

Dorling, D. (2013) How to cope with London's growth, Letter, The London Evening Standard, October 21st.

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How to cope with London's growth

THE ONS figures reveal that the average Londoner is paid £107 more a week than people in the rest of the UK, but the average home in London costs an extra £183,000. If not a penny of that extra income was taxed and all of it saved, it would take 32 years to raise that much money – by which point house prices would have risen somewhat further. To put it another way, London property is 13 times London wages, and that ratio is rising quickly.

As long as the capital's population continues to grow 1.3 per cent a year and insufficient housing is available, prices can continue to rise. But there always comes a moment when people can no longer pay for a home. Usually, before that, comes the point when they no longer have trust in the system.
Prof Danny Dorling, Oxford

Letter as sent: New ONS figures reveal that the average Londoner is paid £107 more a week than people in the rest of the UK, but the average house in London costs an extra £183,000. If not a penny of that extra income was taxed and all of it saved, it would take 32 years to raise that much money. But by then home prices would have risen even further. Rents rise as home prices rise. Landlords have mortgages too. Put another way the new ONS figures show that in the UK home prices are 9 times annual wages, but in London they are 13 times as high, and that ratio is rising quickly, especially as greater numbers of younger and possibly more naive adults join a huge Ponzi scheme. As long as the population of the capital continues to grow by 1.3% a year and insufficient housing is provided prices can continue to rise. But there does always come a point when people can no longer pay for a home. Usually, before that, comes the point when they no longer have trust in the system. That point may be delayed as government begins to back 95% loans; but how will those who take out those loans ever keep up payments on them at London wages?