



# A Minimum Income Standard for London 2025

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## Executive summary

This report sets out the latest findings on what pensioners, working-age adults and households with children need for a minimum socially acceptable standard of living in London in 2025. Members of the public living in Inner and Outer London were brought together in a series of focus groups to discuss and agree what all households need to live with dignity in the capital.

The Minimum Income Standard (MIS) research in London sets out the differences between minimum budgets in the capital and other urban areas of the UK. This means we can look at the impact of these differences on the adequacy of wages and social security. We also use the findings to calculate the number of households living below MIS in the capital and how this has changed over time.

The latest research found that:

- **Nearly 4 million people in London are living below MIS.** Over half of children in London (1.1 million) are growing up in a household without adequate income, and children are the most likely to be living below MIS.
- **More than a third of pensioners in the capital (37%) are living below MIS.** This means that 380,000 pensioners in London don't have all they need to live with dignity.
- In the latest research, groups agreed that **it is no longer reasonable to assume that any household type in London can access social housing.** This is largely because of a lack of available tenancies, limited stocks of social housing, and a lack of appropriately sized housing.
- Therefore, **the cost of renting privately is included here for all households.** This follows discussions in 2024 about the availability of social housing for households with children, and shows the consequences of limited social housing in the capital. This change from social to private rents results in substantially higher housing costs in London.
- **For a pensioner couple, an average private rent costs £308 per week more in Inner London compared to other urban areas in the UK.** While social rent would account for 27% of a pensioner couple's minimum budget in Inner London, private rent makes up nearly half (48%) of what they need for a socially acceptable standard of living.
- **A single working-age adult living in Inner London faces rental costs that are almost 3 times as much as in urban UK.** Rent accounts for 49% and 41% of the Inner and Outer London budgets, respectively, compared with just 28% of the budget for the same household in urban UK outside the capital.
- When rent and childcare are included, households with children in London need much more to reach a minimum. In Inner London, a lone parent with two children needs 50% more to reach MIS compared with urban UK; in Outer London a lone parent with two children needs 35% more. A couple with two children need 47% more in Inner and 34% more in Outer London compared with the same household in urban UK outside London.
- The income needed to live with dignity in London is also substantially more. A single working-age adult in urban UK outside London needs to earn £30,500 a year to reach MIS; in Inner London this increases to £54,400 and in Outer London to £48,200 a year. A couple with two children each need to earn £37,000 a year in urban UK compared to £49,500 each in Inner and £46,900 each in Outer London.

# 1 Introduction

What do Londoners think everyone needs to live with dignity in the capital? What's needed to meet essential needs? What do Londoners need so they can participate in the places and communities where they live? This latest report in the Minimum Income Standard (MIS) for London series, addresses these key questions, setting out what the public think is needed for a minimum socially acceptable standard of living in the capital in 2025.

For the first time since MIS London research began, this year we have re-visited and reviewed the needs of all household types at the same time – working-age adults without children living alone and sharing with others, households with children, and pensioner households in Inner and Outer London. Reviewing the needs of all households gives the opportunity to reflect on needs across all households and on public consensus about what constitutes a dignified living standard in London today. It also ensures that MIS London continues to provide an up-to-date living standards benchmark rooted in shared public conceptions and understanding of minimum needs. As in previous years, this latest research builds on work carried out in urban areas outside London (Davis et al, 2024) and on previous research in the capital (Padley et al, 2015,2023, 2025).

Significant challenges to living standards persist in London, as in the rest of the UK. Ten years on from the publication of the first MIS London, little has changed in terms of the key pressures on household incomes in the capital, and the consequent adequacy of incomes in the city. There have been some recent positive policy developments – the scrapping of the two-child limit, which restricted support provided through Universal Credit for third and subsequent children born after 2017 will reduce the proportion of children growing up in poverty. The Employment Rights Act introduces a range of protections for workers, particularly relating to sick pay and zero hours contracts. However, while these are welcome, they will only go a small way to delivering improvements in living standards for Londoners. The freeze in Local Housing Allowance in place until at least 2026, and possibly until the end of this parliament, means that there is a growing gap between rents and the support households receive to help with this often-substantial cost. The benefit cap will remain frozen in 2026, having last been increased in 2023. While the cap is higher in the capital, nearly 40,000 households in London had their income reduced because of this in August 2025 (Trust for London, 2026). Just under 4 million people living in London in 2023/24 – 44% – are in households that don't have the income needed to live with dignity in the city, up from 3.4 million in 2012/13.

Against this backdrop, continuing to research and report public consensus on minimum needs in London remains an important task. MIS London provides a means through which politicians and policy makers can be held to account. It also establishes a benchmark against which progress towards better living standards for all can be assessed. It is clear from all that follows in this report that the scale of the living standards challenge in London has not diminished since we convened the first groups with members of the public in 2014.

The report this year starts by setting out what groups in Inner and Outer London agreed were the different and/or additional goods and services households needed to achieve a

minimum socially acceptable standard of living. Section 4 provides a comparison of the London and urban UK MIS budgets in 2025, exploring the additional costs different households in London face, and looking at what this means for the adequacy of incomes in work and when out of work. Section 5 looks at the proportion of people living in London who have incomes below what is needed to reach MIS. The methods used in producing MIS London are outlined in the Appendix.

## 2 What do households in London need as a minimum?

This chapter provides an overview of the conversations and discussions with groups of people living in London that informed the decisions about what is needed for a socially acceptable standard of living in the capital. Groups of working-age adults without children, parents, and pensioners were each asked to consider the detailed lists of goods and services produced by the UK MIS research in urban areas outside London. Discussions focused on whether these budgets would change due to any additional and/or different needs for people living in Inner and Outer London, compared to other areas of the UK.

### Housing

Groups were asked to consider what accommodation would meet the minimum housing needs of different household types in Inner and Outer London.

Groups for all household types, agreed that if social housing with the required number of bedrooms was available, it would meet these minimum needs. Participants often saw rented social housing as being more desirable than renting privately, due to factors such as greater security of tenure, lower rent levels (for which there is also more adequate support via benefits), and a better chance of avoiding poor quality housing conditions. These perceptions have been consistent across MIS research in London and in other urban areas of the UK.

*Woman:* *I'm actually in social housing, but have been for donkey's years. I'm really comfortable. I've got a great housing association. They're putting my new boiler in shortly. You know, I phoned them and said I can't manage to turn the taps off properly because my hands aren't strong enough, so they came and [changed the taps] ... So they're great, you know.*

**Pensioners, Inner London**

*Man 1:* *You get social... for £800 for a one-bed, for instance, has £2,000 on the private market.*

**Parents, Inner London**

However, the London groups in 2025 concluded that appropriate social housing could not be reliably accessed by any household type, unless they were already social tenants or had significant additional needs. Accessing social housing is particularly difficult in the capital: London has the most households waiting for social housing of any region in England. In 2024, there were 336,366 households on London local authority waiting lists for social housing – the highest number for more than a decade (London Councils, 2025).

In the absence of readily available social housing, groups agreed that private rented accommodation would be the most realistic way for all households covered by MIS London to meet their minimum housing needs.

## Households with children

In the 2024 MIS London research with households with children, parent groups in both Inner and Outer London first agreed that it was no longer reasonable to assume that these households could access social housing. This was the first time that parents anywhere in the UK had reached this consensus (Padley et al, 2025).

Social housing waiting times in London tend to be longest for the larger properties that households with children would need. In 2022/23, in Outer London there was an average wait of around 3 years for a two-bedroom home and almost 4 years for a three-bedroom home, compared to less than two years for a one-bedroom home. The situation was even worse in Inner London, with average waits for a three-bedroom home reaching nearly 6-and-a-half years (Reast et al, 2024).

This year, parents reiterated the challenges of finding suitable housing in the social rented sector.

*Researcher: Do you think they would be likely to be able to get the social renting...?*

*Woman 1: No.*

*Woman 2: Not much chance anymore. Yeah, very hard.*

**Parents, Inner London**

*Woman: Even private rented is not even an option for people because it's too expensive. Like, it's just ridiculous.*

*Man 1: It is too expensive, yes.*

*Woman: Yeah. So, I don't know where people are supposed to live. So, you can't get a council house, you can't rent privately. If you can buy a house, then fine, but otherwise what are people expected to do? I just don't know where it ends or what happens now.*

**Parents, Outer London**

## Pensioners

Discussions around the limited availability of social housing also resulted in pensioner groups in London agreeing that the budget for a minimum living standard should include the cost of private renting. This is the first time that private rented housing has been included in minimum budgets for pensioners since MIS research began in 2006. Nevertheless, some participants noted that the availability of social housing for people of retirement age can vary between different London boroughs.

*Woman 1: I would have thought that social housing was actually quite accessible for quite a lot of people, because a lot of the older retired properties, the age group has gone down. So for example, the housing association that I worked for, we often had empties that we were looking for people to rent.*

...

*Woman 2: I had a different experience. I worked with older people in Southwark, and they said there was like 10-year waiting lists.*

...

*Woman 1: But that's why I said it does vary from borough to borough. Some local authorities have provided, and others haven't. And it depends on how many elderly people are in a particular area.*

**Pensioners, Inner London**

Nonetheless, ultimately there was a strong view across the groups that most social housing waiting lists were too long, and that a typical pensioner arriving or retiring in London would probably only be able to access social housing if they had other qualifying criteria beyond age.

