

Digging Deeper

Residential Analysts

2018-Based UK Population Projections

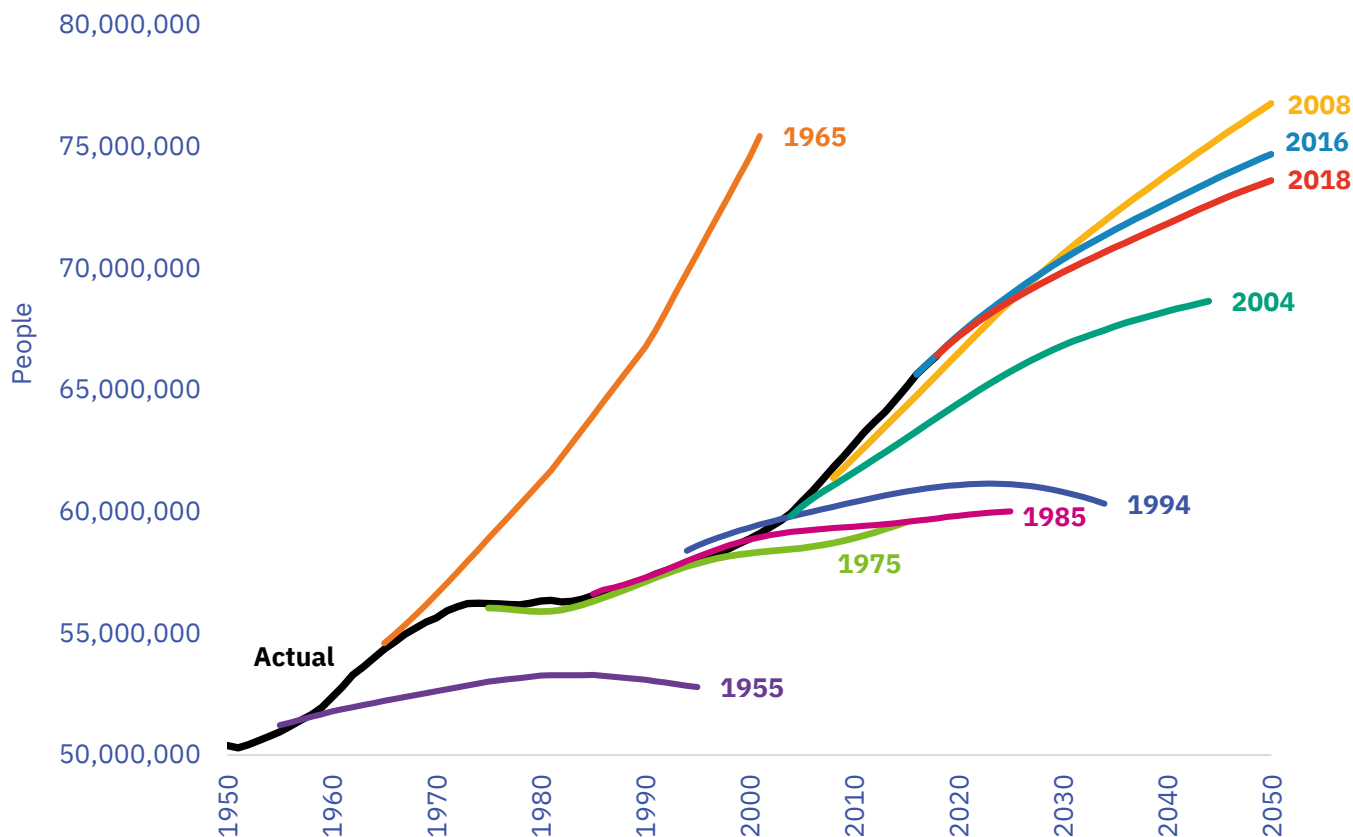
- Increase of 250,000 People Per Year Over The Next Twenty Years
- Lower Projected Growth Than Previous 2016-Based Projections
- Higher Net Migration Not Enough To Offset Lower Natural Change
- Five Million More People Aged 60+ by 2038

The latest ONS population projections show continued population growth across the UK though at a lower rate than in the previous 2016-based projections. The new 2018-based projections show an increase of 251,000 people per year over the next twenty years. However, this reflects much higher growth during the first five years (341,000 p.a.) than the following fifteen years (221,000 p.a.) as net migration is projected to fall.

