

## The housing crisis in London

Unaffordable housing is one of the biggest challenges for London. The lack of new homes has driven prices out of reach for local people.

This report provides local data on the housing market in London and highlights that:

- House prices are more than double the national average at an average of £585,000 – and significantly higher in several boroughs.
- Households require an annual income of almost £134,000 to afford a mortgage, compared with average salaries of £35,610 – making home ownership impossible for many Londoners.
- The average private sector rent is £1,748 a month, rising to over £3,500 in one area.
- This has led to a rise in the number of people in work claiming Housing Benefit – at 36%, this is higher than any other region in the country.
- This is underpinned by a huge shortfall in housing. Between 2012 and 2016, there were 177,590 too few homes – the biggest discrepancy in the country.

Almost half a million homes in London are affordable housing association homes, and housing associations are working with the Mayor of London to deliver even more of the affordable homes that the city so desperately needs.

## Solving the housing crisis

Housing associations are united by a single purpose – to ensure everyone can live in a good quality home that they can afford.

Last year we built 26% of new homes in England and our ambition is to deliver 120,000 homes a year by 2033.

**Housing associations in London completed nearly 9,000 new homes and started building a further 13,500 in 2016-2017. Nearly 8,200 of these starts and completions are homes for social and affordable rent.**

Recent changes in Government policy will help us deliver even more. An extra £2bn investment included a specific commitment to allow new homes to be built for social rent – the first time such funding has been available since 2010.

Certainty over future rents and recognition for supported and sheltered housing are steps in the right direction. The Government must now deliver the final part of the jigsaw: the long-term supply of affordable land. Only then will the right amount of homes, of the right kind, in the right places, be built to meet changing housing needs.

If you share our sense of purpose and ambition, let's work together to end the housing crisis.

