

The UK's most affordable and most expensive places to live revealed

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uying a home in a UK city will typically set a buyer back by more than eight times average earnings, analysis has revealed.

A 10.3% surge in city house prices over the past year now sees the average property costing 8.1 times average earnings, Halifax found.

While the average city house price increased to £287,440, average earnings in these locations increased by only 2.1% annually, to £35,677.

The affordability of city living has worsened. In 2020, house prices in cities typically had cost around seven and-a-half times wages.

After sitting at 5.6 from 2011 to 2013, the house price-to-earnings ratio in UK cities has increased for eight years in a row.

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However, cities still tend to be marginally more affordable than the UK as a whole, which has a house price-to-earnings ratio of 8.5.

Wages in cities are often higher than in rural areas, and during the coronavirus pandemic many city dwellers have relocated to the countryside, helping to push up house prices there.

Londonderry held its position as the UK's most affordable city for the third year in a row, with a price-to-earnings ratio of 4.7.

Winchester was identified as the UK's least affordable city, replacing previous table-topper Oxford, with homes now 14 times annual earnings for those living and working there.

London was outside the top five least affordable cities for the first time in six years.

Russell Galley, managing director, Halifax, said: "Affordability is significantly better in the north and there are now just two cities – Plymouth and Portsmouth – with better than average affordability in the south."

Housing affordability improved in seven cities compared with a year earlier: Oxford, Carlisle, Portsmouth, Durham, Salford, Inverness and Glasgow.

Carlisle and Aberdeen are now more affordable than five years ago, with their house price-to-earnings ratios easing.

Inverness is the only city found to be more affordable than 10 years ago. An average home there costs 5.6 times average earnings, down from 6.2 in 2011, due to wage growth there outstripping house price growth.

Here are the top 20 most affordable cities in 2021, according to Halifax, with the price-to-earnings ratio followed by the

average house price and average annual earnings:

1. Londonderry, Northern Ireland, 4.7, £155,917, £33,138
- =2. Carlisle, North, 4.8, £163,232, £34,087
- =2. Bradford, Yorkshire and the Humber, 4.8, £164,410, £34,219
- =4. Stirling, Scotland, 5.4, £208,927, £38,744
- =4. Aberdeen, Scotland, 5.4, £205,199, £38,016
- =4. Glasgow, Scotland, 5.4, £196,625, £36,205
7. Perth, Scotland, 5.5, £203,229, £36,700
- =8. Inverness, Scotland, 5.6, £191,840, £34,373
- =8. Hull, Yorkshire and the Humber, 5.6, £156,424, £27,730
10. Dundee, Scotland, 5.8, £181,150, £31,344
11. Sunderland, North, 6.0, £179,567, £29,745
12. Lisburn, Northern Ireland, 6.1, £203,386, £33,138
- =13. Salford, North West, 6.2, £211,903, £34,444
- =13. Durham, North, 6.2, £196,274, £31,762
- =13. Liverpool, North West, 6.2, £215,741, £34,911
- =13. Belfast, Northern Ireland, 6.2, £205,228, £33,138
- =13. Lancaster, North West, 6.2, £217,392, £35,004
18. Newcastle-upon-Tyne, North, 6.3, £229,434, £36,212
19. Stoke-on-Trent, West Midlands, 6.5, £200,161, £30,698
20. Hereford, West Midlands, 6.6, £316,929, £48,048

Here are the top 20 least affordable cities in 2021, according to Halifax, with the price-to-earnings ratio followed by the

average house price and average annual earnings:

1. Winchester, South East, 14.0, £630,432, £45,059
2. Oxford, South East, 12.4, £486,928, £39,220
- =3. Truro, South West, 12.1, £356,788, £29,558
- =3. Bath, South West, 12.1, £476,470, £39,508
5. Chichester, South East, 10.6, £446,899, £37,352
6. Cambridge, East Anglia, 11.9, £482,300, £40,492
7. Brighton and Hove, South East, 11.6, £449,243, £38,737
8. London, South East, 11.0, £564,695, £51,257
- =9. St Albans, South East, 10.2, £604,423, £59,391
- =9. Chelmsford, South East, 10.2, £424,690, £41,781
11. Salisbury, South West, 10.0, £392,355, £39,154
12. Exeter, South West, 9.9, £323,554, £32,635
13. Leicester, East Midlands, 9.7, £279,080, £28,725
14. Norwich, East Anglia, 9.4, £306,946, £32,632
15. Bristol, South West, 9.3, £346,902, £37,357
- =16. Southampton, South East, 9.0, £310,435, £34,429
- =16. Canterbury, South East, 9.0, £365,168, £40,565
- =16. Gloucester, South West, 9.0, £287,600, £31,987
19. Worcester, West Midlands, 8.8, £303,132, £34,389
20. Cardiff, Wales, 8.7, £276,851, £31,946