

Title: Rent Affordability and Income inequality in London

Emmanuel Nwonye | 23036151

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1.0 INTRODUCTION

My primary objective is to provide a comprehensive analysis that sheds light on the current state of rent affordability and income inequality within London. By examining the intricate relationship between rental prices, income levels, and the socioeconomic factors that influence them, this project aims to offer insights into the challenges and disparities faced by Londoners. The scope of this analysis encompasses a broad spectrum of data points, including rental prices, property types, and income levels across different boroughs and employment categories, enabling a multifaceted understanding of the issue at hand.

1.1 The Story and Social Challenge

The reason for this project stems from a personal and societal concern regarding the growing difficulty many individuals face in securing affordable housing in London. This challenge is not just a matter of personal finance but a significant social issue that affects community cohesion, economic stability, and the overall quality of life. As rent prices soar and wage growth lags, the disparity between income and housing costs becomes a glaring indicator of the widening gap of inequality within the city.

1.2 Motivation

Why this story? The question beckons a deeper reflection on the social implications of housing unaffordability and the systemic inequalities that pervade our urban landscapes. London, with its rich history and diverse population, serves as a microcosm of global urban challenges, making it a pertinent case study for this analysis. My motivation is driven by a desire to contribute to the ongoing conversation on affordable housing, with the hope that this work can inform policy decisions, stimulate community action, and inspire further research.

1.3 Purpose

This report aims to communicate the findings of a detailed analysis that not only highlights the disparities in rent affordability and income levels across London but also seeks to understand the underlying factors contributing to these issues. The purpose extends beyond mere presentation of data; it is about igniting a dialogue, advocating for change, and providing a data-backed foundation for solutions that address the root causes of housing and income inequality.

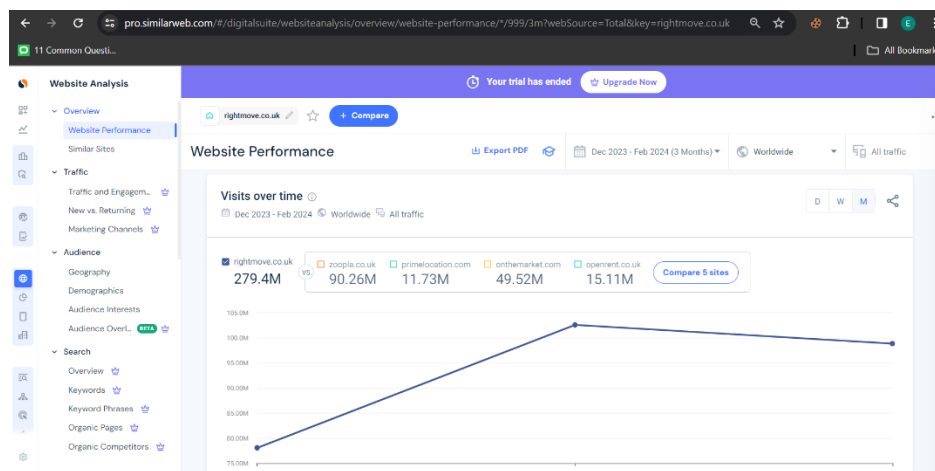
2.0 METHODOLOGY

The methodology of this research project is rooted in a comprehensive approach to data collection, analysis, and visualization, aimed at uncovering the underlying patterns and insights within the

