

# **Private rents and family wages**

## Affordability in the Private Rental Sector

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# INTRODUCTION

Households in England are becoming ever more reliant on the private rental sector to provide them with housing. House prices have grown significantly across most of England, and as a result, households are finding it ever harder to save the deposit needed to get on the property ladder. In the post war era, social housing was an option for many low-wage families, but as the supply of social homes has dwindled, households have to rent privately, and try to find a home that meets their needs.

Shelter believe that only social homes, at truly affordable rent levels, are the solution to our housing crisis. This paper details an up to date analysis of current rent levels and their cost in relation to the take home pay of typical working families that must live in the private rental sector.

## Methodology and data

To understand the affordability pressures resulting from renting in England there are two available approaches, it is possible to look at survey data (such as the English Housing Survey or other such national statistical sources) or model the issue using national data sets.

Shelter has modelled the relationship for a granular analysis; we have used the most up to date private rental estimates for 2-bedroom properties across England, collected from the Valuation Office Authority quarterly statistics; we also used administrative data on 2 bed social rents (for local authorities and housing associations) from the Local Authority Housing Statistics release.

Rents were compared with a modelled wage for a typical working household. Shelter used the Annual Survey of Hours and Earnings, and used the reported weekly gross wages, for resident populations by each regional area. By compiling the mean and 25<sup>th</sup> percentile values for both full time and part time workers, it allowed us to construct a number of 'typical working families'. Annualised wages from this data were made *net of tax* by calculating wage tax and national insurance contributions.

Our final model used the regional level of one full time and one part time worker at the 25<sup>th</sup> percentile to compare against median rents by; this is to better understand the challenges that low-wage households face when looking for a rental property. The statistic generated in these models is the rent to wage ratio, the percentage of wages spent on rent. We have taken the 30% level as being the level at which rents become unaffordable; this is a typical measure applied to the affordability issues in the academic literature.

# WAGES AND RENTS

## Which regions are most unaffordable?

To get a sense of the challenges that may be felt having to live in the private rental sector, we have modelled wages at a regional level. The ASHE data can be broken down to local authority level, but not all residents to a local authority work in the authority, and visa-versa. Having a regional view, underlines that it is not simply an issues with local hotspots, and it may still be difficult to find an affordable home to rent, even if a household choses to move to a cheaper neighbouring authority.

The first table below shows the variation in rental costs compared with a regionally modelled household income. As can be seen, the variation is huge. In some authorities, mainly in London, median rents are so high that a typical working family could not hope to live there without finding a very low value rent, or perhaps by voluntarily overcrowding. The maximum rent in almost every version of the model is in Kensington and Chelsea; clearly a very affluent area, but also one where if the mean wage measures specifically for the local authority would still mean a household would face prohibitive rents in the private sector.

Wage geography	Wage model	Wage level & FT/PT combination	% wage spent on rent (max/min by model type)	
			max %	min %
Regional	median rents	25th – FT+ PT	127%	21%
	median rents	25th – FT	168%	29%
	25th pt rents	25th - FT+ PT	104%	19%
	25th pt rents	25th – FT	137%	26%
	social rent	median FT+ PT	19%	8%
	social rent	median FT	26%	12%
	social rent	25th - FT+ PT	26%	12%
	social rent	25th - FT	35%	15%

In the following tables, we show each region and the affordability ratio of a low wage family, compared with the median rents.

