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**Attention: industrial; social affairs; news;  
political**  
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## **House prices have risen four times faster than pay in London**

The cost of buying the average home in London has gone up more than four 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 London could be bought for £86,000, equivalent to four years of the then average wage of £21,608. But since then house prices have risen by 185% taking the average house in London to £245,000, while the average wage has gone up by only 41.2% to £30,511. This means that it now takes eight years of an average employee's wage to buy an average house. In other words, house prices have gone up 4.5 times faster than pay.

This is the third highest in the country, with only the East of England and the South West showing a higher figure.

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 London, the biggest increase in the gap between prices and pay is in Waltham Forest, where prices have gone up nearly nine times faster than pay, and the lowest is in the City of London, where prices have gone up just over twice as fast as pay, but that's because pay has gone up faster in the City than anywhere else – not because house prices are low. Kensington and Chelsea is the council area where house prices are now most out of reach of local people, with the average house costing just over half a million pounds – or more than 20 years of the average wage of £26,000.

TUC General Secretary **Brendan Barber** said, "Housing is by far and away the biggest cost for most people at work in London. 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."

London (ranked by growth in 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 long to buy in 1997 (years and months)	How long to buy in 2006 (years and months)
Waltham Forest	£17,867	£22,800	27.6%	£62,000	£215,000	247%	8.9	3y 6m	9y 5m
Newham	£20,144	£27,115	34.6%	£56,000	£211,500	278%	8.0	2y 9m	7y 10m
Sutton	£21,599	£26,515	22.8%	£74,950	£210,000	180%	7.9	3y 6m	7y 11m
Hillingdon	£22,585	£28,117	24.5%	£79,950	£230,000	188%	7.7	3y 6m	8y 2m
Hammersmith and Fulham	£23,979	£29,586	23.4%	£135,000	£350,000	159%	6.8	5y 8m	11y 10m
Hounslow	£21,053	£27,294	29.6%	£80,000	£235,000	194%	6.5	3y 10m	8y 7m
Ealing	£20,316	£26,518	30.5%	£90,000	£249,000	177%	5.8	4y 5m	9y 5m
Hackney	£23,052	£32,428	40.7%	£76,995	£247,750	222%	5.5	3y 4m	7y 8m
Greenwich	£19,820	£27,741	40.0%	£66,000	£207,500	214%	5.4	3y 4m	7y 6m
Merton	£18,041	£24,324	34.8%	£84,973	£243,000	186%	5.3	4y 9m	10y
Haringey	£19,240	£26,519	37.8%	£81,000	£240,000	196%	5.2	4y 3m	9y 1m
Redbridge	£18,796	£26,726	42.2%	£76,500	£240,000	214%	5.1	4y 1m	8y 12m
Croydon	£18,850	£26,010	38.0%	£70,500	£206,000	192%	5.1	3y 9m	7y 11m
Brent	£18,638	£26,014	39.6%	£83,500	£249,999	199%	5.0	4y 6m	9y 7m
Lambeth	£21,907	£30,135	37.6%	£85,000	£245,000	188%	5.0	3y 11m	8y 2m
Lewisham	£19,557	£28,628	46.4%	£63,950	£202,975	217%	4.7	3y 3m	7y 1m
Southwark	£22,368	£31,777	42.1%	£85,000	£245,000	188%	4.5	3y 10m	7y 9m
Harrow	£19,604	£27,099	38.2%	£94,100	£255,000	171%	4.5	4y 10m	9y 5m
Westminster	£23,186	£31,250	34.8%	£163,000	£415,000	155%	4.4	7y 0m	13y 3m
Kingston upon	£19,658	£26,882	36.7%	£94,950	£250,000	163%	4.4	4y 10m	9y 4m

Thames									
Bexley	£18,299	£25,524	39.5%	£71,000	£195,000	175%	4.4	3y 11m	7y 8m
Wandsworth	£19,963	£28,624	43.4%	£108,000	£312,000	189%	4.4	5y 5m	10y 11m
Kensington and Chelsea									
Chelsea	£19,380	£25,761	32.9%	£225,000	£525,000	133%	4.0	11y 7m	20y 5m
Barking and Dagenham									
Dagenham	£17,893	£27,495	53.7%	£53,500	£167,998	214%	4.0	2y 12m	6y 1m
Enfield	£18,353	£26,752	45.8%	£78,000	£210,000	169%	3.7	4y 3m	7y 10m
Islington	£22,037	£31,395	42.5%	£119,000	£297,000	150%	3.5	5y 5m	9y 6m
Barnet	£18,553	£28,263	52.3%	£100,000	£275,000	175%	3.3	5y 5m	9y 9m
Havering	£16,592	£25,657	54.6%	£74,000	£205,000	177%	3.2	4y 6m	8y
Camden	£21,805	£32,428	48.7%	£145,000	£358,000	147%	3.0	6y 8m	11y 0m
Tower Hamlets	£25,000	£39,038	56.2%	£95,000	£247,500	161%	2.9	3y 10m	6y 4m
Richmond upon Thames									
Thames	£19,622	£29,730	51.5%	£135,000	£330,000	144%	2.8	6y 11m	11y 1m
Bromley	£15,122	£25,853	71.0%	£86,500	£242,500	180%	2.5	5y 9m	9y 5m
City of London	£28,909	£49,356	70.7%	£136,450	£345,000	153%	2.2	4y 9m	7y

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-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)

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