



#UKAA17

Addressing Affordability

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Be Living



Defining affordability



‘Annual housing costs should be no greater than 40% of net household income’

Housing SPG 2017

**GREATER
LONDON
AUTHORITY**



It’s a good rule of thumb to spend only 25%-30% of your total income on rent

It’s only a rough guide, but we tend to say that the cut-off for what’s affordable ... is 35% of net household income (income after tax and benefits)

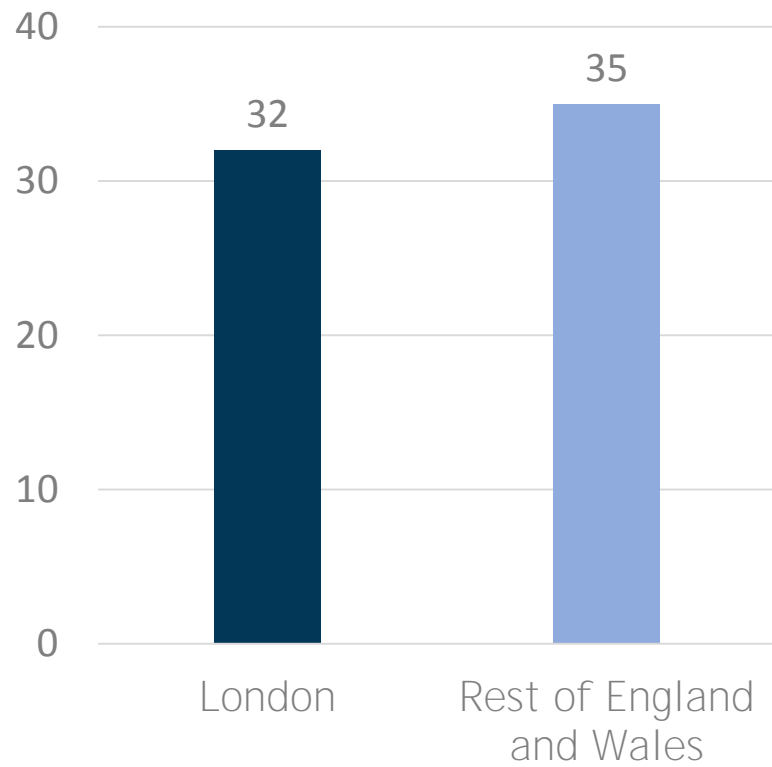


As a principle housing costs should not be more than 30% of a household’s gross income
Affordability of Housing Report 2016