rank	Area (Local Authority) - East Region	Yearly regional low wage after tax and NI (FT and PT wages)	Yearly median private rent (2 bedroom)	% of wage spent on private rent	Yearly Social Rent (2 bedroom)	% of wage spent on social rent
1	Cambridge	£24,717	£15,000	<b>60.7%</b>	£5,203	<b>21.1%</b>
2	Hertsmere	£24,717	£14,400	<b>58.3%</b>	£6,451	<b>26.1%</b>
3	Three Rivers	£24,717	£14,400	<b>58.3%</b>	£6,268	<b>25.4%</b>
4	St Albans	£24,717	£14,400	<b>58.3%</b>	£5,671	<b>22.9%</b>
5	Epping Forest	£24,717	£14,400	<b>58.3%</b>	£5,578	<b>22.6%</b>
6	Watford	£24,717	£13,800	<b>55.8%</b>	£6,137	<b>24.8%</b>
7	Brentwood	£24,717	£13,200	<b>53.4%</b>	£5,117	<b>20.7%</b>
8	Dacorum	£24,717	£12,000	<b>48.5%</b>	£5,778	<b>23.4%</b>
9	Broxbourne	£24,717	£11,988	<b>48.5%</b>	£6,033	<b>24.4%</b>
10	East Hertfordshire	£24,717	£11,940	<b>48.3%</b>	£6,018	<b>24.3%</b>
11	Welwyn Hatfield	£24,717	£11,700	<b>47.3%</b>	£5,662	<b>22.9%</b>
12	Harlow	£24,717	£11,400	<b>46.1%</b>	£5,129	<b>20.7%</b>
13	Basildon	£24,717	£11,400	<b>46.1%</b>	£4,799	<b>19.4%</b>
14	Stevenage	£24,717	£11,100	<b>44.9%</b>	£5,481	<b>22.2%</b>



17	Broxtowe	£23,165	£7,140	30.8%	£3,716	16.0%
18	Derbyshire Dales	£23,165	£7,056	30.5%	£4,586	19.8%
19	South Kesteven	£23,165	£7,020	30.3%	£4,034	17.4%
20	Charnwood	£23,165	£6,996	30.2%	£4,152	17.9%
21	Gedling	£23,165	£6,900	29.8%	£4,473	19.3%
22	Lincoln	£23,165	£6,900	29.8%	£4,037	17.4%
23	Hinckley and Bosworth	£23,165	£6,840	29.5%	£4,474	19.3%
24	High Peak	£23,165	£6,780	29.3%	£4,303	18.6%
25	South Derbyshire	£23,165	£6,600	28.5%	£4,474	19.3%
26	North Kesteven	£23,165	£6,600	28.5%	£4,349	18.8%
27	North West Leicestershire	£23,165	£6,600	28.5%	£4,306	18.6%
28	Derby	£23,165	£6,600	28.5%	£4,283	18.5%
29	Melton	£23,165	£6,600	28.5%	£4,133	17.8%
30	Erewash	£23,165	£6,300	27.2%	£4,674	20.2%
31	Newark and Sherwood	£23,165	£6,300	27.2%	£4,141	17.9%
32	Amber Valley	£23,165	£6,156	26.6%	£4,680	20.2%
33	Chesterfield	£23,165	£6,000	25.9%	£4,388	18.9%
34	North East Derbyshire	£23,165	£5,940	25.6%	£4,432	19.1%
35	East Lindsey	£23,165	£5,928	25.6%	£4,398	19.0%
36	Bassetlaw	£23,165	£5,700	24.6%	£3,994	17.2%
37	Mansfield	£23,165	£5,700	24.6%	£3,882	16.8%
38	Ashfield	£23,165	£5,700	24.6%	£3,800	16.4%
39	West Lindsey	£23,165	£5,436	23.5%	£4,216	18.2%
40	Bolsover	£23,165	£5,400	23.3%	£4,373	18.9%
<b>rank</b>	<b>Area (Local Authority) - London Region</b>	<b>Yearly regional low wage after tax and NI (FT and PT wages)</b>	<b>Yearly median private rent (2 bedroom)</b>	<b>% of wage spent on private rent</b>	<b>Yearly Social Rent (2 bedroom)</b>	<b>% of wage spent on social rent</b>
1	<b>Kensington and Chelsea</b>	£27,561	£35,100	127.4%	£6,589	23.9%
2	City of London	£27,561	£30,936	112.2%	£6,369	23.1%
3	Westminster	£27,561	£30,552	110.9%	£6,638	24.1%
4	Camden	£27,561	£25,476	92.4%	£6,262	22.7%
5	Islington	£27,561	£23,400	84.9%	£6,404	23.2%
6	Hammersmith and Fulham	£27,561	£21,576	78.3%	£5,882	21.3%
7	Hackney	£27,561	£21,324	77.4%	£5,794	21.0%
8	Tower Hamlets	£27,561	£20,796	75.5%	£6,187	22.4%
9	Wandsworth	£27,561	£20,400	74.0%	£6,154	22.3%
10	Lambeth	£27,561	£19,800	71.8%	£5,832	21.2%
11	Southwark	£27,561	£19,200	69.7%	£5,680	20.6%
12	Richmond upon Thames	£27,561	£18,900	68.6%	£6,842	24.8%
13	Haringey	£27,561	£18,300	66.4%	£5,750	20.9%
14	Brent	£27,561	£17,988	65.3%	£6,106	22.2%
15	Merton	£27,561	£17,400	63.1%	£5,814	21.1%
16	Newham	£27,561	£17,268	62.7%	£5,454	19.8%
17	Ealing	£27,561	£17,172	62.3%	£5,586	20.3%
18	Barnet	£27,561	£16,800	61.0%	£5,801	21.0%
19	Kingston upon Thames	£27,561	£16,200	58.8%	£5,930	21.5%
20	Greenwich	£27,561	£16,200	58.8%	£5,435	19.7%
21	Hounslow	£27,561	£16,056	58.3%	£5,814	21.1%
22	Lewisham	£27,561	£15,900	57.7%	£5,458	19.8%
23	Harrow	£27,561	£15,600	56.6%	£6,092	22.1%
24	Enfield	£27,561	£15,600	56.6%	£5,595	20.3%
25	Waltham Forest	£27,561	£15,600	56.6%	£5,586	20.3%