As Fig 1 shows, this is lower growth than projected in the previous 2016-based projections which expected an increase of 289,000 people p.a. over the next twenty years. Fig 1 also highlights the challenges in projecting future population changes. Recent trends are not always indicative of what will happen in the future and even when we appear to get it right (e.g. 1975), it's not always for the right reasons.

Figure 1: UK Population Estimates & Projections

Source: ONS

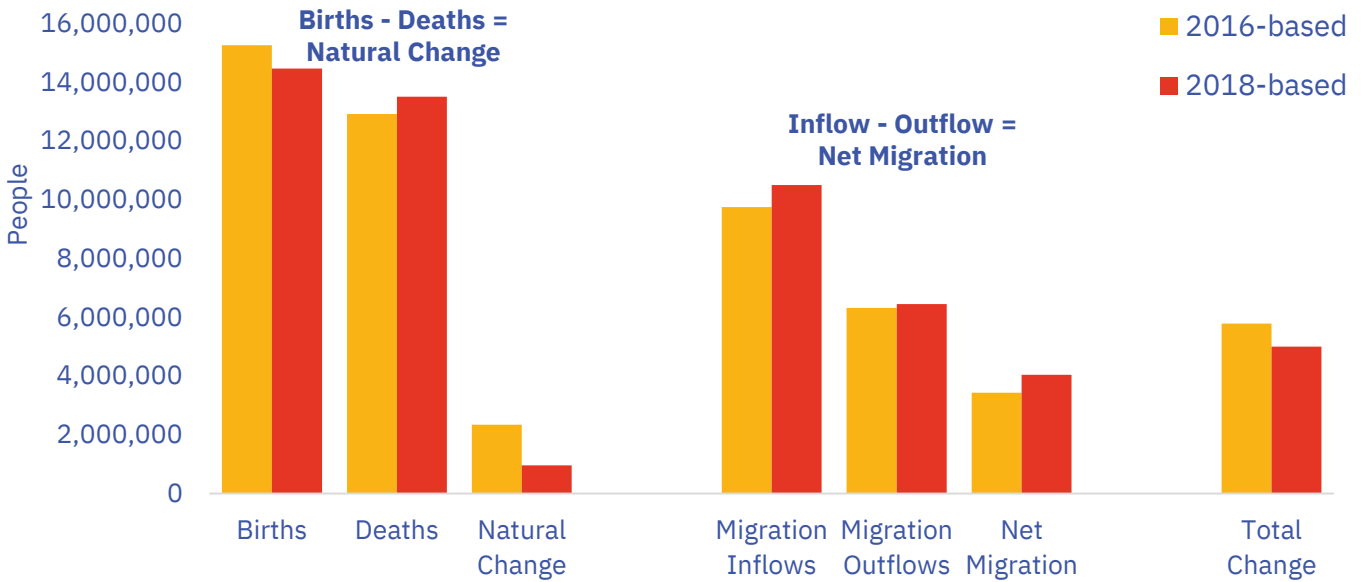


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The new 2018-based projections project lower growth than the previous 2016-based ones. While net migration is expected to be higher in the new projections with 4.1 million people over the next 20 years compared to 3.4 million previously, they also project a lower number of births and higher number of deaths. This leads to a much lower natural change projection (1 million compared to 2.3 million) and hence 0.8 million fewer people over the period.

Figure 2: Net Change in Population, 2018-2038

Source: ONS



The ageing population is a massive challenge for not just the housing market but also society as a whole. The new 2018-based projections show that the number of people aged 60 and above is expected to rise from 15.8 million to 20.8 million over the next twenty years (Fig 3). While this is a massive 32% increase (5 million people), most of them are already housed appropriately. The biggest challenge will be in balancing their care needs against the housing needs of younger and typically less wealthy generations.

Figure 3: Population Age Distribution by Single Year of Age

Source: ONS

