



The Affordability Enigma

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Why use Affordability Metrics?

Identify housing stress

Estimate Total Addressable Market

Assess the sustainability of rent levels

Track direction of travel

Why Enigma?

Can calculate in different ways

It tends to normalise

Enormous disparities between income bands

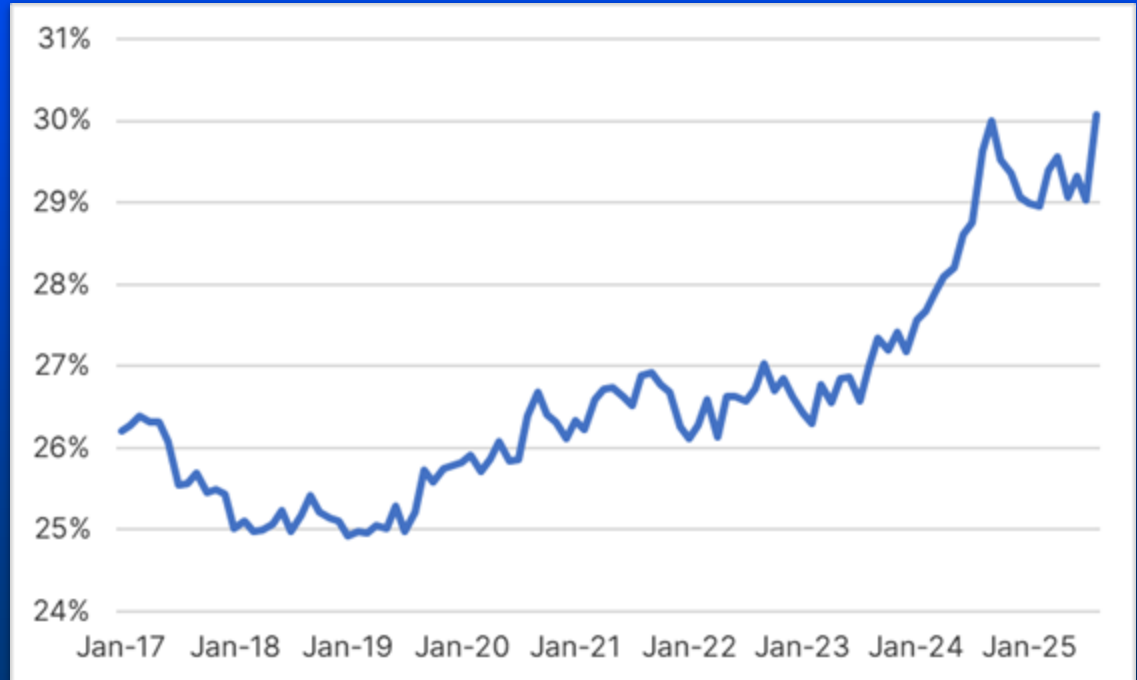
Disguises behaviour changes

Rental affordability on a steep upward trajectory

Source: PriceHubble. Based on individual renters earning between £10,000 and £500,000 pa. As published by the ONS in the 'Economic Activity and Social Change in the UK' real time indicators