26	Redbridge	£27,561	£15,240	55.3%	£5,583	20.3%
27	Hillingdon	£27,561	£15,000	54.4%	£5,971	21.7%
28	Bromley	£27,561	£15,000	54.4%	£5,908	21.4%
29	Croydon	£27,561	£14,400	52.2%	£5,731	20.8%
30	Barking and Dagenham	£27,561	£14,400	52.2%	£5,342	19.4%
31	Sutton	£27,561	£13,800	50.1%	£5,873	21.3%
32	Havering	£27,561	£13,200	47.9%	£5,601	20.3%
33	Bexley	£27,561	£12,600	45.7%	£5,486	19.9%

rank	Area (Local Authority) - North East Region	Yearly regional low wage after tax and NI (FT and PT wages)	Yearly median private rent (2 bedroom)	% of wage spent on private rent	Yearly Social Rent (2 bedroom)	% of wage spent on social rent
1	Newcastle upon Tyne	£23,409	£6,960	29.7%	£3,860	16.5%
2	North Tyneside	£23,409	£6,300	26.9%	£4,150	17.7%
3	Sunderland	£23,409	£5,940	25.4%	£4,228	18.1%
4	Gateshead	£23,409	£5,940	25.4%	£4,100	17.5%
5	Stockton-on-Tees	£23,409	£5,940	25.4%	£3,991	17.1%
6	Middlesbrough	£23,409	£5,700	24.3%	£4,492	19.2%
7	Redcar and Cleveland	£23,409	£5,460	23.3%	£4,493	19.2%
8	Northumberland	£23,409	£5,400	23.1%	£3,819	16.3%
9	South Tyneside	£23,409	£5,400	23.1%	£3,690	15.8%
10	Darlington	£23,409	£5,220	22.3%	£3,870	16.5%
11	Hartlepool	£23,409	£5,196	22.2%	£4,575	19.5%
12	County Durham	£23,409	£4,944	21.1%	£4,004	17.1%

