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Spatial Economics Research Centre

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More Affordable Housing?

[According to reports](#) "Property is now affordable for first time buyers in nearly four out of 10 areas of the UK".

Unfortunately, as the BBC notes, this isn't the case if

- you want to live in London ("unaffordable [...] in all local authority areas")

- you need to borrow money ("many first time borrowers have been unable take advantage [...] because of tighter lending criteria")

Further, first time buyers are usually young which means that they tend to have lower than average incomes (because incomes rise over time). They are also increasingly likely to be unemployed.

Finally, house prices are already picking up while income growth is likely to remain relatively flat.

In short, the temporary downward price adjustment as the result of recession is not going to solve Britain's long term housing problems.

Posted by [Prof Henry G. Overman](#) on [Monday, January 04, 2010](#)

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