

Housing Affordability in Croydon

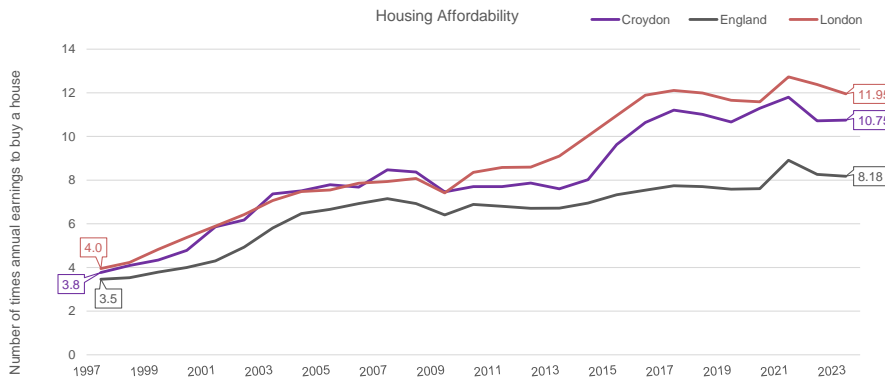
Sources and Notes About Data

ONS. Housing Affordability in England and Wales: Published March 2024. [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 (based on those working in Croydon)

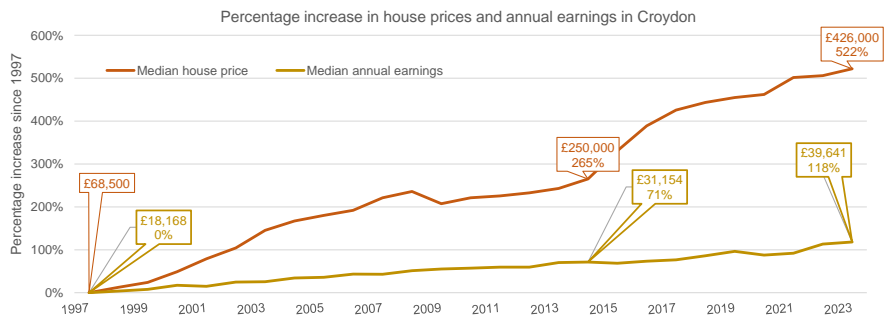
- > On average, people working in Croydon could expect to pay almost eleven times their annual earnings on purchasing a home within the borough in 2023, similar to the 11.0 times earnings five years ago in 2018.
- > This is the second lowest ratio in London making Croydon the second most affordable London borough to live and work in 2023.
- > 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

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 2023 was £426,000, an increase of 522% since 1997.
- > In contrast, individual annual earnings in 2023 of people working in Croydon were £39,641, an increase of 118% since 1997.
- > In the last year, earnings of people working in Croydon increased by 2% while house prices had a slight increase of 3% leading to increase in housing affordability compared to 2022.

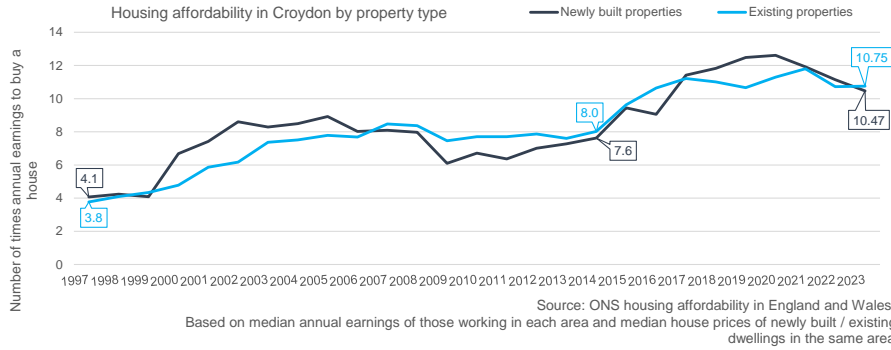


Source: ONS housing affordability in England and Wales. Based on median annual earnings of those working in each area and median house prices in the same area