rank	Area (Local Authority) - North West Region	Yearly regional low wage after tax and NI (FT and PT wages)	Yearly median private rent (2 bedroom)	% of wage spent on private rent	Yearly Social Rent (2 bedroom)	% of wage spent on social rent
1	Manchester	£23,368	£9,600	41.1%	£3,866	16.5%
2	Trafford	£23,368	£9,000	38.5%	£4,559	19.5%
3	Salford	£23,368	£8,100	34.7%	£4,046	17.3%
4	Stockport	£23,368	£7,800	33.4%	£4,239	18.1%
5	South Lakeland	£23,368	£7,620	32.6%	£5,107	21.9%
6	Cheshire East	£23,368	£7,140	30.6%	£4,739	20.3%
7	Cheshire West and Chester	£23,368	£7,020	30.0%	£4,431	19.0%
8	Warrington	£23,368	£6,900	29.5%	£4,315	18.5%
9	West Lancashire	£23,368	£6,900	29.5%	£4,276	18.3%
10	Fylde	£23,368	£6,600	28.2%	£4,635	19.8%
11	Wyre	£23,368	£6,600	28.2%	£4,586	19.6%
12	Ribble Valley	£23,368	£6,600	28.2%	£4,545	19.4%
13	South Ribble	£23,368	£6,600	28.2%	£4,427	18.9%
14	Sefton	£23,368	£6,600	28.2%	£4,113	17.6%
15	Lancaster	£23,368	£6,600	28.2%	£4,100	17.5%
16	Bury	£23,368	£6,600	28.2%	£4,068	17.4%
17	Knowsley	£23,368	£6,300	27.0%	£4,433	19.0%
18	Liverpool	£23,368	£6,300	27.0%	£4,073	17.4%
19	Preston	£23,368	£6,300	27.0%	£3,903	16.7%
20	Chorley	£23,368	£6,300	27.0%	£3,550	15.2%
21	Eden	£23,368	£6,240	26.7%	£4,949	21.2%
22	Blackpool	£23,368	£6,240	26.7%	£4,059	17.4%
23	Tameside	£23,368	£6,000	25.7%	£4,284	18.3%
24	Oldham	£23,368	£6,000	25.7%	£3,903	16.7%





35	Lewes	£25,411	£10,800	42.5%	£4,812	18.9%
36	Milton Keynes	£25,411	£10,740	42.3%	£4,804	18.9%
37	West Berkshire	£25,411	£10,500	41.3%	£6,051	23.8%
38	West Oxfordshire	£25,411	£10,500	41.3%	£5,848	23.0%
39	Chichester	£25,411	£10,500	41.3%	£5,698	22.4%
40	Basingstoke and Deane	£25,411	£10,500	41.3%	£5,563	21.9%
41	Cherwell	£25,411	£10,500	41.3%	£4,736	18.6%
42	East Hampshire	£25,411	£10,200	40.1%	£6,042	23.8%
43	Maidstone	£25,411	£10,200	40.1%	£5,308	20.9%
44	Gravesham	£25,411	£10,200	40.1%	£4,943	19.5%
45	Worthing	£25,411	£10,200	40.1%	£4,918	19.4%
46	Wealden	£25,411	£10,200	40.1%	£4,812	18.9%
47	Canterbury	£25,411	£10,200	40.1%	£4,686	18.4%
48	Aylesbury Vale	£25,411	£9,900	39.0%	£5,745	22.6%
49	New Forest	£25,411	£9,900	39.0%	£5,439	21.4%
50	Arun	£25,411	£9,900	39.0%	£5,083	20.0%
51	Test Valley	£25,411	£9,600	37.8%	£5,715	22.5%
52	Eastleigh	£25,411	£9,600	37.8%	£5,676	22.3%
53	Fareham	£25,411	£9,600	37.8%	£5,105	20.1%
54	Southampton	£25,411	£9,600	37.8%	£4,835	19.0%
55	Eastbourne	£25,411	£9,600	37.8%	£4,453	17.5%
56	Medway	£25,411	£9,588	37.7%	£4,684	18.4%
57	Havant	£25,411	£9,528	37.5%	£5,194	20.4%
58	Ashford	£25,411	£9,120	35.9%	£5,038	19.8%
59	Portsmouth	£25,411	£9,000	35.4%	£4,867	19.2%
60	Rother	£25,411	£9,000	35.4%	£4,356	17.1%
61	Swale	£25,411	£9,000	35.4%	£4,101	16.1%
62	Gosport	£25,411	£8,400	33.1%	£4,722	18.6%
63	Thanet	£25,411	£8,100	31.9%	£4,502	17.7%
64	Hastings	£25,411	£8,100	31.9%	£3,392	13.3%
65	Folkestone and Hythe	£25,411	£7,821	30.8%	£4,702	18.5%
66	Dover	£25,411	£7,800	30.7%	£4,314	17.0%
67	Isle of Wight	£25,411	£7,500	29.5%	£5,071	20.0%
<b>rank</b>	<b>Area (Local Authority) - South West Region</b>	<b>Yearly regional low wage after tax and NI (FT and PT wages)</b>	<b>Yearly median private rent (2 bedroom)</b>	<b>% of wage spent on private rent</b>	<b>Yearly Social Rent (2 bedroom)</b>	<b>% of wage spent on social rent</b>
1	Bristol	£23,920	£12,000	50.2%	£4,663	19.5%
2	Bath and North East Somerset	£23,920	£11,400	47.7%	£5,156	21.6%
3	South Gloucestershire	£23,920	£9,900	41.4%	£5,258	22.0%
4	East Dorset	£23,920	£9,900	41.4%	£5,041	21.1%
5	Poole	£23,920	£9,900	41.4%	£4,967	20.8%
6	Bournemouth	£23,920	£9,900	41.4%	£4,868	20.4%
7	Christchurch	£23,920	£9,600	40.1%	£5,183	21.7%
8	Cotswold	£23,920	£9,540	39.9%	£4,851	20.3%
9	Exeter	£23,920	£9,300	38.9%	£4,318	18.1%
10	Cheltenham	£23,920	£9,120	38.1%	£3,979	16.6%
11	Purbeck	£23,920	£8,760	36.6%	£5,294	22.1%
12	West Dorset	£23,920	£8,700	36.4%	£5,143	21.5%
13	Wiltshire	£23,920	£8,400	35.1%	£4,719	19.7%
14	North Somerset	£23,920	£8,340	34.9%	£5,209	21.8%
15	Swindon	£23,920	£8,340	34.9%	£4,495	18.8%
16	Weymouth and Portland	£23,920	£8,100	33.9%	£4,847	20.3%



