

Renting in London: Generation Rent earning less than the average London salary of £37,000 can't afford to live in two thirds of the capital

[Ruth Bloomfield](#) Wednesday 2 November 2016 07:38 GMT

An analysis of the average monthly rent for a room in each borough reveals how workers on low and medium incomes have been banished to the furthest fringes of London.

However, it also reveals precisely where they — and those with greater earning power — should focus their search for a home. The least expensive option is the south-east borough of Bexley, where the average room rate is £500 a month. Even then, in order to pay your taxes, cover the rent and transport costs and simply live, you'll need a salary of at least £23,000.

Those earning less than £30,000 can live in nine of London's 32 boroughs, including Croydon, Enfield, and Bromley.

Renters with an income of between £30,000 and £40,000 to play with have far more choice. Living in Ealing, for example, requires a £35,000 salary, while a Lambeth resident will need to earn £38,000.

The price of living in Wandsworth or Richmond upon Thames is just under £900 per calendar month, meaning only those bringing home something approaching £40,000, at least, can consider these two leafy neighbourhoods.

But to live in Hammersmith and Fulham, at an average monthly cost of £997, will require a salary of £45,000. Digs in the City of London, the most expensive of the options according to today's research, at an average £1,246 a month, will require a minimum income of £56,000.

The report is the first time the affordability of renting just one room in a property has been compared with detailed wage brackets, and was calculated by comparing take-home wages with rents.

“While the analysis is based on spending no more than a third of net income on rent, a commonly accepted measure of affordability, many London tenants spend a much greater proportion,” says Johnny Morris, head of research at Hamptons International and author of today’s study.

Sharing a house or flat was once seen as a twentysomething rite of passage. However, Morris says the disparity between rent and earnings means that sharing is rapidly becoming the only way average Londoners can remain in the city — and that includes couples with children.

“As affordability has been steadily squeezed, people are renting rooms for longer,” he adds. “Once just a lifestyle choice for the young and single, house shares are home to growing numbers of couples and even small families.”

Morris adds: “Generally, the fringes of east and south-east London are most accommodating of tighter budgets, especially areas beyond the end of the Tube, connected to central London by train or bus.

But those willing to sacrifice more of their salary on rent can and do live more centrally. Someone earning £30,000 a year can swap Croydon for Camden by spending half rather than a third of their income on rent.”

As well as looking at average rental prices per borough, the research assessed costs in every London postcode, giving an invaluable guide to how far salaries will stretch across the capital.

It found that people earning £21,000 can — just — afford a London share, in areas including Abbey Wood, South Hornchurch, and Welling. Those earning £25,000 could upgrade to Thornton Heath, Sidcup, Eltham or Southall.

With a £30,000 salary at their disposal a renter could hunt for a room in areas including Leytonstone, Stanmore and Isleworth. Those earning £35,000 could move on to Camberwell or Tooting. However, renters need to earn £40,000 to consider a home in Putney, Clapham, or Stratford.

A Mayfair address would require a £58,000 wage packet, while living in St James’s needs earning power of £60,000. The most expensive postcode of all is WC2R, close to Somerset House, where a £72,000 salary is needed to cover the average room cost of £1,595 a month.

<https://www.homesandproperty.co.uk/property-news/renting/renting-in-london-generation-renters-earning-less-than-the-average-london-salary-of-37000-cant-a105856.html>