*Man: Acquiring social housing as they retire?*

*Woman: No.*

*Man: I can't think of anybody that would achieve that easily.*

*Woman: Unless they're very desperate and they've got some kind of qualifying criteria, which is unlikely given what you're asking us to think about.*

**Pensioners, Inner London**

*Researcher: Is it realistic in London still, in Outer London, social housing?*

*Man 1: Not in my borough, there's something like 9,000 people on a waiting list for social housing. They can't get it.*

...

*Woman 3: I don't think they'll take priority over a single mother with children. They won't. They'll be on a long waiting list.*

**Pensioners, Outer London**

London pensioner groups in 2025 also decided that because of the higher cost of renting privately, pensioner couples no longer needed a two-bedroom property – a one-bedroom flat would meet their minimum needs, as it does for single pensioners. In previous MIS London research, groups specified a two-bedroom home as a minimum to ensure adequate space for each member of the pensioner couple, for example during times of illness, while also making it possible to accommodate guests. In this latest research, however, the pensioner groups agreed that not having a spare room would be an acceptable sacrifice for pensioner couples, if it allowed them to rent privately in London. Groups included a sofa bed, in place of a sofa, for pensioner couples, which offers flexibility in sleeping arrangements, and matches the furniture included in single pensioners' MIS budgets for London and the rest of the UK.

### **Working-age adults without children**

Since the first MIS London research was published in 2015, groups have consistently agreed that it would be unlikely that working-age households without children could access social housing, and so they would need to be able to rent privately instead (Padley et al, 2015). Studio flats and shared accommodation were discussed as a possibility, but as in 2022 (Padley et al, 2023), groups in 2025 agreed that a one-bedroom flat should remain the standard for working-age households without children. Groups acknowledged that a one-bedroom flat could present challenges for working-age couples with different working patterns or if one needed to work from home, but the groups agreed it would still meet minimum needs.

*Man: Studios are mainly available in Inner London. So actually, people trying to rent privately, one bed is...*

*Woman 1: One-bedrooms are so expensive.*

...

*Woman 3: A studio is below what the standard... Although like there are difficulties, I think everyone should be entitled to live in a one-bedroom, where your bedroom is separate.*

**Working-age adults, Inner London**

*Woman 2: Yes, I have a one-bedroom flat with my partner, and I work from home, so I would love to have an office, believe me. But I just basically work from like an arranged space in the living room, that I sort of turned into an office. And we're, like we're fine, but ideally I would like to have a separate room.*

...

*Man 2: I think one bedroom is probably just kind of the minimum for two people.*

**Working-age adults, Inner London**

The housing arrangements agreed by this years' groups as the assumptions for all main household types are shown in Table 1.

**Table 1**      **Housing assumptions in 2025 London MIS**

Household type	Accommodation for 2025 London MIS
Parents (lone or couple) plus one child	Two-bedroom flat (Private Rental Sector (PRS))
Parents (lone or couple) plus two or three children	Three-bedroom flat (PRS)
Parents (couple) plus four children	Three-bedroom flat (PRS)
Working-age adults (single or couple) without children, living by themselves	One-bedroom flat (PRS)
Working-age adult (single) without children, living in shared accommodation	One room in a three-bedroom shared house (PRS)
Pensioner adults (single or couple), living by themselves	One-bedroom flat (PRS)

## Childcare

Childcare is a significant cost for many households with children. Within MIS, groups of parents are asked to discuss childcare options for these households that would enable parents to work full-time. Groups in Inner and Outer London in this latest research agreed that, in order for parents to be able to access employment opportunities, toddlers and preschool children would need to attend nursery five days per week from 7:30am to 6:30pm. This daily session is the same duration as agreed by parents in London in 2024, but it is an hour longer than the 8am to 6pm specified by parents in other urban areas of the UK in 2024. This allows for potentially longer commutes to and from work for those in London.

*Woman 2: I think in London, starting like from 8 is a bit late, because with the traffic... So, I think the 7:30 will be, yes...*

*Woman 3: A better start.*

*Man 2: Certainly if somebody is working outside of London, on the... say if you're in Zone 1 and you're working in Zone 4, that travel time, 7:30 would be better, yeah.*

### Parents, Inner London

Inner and Outer London groups both agreed that the childcare needs of primary-school-aged children are the same in London as in other urban areas of the UK. This involves breakfast club and after-school club attendance for the 39 weeks of term-time, plus holiday clubs for the other weeks outside of parents' assumed annual leave, while allowing for one week's

holiday as a family. Parents included some additional money in the leisure budgets for secondary school children to help with meeting up with friends during school holidays.

## Transport

Groups were asked to discuss what people would need to meet their transport needs, as a minimum, to be able to live with dignity in the capital. The discussions across Inner and Outer London included thinking about what kinds of journeys individuals would make, as well as how far and how often they might be travelling. This could include travelling for shopping and attending health appointments, getting to and from work for working-age adults, travel to and from social and cultural activities, and to maintain social connections and relationships with others by visiting friends and family.

### Households with children

In urban areas of the UK outside London, households with children have said that as a minimum, a second-hand car per household is needed, with a monthly bus pass added for the second adult in a two-parent household. The inclusion of a car in urban areas outside the capital is seen as enabling, for example, access to employment opportunities and participation in social activities, both for parents and children. Since the first MIS London research in 2014, parents in Inner and Outer London have said that, as a minimum, households with children did not need to own a car. Groups have agreed that their transport needs within the capital could be met, for the most part, through the use of public transport, with an amount included per household, per year for the occasional use of taxis in emergencies or when public transport was either unavailable or unsuitable. While ultimately groups in London in 2025 agreed that a car was not a necessity, parents in both Inner and Outer London noted that the total resource included to cover the cost of getting around the capital (see Table 2) could be used in different ways, which might include the occasional use of car sharing schemes such as Zipcar.

As in previous research in the capital, groups agreed that each parent would need a pre-paid Oyster travel card covering Zones 1-4 for those living in Inner London, and Zones 1-6 for those in Outer London. There were discussions in groups about the need for a monthly travel card, particularly in a context where the patterns of work for some people, established during the Covid-19 pandemic, have remained, resulting in more flexibility for some around having to be 'in the office'. However, groups also acknowledged that not all employment was so flexible, and that the travel card would not just be used to cover travelling to and from work – it would also be needed to access social and cultural activities, in other words, to participate in society. While groups were clear that most transport needs for parents could be met through public transport, in both Inner and Outer London they included an additional resource each year to cover the cost of up to fifteen taxi journeys. Groups said that it was important to include this kind of 'contingency' in case of unforeseen circumstances and emergencies.

In London, children under 11 can travel for free on most forms of public transport at most times, but as in previous MIS London research, parents said it was important to include the cost of a Zip Oyster Photocard for primary-school-aged children to ensure they could access free transport when travelling alone. Children aged 11-15 can use buses and trams for free

within Greater London but have to pay child rate pay-as-you-go fares on the Underground, Overground, and DLR, and half fares on National Rail within London. Parents in Inner and Outer London also agreed that a Zip Oyster Photocard should be included for secondary-school-aged children.

As in the 2024 MIS London research, parents in London agreed that secondary school children not only needed to get to school and back using public transport, but that it was also important for them to be able to travel around London to be able visit friends and access social and cultural activities. Groups therefore included the cost of a zone 1-4 monthly Zip Oyster card in Inner London, and a zone 1-6 card in Outer London to meet the transport needs of secondary-school-aged children. Parents also agreed that while most transport needs would be met through public transport, there were occasions when young people may need to use a taxi, particularly if returning home at night on their own.

*Woman: ... well my son's 15 now, he's started to go out a bit more. For example, next Friday's a party in Wembley ... 'I'm going to put you in an Uber, I'm not taking you, but I'm going to put you in an Uber'. So I think on that side, trying to keep him safe, not stopping from going out, but keeping him safe. I'd rather, you know, put him in an Uber on the way back home.*

**Parents, Inner London**

Groups in both Inner and Outer London included £100 each year per secondary-school-aged child to cover these occasional taxi journeys.

Throughout the MIS London research, groups have talked about the importance of being able to 'get out of London', as well as being able to travel around the capital. To facilitate this, groups included a Family and Friends railcard per household, which gives discounts on rail travel, as well as an annual budget of £450 per adult and £125 per schoolchild. Groups said that this budget would enable families to visit other parts of the UK to see friends and relatives, getting out of the capital, and would also cover the cost of travelling to their UK holiday each year.

### **Households without children**

In urban locations in the UK outside the capital, groups of working-age adults have agreed that, as a minimum, a 4-weekly bus pass enabling them to travel to the next town/city or major employment hub would meet their needs. In the latest MIS London groups, working-age adults without children said that, as in previous years, a monthly Zone 1-4 Oyster card would be required in Inner London, and a Zone 1-6 Oyster Card in Outer London. This would mean they were able to access opportunities and choices relating to employment, but also would enable them to travel within London to meet up with friends and to take part in social activities. As in groups with parents this year however, working-age adults without children noted that changing employment patterns and expectations could impact the ways in which people travel around the city, and consequently, what is needed as a minimum to get around.

