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**Attention: industrial; social affairs; news;  
political**  
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## **House prices have risen five times faster than pay in the East of England – higher than any other region**

The cost of buying the average home in the East of England has gone up more than five times faster than the wage of the average employee in the region over the last decade, according to a new TUC analysis of official statistics, published today Wednesday.

In 1997 the average house in the East of England could be bought for £63,950, equivalent to three years seven months of the then average wage of £17,963. But since then house prices have risen by 178% taking the average house in the East of England to £177,950, while the average wage has gone up by only 33.3% to £23,950. This means that it now takes seven years five months of an average employee's wage to buy an average house. In other words, house prices have gone up 5.3 times faster than pay.

This is the highest increase in the country, well clear of the next highest, the South West, where prices have gone up 4.8 times faster than pay.

This compares to the average figures for the whole of England where house prices have gone up 4.1 times faster than pay over the last ten years. In 1997 the average house cost £60,000, equivalent to three years and six months of the then average wage of £17,000. House prices have risen since then by 180 per cent, taking the average house to £168,000, while the average wage has gone up by only 43 per cent. This means that it now takes six years eleven months of an average employee's wage to buy an average house.

There are some stark differences across the country. While well-off London boroughs have the most expensive houses, the gap between pay and house prices has grown the most in West Sussex where prices have gone up more than nine times faster than pay.

Within the East of England, the biggest increase in the gap between prices and pay is in Luton, where prices have gone up 8.2 times faster than pay, and the lowest is in Cambridgeshire, where prices have still gone up 3.9 times faster than pay. Hertfordshire is the council area where house prices are now most out of reach of

local people, with the average house costing £225,000 – or nearly eight and a half years of the average wage of £26,500.

TUC General Secretary **Brendan Barber** said, “Housing is by far and away the biggest cost for most people at work in the East of England, yet they have seen the biggest growth in the price pay gap. These stark figures bring alive the housing crisis. They show just how quickly buying your own home has gone out of the reach of many working people. It is striking that house prices seem to have gone up in line with the pay of top directors and the super-rich, rather than middle and low earners.

“These figures show just how much housing has become an engine of inequality. If you are lucky enough to own your own home you have got that bit richer every day than those that do not.

“The government is right to have put a new emphasis on housing, though it’s a shame that this didn’t start earlier. We desperately need more quality affordable homes to rent and to buy. Unions stand ready to back new housing policies that provide quality homes in proper communities that respect the environment, but if we are to build enough homes ministers will need to take tough decisions.”

<b>Eastern England</b> (ranked by growth in pay price gap)	<b>1997 pay</b>	<b>2006 pay</b>	<b>% pay increase</b>	<b>1997 house price</b>	<b>2006 house price</b>	<b>% price increase</b>	<b>how much faster prices have gone up than pay</b>	<b>How long to buy in 1997 (years and months)</b>	<b>How long to buy in 2006 (years and months)</b>
Luton UA	£19,378	£24,217	25.0%	£48,250	£147,000	205%	8.2	2y 6m	6y 1m
Thurrock UA	£19,244	£24,222	25.9%	£56,000	£164,950	195%	7.5	2y 11m	6y 10m
Southend-on-Sea UA	£16,820	£22,399	33.2%	£55,000	£167,995	205%	6.2	3y 3m	7y 6m
Norfolk	£16,000	£21,528	34.5%	£52,000	£155,000	198%	5.7	3y 3m	7y 2m
Bedfordshire	£17,947	£24,238	35.1%	£62,995	£175,000	178%	5.1	3y 6m	7y 3m
Essex	£17,228	£23,731	37.7%	£66,500	£187,000	181%	4.8	3y 10m	7y 11m
Peterborough UA	£16,135	£22,813	41.4%	£45,500	£133,000	192%	4.6	2y 10m	5y 10m
Hertfordshire	£19,470	£26,457	35.9%	£84,500	£222,500	163%	4.6	4y 4m	8y 5m
Suffolk	£15,805	£22,339	41.3%	£55,950	£159,950	186%	4.5	3y 6m	7y 2m
Cambridgeshire	£17,810	£25,525	43.3%	£67,500	£181,995	170%	3.9	3y 9m	7y 2m

