

Housing Affordability in Croydon

Sources and Notes About Data

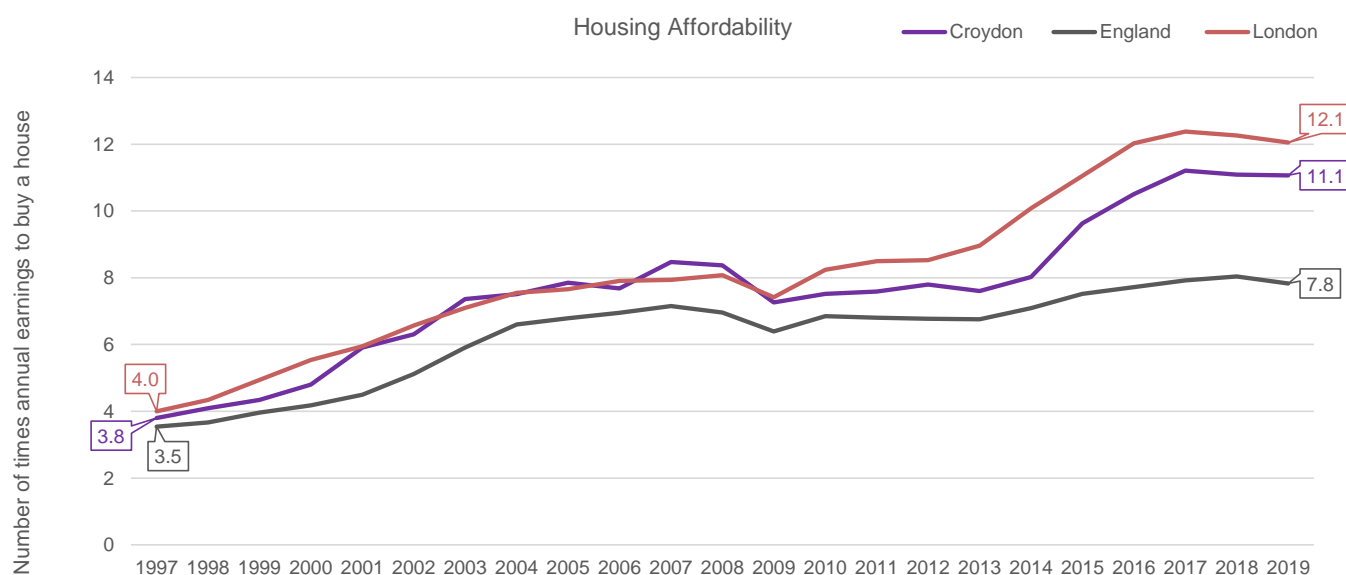
ONS. Housing Affordability in England and Wales: Published March 2020.

[LINK TO DATA](#)

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).

Affordability

- > On average, people working in Croydon could expect to pay around 11 times their annual earnings on purchasing a home within the borough in 2019, up from 8 times earnings five years ago in 2014.
- > This is the third lowest ratio in London making Croydon the third most affordable London borough to live and work in in 2019.
- > Over the past five years (since 2014), Croydon is one of just twenty authorities across England and Wales where housing has become significantly less affordable. 16 of these authorities were in London.
- > Croydon has seen a 38% increase in the affordability ratio since 2014, this is the sixth largest increase in the country and the fourth largest in London.
- > Affordability in Croydon, as in London, has remained fairly steady for the past two years, meaning this increase was mainly during 2014 to 2017.