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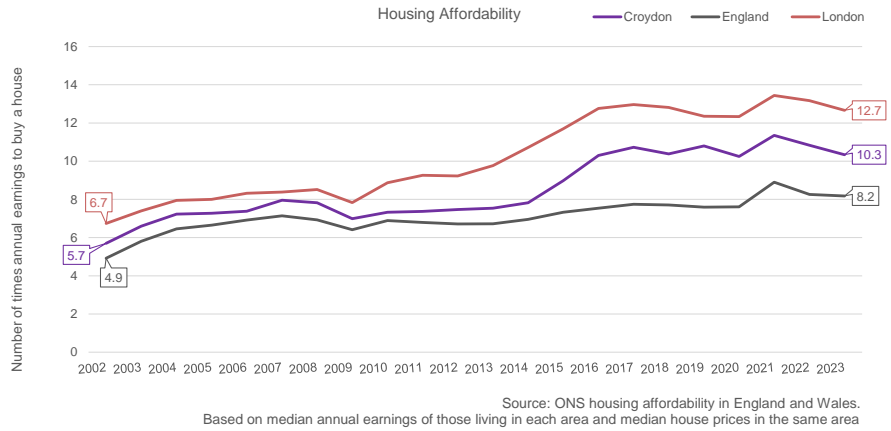
New and Existing Dwellings

- > In Croydon, unlike England and Wales, existing housing is less affordable than newly built properties though the gap between the two is small.
- > In 2023, those working in Croydon could expect to pay 10.5 times their median gross annual salary to buy a newly built property, and 10.8 times their annual earnings for an existing property.



Affordability (based on those living in Croydon)

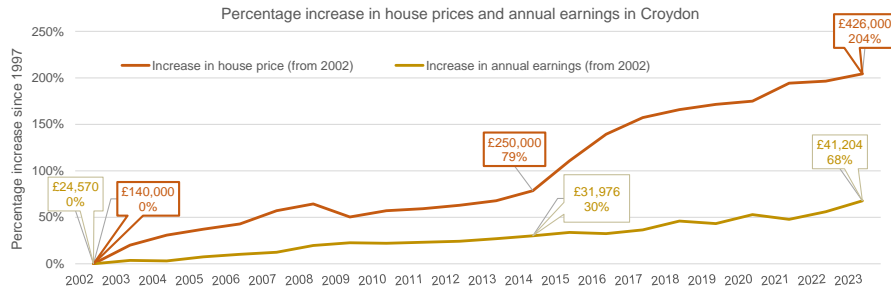
- > On average, people living in Croydon could expect to pay ten times their annual earnings on purchasing a home within the borough in 2023, similar to 10.3 times earnings five years ago in 2018.
- > This is the sixth lowest ratio in London making Croydon the sixth most affordable London borough to live in 2023.
- > Since 2002 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.



Housing Affordability in Croydon

Earnings and House Prices

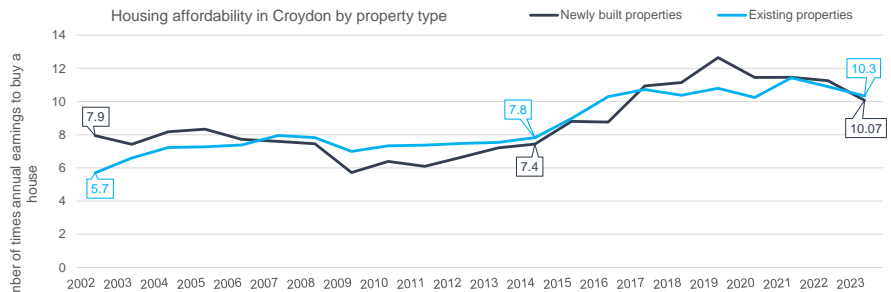
- > Housing affordability has worsened over time throughout England and Wales owing to house prices increasing at a faster rate than earnings.
- > The same is true within Croydon where the median price paid for a residential property in 2023 was £426,000, an increase of 204% since 2002.
- > In contrast, individual annual earnings in 2023 of people living in Croydon were £41,204, an increase of 68% since 2002.
- > In the last year, earnings of people living in Croydon increased by 8% while house prices did not increase leading to an increase in housing affordability compared to 2022.



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

New and Existing Dwellings

- > In Croydon, unlike England and Wales, existing housing is less affordable than newly built properties though the gap between the two is small.
- > In 2023, those living in Croydon could expect to pay 10.1 times their median gross annual salary to buy a newly built property, and 10.3 times their annual earnings for an existing property.



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