# UK housing crisis deepens as affordability becomes an impossible dream for most



New data from the Office for National Statistics (ONS) highlights the ongoing and worsening crisis in housing affordability across England, revealing a system stacked against ordinary families while the political elite continues to benefit. In 2024, the median house price reached a staggering £290,000—more than seven times the median annual salary—making homeownership an impossible dream for nearly 90% of earners. London, once again, leads the charge, with house prices soaring to over eleven times the income of even the top earners, effectively shutting out the vast majority from any hope of owning their own home.

This growing disparity underscores the failure of the Labour government’s misguided policies, which have failed to address a housing shortage that has persisted for years. Instead of implementing real solutions, they continue to oversee a market where affordability is confined to the wealthiest deciles. Meanwhile, regions such as the North East and less saturated towns like Blackpool offer marginally more accessible housing, but even these areas face rising costs that leave working families stranded.

The crisis extends beyond buying—rising rents are squeezing household budgets to breaking point. The proponents of the status quo like Generation Rent’s Ben Twomey claim that owning a home remains a “dream,” but the truth is that the current system entrenches inequality. Relying on familial wealth or government handouts to access the housing ladder merely perpetuates the divide between the haves and have-nots.

Despite some superficial signs of a market slowdown and the hope that recent interest rate cuts might ease the crisis, the truth remains clear: the housing market is broken. Recent figures show only a meager 2.8% increase in prices, with some southern areas even seeing slight declines, driven by buyer caution ahead of expected tax hikes. Meanwhile, rental prices have stalled, failing to keep pace with inflation and leaving renters even more vulnerable.

Financial analysts suggest that slower price growth and better mortgage access could temporarily benefit first-time buyers, but these are mere Band-Aids on a deep wound. The UK’s housing market is still fundamentally broken, a reflection of decades of neglect and mismanagement. The government’s ambitious pledge to build 1.6 million new homes—supported by a £39 billion injection—will only make a dent over the coming years, not solve a crisis that demands immediate and radical reform.

The reality is stark: the current system privileges the wealthy, allowing them to keep a tight grip on property ownership while ordinary workers are pushed out of the market entirely. As inflation, interest rates, and political instability threaten to further destabilize the housing landscape, it’s clear that the root causes remain unaddressed. The ongoing failure of successive governments—regardless of their party labels—is pushing the notion of homeownership further out of reach for most and deepening social divides for generations to come.

This crisis is a direct result of policy failure and systemic inequality—those in power have allowed the housing market to become a playground for the rich, with little regard for the hardworking families who are increasingly priced out. Only by implementing profound reforms, including reforming planning laws and promoting genuine supply-side solutions, can the cycle of unaffordability be broken. Until then, homeownership in this country remains an elusive goal for the many—an unfulfilled promise that continues to divide our society.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.independent.co.uk/news/uk/home-news/housing-homes-labour-unaffordable-house-buying-mortgage-b2829833.html> - Please view link - unable to able to access data
2. <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/latest> - The Office for National Statistics (ONS) released data indicating that in 2024, the median house price in England was £290,000, which is 7.7 times the median annual earnings of £37,600. This suggests that buying a home was unaffordable for 90% of earners in England. In London, even the top 10% of earners were priced out of affordable home ownership, with house prices over 11 times their income. The ONS defines affordability as a house price being less than five times the local average income.
3. <https://www.theguardian.com/money/2024/dec/09/cost-of-buying-average-home-in-england-now-unaffordable-warns-ons> - The Guardian reported that the ONS highlighted the unaffordability of buying a home in England, noting that it would take 8.6 years of average annual household disposable income (£35,000) to afford an average-priced home worth £298,000. This is nearly double the ratio recorded in 1999. The ONS defines affordability as a local average house price costing less than five years of local average income. In contrast, Northern Ireland remained affordable for average households.
4. <https://www.mpamag.com/uk/news/general/housing-affordability-returns-to-pre-pandemic-levels-ons/529566> - Mortgage Introducer reported that housing affordability in England and Wales returned to pre-pandemic levels in 2024. The ONS data showed that between 2021 and 2024, median house prices rose by 1%, while average earnings increased by 20%. As of 2024, the median house price in England was £290,000, equivalent to 7.7 times the median full-time salary of £37,600. In Wales, the median home price was £201,000, or 5.9 times the average income of £34,300.
5. <https://www.reuters.com/world/uk/uk-house-prices-rise-28-12-months-july-2025-09-17/> - Reuters reported that UK house prices increased by 2.8% in the 12 months leading up to July 2025, according to the Office for National Statistics (ONS). This marks a deceleration from the 3.6% annual increase recorded in June. The slowdown follows a property market surge that peaked in March, driven by buyers rushing to finalize purchases before a tax relief on property transactions expired. Additionally, private-sector rental price growth also showed signs of easing, rising by 5.7% in the year to August—down from 5.9% in July—which is the lowest annual increase since December 2022.
6. <https://www.reuters.com/world/uk/uk-house-prices-fall-while-rents-rise-by-least-4-years-surveys-show-2025-09-14/> - Reuters reported that in September 2025, UK house prices experienced their first annual drop since January 2024, with asking prices falling 0.1% compared to the previous year, according to Rightmove. Though there was a slight month-on-month increase of 0.4%, it was below seasonal norms and followed three months of declines. The fall was mainly driven by southern England, where more expensive properties are more sensitive to potential tax hikes, contributing to increased sales. Market uncertainty is being influenced by expected property tax changes in the upcoming November budget. Meanwhile, Zoopla reported that rental prices rose 2.4% annually in the four weeks to September 2—the slowest growth in four years. Despite affordability issues, more rental properties are available, easing demand pressures. Average rents now stand at £1,300 ($1,761) per month, with a 3% overall rise projected by year-end. Lower migration and improved mortgage access for first-time buyers are reducing rental market pressure. Economic growth stalled in July, and interest rates are expected to remain unchanged at 4% in the Bank of England’s September 18 meeting, with the next possible rate cut anticipated in spring 2026.
7. <https://www.reuters.com/business/finance/uk-house-prices-seen-rising-slower-than-expected-helping-first-time-buyers-2025-09-16/> - Reuters reported that UK house prices are expected to rise more slowly than previously forecast, potentially improving affordability for first-time buyers, particularly in London. A Reuters poll of property analysts conducted in September 2025 found that 92% of respondents believe conditions for new buyers will improve. This shift is attributed to strong wage growth and better mortgage options, which are drawing hesitant buyers into the market. The Bank of England has lowered interest rates by 125 basis points since mid-2024 and may cut them further, although borrowing costs are still above pandemic-era lows. Analysts now forecast average UK home prices rising 2.6% in 2025 and 3.1% in both 2026 and 2027—lower than previous estimates from May. London home price forecasts have also been downgraded. Despite this, economic uncertainty remains. Speculation suggests Finance Minister Rachel Reeves may need to raise taxes on wealthier citizens in her upcoming budget to address a £20 billion fiscal shortfall, potentially impacting high-end property markets disproportionately. The job market is also showing signs of cooling.