

Housing Affordability in Croydon

On 26 March 2018 the ONS released their latest statistical bulletin on housing affordability in England and Wales.

<https://www.ons.gov.uk/releases/housingaffordabilityinenglandandwales1997to2017>

Housing affordability has worsened the most in London over the last five years.

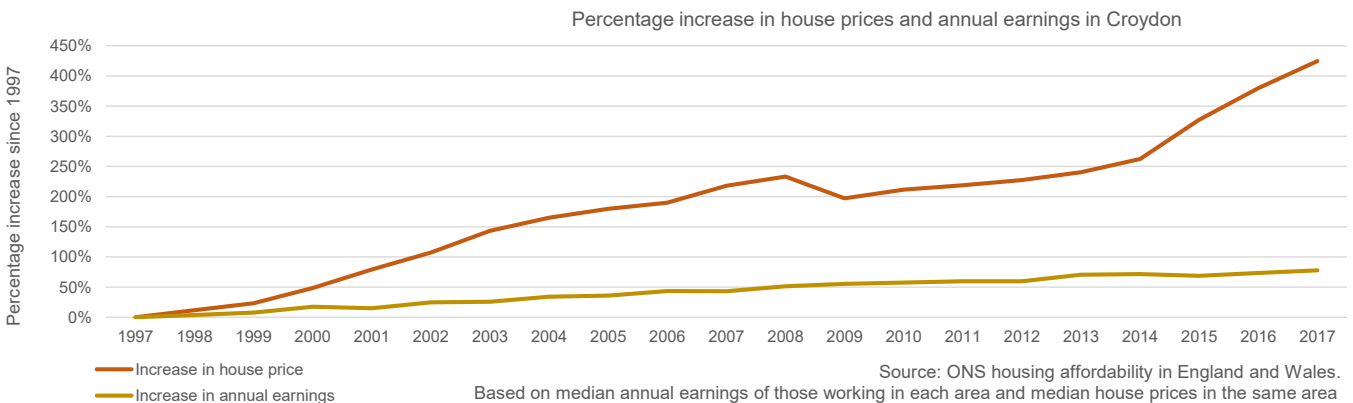
On average, people working in Croydon could expect to pay around 11.2 times their annual earnings on purchasing a home within the borough in 2017, up from 8.5 times earnings ten years ago in 2007. This is much higher than the average England ratio (7.9 times earnings in 2017) but lower than the average London ratio (12.4 times earnings in 2017). Similarly, those already resident in the borough could expect to pay around 10.7 times their annual earnings on purchasing a home within the borough in 2017.



In 2017, the most affordable local authority in London was Tower Hamlets. Kensington and Chelsea was the least affordable. Croydon was the fifth most affordable borough, in 2016 it was the third most affordable.



Housing affordability has worsened over time throughout England and Wales owing to house prices increasing at a faster rate than earnings. The same is true within Croydon where the median price paid for a residential property in 2017 was £362,000, an increase of 425% since 1997. In contrast, individual annual earnings in 2016 in Croydon were £32,295, an increase of 78% since 1997.



Data notes:

Affordability ratios are calculated by dividing house prices by gross annual earnings, based on the median of both house prices and earnings.

The earnings data are from the Annual Survey of Hours and Earnings which provides a snapshot of earnings at April in each year. The house price statistics come from the House Price Statistics for Small Areas, which report the median price paid for residential property and refer to a 12 month period with April in the middle (year ending September).