PH/ONS UK Renter Affordability Tracker

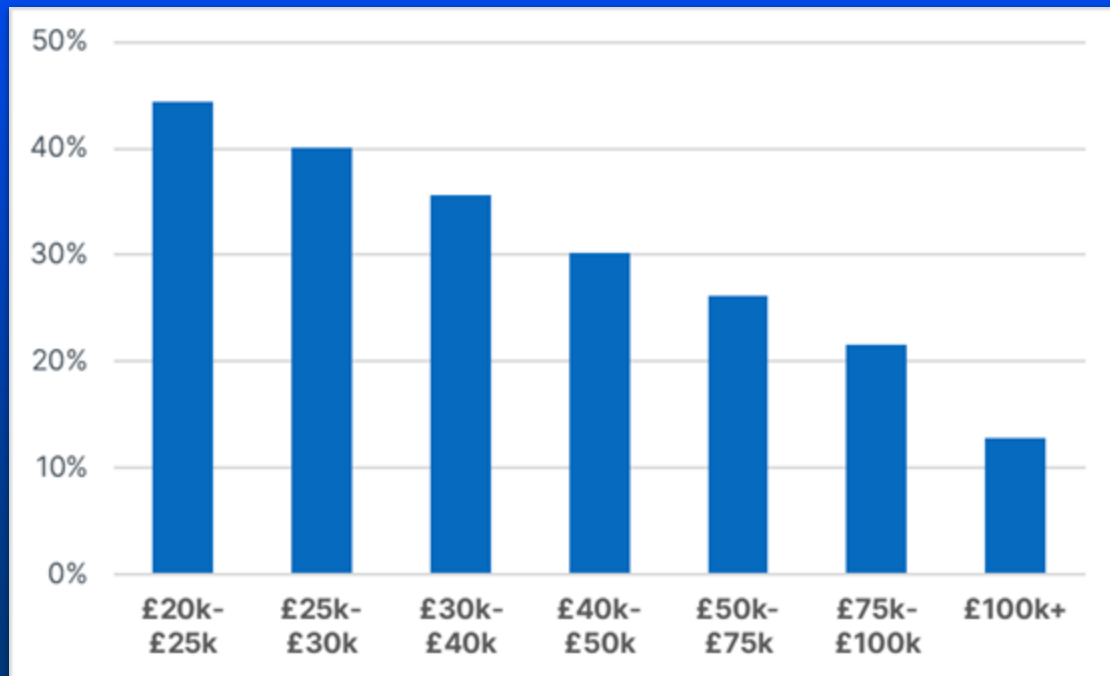
Median % of gross earnings spent on rent, (new tenancies)



Variations by income:

Lower earners have
higher Affordability
Ratios

Affordability Ratio, by household income



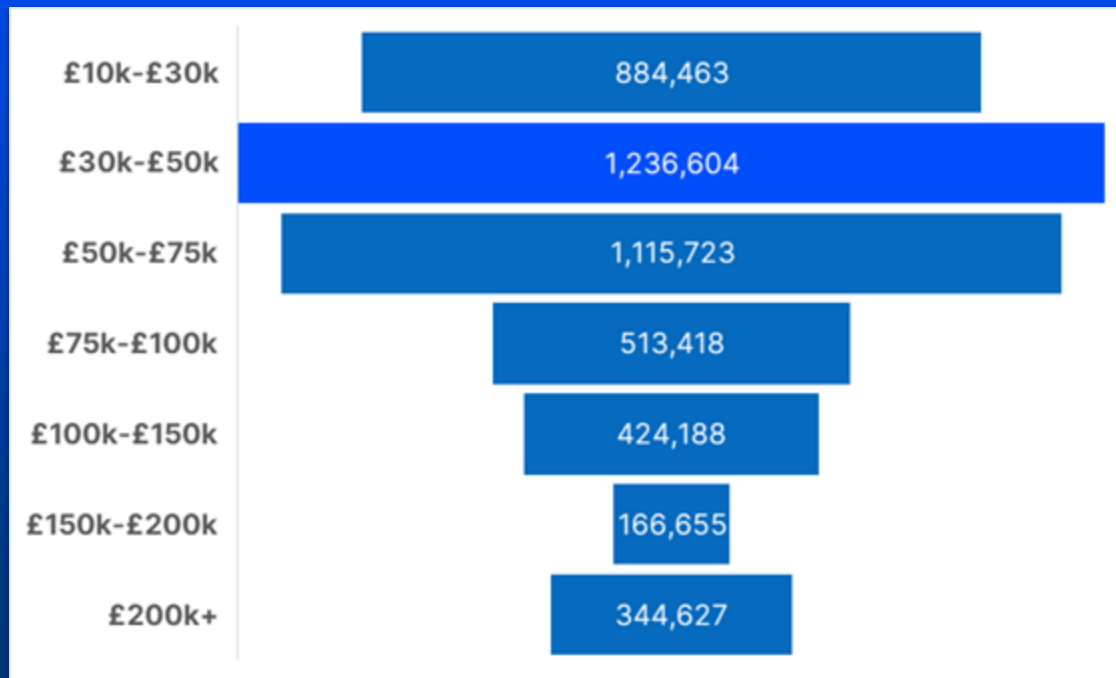
Source: PriceHubble. Showing percentage of gross household income spent on rent, based on renting households starting new tenancies in the last 12 months.