*Man: I used to have an annual travel card. I now work from home. I do sometimes have to go into the office. I also use public transport for other reasons, you know, shopping and seeing friends. It's much cheaper for me to just use the pay-as-you-go as I want.*

**Working-age, Outer London**

*Woman: I guess it depends on what you do for work. Because let's say you're working from home half a week, why do you need to pay one you know, Zone 1 to 6? It just doesn't make sense.*

**Working-age, Outer London**

*Woman: So I used to have a yearly travel card and used to get a loan from the company that I work with and I am only required to go into the site two days a week now, so I no longer have that. I use like a tap-in with my phone. So that's very different for me, my experience, very different to how that was before Covid.*

**Working-age, Inner London**

Despite these changes in the working patterns of some, groups still agreed that the monthly Oyster card should be included for working-age adults without children, but emphasised that this resource could be used in different ways to meet the different travel needs of individuals. For example, some participants talked about the increase in the use of bike rental for trips within London, as well as other options such as e-scooters.

*Man: ... in my age group, I mean most of my friends, many of them don't use the tube at all and they just use Lime Bikes or bicycles to go around London.*

...

*Man: To be fair, the costs for a Zone 1 to 4 Oyster, a single trip is similar to Lime or something or a bike that you get.*

**Working-age, Inner London**

Pensioners remain enthusiastic about the free travel that London residents can access, either with a 60+ London Oyster photocard, or with a Freedom Pass for those of retirement age.

*Woman 1: Essential, freedom passes.*

*Woman 2: I love mine.*

...

*Woman 3: I couldn't wait to get mine. Yeah. When I turned 66, I'm 67 now, I still can't believe it. And as soon as my birthday and I go, yeah, I can go anywhere now for free. And I said, wow, the money you save is just phenomenal. It is a freedom pass, and I just pray that it will never be taken away from us.*

**Pensioners, Outer London**

*Woman: [the Freedom Pass] is brilliant, better than anywhere else in the country because you only go on the buses anywhere else in the country and you can go on anything in London, so it's worth a lot more.*

**Pensioners, Inner London**

As with parents, working-age adults without children, and pensioners also included an amount to cover the cost of occasional taxi use. This was to enable people to, for example, attend an early medical appointment where public transport may not get someone there on time. Groups were also clear that it was important for people to be able to feel safe when travelling, especially at night – if they were going out for an evening, they would use public transport on the way there and get a taxi or Uber back home. Participants pointed out that not everyone lives within safe or easy walking distance of their final destination, so a short taxi journey might be required.

*Woman: I use Uber at night because of the safety aspect. I mean the buses go to the end of my road but like sometimes if you're coming from a bit of a dodgy area it's good to use. Or if I feel ill, sometimes I get arthritis. So, I think that's good to build it in.*

**Pensioners, Inner London**

Working-age participants discussed the need for taxis, voicing concerns over both personal safety and frequent travel disruptions, for example industrial action on buses and/or underground that meant that they had to find alternative ways to get to work. In Inner and Outer London groups included £30 per month for taxis for single working-age adults and £40 per month for taxis for couple working-age households, on the basis that taxi journeys in couple households were more likely to be shared. There was an explicit recognition across groups that this was an acceptable minimum and that some people might need more.

*Man 1: There's also emergency. Someone's got to go to A&E in the middle of the night.*

*Man 2: Yes.*

*Researcher: So is that. And you? You say when trains are broke?*

*Man 2: Yes, when there's tube issues or something and you can't really get anywhere.*

*Researcher: Yes, any other reasons why they need..?*

*Woman 2: Age plays a part in it. When I was younger, I was happy to do battle on the night bus, but now for safety reasons I would be more inclined to....*

*Woman 3: Three o'clock in the morning, you don't really want to take three-night buses, to get home.*

**Working-age, Inner London**

Pensioners in Inner and Outer London included £30 per month per household, the same amount as is included in urban areas of the UK outside London. Working-age adults living in shared accommodation said that sharers are more likely to move frequently, and they included £100 every 12 months as a resource which could be used for a moving van, car hire or taxis.

As for households with children, groups of working-age adults without children and pensioners agreed that people might also need to 'get out of London', travelling further afield a few times a year for a change of scene or to visit friends and family. Most groups reached consensus that the amounts included in urban UK minimum budgets were sufficient to cover the cost of rail/coach travel for people living in Inner and Outer London. Working-age sharers were the exception on the basis that they would be less able to host family and friends, especially for overnight or longer visits, while living in shared accommodation. Groups for sharers therefore doubled the rail/coach budget, from £300 to £600 per year, for more trips to visit others.

**Table 2 Transport provision in UK and London MIS, households with children**

Household Type	Transport agreed in UK MIS	Transport agreed in MIS London – Inner London	Transport agreed in MIS London – Outer London
<b>Lone parent</b>	Car (includes roof bar and roof box) £10 a month for parking £100 a year for taxi journeys Second hand bicycle	Monthly zone 1-4 Oyster card Family railcard £450 for rail travel each year for visiting friends/relatives and journey to holiday destination £195 a year for taxi journeys, per household	Monthly zone 1-6 Oyster card Family railcard £450 for rail travel each year for visiting friends/relatives and journey to holiday destination £195 a year for taxi journeys, per household
<b>Couple parents</b>	4 weekly local bus pass (for one parent) Car (per household, includes roof bar and roof box) £10 a month for parking £100 a year for taxi journeys, each Second hand bicycle, per household	Monthly zone 1-4 Oyster card (each) Family railcard £450 for rail travel each year for visiting friends/relatives and journey to holiday destination, per adult £195 a year for taxi journeys, per household	Monthly zone 1-6 Oyster card (each) Family railcard £450 for rail travel each year for visiting friends/relatives and journey to holiday destination £195 a year for taxi journeys, per household
<b>Primary school child</b>		5-10 Zip Oyster photocard £125 for rail travel each year, including journey to holiday destination	5-10 Zip Oyster photocard £125 for rail travel each year, including journey to holiday destination
<b>Secondary school child</b>	Bike as birthday/Christmas present 10 bus journeys per week to get to and from school (£2 a day for 39 weeks of the year)	Monthly zone 1-4 11-15/16+ Oyster card £125 for rail travel each year, including journey to holiday destination £100 a year for taxi journeys Bike as birthday/Christmas present	Monthly zone 1-6 11-15/16+ Oyster card £125 for rail travel each year, including journey to holiday destination £100 a year for taxi journeys Bike as birthday/Christmas present

## Household goods and services

Groups agreed that the majority of the items needed in the home for a minimum standard of living would be the same in London as in other urban areas of the UK. There were no compelling reasons to change most of the furniture, furnishings, bedding, kitchen equipment, crockery and utensils, cleaning and laundry materials, and child-specific items that are included. For example, working-age participants thought that their seating needs would not be any different because of living in London, and that even if having to buy smaller furniture for a smaller home, this would not necessarily be any cheaper than the furniture in minimum budgets for urban areas of the UK outside the capital. The London groups also agreed that the national chain retailers, supermarkets and online providers used to price household goods in the main UK MIS budgets would also be suitable in London.

There were several areas of difference, however, often stemming from changes in how housing needs are met as a minimum, for some household types. As noted earlier, private rented accommodation is now included for all households in London because social housing has become too difficult to access. This gives pensioners and households with children more similar housing assumptions to working-age adults without children, whose UK and previous London MIS budgets were already based on renting privately. For London pensioner couples, groups decided that the change to a more expensive private rent would partly be mitigated by downsizing from two-bedroom social housing to one-bedroom private rented. Consequently, the furniture and furnishings for the second bedroom were not needed, but a sofa bed was included in the living area so that they could still have a second place for people to sleep.

All household types agreed on the assumption that their housing would be rented unfurnished, but that private landlords would usually provide some items that tenants in social housing would need to provide for themselves. Although this provision varied, groups in Inner and Outer London agreed that private landlords would provide flooring (carpet or laminate), curtain poles, and a shower rail or shower screen. These items could therefore be removed from London parent and pensioner households' minimum budgets. Groups also decided that private landlords would usually provide a cooker, on the basis that this was the large appliance most likely to be built in to fitted kitchens and may involve a gas connection that would be the landlord's responsibility. However, they thought that washing machines and fridge freezers were less likely to be included in unfurnished lower-cost rental properties, and so the cost of providing these items needed to be included in the budgets for these households. These decisions about provision of fixtures, fittings and large white goods in the private rental sector were consistent with the latest UK MIS groups of working-age households without children (Davis et al, 2024).

*Man: ...I've heard this said before by landlords a while ago – that they sort of feel that there is an expectation that with a cooker, that it should be there because it is fitted. No ordinary person can put one in or take one away, you have to get that done. So, you expect it, the way that you expect the light switches to be there. You don't have to buy your own light switches. Whereas a washing machine or a fridge freezer, I could reasonably put in and indeed take away.*

**Working-age adults, Inner London**

*Man: But if we're talking the bottom end of the market, frankly, you get what you pay for. And you know, no landlord is going to be splashing out on stuff if they can't get higher rent for it... These things have to be serviced, they have to be maintained, they have to be purchased, they have to be replaced...*

*Researcher: Should they have money in their budgets to be able to allow them to buy those, fridge and washing machine, if it's not provided by the landlord?*

*Woman 1: Yes.*

**Pensioners, Inner London**

All London groups kept the same modest annual amounts for maintenance and decorating as in the respective households' urban UK MIS budgets, although this budget may well be used differently due to the shift to the private rented sector in London. Participants thought that tenants would be less likely to significantly alter the decor of a private rental home, but that this would be balanced out by the need to ensure full reimbursement of deposits when leaving the property. Proof of a professional end-of-tenancy clean could sometimes be required, as well as 'making good' any marks or damage.