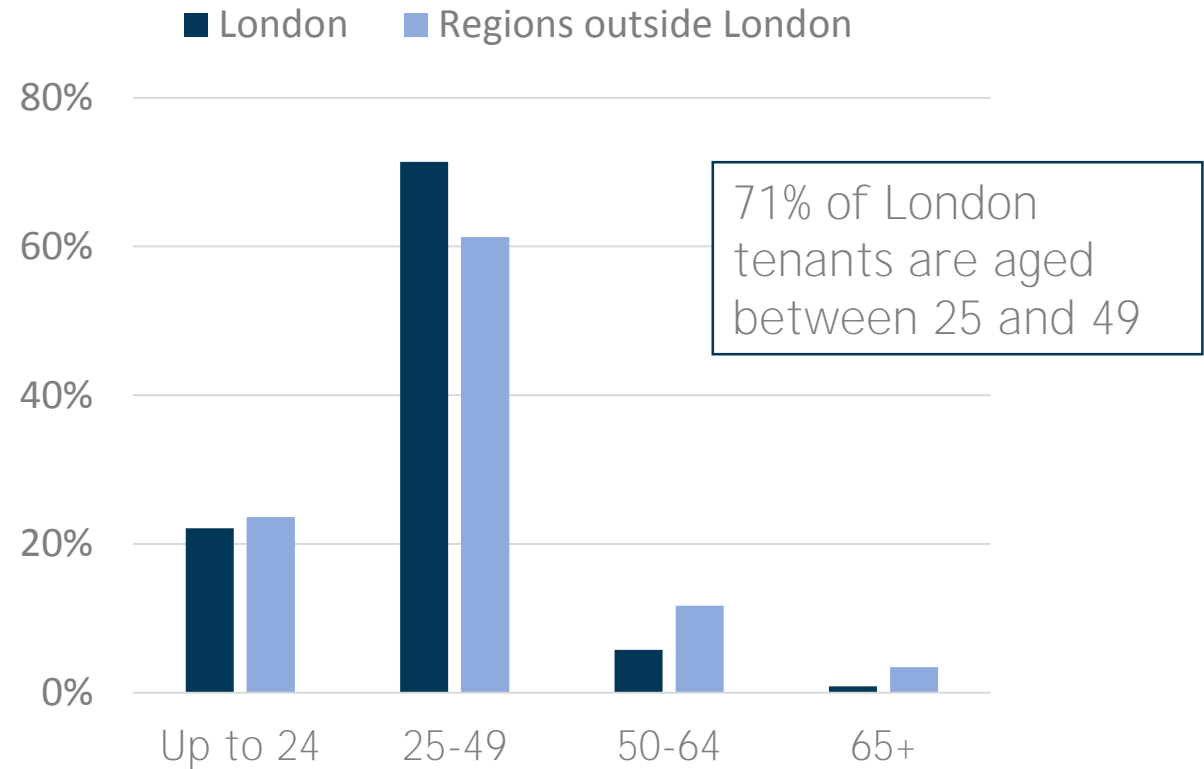
PRS sector occupation data - age



Average age



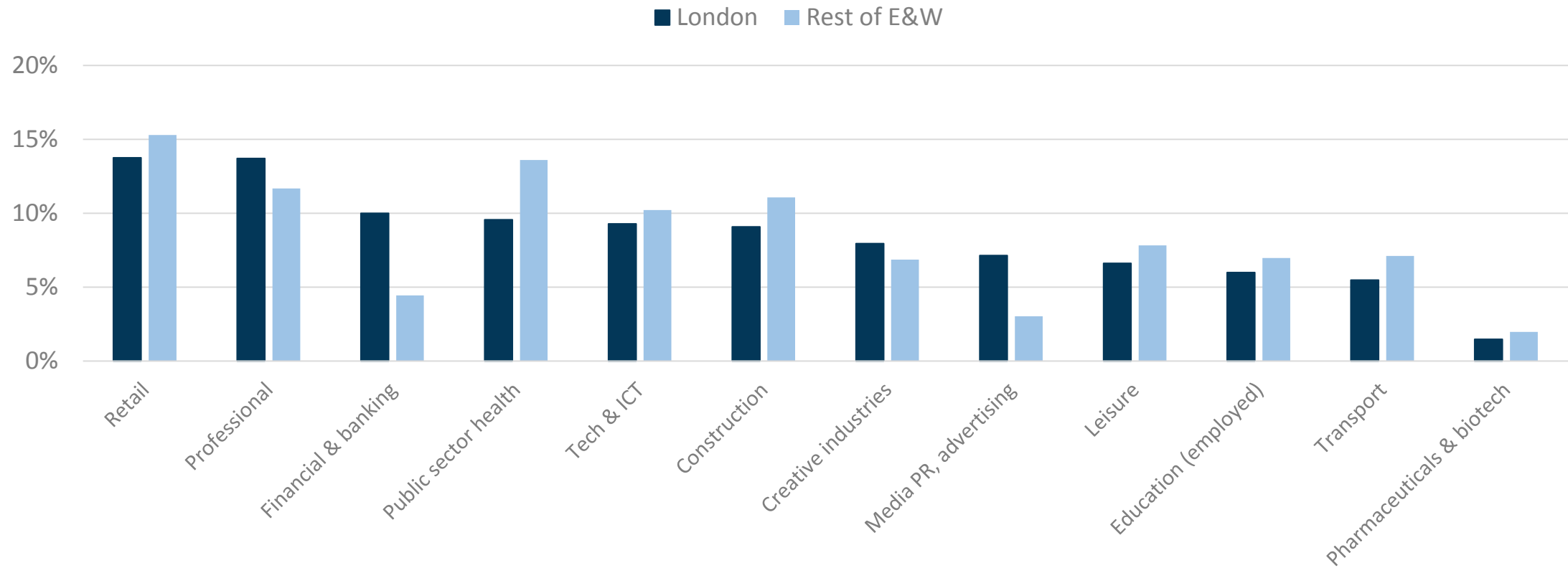
Age profile



PRS sector occupation data - occupation



