

Third of Britons Pay Unaffordable Housing Costs

New research has revealed that almost one in three Britons spend over a third of their disposable income on rent or mortgage payments.

December 12, 2013 (FPRC) -- With average property prices in England and Wales at £167,063, an annual increase of 3.4%, and in London property prices reaching an average of £393,462, an annual increase of 9.3%, families are also finding it hard to find affordable housing to buy.

Renters are also finding it difficult. In the private rental sector, the average monthly cost of renting a home reached £757 in England and Wales in September. This is an increase of 2.1% compared to the same period in 2012. For renters in London, the average rental figure is £1,200.

The research was revealed by BBC's Panorama who conducted an Ipsos MORI survey with 1003 people. Thirty one per cent of respondents in the survey said that they were paying a third of their disposable income on rent or mortgage which meant that there is little money remaining to cover basic needs such as food. Forty six per cent of respondents also thought that property prices in their area are too high and 39% would like to see property prices fall.

Home ownership to many of the respondents did not appear feasible nor realistic. The financial pressure of paying for a mortgage or rent has meant that saving for a deposit is challenging and in some cases impossible. With the increase in energy and fuel prices and wages increasing slowly or remaining the same, home ownership is increasingly beyond some people's reach.

Another survey by Savills estate agents forecast that annually over 500,000 households are prevented from buying a first home or moving up the property ladder because of the credit crunch. Their survey also revealed that rising property prices and rents will present further challenges to home ownership.

House prices are predicted to soar by 24% in the next five years, according to Knight Frank's UK housing market forecast for Q4 2013 which will further make it impossible and challenging for people to get onto the property ladder.

Fleur Rowan, What House?, says: ' These are worrying an difficult times for people who are finding it hard to pay monthly mortgage payments or rents. If property prices rise then this could mean that more buyers can't afford to buy a property including first time buyers and families who need to buy a larger property.'

Notes to Editors:

What House? is a leading property website that features thousands of new homes across the UK. It also provides the latest property news, valuation of homes and property and mortgage advice. Over the last 32 years What House? has held their annual What House? Awards, which are the longest established New Homes awards in the UK recognising UK house builders and developers across 21 categories.

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Keywords

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