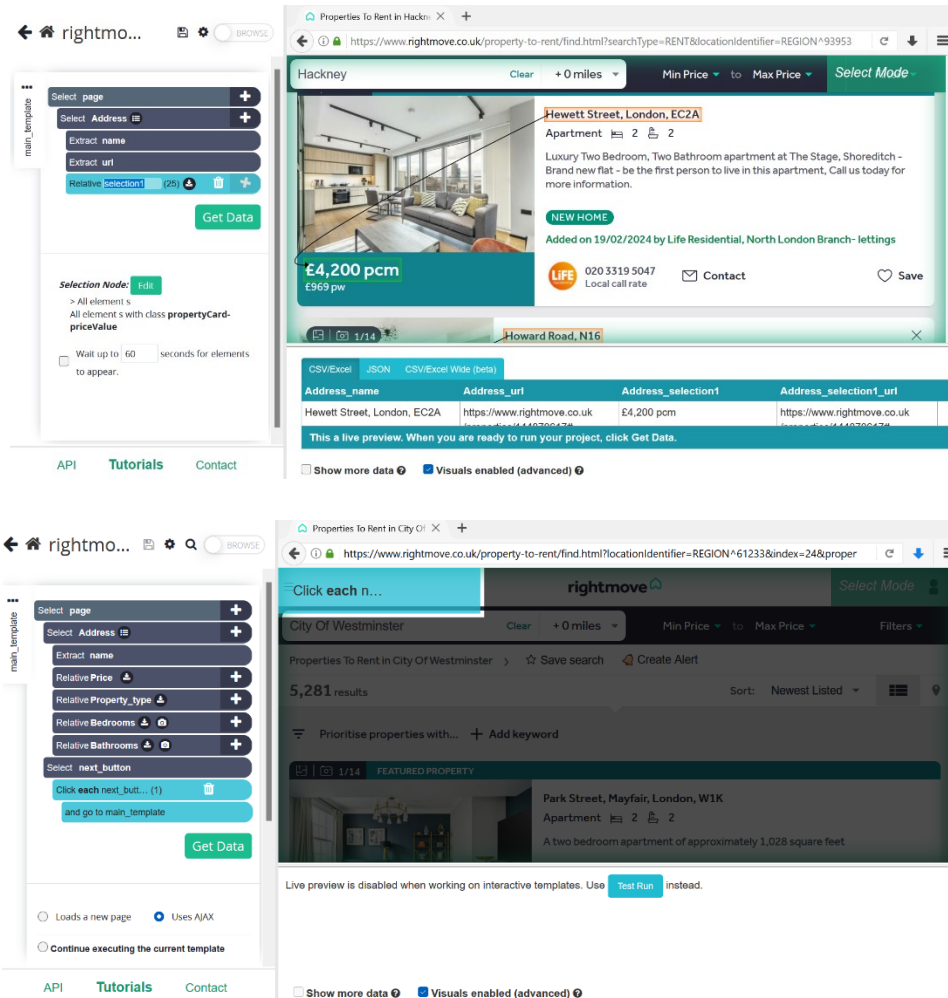
realms of rent affordability and income inequality in London. Drawing upon a diverse array of data sources and analytical techniques, I endeavored to construct a multifaceted narrative that reflects the complexity of the housing market and economic conditions in the city.

2.1 Data Collection

The foundation of this analysis is built upon data meticulously gathered from three distinct sources. The first segment of data was acquired through a detailed scraping process of a prominent real estate listing website, Rightmove, identified through an analysis conducted on Similarweb. Rightmove, with its vast repository of rental listings and unparalleled viewership (279.4 million views between December 2023 and February 2024), provided a rich dataset encompassing address, price, property type, bedrooms, and bathrooms across 32 London boroughs (excluding the City of London) (Similarweb, 2024).



To navigate the technical challenges of web scraping, I employed ParseHub, a powerful web scraping software built on JavaScript. This tool enabled an efficient extraction of the desired data by interfacing directly with the website's frontend, thus ensuring the completeness and accuracy of the dataset gathered (ParseHub, 2024).



The second dataset was procured from London Datastore, offering invaluable insights into employee earnings categorized by staff type (Full-time, Part-time, Male, and Female) spanning from 2002 to 2022. This dataset served as a critical component in analyzing income trends and disparities across different employment types within the city (London Datastore, n.d.).

Additionally, spatial data encompassing geometry, hectares, and areas for all London boroughs were downloaded to enhance the geographical analysis of the study. This data facilitated a more nuanced exploration of spatial patterns and trends in rent affordability and income inequality across London.

