Funding the Future

The UK has a London problem

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According to the FT:

London rents rose at the fastest pace on record in November, according to official data that highlights the intensifying pain for tenants after two years of rising costs.

Rents in London increased by 11.6 per cent in the 12 months to November 2024, the fastest annual pace since records began in 2006, the Office for National Statistics said on Wednesday.

Average rents in London are now £2,200 per month. I am well aware room rents often exceed £1,000 a month.

Simultaneously, and no doubt causing this, London is booming in a way nowhere else in the UK now is. As the FT also noted a few days ago:

The UK is the only western G7 member where the best jobs have become much more concentrated in the superstar region over the past two decades.

 They added:
High housing costs in major cities are a widespread problem today, but young Brits face a uniquely toxic variation in having an extortionate capital city that is also increasingly the only place where a top-tier career is possible.

They also noted:

A report last week showed that Britain has the highest share of workers who are overqualified for their jobs across all OECD countries. It is thought the concentration of graduate roles in its capital is significantly to blame for this.

London is fuelling inflation.

It is also fuelling inequality.

And it is draining the economy of the potential to grow.

The UK has a London problem, and there are few signs that this is really being acknowledged.

No wonder so many in Scotland, Wales and Northern Ireland want to quit a place so stacked against their best interests.