*Man 1: Yeah, they'll sting you for that. They'll find a way to tell you that you've damaged something...*

*Man 2: If you haven't cleaned it, or if you've decorated it, they don't like it...*

**Parents, Inner London**

Other changes resulting from renting privately included the removal of the door chain and door viewer from pensioners' budgets – as tenants generally would not interfere with the front door like this in a privately rented property – and budgeting for a freestanding bathroom storage unit instead of a medicine cabinet to be attached to the wall.

The London groups also discussed fire safety equipment, to lessen fire risks in flats. This remains a concern particularly in high-rise buildings, in the wake of the Grenfell Tower fire. Participants noted that landlords would provide smoke and carbon monoxide alarms, and some thought that landlords should also supply a fire extinguisher and fire blanket. However, the groups agreed to include an inexpensive fire extinguisher and fire blanket in all households' budgets except in shared accommodation, because landlords are only required to provide them in (large) houses in multiple occupation.

Parent groups agreed that, as in 2024, all London households with children needed a tumble dryer. In urban areas of the UK outside London, groups have agreed that a tumble dryer is only needed for larger households with three or more children. As in discussions in previous MIS London research (Padley et al, 2025), living in a flat rather than a house was a key consideration here. This resulted in limited other options for drying clothes, and people were keen to avoid problems of damp and mould which could pose significant health risks, especially for children. However, groups also commented on the potential difficulty of fitting a tumble dryer into small homes, and suggested that the budget could otherwise be used for a dehumidifier, heated airers or launderette trips.

Video doorbells were discussed more than in previous years. Across the groups, there were varying opinions about whether or not these were needed – some viewed a video doorbell as a necessity while others saw it as a luxury. Ultimately there was only consensus to include these doorbells in budgets for households with children in Inner London, driven by parents' worries about the safety and whereabouts of their children. Inner London parents therefore agreed to include a relatively low-cost video doorbell, with a microSD card for storage that would avoid having to pay for an ongoing subscription.

*Woman 1: And again, if you've got kids aged 7 and 14, maybe not 7, but the 14-year-old might be coming and going so you might be more worried about trying to keep an eye on them maybe, like if they are letting themselves in and out after school ... Also, like my son... My son's 15, he's that age, if I am at work, he'll make his own way home. I said never answer the door, if you're not expecting... don't answer the door. So, I've put the Ring on his phone, so he will have a look who it is.*

**Parents, Inner London**

For single working-age adults living in shared accommodation, without children, groups said that furnished private rental accommodation would meet their minimum needs. This meant that the landlord could be expected to provide most of the furniture and white goods, so tenants would not need to provide these items. Various other household items such as a kettle, toaster, microwave, floor lamp, rug, sofa cushions, shower curtain and kitchen bin may be provided by some landlords too, but the groups felt that it was important for tenants to be able to replace them if needed.

*Woman: Yeah, so I think things like maybe a vacuum cleaner and stuff. Kettle and toaster and microwave, they're more likely to be in the actual inventory. But sometimes if it's an old tenant who's left the vacuum cleaner, they probably wouldn't replace that if it broke.*

*Man: Yeah, I'd probably agree with that. I think an amount of it will be stuff that's just left over and is there. And if it breaks, yeah, I can see what the landlord's saying: "Yeah, I didn't put it there".*

**Sharers, Inner and Outer London**

The groups thought that people living in shared accommodation should be able to provide their own bedroom curtains and lampshade, for control of privacy and brightness in the

room. And while many other bills would be shared, they agreed that contents insurance would be a personal cost, to keep it separate from other tenants' claims or valuable items.

To reduce the effects of people's activities on each other, a pair of noise-cancelling headphones with a microphone was added for home entertainment and video calls, alongside earplugs for sleeping. Groups also agreed that sharers should be able to provide their own (cheap) desk and chair if necessary. This could be important where a shared kitchen table may not be suitable if, for example, working from home, and if too many people wanted to use the kitchen space at the same time.

## Clothing

The London groups were given details of the clothing, footwear and accessories included in all household types' current UK MIS budgets for urban areas outside of the capital. Groups agreed that for almost all of these items, there were no strong reasons to change the items or the retailers included in the budgets for people living in London.

The exceptions to this related to differences in school uniform. This included increasing the number of items of uniform that needed to feature school-specific logos, rather than pupils being able to wear more generic, unbranded versions that could often be cheaper to buy. In the 2024 UK MIS budgets for urban areas outside London, primary school children have two school logo branded items: a school jumper and a book bag, as well as various other non-logo uniform items. Secondary-school-aged children have more school-specific items: two school jumpers, one blazer, two ties, and all PE kit.

In 2024, parents in London agreed to keep the same list of uniform as in the urban areas outside of the capital. However, in this latest research, parents decided that primary school children in Inner London would also need polo shirts, PE t-shirts and a backpack with the school logo, and that secondary school children in Inner London would also need a school-specific coat, backpack and skirts. Parents of secondary school children explained that an increasing number of schools had made school-branded coats and backpacks compulsory as part of efforts to prevent the theft of other more desirable items and to tackle bullying. Outer London uniform needs remained the same as in the main UK MIS.

## Food and drink

Groups in London have said that living in London does not change the types of meals people eat during the day and thus have kept the same weekly food menus as in urban UK outside the capital. These menus include breakfast, a morning snack, lunch with a small dessert (such as a piece of fruit or yoghurt), an afternoon snack, and dinner with dessert, as well as a small amount of alcohol each week. Groups identified a range of different meals which would be eaten across a week, such as jacket potatoes, spaghetti bolognese, and a Sunday roast dinner. These suggestions were given to a nutritionist, who converted them into a weekly menu, checked this for nutritional adequacy, making adjustments as needed. The result of this is a weekly shopping list for each different household type. These menus reflect the importance of choice and cooking habits, including both convenience options such as frozen pizza and jarred sauces, as well as ingredients to cook meals from scratch.

Weekly food baskets are costed at a major supermarket with national pricing, currently Tesco as the most prevalent UK supermarket. This means that the cost of groceries is no different for London groups than for the urban UK outside London. Items are priced using the supermarket's own brand (though not the cheapest budget range), or, where pack size or shelf life make it more economical, well-known brands.

Groups have previously discussed using discount supermarkets such as Aldi and Lidl, but these are often less prevalent and do not offer delivery options. Groups have noted that people living in London should be able to have their groceries delivered if desired, allowing them to benefit from the national pricing of groceries, and due to the inconvenience of carrying a weekly food shop on public transport, since none of the household budgets in London include a car. In urban areas of the UK outside London, weekly grocery delivery is only included for lone parents.

## Personal goods and services and healthcare

This category includes a range of items for personal care, such as toiletries, cosmetics and hairdressing, as well as over-the-counter medicines, healthcare and prescriptions, dentistry, eye tests and spectacles.

Groups in urban areas of the UK outside London included everyday toiletries in this category, such as toothpaste, shower gel, shampoo, deodorant and skin and haircare products. Over-the-counter medicines, such as paracetamol, eye drops and cold remedies, are included for general illnesses and complaints. These health and personal care items are priced at supermarkets and Superdrug. MIS London groups agreed that the contents of these budget areas would not need to be different for households living in London.

Groups in urban UK outside London include hairdressing and haircare budgets that would enable people with a diversity of hair types to feel presentable, with salon visits on a regular basis. For working-age adults and school-age children this involved a monthly visit to the hairdresser, while pensioners said that slightly less frequent visits of 8 weeks for women and 6 weeks for men would meet their needs. Inner and Outer London groups agreed with these principles, but increased the amounts needed for hairdressing on the basis that services in the capital cost more.

*Man: My hair grows pretty fast, so I might get a trim once a week... once a week and a half, and that's not even to take into account getting my hair redone all the twists...I say it's a need-to-have because, based on societal standards, if I was to go out unkept, I'd probably get a lot of different looks... If I go out unkept, I promise you people will grab their handbags and hold their phones a bit tighter. I have seen it.*

**Working-age adults, Outer London**

*Woman: I was having this conversation literally just two days ago with my hairdresser because she has put a sign on her door saying I am having to increase all of our prices by 30% because my rent has gone up. So, that is...a common thing now. Rents are just sky-high on your average high street in London, so obviously the products and treatments are going up.*

**Working-age adults, Outer London**

London groups agreed that working-age women in London need £100 every four weeks, compared to £70 for urban UK outside London. Working-age men included £40 every four weeks in London, rather than £30. The budget for primary school age children was increased by groups, from £13 to £20, and for secondary school age children from £60 to £80. Pension-age women need £65, compared to £30 in urban areas outside the capital, while pension-age men need £15 every 6 weeks, rather than £10 outside London.