2.2 Data Cleaning and Wrangling

Given the raw state of the datasets upon retrieval, significant efforts were made to clean and prepare the data for analysis. Utilizing R programming language, I executed a series of data cleaning and wrangling procedures. These processes included the removal of duplicates, handling

of missing values, standardization of variable formats, and the consolidation of datasets to form a cohesive analytical framework. The integrity and quality of the data were validated through meticulous examination and cross-referencing with authoritative sources, ensuring a robust foundation for the subsequent analysis (R Core Team, 2024).

2.3 Data Analysis Techniques

The analytical phase of the project employed a variety of statistical and geospatial analysis techniques. Descriptive statistics were utilized to summarize the key characteristics of the datasets, providing initial insights into the distribution and central tendencies of rental prices and incomes. Further, inferential statistics, particularly correlation analysis, were applied to ascertain the relationships between average income and rental prices, with coefficients indicating the strength and direction of these relationships.

2.4 Data Visualization

To effectively communicate the findings, an extensive array of data visualizations was created, ranging from bar charts and scatter plots to more complex geospatial mappings and tree maps. Each visualization was crafted with the intent to elucidate specific aspects of the data, making the analysis accessible and engaging for the target audience. The design considerations included clarity, aesthetics, and the inclusion of interactive elements to foster a dynamic exploration of the data. Special attention was given to ensuring that the visualizations were inclusive and considerate of individuals with disabilities, adhering to best practices in data visualization design.

2.5 Ethical Considerations

Throughout the research process, ethical considerations were paramount. Efforts were made to ensure the data collection and analysis were conducted responsibly, with a keen awareness of potential biases. The decision to expand the dataset to include all London boroughs and a wide range of employee categories was driven by a commitment to inclusivity and comprehensiveness, mitigating the risk of bias and ensuring a more accurate representation of the city's demographic and economic diversity.

3.0 FINDINGS

Delving into the data on rent affordability and income inequality across London has yielded several illuminating findings that underscore the challenges faced by residents in navigating the city's housing market. Through the analysis of rental prices, income levels, and their interplay across different boroughs and demographics, a nuanced picture of London's living costs emerges. Here are the key insights from my research:

Income Inequality Across Employee Types: One of the most striking revelations from the data is the significant income disparity between male and female employees. The analysis highlights that male employees consistently earn higher wages compared to their female counterparts across all observed years. This gender wage gap contributes to the broader issue of income inequality, affecting housing affordability for a significant portion of the population.

Affordability Ratio Below Average: The Aggregate Affordability Ratio, calculated at 0.6, starkly indicates that the majority of houses across London boroughs are highly unaffordable. This ratio falls well below the more desirable benchmark of 0.8, suggesting that most residents allocate a disproportionate share of their income towards rent.

Excessive Percentage of Income Spent on Rent: The data reveals that the Weekly Percent of Income Spent on Rent stands at 13.7%, translating to approximately 54.8% on a monthly basis. This figure far exceeds the generally accepted affordability threshold of 30%, underscoring the severe financial strain experienced by many Londoners due to high rental costs.

High Rent in Relation to Income: Further exacerbating the affordability crisis is the disparity between average weekly income (£465.3) and average weekly rent (£766.7). This discrepancy vividly illustrates that, on average, London residents who are gainfully employed spend more on rent than they earn, highlighting the acute challenge of finding affordable housing.

Positive Relationship Between Income and Rent: A scatter plot analysis examining the relationship between average income and rent across boroughs revealed a strong positive correlation (R-squared of 0.659431; p-value = <0.0001). This suggests that as incomes rise, so too do rental prices, but not at a pace that improves affordability for residents.

Boroughs with Highest and Lowest Rents: The analysis identified Kensington and Chelsea, Westminster, Camden, Richmond Upon Thames, and Hammersmith and Fulham as the top five London boroughs with the highest average rent. Conversely, Redbridge, Barking and Dagenham, Bexley, Croydon, and Havering emerged as the boroughs with the lowest average rent, highlighting the significant geographical disparities within the city.

Trends in Employee Earnings (2002-2022): A longitudinal analysis of average income across different employee types from 2002 to 2022 showcased a gradual increase in earnings over time. However, this upward trend in income has not kept pace with the escalating rental prices, contributing to the growing affordability gap.