17	North Dorset	£23,920	£8,100	33.9%	£4,498	18.8%
18	Stroud	£23,920	£8,100	33.9%	£4,374	18.3%
19	Tewkesbury	£23,920	£7,800	32.6%	£5,116	21.4%
20	South Hams	£23,920	£7,800	32.6%	£4,712	19.7%
21	Teignbridge	£23,920	£7,800	32.6%	£4,573	19.1%
22	Gloucester	£23,920	£7,800	32.6%	£4,513	18.9%
23	East Devon	£23,920	£7,800	32.6%	£4,380	18.3%
24	Cornwall	£23,920	£7,800	32.6%	£3,745	15.7%
25	Mendip	£23,920	£7,620	31.9%	£4,994	20.9%
26	South Somerset	£23,920	£7,500	31.4%	£5,045	21.1%
27	Taunton Deane	£23,920	£7,500	31.4%	£4,612	19.3%
28	Plymouth	£23,920	£7,500	31.4%	£4,180	17.5%
29	Mid Devon	£23,920	£7,440	31.1%	£4,409	18.4%
30	Torbay	£23,920	£7,392	30.9%	£3,815	16.0%
31	Sedgemoor	£23,920	£7,200	30.1%	£3,978	16.6%
32	West Somerset	£23,920	£7,200	30.1%	£3,819	16.0%
33	West Devon	£23,920	£7,140	29.9%	£4,573	19.1%
34	North Devon	£23,920	£7,140	29.9%	£4,561	19.1%
35	Forest of Dean	£23,920	£6,900	28.8%	£4,324	18.1%
36	Torrige	£23,920	£6,600	27.6%	£4,469	18.7%
<b>rank</b>	<b>Area (Local Authority) - West Midlands Region</b>	<b>Yearly regional low wage after tax and NI (FT and PT wages)</b>	<b>Yearly median private rent (2 bedroom)</b>	<b>% of wage spent on private rent</b>	<b>Yearly Social Rent (2 bedroom)</b>	<b>% of wage spent on social rent</b>
1	Warwick	£23,632	£10,200	43.2%	£5,085	21.5%
2	Solihull	£23,632	£9,300	39.4%	£4,708	19.9%
3	Stratford-on-Avon	£23,632	£9,000	38.1%	£5,502	23.3%
4	Rugby	£23,632	£8,100	34.3%	£4,966	21.0%
5	Birmingham	£23,632	£8,100	34.3%	£4,232	17.9%
6	Wychavon	£23,632	£7,956	33.7%	£5,052	21.4%
7	Bromsgrove	£23,632	£7,800	33.0%	£5,039	21.3%
8	Worcester	£23,632	£7,800	33.0%	£4,762	20.1%
9	Coventry	£23,632	£7,800	33.0%	£4,726	20.0%
10	Lichfield	£23,632	£7,800	33.0%	£4,364	18.5%
11	Redditch	£23,632	£7,800	33.0%	£4,347	18.4%
12	Tamworth	£23,632	£7,500	31.7%	£4,464	18.9%
13	Malvern Hills	£23,632	£7,500	31.7%	£4,171	17.7%
14	South Staffordshire	£23,632	£7,200	30.5%	£4,863	20.6%
15	North Warwickshire	£23,632	£7,140	30.2%	£4,437	18.8%
16	Herefordshire, County of	£23,632	£7,140	30.2%	£4,269	18.1%
17	Stafford	£23,632	£6,900	29.2%	£4,567	19.3%
18	Shropshire	£23,632	£6,780	28.7%	£4,385	18.6%
19	Nuneaton and Bedworth	£23,632	£6,756	28.6%	£4,468	18.9%
20	Wyre Forest	£23,632	£6,720	28.4%	£4,571	19.3%
21	Telford and Wrekin	£23,632	£6,600	27.9%	£4,656	19.7%
22	East Staffordshire	£23,632	£6,600	27.9%	£4,462	18.9%
23	Dudley	£23,632	£6,600	27.9%	£4,384	18.6%
24	Sandwell	£23,632	£6,600	27.9%	£4,371	18.5%
25	Cannock Chase	£23,632	£6,552	27.7%	£4,252	18.0%
26	Wolverhampton	£23,632	£6,420	27.2%	£4,377	18.5%
27	Walsall	£23,632	£6,216	26.3%	£3,957	16.7%
28	Newcastle-under-Lyme	£23,632	£6,000	25.4%	£4,336	18.3%
29	Staffordshire Moorlands	£23,632	£5,580	23.6%	£4,380	18.5%

