

Abstract

The purpose of this thesis is to examine the factors that play a role in the affordability of housing in London. The current crisis affects many people, particularly low-income households, and the younger generation, for whom it is increasingly difficult to find dwellings they can afford, and concerns have risen over the accessibility of housing. Given this challenge, the thesis aims to identify and analyse the determinants that have led to this situation. The literature review delves into this subject by focusing on identifying the various factors, which include the key economic drivers behind supply and demand and the government policies affecting the housing market. The thesis employs a quantitative research method and collects data extracted from secondary sources, such as from the London Government website. The trends that are examined in the statistical analysis are housing prices, travel time, income levels, inflation and interest rates, construction prices and building permits, and a regression analysis is conducted to identify the key determinants that contribute to the housing affordability crisis in London. The findings shed light on the intricate interactions between government policies, socio-economic factors, and market forces, which all contribute to the issue at hand. Although this is a highly complex situation with no straight-forward solution, the final section of the thesis focuses on possible government interventions that could help address the problem of housing affordability in the city and puts forward a set of recommendations.

Key words: housing affordability, residential location theory, social housing, policies