Eastern England (ranked by 2006 pay price gap)	1997 pay	2006 pay	% pay increase	1997 house price	2006 house price	% price increase	how much faster prices have gone up than pay	How	How
								long to buy in 1997 (years and months)	long to buy in 2006 (years and months)
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Essex	£17,228	£23,731	37.7%	£66,500	£187,000	181%	4.8	3y 10m	7y 11m
Southend-on-Sea UA	£16,820	£22,399	33.2%	£55,000	£167,995	205%	6.2	3y 3m	7y 6m
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Thurrock UA	£19,244	£24,222	25.9%	£56,000	£164,950	195%	7.5	2y 11m	6y 10m
Luton UA	£19,378	£24,217	25.0%	£48,250	£147,000	205%	8.2	2y 6m	6y 1m
Peterborough UA	£16,135	£22,813	41.4%	£45,500	£133,000	192%	4.6	2y 10m	5y 10m

  

English regions	1997 median pay	2006 median pay	% pay increase	1997 median house price	2006 median house price	% price increase	how much faster house prices go up than pay	How	How
								long to buy in 1997 (years and months)	long to buy in 2006 (years and months)
East	£17,963	£23,950	33.3%	£63,950	£177,950	178%	5.3	3y 7m	7y 5m
South West	£15,873	£22,453	41.5%	£60,000	£178,500	198%	4.8	3y 9m	7y 11m
London	£21,608	£30,511	41.2%	£86,000	£245,000	185%	4.5	4y	8y
North East	£15,986	£21,558	34.9%	£47,000	£119,000	153%	4.4	2y 11m	5y 6m
East Midland	£16,083	£22,496	39.9%	£50,500	£137,000	171%	4.3	3y 2m	6y 1m
West Midlands	£16,162	£22,222	37.5%	£54,950	£142,000	158%	4.2	3y 5m	6y 5m
North West	£16,279	£22,420	37.7%	£49,000	£126,000	157%	4.2	3y	5y 7m
South East	£18,104	£25,535	41.0%	£74,950	£203,000	171%	4.2	4y 2m	7y 11m
Yorkshire and the Humber	£15,858	£22,088	39.3%	£49,000	£128,330	162%	4.1	3y 1m	5y 10m
<b>England</b>	<b>£16,949</b>	<b>£24,313</b>	<b>43.4%</b>	<b>£60,000</b>	<b>£168,000</b>	<b>180%</b>	<b>4.1</b>	<b>3y 6m</b>	<b>6y 11m</b>

Further tables, including the figures for each local authority area, are available at <http://www.tuc.org.uk/extras/housingtables.cfm>

#### NOTES TO EDITORS:

- All figures are from or derived from official statistics <http://www.communities.gov.uk/index.asp?id=1156110> tables 577 and 586
- The median is the half way value through a distribution. If you are paid the median wage it means that half the population earn more than you and half the population earn less than you. It is not the same as the mean wage, which will be higher, as this will be skewed by the very

large wages enjoyed by the top few per cent, but it can be said to be the pay of the average worker.

- The “how much faster house prices go up than pay” column is a comparison between the increase in the median wage compared to the median house price. A figure of 4.3 for example shows that the median house price went up 4.3 times faster than the median wage between 1997 and 2006.

-The “how long to buy” column is a simple measure of how many years and months of the median wage equals the median house price. For example if the median wage is £10,000 it take five years to buy a house priced £50,000.

Tables available on the web site are

Table 1 – The headline figures for each region

Table 2 – Figures for each county, met district and unitary authority shown by region

Table 3 – As Table 2 but ranked by change in the pay/price gap

Table 4 – As Table 3 but ranked by the 2006 gap between price and pay

Table 5 – All figures organised by region including county, met district UA and local authority district

Table 6 – includes two tables for each region – one showing local authorities within region ranked by growth in pay price gap and one ranked by 2006 pay price gap (ie Tables 3 and 4 for each region)

- All TUC press releases can be found at [www.tuc.org.uk](http://www.tuc.org.uk)

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