

Housing Affordability in Croydon

Sources and Notes About Data

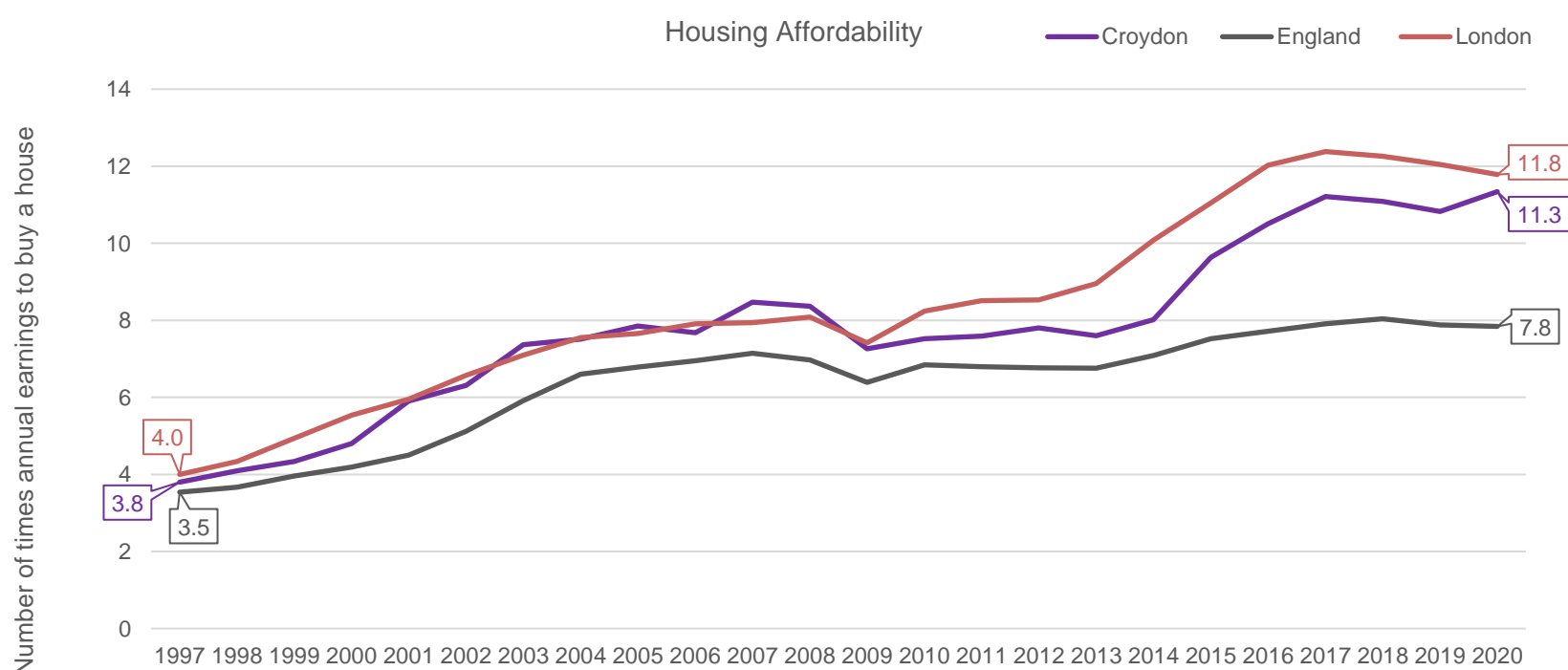
ONS. Housing Affordability in England and Wales: Published March 2020.

[LINK TO DATA](#)

Affordability ratios are calculated by dividing house prices by gross annual earnings, based on the median of both house price 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 just over eleven times their annual earnings on purchasing a home within the borough in 2020, up from 9.6 times earnings five years ago in 2015.
- > This is the fifth lowest ratio in London making Croydon the fifth most affordable London borough to live and work in in 2020.
- > Since 1997 housing affordability has worsened overall. Over the last two decades, affordability has worsened the most in London, which is driven largely by increasing house prices.

