

Home Truths 2016/17

The housing market
in London

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 – **house prices are nearly double the national average at £563,000.**

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

- Average **house prices are almost 17 times local salaries.**
- This means that a household requires an income of almost **£130,000 a year to afford an average mortgage** compared to average salaries of just £34,000.
- The average **private sector rent is more than double the average** for the rest of England.
- This has led to a rise in Housing Benefit claimants in work – **35% of Housing Benefit claimants are working**, higher than any other region 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 in the country can live in a quality home that they can afford.

We meet shifting housing needs by building more affordable homes and market homes, homes to rent and buy, and essential supported and specialist housing.

Last year housing associations in London built over 11,000 new homes, contributing over 45% of total delivery in London. Almost 3,000 of these were for shared ownership.

Nearly **half of new homes built, and over 60% of new homes started, were funded without government investment** – that's because we generate income that doesn't go to shareholders, so we can reinvest all our profits in homes and communities.

We offer **£6 of private investment for every £1 of public money.**

Our homes are for everybody – from those most in need, to young people, families and first time buyers, to older and more vulnerable people who may need support. We'll continue to deliver across the mix to meet changing housing needs.

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

Contact

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London	Average (mean) house prices in 2016 ¹	Mean monthly private sector rents in 2015/16 ²	Mean annual earnings in 2015 ³	Ratio of house prices to incomes ⁴	Income required for 80% mortgage 2016 (80% at 3.5x) ⁵	Percent of Housing Benefit claimants in employment ⁶	Unemployment rate 2015/16 ⁷	Five year shortfall 2011-2015 ⁸	Long term empty homes ⁹	Second homes ¹⁰	Total housing association affordable homes 2016 ¹¹
England	£282,011	£820	£27,680	10	£64,460	24%	5.1%	510,620	203,596	245,324	2,667,406
London	£563,041	£1,727	£33,940	16.6	£128,695	35%	6.0%	181,240	20,915	45,209	449,451
Camden	£1,092,476	£2,285	£40,201	27.2	£249,709	25%	5.6%	5,052	1,138	6,078	11,851
City of London	£937,289	£2,249	£54,023	17.3	£214,237	25%	n/a	295	44	1,915	232
Hackney	£587,473	£1,773	£31,450	18.7	£134,279	34%	6.9%	5,339	1,037	1,012	26,589
Hammersmith and Fulham	£944,458	£1,886	£42,411	22.3	£215,876	26%	5.8%	1,493	267	2,110	14,520
Haringey	£592,260	£1,523	£29,396	20.1	£135,374	39%	7.0%	8,412	852	n/a	13,441
Islington	£744,914	£1,941	£40,544	18.4	£170,266	24%	6.2%	7,556	953	340	17,030
Kensington and Chelsea	£1,962,710	£3,215	£56,462	34.8	£448,619	24%	4.7%	n/a	1,289	8,657	13,633
Lambeth	£569,856	£1,690	£32,391	17.6	£130,253	30%	6.3%	5,771	1,142	475	26,060
Lewisham	£414,170	£1,242	£31,574	13.1	£94,667	33%	6.8%	6,842	725	349	24,459
Newham	£330,968	£1,314	£25,730	12.9	£75,650	43%	7.4%	6,881	1,318	421	15,947
Southwark	£602,817	£1,600	£33,946	17.8	£137,787	26%	6.9%	6,764	930	527	19,312
Tower Hamlets	£499,465	£1,733	£35,443	14.1	£114,164	35%	6.8%	5,796	666	4,957	34,367
Wandsworth	£708,805	£1,889	£44,247	16.0	£162,013	33%	4.8%	3,881	263	990	12,621
Westminster	£1,385,014	£2,956	£43,472	31.9	£316,575	25%	5.7%	5,294	575	5,341	16,055
Barking and Dagenham	£254,183	£1,099	£25,111	10.1	£58,099	36%	9.0%	5,585	202	114	5,552
Barnet	£577,253	£1,669	£32,921	17.5	£131,944	43%	5.6%	7,189	1,249	2,752	9,405
Bexley	£306,396	£1,036	£31,096	9.9	£70,033	30%	5.3%	3,496	395	36	14,465
Brent	£522,611	£1,584	£28,886	18.1	£119,454	44%	7.4%	5,594	405	300	20,255
Bromley	£451,743	£1,241	£37,710	12.0	£103,256	28%	5.2%	5,733	696	546	19,781
Croydon	£351,970	£1,102	£29,650	11.9	£80,450	33%	5.5%	7,299	1,022	461	14,508
Ealing	£542,224	£1,458	£31,164	17.4	£123,937	41%	6.5%	6,469	667	263	13,438
Enfield	£404,489	£1,260	£29,328	13.8	£92,455	44%	6.1%	9,749	817	1,207	9,455
Greenwich	£416,761	£1,342	£33,654	12.4	£95,260	27%	6.7%	2,860	504	461	15,998
Harrow	£474,186	£1,370	£31,928	14.9	£108,385	47%	4.7%	6,261	97	2	5,309
Havering	£329,615	£1,027	£32,874	10.0	£75,341	31%	5.4%	3,336	499	203	5,633
Hillingdon	£408,755	£1,194	£30,508	13.4	£93,430	38%	5.4%	6,971	463	991	8,694
Hounslow	£483,411	£1,659	£29,770	16.2	£110,494	38%	5.2%	6,142	403	458	9,968
Kingston upon Thames	£522,034	£1,453	£34,060	15.3	£119,322	37%	5.2%	4,872	180	838	2,909
Merton	£583,883	£1,625	£41,226	14.2	£133,459	38%	4.9%	4,446	510	1,338	12,055
Redbridge	£401,056	£1,199	£33,004	12.2	£91,670	46%	5.7%	9,246	267	915	5,528
Richmond upon Thames	£779,819	£2,036	£44,574	17.5	£178,244	30%	4.6%	4,792	370	525	10,393
Sutton	£371,390	£1,119	£30,675	12.1	£84,889	35%	5.0%	5,861	551	95	6,422
Waltham Forest	£401,471	£1,230	£29,177	13.8	£91,765	39%	6.4%	6,121	419	532	13,566

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;

Department for Communities and Local Government (DCLG) table 253 and Federation own analysis

9. DCLG table 615

10. DCLG Council Tax base

11. Homes and Communities Agency Statistical Data Return 2016

n/a: not available