Employment sector of tenants (references in Oct 2017)

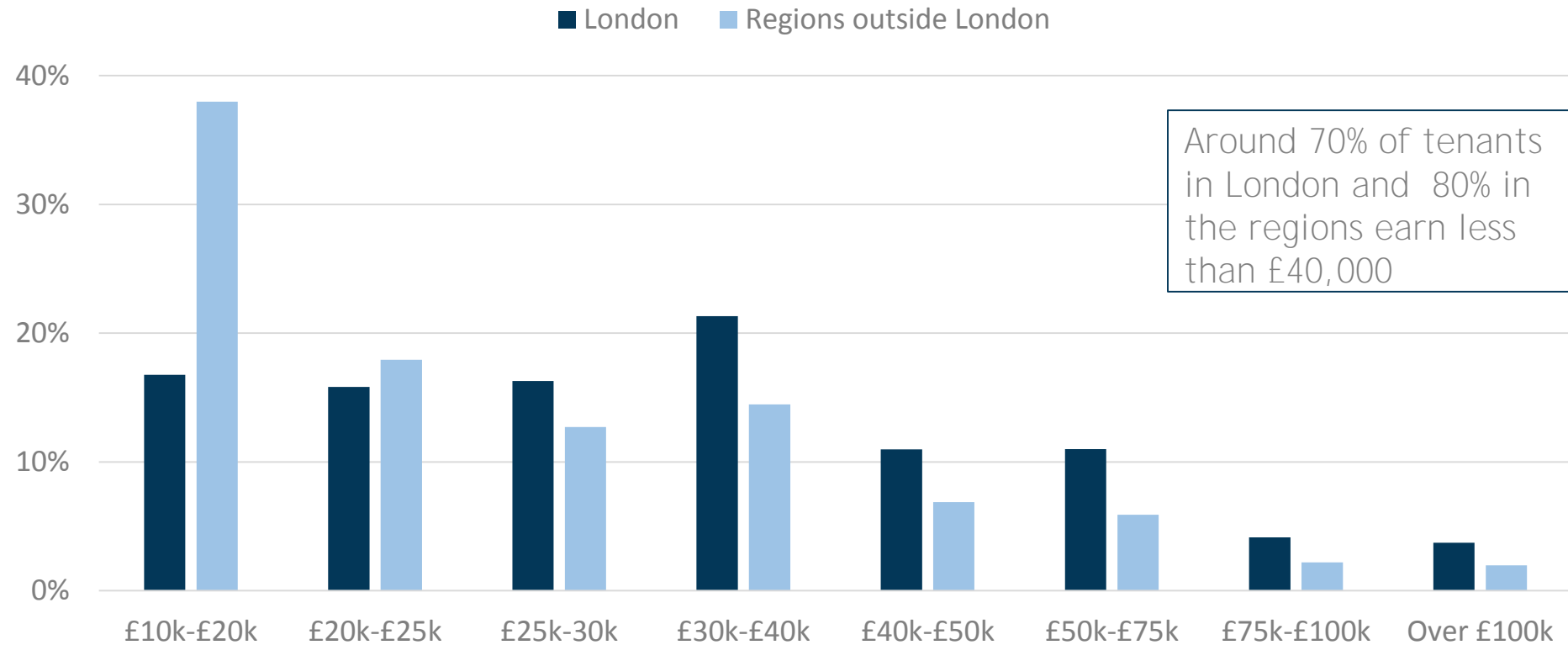


Based on extensive sample of referencing data - information provided by **dataloft**
PROPERTY MARKET INTELLIGENCE.

