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Property Prices Climb Over Five Times Faster Than Wages, Worsening Housing Crisis

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The cost of buying a home in Great Britain is soaring well beyond the reach of the average worker. New figures reveal that house prices are rising at more than five times the rate of wage growth. This widening gap between earnings and property values makes home ownership increasingly elusive, particularly for first-time buyers.

New analysis from real estate agency eXp United Kingdom (UK) paints a worrying picture for the property market. Drawing on official government figures, the research found that the average house price has jumped by £10,087 in the past year, bringing the total to £271,403.

In contrast, the average salary increased by only £1,921 during the same period, reaching £40,334.

This imbalance means house prices have surged 5.3 times faster than wages over the past year, fuelling what experts are calling a deepening affordability crisis. Adam Day, Head of eXp UK, warned that the growing disparity is putting homebuyers under mounting pressure.

“This research underscores the continued challenge for homebuyers as property values continue to rise significantly faster than incomes,” said Day. “With house prices growing more than five times quicker than earnings nationwide, buyers face increased pressure and reduced affordability.”

According to the study, the regions hit hardest by this affordability squeeze include the East of England and the East Midlands, where house prices have increased at 6.7 times the rate of local earnings. Scotland follows closely, with a 6.4-fold difference. In Wales and Yorkshire and the Humber, property prices have outpaced salary growth by 6.3 and 5.8 times, respectively.

The North East is also grappling with a 5.8-times disparity between rising home values and wage increases. The capital has not been spared, even in London, where incomes are typically higher. House prices there are still growing 4.7 times faster than wages, on par with the West Midlands.

Adam Day acknowledged these regional differences, adding: “Regional variations highlight that while some areas remain relatively accessible, many buyers will continue to find the market increasingly difficult to enter or move within.”

Although a few regions are experiencing slightly less intense gaps, they remain significant. The North West faces a 3.8-time disparity, while the South East and South West report gaps of 3.7 and 3.3 times, respectively.

The findings provide further evidence of the growing disconnect between wages and living costs across the U.K. and raise further concerns about the long-term sustainability of the housing market.