Groups of pensioners in urban UK outside London include a resource for podiatry so that older people can access help with foot care. London groups agreed with this principle, although they said this service would cost more in London. They increased the budget for this from £30 every six weeks to £40 in Outer London, and £50 in Inner London.

In the latest MIS UK research, groups in urban UK outside London included a budget of £200 per year for working-age adults to access a limited amount of additional healthcare services, including counselling, osteopathy or physiotherapy. This was included in response to issues of accessing NHS services, and was intended to provide a resource for working-age adults to begin treatments if needed, while on the waiting list for NHS appointments. London groups agreed with the principles of this resource, but as with hairdressing and podiatry, increased the budget to reflect higher service costs in London. They said that households in Outer London would need £320 per year and households in Inner London would need £450 per year.

*Man: ...access to healthcare, like back [care] or mental health...if you don't have it, you've got the bare minimum, but you might be suffering day-to-day in [not] being able to participate in society...it's definitely a necessity...*

**Parents, Outer London**

*Man: If you have something that has a human element to it, somebody doing something, whether it's talking to a therapist, whether it's going to [an] osteopath, that's more expensive in London.*

**Working-age, Outer London**

*Woman 1: Yeah. I see the chiropractor and they popping their prices up like...  
Woman 2: Because of the city, and maybe just because there's so many city people that can afford it...And, also...renting in London is a lot [more], ...the prices have gone up.*

**Parents, Inner London**

Remaining items in these budget areas were unchanged from those included for urban households outside London. Groups in London said that people would have the same access to national chains of high street opticians and therefore kept the budget for eye tests and glasses the same. As in UK groups in urban areas outside London, groups in London agreed that there have been challenges in accessing dentists – especially since the Covid-19 pandemic – but they kept to the principle that children would access free dentistry, and for adults they included the cost of regular NHS check-ups and an NHS band 2 treatment every year (to cover a filling or extraction).

## Social and cultural participation

### Leisure Goods

An essential consideration in the budgets to achieve a minimum acceptable standard of living is the need for social and cultural participation. This primarily relates to people's leisure time and the activities they should be able to engage in, both inside and outside the home.

Groups in London made no changes to the urban UK MIS 2024 budgets in relation to leisure goods. These include a TV and TV license, plus an entry-level subscription service such as Netflix for some households (parents and pensioners), acknowledging paid-for content as a key mode of viewing. Groups also included a laptop, either of their own (lone parents, single working-age adults, and secondary-school-aged children) or to share (partnered parents and partnered working-age adults), or a tablet (primary-school-aged children and pensioners who have one per household), and broadband.

### Activities

All groups agreed that, to participate in the world around them, a minimum acceptable standard of living should include a weekly amount to cover the cost of activities such as going to the gym, buying tickets for local events, visiting the cinema, or going bowling. These activities were seen as important not just for participation but were linked to mental and emotional health and well-being, especially considering the potentially smaller space in properties in the capital compared to those in urban areas outside London.

*Woman: Well, you'd be socially isolated if you didn't, and then you'd be very lonely, you'd never see anybody. You'd basically be a prisoner within your own four walls if you never ever left them apart from going shopping or whatever, and that's a major problem in society now.*

**Pensioner, Outer London**

*Man: ... I think that outside of London for example, you get a one-bed flat, you might have the space to ...do some activities [in] your own flat, whether that is like working out or...yoga or whatever. I feel like London, with how limited the spaces are, people probably need to go outside for those activities.*

**Working-age, Inner London**

Groups generally agreed that 2-3 paid activities per week was an appropriate frequency, with the budget partly allocated to individual weekly activities and partly for memberships, such as for the gym. For pensioners and working-age adults, these budgets were higher than those in urban UK budgets. Working-age adults highlighted that many people move to London for work and so may not have close friends and family nearby, which could result in going out more often with friends locally to socialise.

Both Inner and Outer London pensioners and working-age adults increased the weekly activities budget from £20 to £30 per person per week, and from £25 to £50 per week, respectively. Groups said that generally paid-for activities cost more in London than they do in the rest of urban UK.

*Man: I'd probably argue it's maybe a little bit more in central London especially. Obviously, there is a lot of free activities. I do agree with that. But I think in general things in Inner London might ...are quite a lot more expensive than maybe anywhere else.*

#### **Working-age, Inner London**

Parents in both Inner and Outer London, on the other hand, agreed that the urban UK activity budgets of £100 per month, per parent, were also sufficient in the capital. Parents considered that whilst paid-for activities may generally be more expensive in London, there are also more free activities than may be available in other UK cities, such as free museums, and they may not have time to do as many paid-for activities as working-age people without children or pensioners. They also agreed the budgets of £30 per month for one leisure activity per week for secondary school-aged children (plus £50 for any extras), £30 per month for two activities per week for primary school-aged children (plus £100 per year for kit), and £10 per week for one activity for preschool-aged children. For toddlers, Outer London parents agreed the urban UK budget of £5 per week. However, Inner London parents increased this to £10 per week to account for the higher cost of appropriate activities such as soft play in more central areas of the capital.

Children also have additional leisure budgets, which groups agreed are the same as those in urban UK. These include budgets for toys, books, games and crafts for toddlers and preschool-aged children. For primary school-aged children, budgets are included for educational school trips, a 3-night residential trip, charity days, and items such as toys, books, games, and crafts. For secondary school-aged children, additional budgets include pocket money, extra money for school holidays so they can go out with their friends, study guides, allowance for Design and Technology/Food technology spending, school sports matches, and the end of secondary school prom.

#### **Eating Out and Takeaways**

As with the activity budgets, working-age adults and pensioners increased their budgets for eating out and takeaways, while parents kept theirs the same as urban UK outside London. Working-age adults and pensioners in both Inner and Outer London increased the budget included for eating out from £30 in urban UK outside London, to £45 once per month.

In urban UK, households with children eat out less often than those without children, with four meals out per year, and parents' groups in London agreed with this frequency. They also agreed with the urban UK budgets of £40 per parent, £35 for secondary-aged children, £15 for primary-aged children, £10 for preschool-aged children, and £5 for toddlers per occasion. Lone parents also have an additional budget for eating out independently of the children, which groups kept at £20 per month. Lone parents have said it is important to be able to get away from the children and enjoy a lunch out alone, or with a friend.

*Woman: I think it's important as a single parent for her. I mean ... I cherish getting away from the kids. Sorry, but I do.*

**Parents, Outer London**

Groups agreed that a takeaway once a month would meet the needs of most households. However, working-age adults without children agreed that single-person households should be able to get a takeaway twice a month because, unlike in partnered households, they would not have the option to share the cooking. Working-age adults without children in Inner and Outer London increased the takeaway budgets from £15 per person, per takeaway, to £25, whilst pensioners in Inner and Outer London increased their budgets from £12 per person, per month (for both couples and singles), to £20 per person. Many groups discussed how takeaway apps such as Uber Eats and Deliveroo charge additional fees, such as service charge and delivery fee, which increase the cost of a takeaway.

*Woman: So, you might only be paying £15 for the food but you have got a delivery charge on top.*

**Pensioners, Inner London**

Parents in London agreed that the takeaway budget included in the main urban UK MIS budgets would also be sufficient in Outer London: £15 per parent, £15 for secondary-aged children, and no allowance for preschool-aged children or toddlers, who would instead share food ordered for others. Inner London parents, however, increased the takeaway budget from £15 to £20 per parent, from £15 to £20 for secondary school-aged children, and from £8 to £12 for primary school-aged children.

Sharers in London increased the frequency of eating out and takeaways. Groups agreed that these were more important when living in shared accommodation because of the nature of sharing a space with people who are potentially strangers, and with whom people may not have close relationships. Sharing kitchen facilities and possibly not being able to have friends over for dinner led to sharers increasing the frequency of eating out to three times a month, at £30 each time, and takeaways to once a week, at £15 each time. Due to the increased frequency, groups reduced the cost each time compared to single working-age adults living on their own, acknowledging that these instances of eating out and takeaways, may be smaller events, potentially at cheaper locations, cheaper meals or with only one course.

*Woman: Yeah, whether that's dating or like with friends, like again, you could have a dinner party if you live by yourself. But again, inviting like four other people to your shared house is probably a massive invasion of privacy of your housemates, if like they're people you don't really know. Whereas...you could easily, if you live by yourself, say like, actually guys, I don't need to clear this with anybody, come around tonight. And again, the frequency might increase with that.*

**Working-age sharers, Inner and Outer London**

*Woman: I also think it's about the space that you have and whether it's conducive to cook. So like some house shares I've lived in, it's been really, really messy. So like I've wanted to cook ... but sometimes it just feels really gross. So you're more likely to go out and you kind of like, I guess live your life in a way that means you go out and about more because you just don't really want to be in this environment.*

**Working-age sharers, Inner and Outer London**

### **Holidays and Day Trips**

No changes were made to holiday or day trip budgets by groups in London. As in other urban areas of the UK, London groups included an annual 7-day UK holiday. For pensioners and working-age adults, this comprises a trip to the coast, staying in a 3-star hotel, half-board, during an off-peak time of year. For households with school-aged children, a peak-time self-catering holiday park near the seaside is necessary to align with the school holidays. Households with younger children stated that off-peak times were acceptable.