Geographical Variance in Rent and Income: The exploration of rent and income distribution by borough and employee type revealed pronounced geographical variances. Inner London boroughs

generally exhibited higher rents and income levels compared to Outer London, with central areas commanding the most premium prices.

These findings paint a comprehensive picture of the current state of rent affordability and income inequality in London. They shed light on the underlying dynamics of the housing market, the impact of income disparities, and the urgent need for policy interventions to address these challenges.

4.0 DISCUSSION

The insights gleaned from my analysis of rent affordability and income inequality in London offer a stark illustration of the challenges permeating the city's housing landscape. These findings, while rooted in contemporary data, echo longstanding concerns within social data science regarding urban affordability, economic disparity, and their cumulative impact on societal welfare. In discussing these implications, I draw upon existing literature and theories to contextualize my observations within the broader discourse on urban studies and social equity.

Income Inequality and Gender Wage Gap: The observed income disparity between male and female employees aligns with broader discussions on the gender wage gap, a persistent issue highlighted across various studies (Blau & Kahn, 2017). This gap not only exacerbates individual financial strain but also contributes to wider societal inequality, impacting access to essential needs like housing. The reinforcement of this disparity within London's economic fabric underscores the necessity for targeted policies that address gender-based income inequality, fostering a more equitable labor market.

Housing Affordability Crisis: The alarming revelation that the majority of Londoners spend a significant portion of their income on rent, with many facing a rent-to-income ratio far exceeding the 30% affordability threshold, resonates with findings from Desmond (2016). His work on the eviction crisis in America sheds light on the profound personal and societal costs of unaffordable housing, emphasizing the role of stable, affordable housing as a cornerstone of economic security and well-being. The London scenario reinforces the global urgency of addressing housing affordability as a critical component of social policy.

Spatial Disparities in Housing Costs: The geographical variance in rent and income across London boroughs reflects broader themes of spatial inequality within urban centers. Studies such as those by Hamnett (2003) have chronicled the process of gentrification and its impact on housing affordability, illustrating how economic forces and policy decisions can deepen socio-spatial divides. The distinct disparity between Inner and Outer London, with premium prices concentrated in central boroughs, underscores the need for a nuanced approach to urban planning and housing policy that considers the diverse needs of city dwellers.

Correlation Between Income and Rent: The strong positive relationship between income and rent observed in my analysis underscores the theory of housing market dynamics proposed by Clark and Dieleman (1996), which suggests that housing costs are intrinsically linked to local economic conditions and income levels. This correlation, while indicative of a functioning market, also highlights the precarious balance between earning power and living costs, suggesting that rises in income are insufficient to offset the proportional increases in housing expenses, thereby straining affordability.

Implications for Policy and Practice: These findings offer critical insights for policymakers, urban planners, and social advocates, pointing to the urgent need for comprehensive strategies that address both the symptoms and root causes of housing unaffordability and income inequality. Policies aimed at increasing the supply of affordable housing, regulating rental markets, and enhancing wage equity could serve as pivotal steps toward mitigating these challenges. Moreover, the data underscores the importance of leveraging social data science not only to diagnose societal issues but also to inform targeted interventions that promote social justice and economic stability.

5.0 CONCLUSION

As I conclude this exploration into rent affordability and income inequality across London, the journey through data has illuminated the complex landscape of housing within one of the world's most dynamic cities. My analysis, grounded in robust data collection and rigorous examination, has uncovered stark realities that many Londoners face daily. The findings from this project not only highlight the significant challenges of securing affordable housing but also shed light on the broader issues of income disparity and its impact on individuals' ability to thrive within urban environments.

In reflecting on these findings, it's clear that addressing the issues of housing affordability and income inequality requires concerted efforts from policymakers, community leaders, and stakeholders across the spectrum. The insights derived from this analysis should serve as a catalyst for dialogue, inspiring actions that aim to create a more equitable and sustainable housing market in London. It is my hope that this work contributes meaningfully to the ongoing discussions surrounding urban development and social equity, advocating for a future where affordable housing is accessible to all who call this vibrant city home.

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