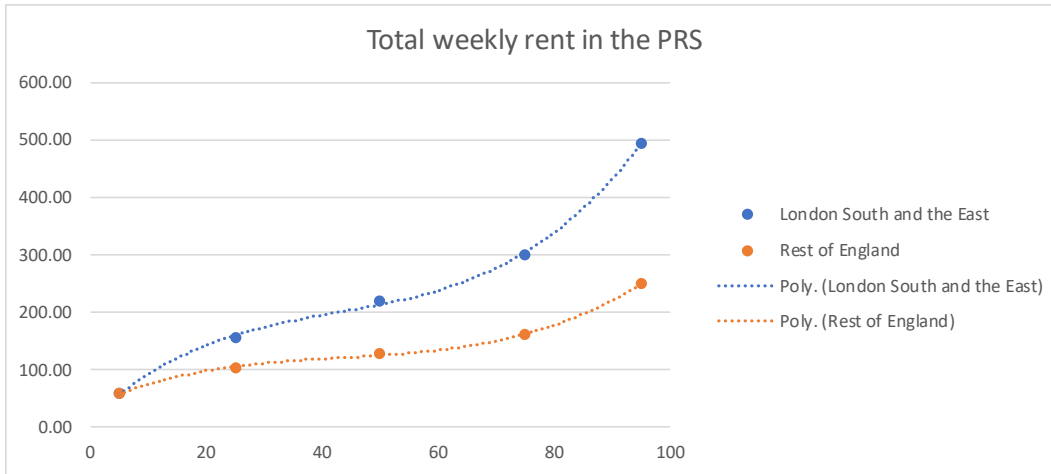
30	Stoke-on-Trent	£23,632	£5,400	22.9%	£3,867	16.4%
rank	Area (Local Authority) - Yorkshire and the Humber Region	Yearly regional low wage after tax and NI (FT and PT wages)	Yearly median private rent (2 bedroom)	% of wage spent on private rent	Yearly Social Rent (2 bedroom)	% of wage spent on social rent
1	York	£23,456	£8,700	37.1%	£4,477	19.1%
2	Harrogate	£23,456	£8,400	35.8%	£4,577	19.5%
3	Leeds	£23,456	£7,800	33.3%	£4,497	19.2%
4	Sheffield	£23,456	£6,900	29.4%	£4,014	17.1%
5	Hambleton	£23,456	£6,600	28.1%	£4,674	19.9%
6	Craven	£23,456	£6,600	28.1%	£4,074	17.4%
7	Selby	£23,456	£6,480	27.6%	£4,386	18.7%
8	Richmondshire	£23,456	£6,300	26.9%	£4,333	18.5%
9	Ryedale	£23,456	£6,300	26.9%	£4,127	17.6%
10	Scarborough	£23,456	£6,000	25.6%	£4,492	19.2%
11	Wakefield	£23,456	£6,000	25.6%	£4,327	18.4%
12	Bradford	£23,456	£5,940	25.3%	£3,565	15.2%
13	Calderdale	£23,456	£5,700	24.3%	£4,252	18.1%
14	East Riding of Yorkshire	£23,456	£5,700	24.3%	£4,225	18.0%
15	Kirklees	£23,456	£5,700	24.3%	£4,086	17.4%
16	Rotherham	£23,456	£5,700	24.3%	£3,952	16.9%
17	North Lincolnshire	£23,456	£5,640	24.0%	£4,411	18.8%
18	North East Lincolnshire	£23,456	£5,400	23.0%	£4,362	18.6%
19	Doncaster	£23,456	£5,400	23.0%	£3,979	17.0%
20	Barnsley	£23,456	£5,100	21.7%	£3,836	16.4%
21	Kingston upon Hull	£23,456	£5,040	21.5%	£3,811	16.2%