All households included additional holiday spending money, but this was no different to the amounts included in urban UK budgets. Pensioners agreed spending money of £70 per person for their holiday, whilst working-age adults included an additional £185 to cover the additional costs of activities and food while on holiday. Parents agreed with the amounts included for urban UK: £140 per parent, and £70 for each child.

### **Gifts and Celebrations**

Groups in London also agreed that the amounts included for gifts and celebration-related costs in the urban UK budgets were also sufficient in London. These include birthday and Christmas gifts for household members, friends and family, as well as for special occasions such as weddings and christenings. They also include allowances for Christmas decorations and visits to see Santa, or equivalent goods and activities related to celebrations, for younger children.

### 3 The additional cost of living in London

This section sets out the minimum budgets required by households living in Inner and Outer London in 2025. Focusing on four illustrative households, we look at how the London MIS budgets compare to MIS budgets for urban UK outside the capital, and outline how the minimum living standard in London has changed over time.

In 2025, the minimum needs of all household types in London have been reviewed and revised (see Section 2). This includes working-age adults without children, households with children, and pensioners, with single and partnered households considered separately in each case. Many needs and costs are no different in London as compared to the rest of the UK. Where this is the case, the London budgets are based on the 2024 UK MIS research, when budgets for all household types were ‘rebased’ (Davis et al, 2024), meaning that minimum budgets were assembled ‘from scratch’ rather than using existing budgets as a starting point. These costs have been updated to reflect subsequent changes in prices, as captured by the Consumer Prices Index (CPI) in the 12 months to April 2025. Where there are differences in needs and/or costs for people living in the capital, these goods and services have been re-costed for 2025. In addition, housing, transport and childcare costs have all been updated to reflect actual changes in London costs.

This section explores the extent to which particular additional and/or different costs for households in Inner and Outer London contribute to differences in the budgets for London compared with other urban areas of the UK. It looks at the adequacy of income from social security and/or earnings (at the National Living Wage) in relation to the minimum cost of living in London. This also allows us to calculate how much income from earnings or pensions would need be needed for illustrative households to reach MIS in the capital.

While the four example household types that are the focus of the findings presented here, and in the main UK MIS report (Stone and Padley, 2025) give an overview of the experiences of a range of demographic groups in London, experiences will vary for other household compositions. The full range of results for Inner and Outer London can be found using the online [Minimum Income Calculator](#) (CRSP, 2025). This also allows users to include actual costs for key outgoings such as childcare and housing, giving a more accurate reflection of their personal circumstances.

#### Overall differences in minimum household budgets

##### Differences in headline minimum household budgets

For the past decade, MIS London research has consistently shown that households in Inner and Outer London usually need to spend considerably more to reach a minimum socially acceptable standard of living, compared to similar households in other areas of urban UK.

Table 3 summarises how the ‘headline’ budgets (excluding rent and childcare costs) in the UK, Inner and Outer London have changed between 2024 and 2025. In urban UK, the minimum budgets were all ‘rebased’ in 2024 (Davis et al, 2024). These budgets were updated using CPI in 2025, except for housing, childcare and public transport costs, which were re-

priced to reflect 2025 costs (Stone and Padley, 2025). As noted above, the budgets for London were updated by CPI when identical to UK MIS, with London-specific goods and services re-priced for 2025.

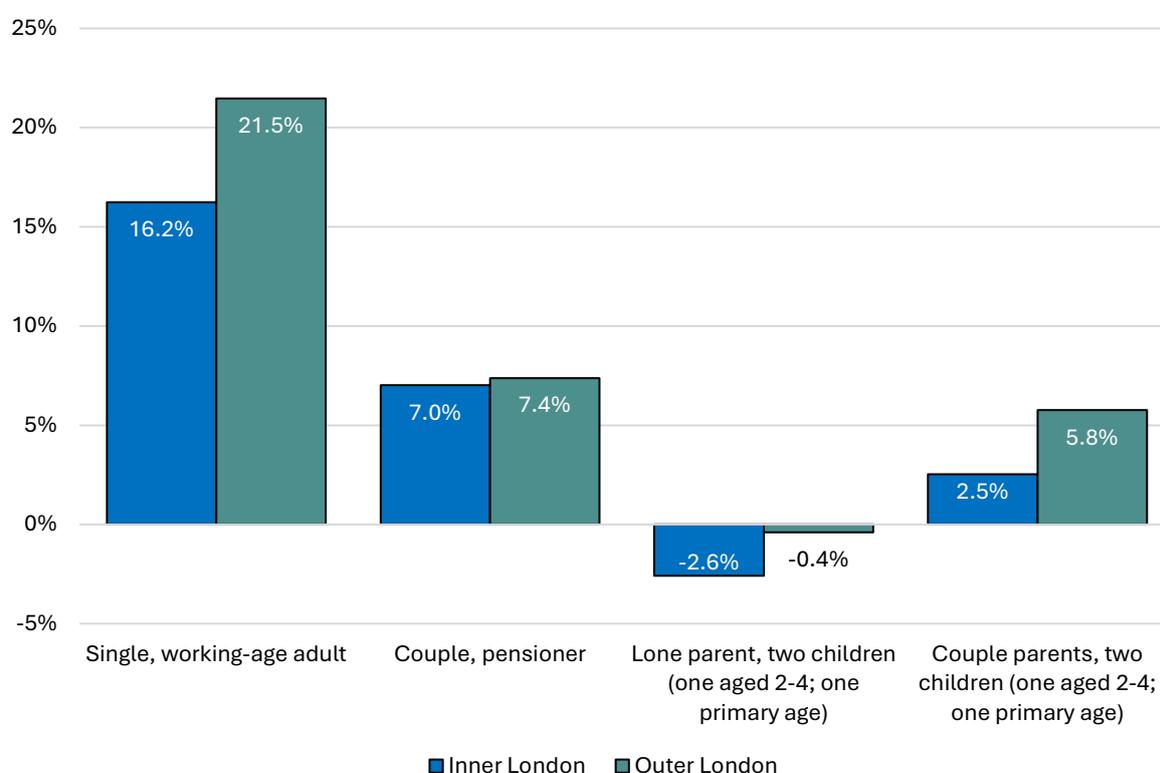
Table 3 shows that for the most part, the core budgets both in and outside London have remained relatively stable between 2024 and 2025. This is not unexpected given that much of the difference is reflective of inflation rather than any changes in needs or the ways in which needs are met. The most substantial change is for single working-age adults in Outer London, whose budget increased by 8.4% between 2024 and 2025, a much greater rise than overall CPI in the 12 months to April 2025 (3.5%).

**Table 3** Changes in weekly UK and London ‘headline’ budgets (excluding rent and childcare)

Household type	Weekly ‘headline’ budgets								
	UK MIS			Inner London			Outer London		
	2024	2025	% change	2024	2025	% change	2024	2025	% change
<b>Single, working-age adult</b>	£323.85	£338.72	5%	£402.45	£393.71	-2%	£379.63	£411.45	8%
<b>Couple, pensioner</b>	£414.80	£430.66	4%	£476.82	£460.89	-3%	£471.07	£462.45	-2%
<b>Lone parent, two children (one aged 2-4; one primary age)</b>	£647.39	£668.05	3%	£635.20	£650.80	2%	£653.24	£665.36	2%
<b>Couple parents, two children (one aged 2-4; one primary age)</b>	£811.07	£842.72	4%	£827.92	£864.01	4%	£868.50	£891.34	3%

Figure 2 and Table 4 show, for the four illustrative household types, how the minimum budgets in Inner and Outer London compare to the budgets in urban UK in 2025. As in previous years, the additional weekly costs are greatest for single working-age adults. However, while in 2024 the additional costs were higher for those in Inner London (24.3% higher than in urban UK, compared with 17.2% higher in Outer London), this year the difference is more pronounced in Outer London (21.5% versus 16.2% in Inner London). This reflects that while the additional costs in most budget areas have become more similar in Inner and Outer London, travel costs remain higher in Outer London due to the need for a travelcard that covers a broader area, and council tax is more expensive in Outer than Inner London.

**Figure 2** Additional weekly budgets compared to urban UK households (April 2025 prices, excluding rent and childcare)



Among couple pensioners, the additional costs associated with living in Inner and Outer London are very similar, at 7.0% and 7.4%, respectively. Unlike working-age adults, pensioners' travel costs are the same in Inner and Outer London, as they both have access to the Freedom Pass that allows them to use the public transport system free of charge at off-peak times. The additional costs for pensioners are also similar but were both higher in 2024, when a pensioner couple living in Inner London need 15.0% more than in urban UK to meet a minimum standard of living, and 13.6% more in Outer London.

For lone parent households in Inner and Outer London, minimum weekly budgets are very similar to urban UK outside the capital, excluding the cost of rent and childcare. For such households, the minimum cost of living in Inner London is costing £17.25 a week less in

Inner London (2.6% lower) and £2.69 a week less in Outer London (0.4% lower). The composition of these differences in costs is set out later in this section. For couple parent households, the cost of a minimum standard of living in London is only slightly higher than in urban UK if rent and childcare costs are excluded, in both Inner London (2.5% higher) and Outer London (5.8%).

