

Pensions Policy Institute response to the London Assembly Housing Committee's Call for Evidence: Housing for Older Londoners

Introduction

The Pensions Policy Institute (PPI) welcomes the London Assembly Housing Committee's investigation into housing for older Londoners. We recognise the importance of understanding how housing affordability, tenure, and suitability interact with financial security in later life, particularly as the number of older Londoners is expected to increase significantly over coming decades. The over-60 population is the fastest-growing demographic in London and is expected to rise by 48% to almost two million by 2035.¹

We are the UK's leading independent authority on pensions and retirement policy. We conduct rigorous, impartial research to inform major policy decisions affecting millions of people's retirement security. Our evidence-based analysis is used by government and across Westminster – as well as industry bodies and consumer groups - with extensive media coverage bolstering understanding of complex pension issues. Our work ensures that policymakers have the unbiased analysis needed to deliver better outcomes for those they serve.

While the PPI is not responding to every question within the Committee's Call for Evidence, we are pleased to contribute relevant evidence from our recent research. Taken together, these reports highlight the increasingly important relationship between housing tenure, housing costs, pension saving and retirement adequacy.

Evidence relevant to the Committee's investigation

Housing costs and retirement adequacy

The PPI's recent research demonstrates that housing tenure is becoming an increasingly important determinant of retirement outcomes. Our report '**Pensions Adequacy: Housing, Households and Auto-Enrolment**' examines how housing tenure, household composition, and pension saving interact to shape retirement outcomes.

The research finds that housing costs are becoming a core retirement adequacy issue. Almost two million more pensioner households are projected to be renting in 2044 than today, with the greatest growth in private renting expected among lower-income households. The report highlights the substantial and ongoing costs associated with renting throughout retirement and the resulting implications for the adequacy of pension savings.

¹ Future of London (n.d.) Ageing Cities. Available at: <https://www.futureoflondon.org.uk/knowledge/completed-projects/ageing-cities/> (Accessed: 7 October 2026).

The evidence highlights a significant affordability challenge for older renters in London. With rental costs substantially higher than in many other parts of the UK, retirees may require pension savings towards the upper end of a £200,000–£400,000 range simply to meet housing costs in retirement. This level of pension wealth is unlikely to be representative of the typical retiree, suggesting that many older private renters in London may face financial pressures in later life. The scale of savings required also demonstrates how high housing costs can compound existing inequalities in pension wealth, particularly for households without access to home ownership.

The report also finds that pension policy alone cannot address the challenges facing people who reach retirement without secure housing. For many older renters, adequate retirement outcomes will require policy levers spanning pensions, housing and welfare support.

Pensions Adequacy: Housing, Households and Auto-Enrolment (July 2026): [Read the full report](#)

Older renters and Housing Benefit

The interaction between housing costs and pension income is explored further in the PPI report ‘**Do Pension Savings Pay? Assessing the Interaction Between Housing Benefit and Private Pension Savings for Older Renters**’.

This research examines the interaction between modest private pension savings, high rental housing costs, and Housing Benefit entitlement for people above State Pension age. It highlights how the current Housing Benefit means test can result in private pension income reducing Housing Benefit entitlement, meaning that some older renters receive only a proportion of the benefit of additional private pension income.

This evidence is particularly relevant to the Committee’s consideration of the affordability and security of housing for older Londoners. It illustrates the need to consider housing and retirement income policy together, rather than treating them as separate policy areas.

Do Pension Savings Pay? Assessing the Interaction Between Housing Benefit and Private Pension Savings for Older Renters (July 2026): [Read the full report](#)

Renting in retirement and the wider pensions system

The PPI's UK Pensions Framework provides further evidence on the relationship between housing tenure and retirement security. The Framework examines the UK pension system against three overarching objectives: Adequacy, Sustainability, and Fairness. These three measures have also subsequently been adopted by the Pensions Commission as a framework for assessing the UK pensions system, reinforcing their relevance when considering the longer-term challenges facing retirement income and security.

The 2023 report, '**Renting in Retirement – The Fault Line Below the UK Pension System**', explored the implications of a growing number of people reaching retirement without the security of homeownership. It highlighted how falling rates of homeownership among younger generations could result in substantially more households entering retirement as renters, with significant implications for pension adequacy and the wider welfare system.

The evidence reinforces the importance of considering housing tenure as part of the wider retirement security landscape. For people who rent in retirement, pension income must meet not only day-to-day living costs but also potentially significant and continuing housing costs.

The UK Pensions Framework: Renting in Retirement – The Fault Line Below the UK Pension System (November 2023): [Read the full report](#)

Evidence relevant to the Committee's investigation

The PPI's research indicates that housing and retirement security are increasingly interdependent. The growth in the number of people expected to rent in retirement has important implications for the adequacy of retirement incomes, the affordability of housing and the future role of means-tested support.

While the PPI has not sought to respond to every aspect of the Committee's Call for Evidence, we hope that the evidence contained within these reports will contribute to the Committee's investigation and consideration of the longer-term challenges facing older Londoners.

We would be happy to discuss the findings of this research with the Committee or provide further information on the evidence presented in these reports.

Contact:

Danielle Elliott

Head of External Relations

e: danielle@pensionspolicyinstitute.org.uk

m: 07714 250 910