### Contact

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#HomeTruths2018



# Home Truths 2017/18

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<b>London</b>	Average (mean) house prices in 2016/17 <sup>1</sup>	Mean monthly private sector rents in 2016/17 <sup>2</sup>	Mean annual earnings in 2017 <sup>3</sup>	Ratio of house prices to incomes <sup>4</sup>	Income required for 80% mortgage [80% at 3.5x] <sup>5</sup>	Percent of Housing Benefit claimants in employment <sup>6</sup>	Unemployment rate 2016/17 <sup>7</sup>	Five-year shortfall 2012-2016 <sup>8</sup>	Long-term empty homes <sup>9</sup>	Second homes <sup>10</sup>	Total housing association affordable homes 2017 <sup>11</sup>
<b>England</b>	<b>£288,898</b>	<b>£852</b>	<b>£28,444</b>	<b>10.2</b>	<b>£66,034</b>	<b>24%</b>	<b>4.8%</b>	<b>482,905</b>	<b>200,145</b>	<b>248,747</b>	<b>2,672,026</b>
<b>London</b>	<b>£584,873</b>	<b>£1,748</b>	<b>£35,610</b>	<b>16.4</b>	<b>£133,685</b>	<b>36%</b>	<b>5.7%</b>	<b>177,590</b>	<b>19,845</b>	<b>48,435</b>	<b>451,484</b>
Camden	£1,027,351	£2,138	£42,552	24.1	£234,823	25%	5.8%	4,682	1,114	7,389	11,709
City of London	£933,478	£2,163	£57,689	16.2	£213,366	24%	n/a	285	48	1,867	212
Hackney	£599,129	£1,804	£32,848	18.2	£136,944	35%	6.4%	5,249	1,046	809	26,581
Hammersmith and Fulham	£937,157	£2,161	£43,347	21.6	£214,207	26%	5.9%	1,083	381	2,448	14,568
Haringey	£626,823	£1,518	£31,834	19.7	£143,274	40%	5.4%	8,442	732	n/a	13,436
Islington	£760,315	£1,886	£42,916	17.7	£173,786	24%	7.0%	7,576	499	300	17,292
Kensington and Chelsea	£1,983,779	£3,544	£70,496	28.1	£453,435	24%	6.8%	n/a	1,399	8,989	13,288
Lambeth	£588,505	£1,670	£36,650	16.1	£134,516	31%	5.4%	6,031	756	479	26,164
Lewisham	£441,683	£1,307	£32,703	13.5	£100,956	34%	5.7%	6,782	812	278	24,597
Newham	£384,651	£1,391	£27,373	14.1	£87,920	38%	5.9%	6,401	593	323	16,296
Southwark	£649,321	£1,653	£36,390	17.8	£148,416	27%	6.6%	5,804	926	499	19,779
Tower Hamlets	£526,798	£1,801	£38,704	13.6	£120,411	36%	9.1%	6,296	656	5,971	34,481
Wandsworth	£788,501	£1,853	£44,658	17.7	£180,229	34%	4.6%	4,121	220	744	12,741
Westminster	£1,610,477	£2,784	£55,266	29.1	£368,109	25%	5.9%	5,314	473	3,855	15,916
Barking and Dagenham	£299,459	£1,171	£25,693	11.7	£68,448	37%	7.7%	5,595	110	84	5,812
Barnet	£590,868	£1,588	£33,857	17.5	£135,055	44%	5.0%	7,419	1,100	3,715	9,789
Bexley	£345,675	£1,086	£31,320	11.0	£79,011	30%	4.7%	3,226	387	46	14,559
Brent	£519,123	£1,592	£28,345	18.3	£118,657	46%	7.2%	5,764	453	267	19,846
Bromley	£483,823	£1,243	£39,250	12.3	£110,588	27%	3.9%	5,993	591	915	19,918
Croydon	£377,694	£1,104	£31,834	11.9	£86,330	40%	6.3%	5,449	1,216	471	14,568
Ealing	£553,845	£1,519	£31,730	17.5	£126,593	43%	5.2%	6,609	695	250	13,494
Enfield	£459,498	£1,389	£29,936	15.3	£105,028	47%	6.3%	9,879	1,085	1,291	9,621
Greenwich	£452,901	£1,384	£35,012	12.9	£103,520	27%	6.3%	1,930	463	427	16,459
Harrow	£512,572	£1,417	£32,776	15.6	£117,159	48%	5.0%	6,201	651	769	5,203
Havering	£366,694	£1,061	£31,528	11.6	£83,816	32%	4.9%	3,476	429	171	5,403
Hillingdon	£444,016	£1,198	£29,562	15.0	£101,489	39%	4.9%	7,061	401	1,168	8,652
Hounslow	£482,290	£1,496	£33,374	14.5	£110,238	37%	6.7%	6,512	277	209	9,978
Kingston upon Thames	£550,596	£1,417	£34,980	15.7	£125,851	37%	4.7%	5,002	181	915	3,011
Merton	£595,378	£1,608	£37,383	15.9	£136,086	39%	4.6%	4,666	502	1,645	11,952
Redbridge	£429,738	£1,253	£33,992	12.6	£98,226	48%	5.3%	8,766	274	868	5,413
Richmond upon Thames	£781,260	£1,830	£47,970	16.3	£178,574	30%	4.3%	4,802	332	497	10,420
Sutton	£391,393	£1,159	£30,415	12.9	£89,461	33%	4.9%	5,801	566	108	6,477
Waltham Forest	£440,844	£1,312	£30,566	14.4	£100,764	39%	5.9%	5,531	477	668	13,849

1. Office for National Statistics (ONS), small area statistics

2. Valuation Office Agency

3. ONS, Annual Survey of Hours and Earnings

4. ONS, small area statistics and Annual Survey of Hours and Earnings

5. ONS, small area statistics and National Housing Federation own analysis

6. Department for Work and Pensions, Stat Xplore

7. ONS, NOMIS model based estimates

8. Town and Country Planning Association household projections; Ministry for Housing Communities and Local Government (MHCLG) table 253 and Federation own analysis

9. MHCLG, table 615

10. MHCLG, Council Tax base

11. Homes England, Statistical Data Return 2017

n/a: not available