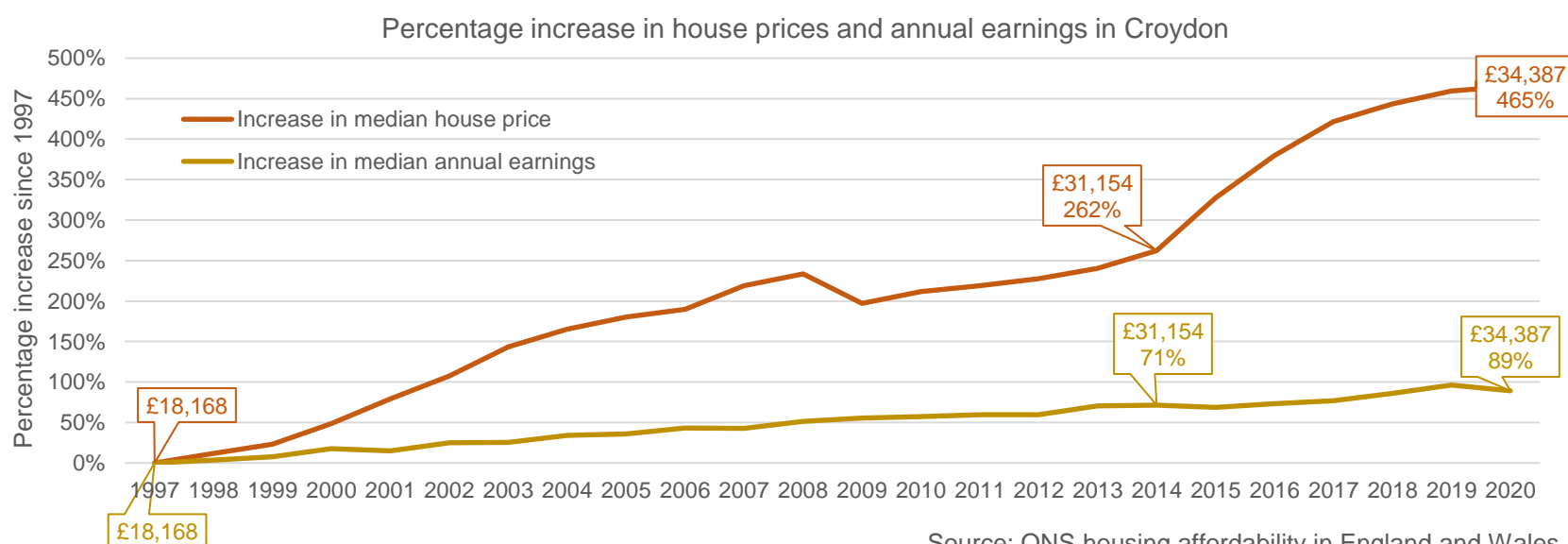


Source: ONS housing affordability in England and Wales.
Based on median annual earnings of those working in each area and median house prices in the same area

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Earnings and House Prices

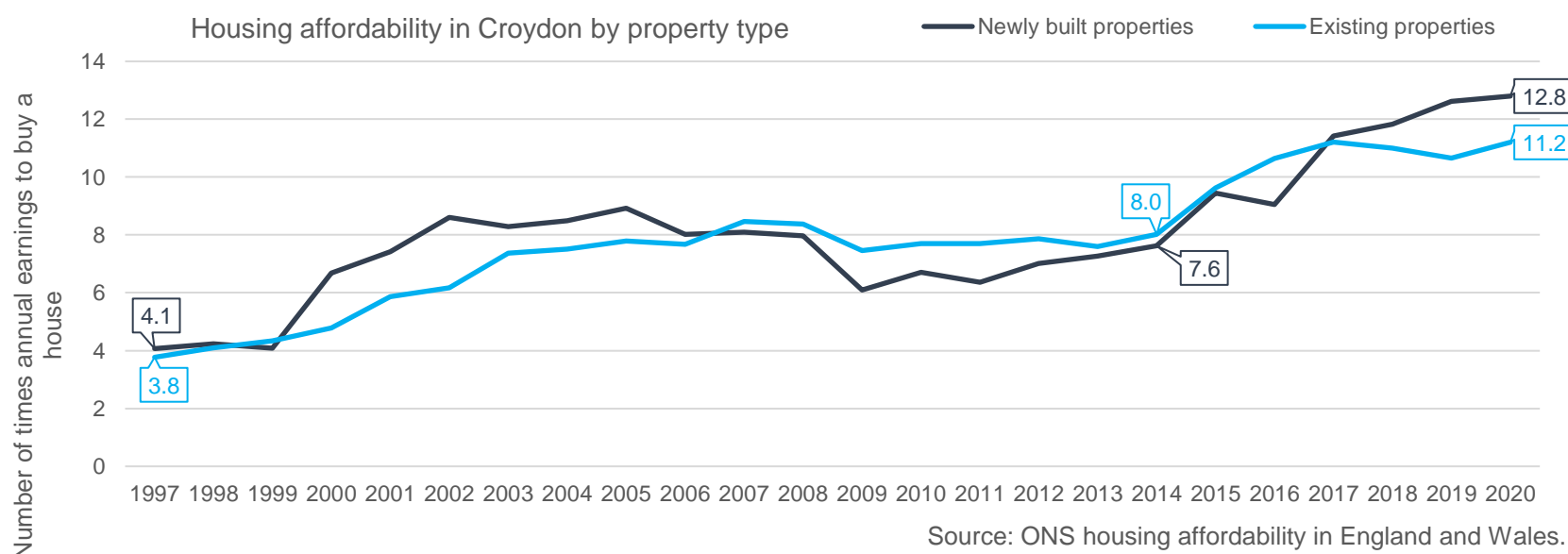
- > Housing affordability has worsened over time throughout England and Wales owing to house prices increasing at a faster rate than earnings.
- > The same is true within Croydon where the median price paid for a residential property in 2020 was £390,000, an increase of 465% since 1997.
- > In contrast, individual annual earnings in 2020 in Croydon were £34,387, an increase of 89% since 1997.
- > In the last year, earnings in Croydon fell in contrast to an increase in house prices. The median earnings decreased by -4% compared to 2019 while median house prices increased by 1%.



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 2020, those working in Croydon could expect to pay almost 13 times their median gross annual salary to buy a newly built property, and slightly more than 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