

Young Londoners' Access to Home Ownership

1 Council homes in Southwark

Key information

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Contents

[Young Londoners' Access to Home Ownership](#)

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“It feels we cannot live in the city we grew up in” – how achievable is home ownership for young Londoners?

The **London Assembly Housing Committee** is calling on the Mayor to publish analysis of the housing crisis and how it is affecting young Londoners, after a Committee investigation found that London has plummeted to the bottom of the table for home ownership across all of England.

The London Assembly Housing Committee report **“Young Londoners’ access to home ownership”**, published **today**, finds that young Londoners are spending a much higher percentage of their wages on housing^[1], and are less likely to own a home than their peers across the country.^[2]

Londoners aged 25-29 who are on low incomes spend 77% of their wages on housing, compared to their peers on low incomes across the country who spend 33% on housing. Only 26% of young Londoners own a home with a mortgage, compared to 36% of young people from outside of London owning their home.^[3]

As part of the investigation, the **Housing Committee** carried out a public survey, which received over 450 responses from young people on the challenges associated with home ownership in London.

Key findings

Limited housing opportunities are leading young Londoners to leave the capital, even if they want to remain. This is already having impacts on public sector jobs and schools in London and may be a catalyst for further social and economic changes in London.

One respondent, said: *“I love London and have never considered leaving before, but I no longer feel I belong in this city. You have to have lots of money from your parents (100k +) or earn £100k+ to afford a future in this city now.”*

Another respondent, said: *“For those who are born, raised, educated and work in London, it feels we cannot live in the city we grew up in and only those that are wealthy can afford to live here.”*

The Committee heard how losing young people could significantly impact the city. Primary schools are closing and merging in some London boroughs due to a decline in pupils^[4], which may be due to families relocating outside London because of the decline of home ownership opportunities in London. Another respondent said: *“Already it's so expensive and I can't imagine being able to afford to start a family in London. The cost of living in London is so high it limits quality of life substantially.”*

London Living Rent tenancy

The Committee did not hear from anyone who had been successful in gaining a London Living Rent tenancy. Survey respondents who were aware of the tenure told us that there were very few London Living Rent properties available. Some told us that they wish they had been able to access it.

The Committee heard that among those who are aware of the tenure, there is high demand for properties. One housing association stated that they receive up to 100 enquiries on a London Living Rent property a month, and that viewings of one or two bed properties are attended by 20-30 people.^[5]

Lifetime ISA

There are particular concerns that the lifetime ISA (LISA), as it currently operates, excludes the majority of properties in London. The Committee heard mixed views on how effective the LISA is in supporting young Londoners with property ownership. Survey results highlighted that most respondents were aware of the scheme but noted negative views around the challenges in relation to the £450k limit in London and the penalty of withdrawing the money.^[6]

The average house price in London in November 2023 was £505,000 meaning a LISA cannot be used for the average property in London. On top of this, individuals are unable to withdraw the funds as they face the penalty for doing so.

The investigation

The investigation consisted of two formal meetings, where public and private sector experts including the Deputy Mayor for Housing and Residential Development, Centre for Policy Studies, Joseph Rowntree Foundation, Priced Out and the Tony Blair Institute gave evidence and answered questions on the housing sector for young Londoners.

The **Committee** has today published its report - ‘**Young Londoners’ Access to Home Ownership**’ – with 10 recommendations for the Mayor to help young Londoners onto the property ladder.

Key recommendations include:

- The Mayor should lobby Government to either increase the house price threshold for the Lifetime ISA (LISA) in London, or remove the penalty for withdrawal for Londoners who have entered the scheme since 2017.
- The Mayor in his role as Co-Chair of the London Partnership Board should commission and publish analysis in 2024-25 on the London housing crisis to assess: how it is affecting young people’s decisions about whether to stay in London; whether there is a new and growing trend of young people leaving the capital; and the long-term consequential impacts on London’s economy and society.

- The Mayor should commission an evaluation in 2024-25 of why housing providers are not providing more homes at the London Living Rent tenure, and apply any learning to his plans for London Living Rent tenures under the 2021-26 Affordable Housing Programme. The Mayor should also publish targets and delivery profiles for tenures under the 2021-26 Affordable Housing Programme.

[Read the Report](#)

[Back to table of contents](#)