PRS sector occupation data - income profile



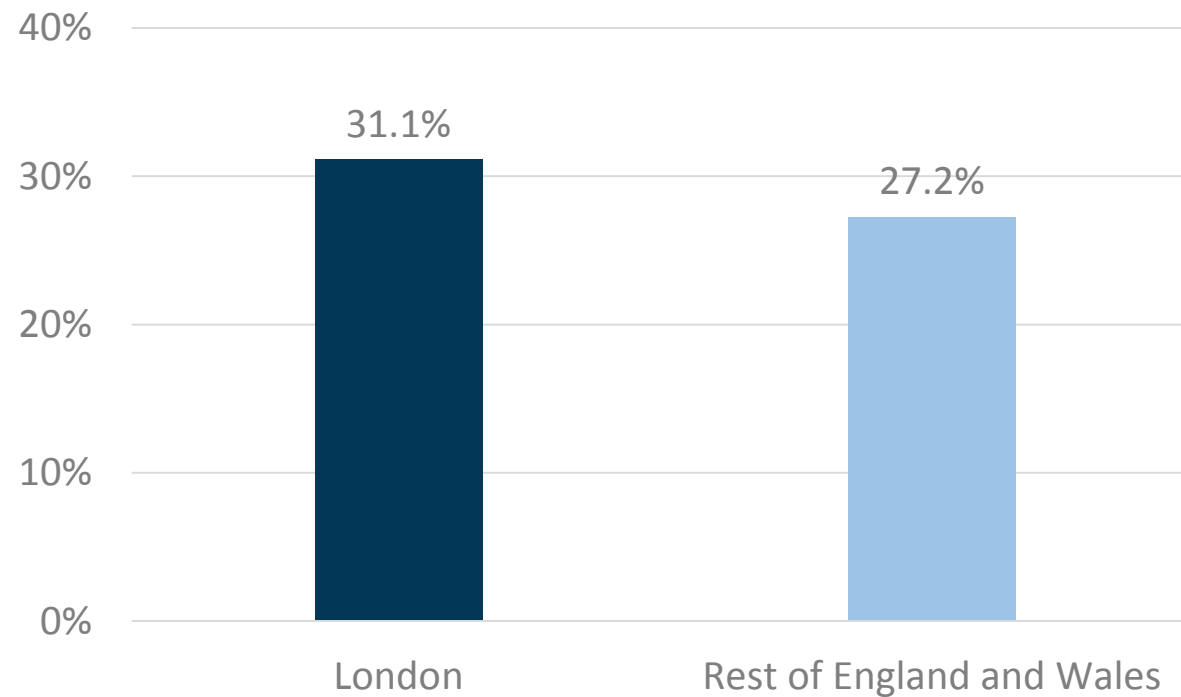
Income profile of individual tenants



PRS sector occupation data - affordability



Percentage of gross income spent on rent



Based on extensive sample of referencing data - information provided by **dataloft**
PROPERTY MARKET INTELLIGENCE.

Percentage of gross income spent - profile of tenants



In London, 82% of tenants spent less than 40% of their gross income on their rent in the past year - 47% spent less than 30% of their gross income on their rent

BtR sector occupation data - profile



- ✓ Average age is c.30 (but range between 19 and 78)
- ✓ Mainly singles and couples (but families too)
- ✓ Wide range of occupations (but also students and retirees)
- ✓ NHS/healthcare, finance and key workers represent sizable proportion
- ✓ Majority already rented locally before moving to current BtR home



Based on information provided by UKAA Operations Committee members



Average salary
of tenants

£33,000

Average proportion
spent on rent*

32%

* Includes other services e.g.
broadband

BtR sector - delivering affordability



Product offer



Delivering for sharers

Service offer

No lettings fees

Longer tenancies with fixed rent increases

Introduction of no deposits or insurance-backed schemes

Superfast broadband

Utility costs minimised and, in some cases, fixed

Value for money