**Table 4 Comparison of weekly MIS budgets for urban UK households and London households (April 2025 prices, excluding rent and childcare)**

Household type	Weekly budget, urban UK	London weekly budget (£ and % difference)	
		Inner London	Outer London
Single, working-age adult	£338.72	£393.71 (16.2%)	£411.45 (21.5%)
Couple, pensioner	£430.66	£460.89 (7.0%)	£462.45 (7.4%)
Lone parent, two children (one aged 2-4; one primary age)	£668.05	£650.80 (-2.6%)	£665.36 (-0.4%)
Couple parents, two children (one aged 2-4; one primary age)	£842.72	£864.01 (2.5%)	£891.34 (5.8%)

The patterns evident in Figure 2 and Table 4 for these four selected household types, are replicated across the full range of household types for which MIS budgets can be calculated ([www.minimumincome.org/london](http://www.minimumincome.org/london)).

### Composition of additional costs

Tables 5a and 5b set out the composition of the additional and/or different costs of a minimum budget in Inner and Outer London, compared to urban UK outside the capital.

For single working-age adults, the higher cost of public transport accounts for the greatest proportion of additional costs in both Inner and Outer London, compared with other urban areas of the UK. In Inner London, this comprises an extra £24.20 per week, and in Outer London, £40.08 per week. Social and cultural participation is the other budget area where we see the most substantial additional costs associated with living in London; as described in Section 3, groups agreed that activities such as going to the gym or seeing a film at the cinema would tend to be more expensive in the capital than in other areas of the UK. The remaining additional costs are largely accounted for by the higher budgets allowed for eating out and for hairdressing in London.

For couple pensioner households, there are no differences in transport costs in London and elsewhere, as pensioners inside and outside the capital are able to access free bus travel. However, like working-age adults, pensioners in London have a higher budget for social activities, eating out, and for hairdressing than pensioners living in other areas of urban UK.

For households with children, the cost of transport differs in London not just due to variation in costs, but because minimum transport needs are met differently in the capital. In urban UK outside London, the budgets for households with children include the costs of owning and running a second-hand car, with a small allowance for taxis. However, in London, these needs for households with children are met with public transport and occasional taxi use (as set out in Section 3). For lone parents, this results in a lower overall cost of transport in both Inner and Outer London (a reduction of £18.87 and £3.50, respectively). However, because couple parents both need a monthly travelcard, the cost of transport is higher than in urban UK, with an additional £13.19 in Inner London, and £43.27 in Outer London. Reflecting the additional costs seen for other household types, the higher budget for social activities and hairdressing account for most of the other additional costs for parents living in London.

For all household types, the higher costs of living in London are to some extent offset through lower Council Tax and water rates in the capital compared to the rest of the UK.

**Table 5a Components of additional costs for Inner London households (excluding rent and childcare)**

Household type	Additional weekly cost (£)	Of which (£)					
		Transport	Food and alcohol (including eating out)	Personal goods and services	Heat and power	Social and cultural	Other
Single, working-age adult	55.00	24.20	7.64	11.01	0.68	23.84	-12.38
Couple, pensioner	30.23	0.00	10.69	11.36	7.73	19.04	-18.59
Lone parent, two children (one aged 2-4; one primary age)	-17.28	-18.87	2.17	14.57	9.85	-0.25	-24.76
Couple parents, two children (one aged 2-4; one primary age)	21.25	13.19	3.34	22.72	10.87	-0.28	-28.59

**Table 5b Components of additional costs for Outer London households (excluding rent and childcare)**

Household type	Additional weekly cost (£)	Of which (£)					
		Transport	Food and alcohol (including eating out)	Personal goods and services	Heat and power	Social and cultural	Other
Single, working-age adult	72.73	40.08	7.64	8.12	0.68	23.84	-7.63
Couple, pensioner	31.79	0.44	10.69	6.15	7.73	19.04	-12.25
Lone parent, two children (one aged 2-4; one primary age)	-2.72	-3.50	0.00	11.65	9.85	-0.25	-20.47
Couple parents, two children (one aged 2-4; one primary age)	48.59	43.27	0.00	17.19	10.87	-0.28	-22.46

### Differences in total minimum household budgets

The figures presented in this section have so far excluded housing and childcare costs, to highlight the additional and/or different costs of living in London that might be masked by the inclusion of these sizeable elements of household budgets. However, because housing and childcare costs have a substantial and unavoidable impact on how much households need to spend to have a socially acceptable standard of living in the capital in 2025 we now set out minimum budgets that include these costs.

Figures 3a and 3b show, for Inner and Outer London, how including these costs affects the additional budget needed in the capital compared to urban UK, and how this has changed over time. Across all years shown (2022-2025), the costs of renting and of childcare remain the main source of difference between London and elsewhere in the UK.

In every year shown in Figures 3a and 3b, single working-age adults living in Inner London have the greatest proportionate difference in what is needed for a minimum living standard, needing 65% more than those living outside London in 2025. During the past decade, this gap has widened considerably – in 2014, single working-age adults in Inner London needed to spend 47% more than those in urban UK – an additional £131 per week, compared with £304 extra in 2025. We see a similar pattern in Outer London, although the magnitude of difference is not so great.

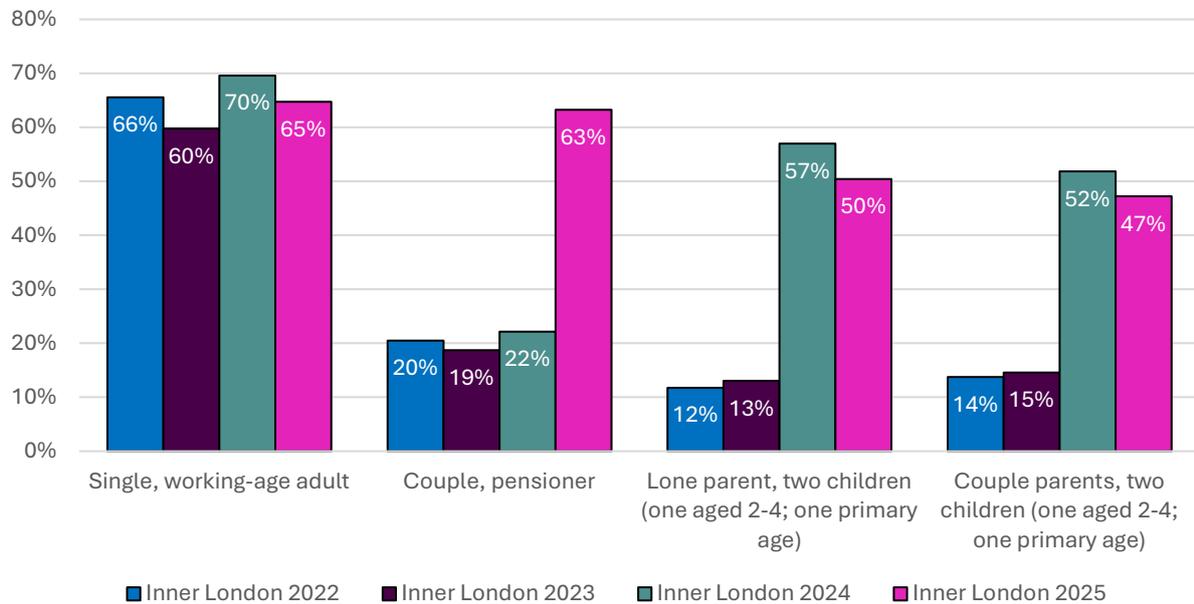
For the other household types, the most prominent change over time has been the shift to private renting from social renting, which happened in 2024 for households with children, and in 2025 for pensioners (see Section 3). This led to a huge jump in the additional cost of living in London for these households, increasing the gap to a magnitude almost as high as that for single working-age households (who were already in private rented housing). To estimate the cost of private rents we, in most cases, use the lower quartile rents for a property of the appropriate size for each household in Inner and Outer London (ONS 2025b). The exception is for working-age couples without children and pensioner couples, for whom we use the median rent to allow for a slightly larger one-bedroom property to accommodate two adults.

For pensioner couples, the change in tenure means that in 2025, the budget for those in Inner London is 63% higher than in urban UK (where pensioners are still assumed to be in social housing), up from just 22% in 2024. They would now need £395 per week more than their counterparts in urban UK to have a dignified standard of living, the majority of which (£315 per week) is due to the much higher cost of rent. Similarly, couple pensioners in outer London need 44% more than those in the other UK towns and cities, a difference of £240 per week, £208 of which is attributable to higher rent.

For households with children, this shift happened in 2024, and the wide gap between the cost of living in London and urban UK outside the capital remains in 2025, albeit narrowing slightly. In Inner London, the budget needed for a minimum standard of living is around 50% higher than for households with children in other areas of the UK, and in Outer London, around a third higher. In 2025, a couple with two children in Inner London would need £588 per week more than those outside London to cover their costs (£413 attributable to

differences in rent), while those in Outer London would need an extra £430 a week (£274 attributable to rent).