The largest cohort:

1.24 million rental households are Middle Earners
(households earning £30-£50k)

Source: PriceHubble. Based on total household income of renting households starting new tenancies in the last 12 month. Total addressable market aggregated to represent total rental households across Great Britain.

Total Addressable Market (by household income band)



Who is feeling the pressure?

The Squeezed Middle
(households earning
£30k-£50k)

19% are families

21% are in London & 23% in the South East

20% work in the Health and Social Care sector

43% are aged over 35 (28% are over 40)

Coping strategies:

Reduce quality of home

Change location of home

Reduce size of home

The cost of
compromise for
Middle Earners

Quality:
Homes less likely to be energy efficient
(42% v 53% have EPC A-C)



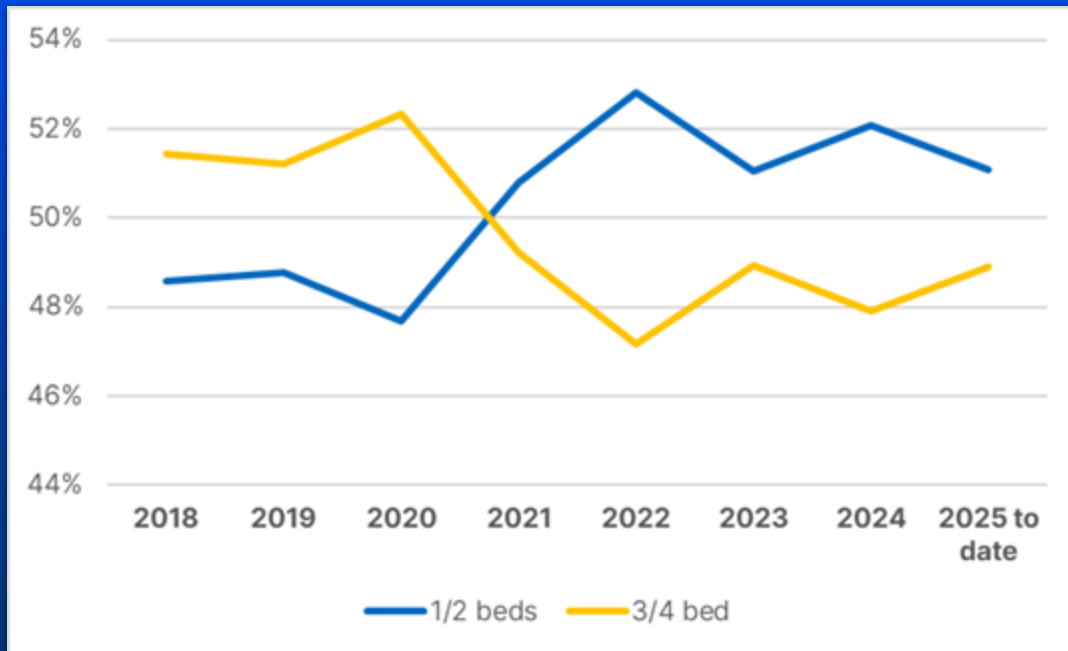
Location:
Key workers pushed further from their workplace
(22% v 36% live within 2 miles)



'Space or Place'

Middle Earner
families renting
smaller homes

Size of rental home for Middle Earner families
(by number of beds)



Source: PriceHubble. Showing the accommodation size for families with a household income between £30k and £50k starting new tenancies.

Who *needs* Build to Rent



Lifestyle renters



Lifestage renters



Lifelong renters



Lifeline renters

Thank you!

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