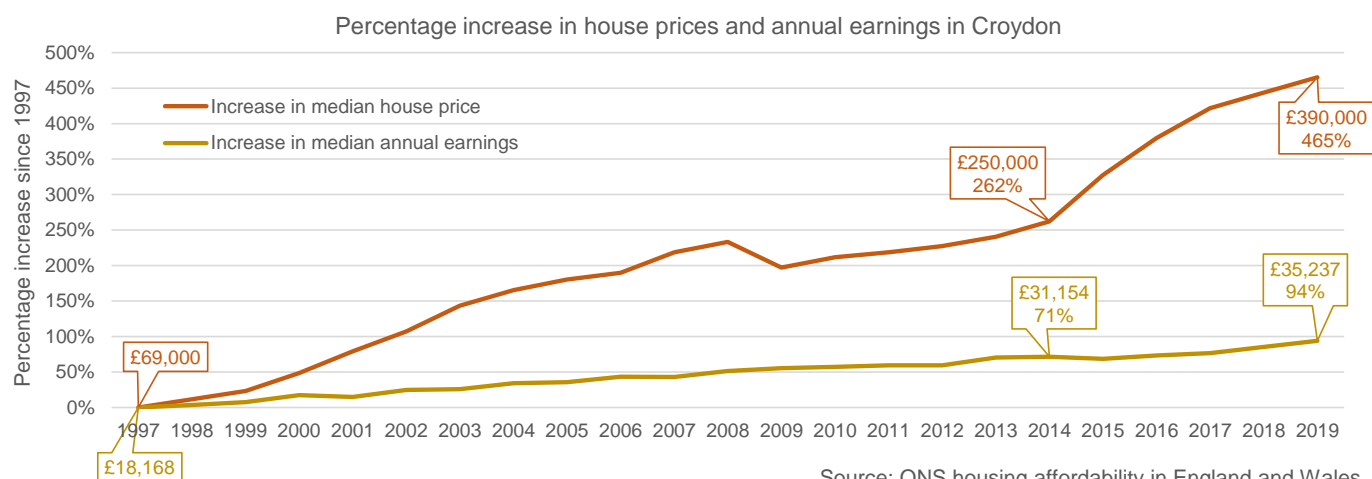


Source: ONS housing affordability in England and Wales.
Based on median annual earnings of those working in each area and median house prices in the same area

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Earnings and House Prices

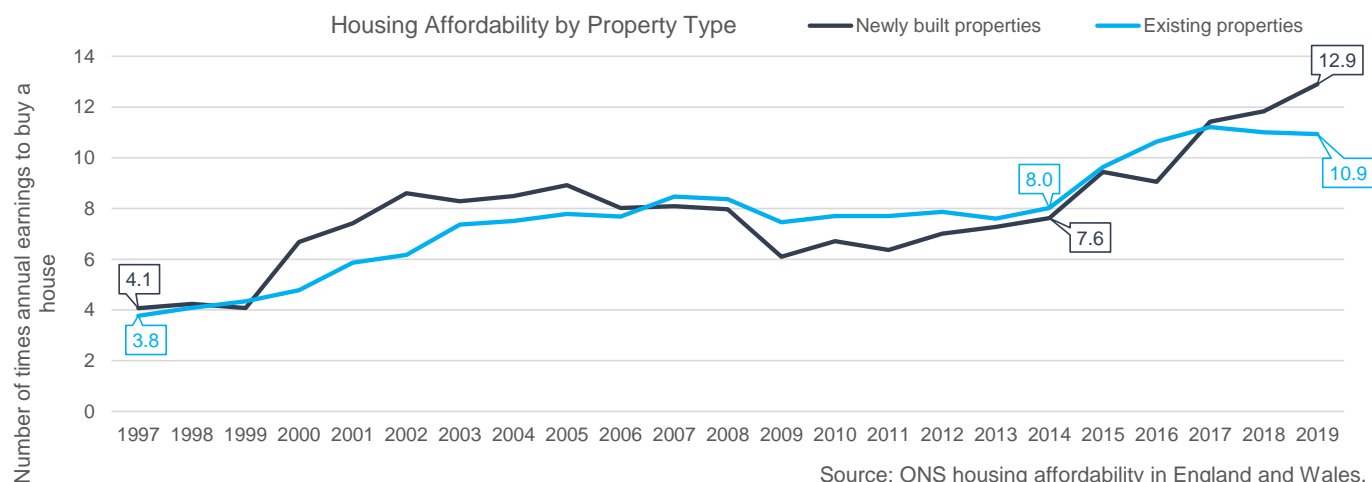
- > Housing affordability has worsened over time throughout England and Wales owing to house prices increasing at a faster rate than earnings.
- > The same is true within Croydon where the median price paid for a residential property in 2019 was £390,000, an increase of 465% since 1997.
- > In contrast, individual annual earnings in 2018 in Croydon were £35,257, an increase of 94% since 1997.
- > In the last year, earnings in Croydon grew slightly faster than house prices. The median earnings increased by 5% compared to 2018 while median house prices increased by 4%.



Source: ONS housing affordability in England and Wales. Based on median annual earnings of those working in each area and median house prices in the same area

New and Existing Dwellings

- > In Croydon, as across London and the rest of England, new housing is less affordable than existing housing.
- > In 2019, those working in Croydon could expect to pay almost 13 times their median gross annual salary to buy a newly built property, and almost 11 times their annual earnings on an existing property.



Source: ONS housing affordability in England and Wales. Based on median annual earnings of those working in each area and median house prices of newly built / existing dwellings in the same area