adult children living in the parental home. This would not require any alteration or conversion of the existing plan.
- Making small adjustments to existing designs so that layouts and facilities are more suitable for multigenerational living. This might, for example, involve the provision of an additional ensuite or adjusting layouts to provide a little more separation or privacy for a family member.
- Altering the layout of part of a home so that it provides a self-contained living unit for a member of the family, possibly involving, for example, the redesign of a suite of rooms over a double garage.

- Future-proofing house designs to allow for future family needs. This could involve the anticipation that part of the ground floor might be converted into a living space, with a bedroom and ensuite, for an elderly relative, or the option to include planning permission for the future addition of a ground floor extension or self-contained apartment connected to the original house, possibly with its own entrance.
- Considering the addition of new house designs with flexible layouts that anticipate different household compositions throughout the life course.



8 Main conclusions

Size of multigenerational households By exploring the size of multigenerational households in the UK, this study provides insights into the types of homes that would provide suitable accommodation. Three-generation multigenerational households are typically larger than the national average, and their needs will often only be met by larger family homes. However, the majority of multigenerational households comprise two adult generations and, for these, the most common household size is just three people. For such families, suitable accommodation may often be provided by smaller homes: indeed, some existing designs, with little or no modification, already offer the degree of privacy and independent space that a young adult or older relative would appreciate.

Trend towards multigenerational living The example of other countries, particularly the USA, shows that multigenerational living can offer an attractive lifestyle choice to home buyers. In the UK, multigenerational living is a growing trend, estimated to be adopted by 125,000 new families each year. This represents a significant marketing opportunity for house builders. Many families would welcome being in a position where they could have the flexibility to accommodate an elderly relative or an adult child in a way that supported cohesion of the family unit but also provided everyone with their own space.

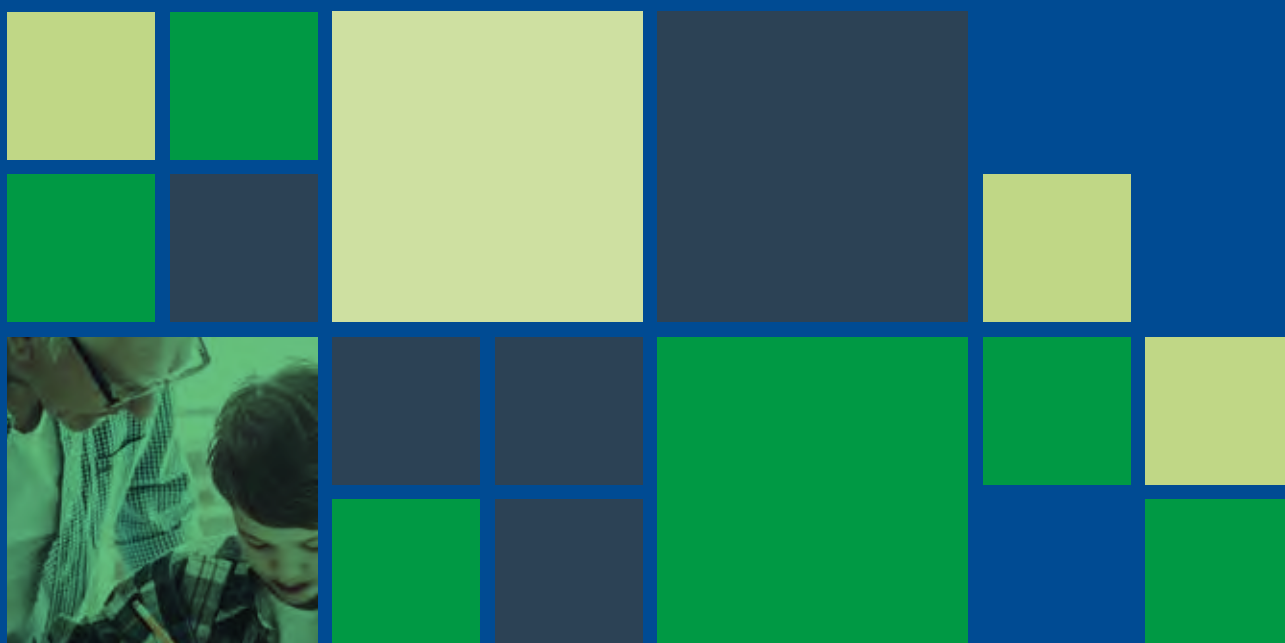
Social benefits Though not a suitable choice for all, families that had chosen a multigenerational lifestyle were positive about its benefits. Individual families recognised many advantages of this living arrangement, which include all generations being able to enjoy family time together, social contact and support, flexible provision of childcare and sharing of chores. These advantages, though not proposed as a substitute or replacement for formal care, may help extend independent living for older people and stimulate better social interaction and cohesion between generations.

Opportunities for government While this report highlights the ways in which the rising trend in multigenerational living is opening up a range of opportunities for house builders, it also has a wider policy context. In particular, it contributes to the debate on the national housing shortage and the related downward trend in household size. It can be argued that multigenerational homes, which are quite positively viewed by the public, provide a way of making more efficient use of the housing stock. At the same time, for households that might welcome this lifestyle, there can be benefits across the life course and multigenerational living has the potential to address, at least in part, some of the immediate social and health challenges faced by the nation.

Multigenerational living

An opportunity for UK house builders?

This report analyses recent evidence on the scale and character of multigenerational households in the UK, and gives detailed insights from those who have experienced this lifestyle. It identifies a growing trend towards multigenerational living, and a range of practical benefits that resonate with the public, whether related to providing accommodation for older relatives or younger adult family members. This market presents a significant opportunity for house builders, many of whom build homes that, with little or no modification, can meet the needs of the most common categories of multigenerational households.



The NHBC Foundation, established in 2006, provides high quality research and practical guidance to support the house-building industry as it addresses the challenges of delivering 21st century new homes. Visit www.nhbcfoundation.org to find out more about the NHBC Foundation research programme.