Our analysis shows that two thirds (67%) of local authorities are unaffordable to typical low-wage families, when modelled by region. Conversely, the same modelled wages are sufficient to cover social rents and remain within the 30% of wage rule.

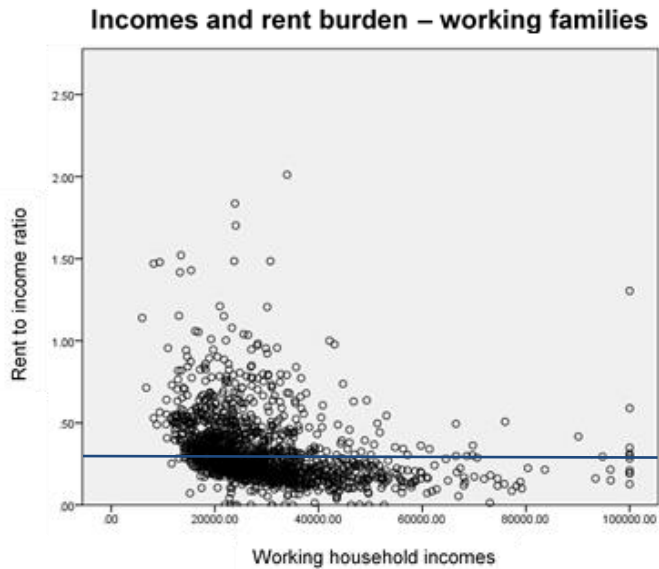
### Comparisons with survey data

These modelled results illustrate the disconnect between local rents and local wages. However, while this is a modelled result and does not directly represent actual households. Survey data from the English Housing Survey backs up the conclusion drawn from the tables.

The following two charts show the distribution of weekly rents, then household (working family) wages.



The charts look very neat, with the curves, from lowest to highest, following a similar path – a small number of very low rents/ wages at the bottom left of the chart, a gentle incline in the middle, and peaks of high rents and wages in the top right. Given the similarity, it is easy to imagine that these curves match up so as to minimise the cost of renting. However, when we combine the two in the scatter chart below, the picture is far less neat. At lower wages, households spend large proportions of their wages on rents.



While those on much higher wages are more able to keep their housing costs to a lower proportion of their income, the chart does show that at any wage level there is usually some proportion of working family households that pay an unaffordable level rent.

These numbers come from the last publicly available data on housing costs for households, the 2016-17 English Housing Survey, and it shows that over half of all working families (54% of households where at least one adult is in work and there is a dependent child in the house) are paying more than 30% of their take home wage in rent. English Housing Survey data also includes wages derived from savings and housing benefit.

Therefore, even with benefit support, which we have excluded in our main model, the private rental sector is failing to provide homes that are in any way affordable to families.