**Figure 3a Additional weekly budgets in Inner London compared to urban UK households (including rent and childcare)**



**Figure 3b Additional weekly budgets in Outer London compared to urban UK households (including rent and childcare)**

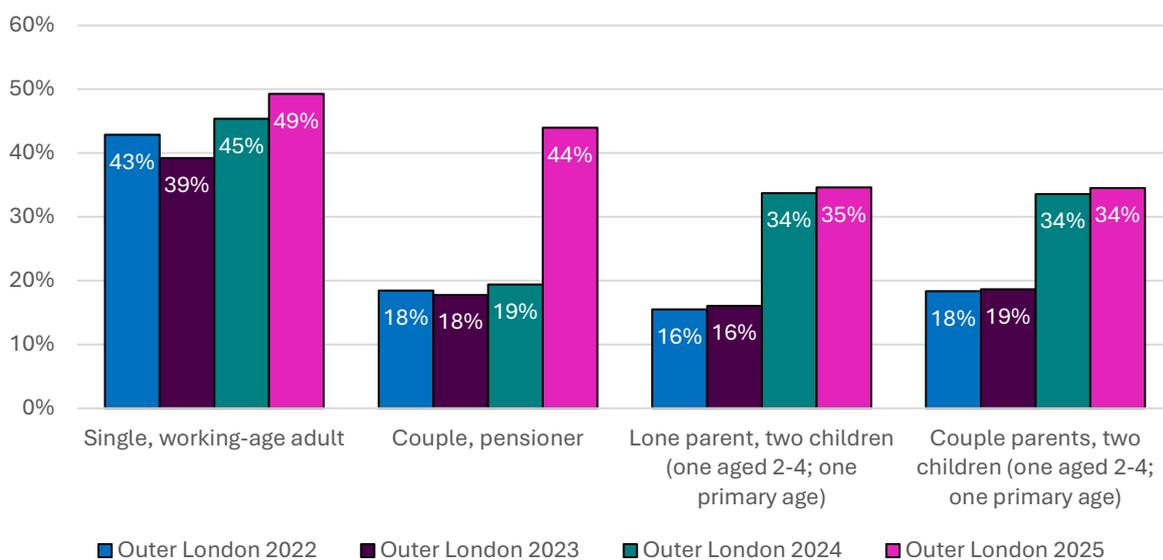
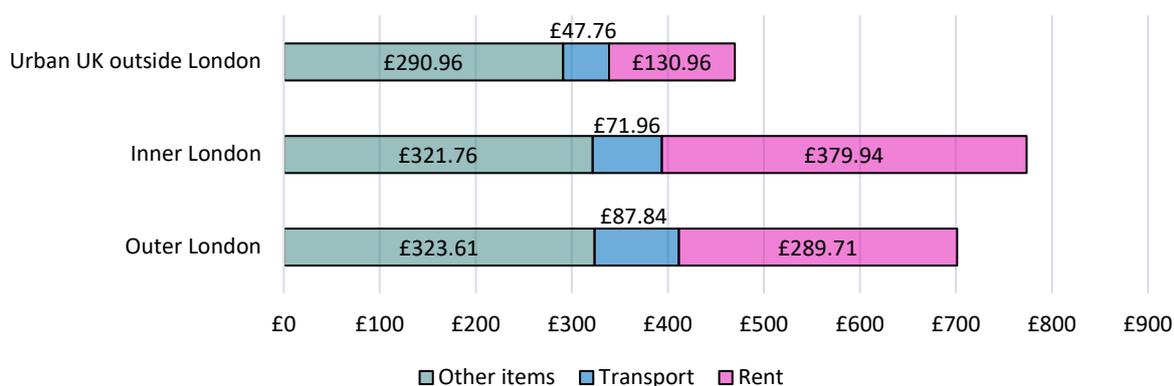


Figure 4 shows the extent which higher private rents are driving the higher cost of a minimum socially acceptable standard of living in the capital for single working-age adults. This shows that the 'core' budgets for single working-age people (the other category in Figure 4) are moderately higher in both Inner and Outer London, compared to urban UK.

However, this is overshadowed by massively higher rents in London, along with the markedly higher cost of public transport in the capital. As a consequence, living in London means that these households need to spend substantially more to live with dignity. Among single working-age adults, those living in Inner London face rental costs that are almost 3 times as much as in urban UK. Therefore, rent represents a much higher proportion of the total minimum budget in London, accounting for 49% and 41% of the Inner and Outer London budgets, respectively, compared with just 28% of the budget for comparable households in urban UK.

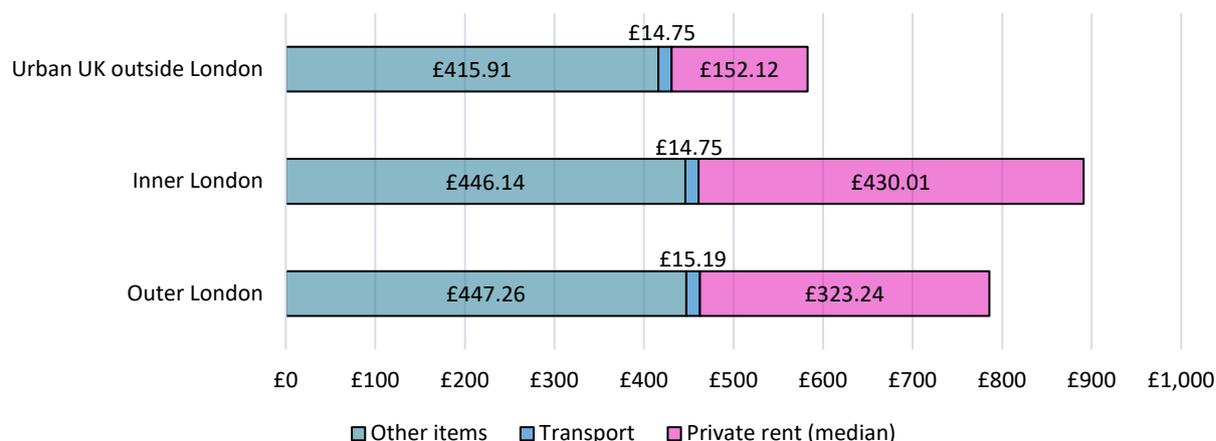
**Figure 4 Weekly minimum costs in/outside London, single working-age person living alone (2025)**



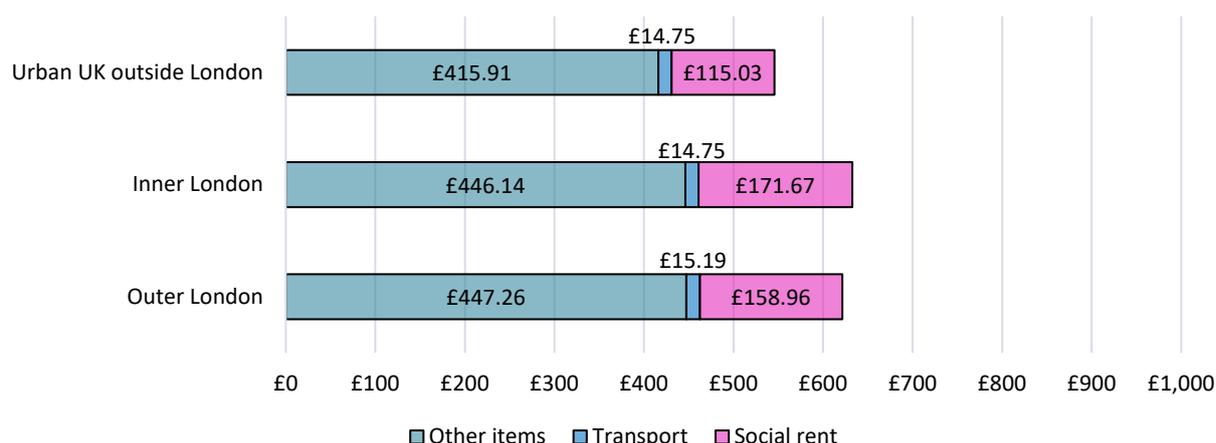
Figures 5a and 5b show, for couple pensioners, the composition of the total minimum budgets for Inner and Outer London, and urban UK, comparing the contribution of private rent (Figure 5a) or social rent (Figure 5b). Under the 2025 assumption that pensioners would need to budget to live in private rented accommodation, there is a substantial difference in the budget needed to live in London compared with urban UK outside the capital. As noted earlier, transport costs are almost identical across the three budgets, as pensioners have access to free bus travel regardless of where they live. As for single working-age adults, there are also only modest differences in the ‘core’ budgets represented by the ‘other items’ category. It is therefore the difference in rental cost that again underlies the gap in what households need to live in London compared with those outside the capital, explaining the majority of the difference in both Inner and Outer London.

The impact of the shift to private renting becomes even more apparent when the differences in budget are recalculated under the assumption that pensioners can access social rented housing (Figure 5b). While the total budgets are still higher in London than in urban UK, the gap is now much less substantial. For example, in Inner London, pensioner couples in social housing would need £87 more per week than those in social housing in urban UK; if living in private rented housing, they would need £308 per week more. Similarly, while social rent would account for 27% of a pensioner couple’s budget in Inner London, private rent would make up nearly half (48%) of what they would need to spend to have a socially acceptable standard of living.

**Figure 5a Weekly minimum costs in/outside London, couple pensioners, private rent (2025)**



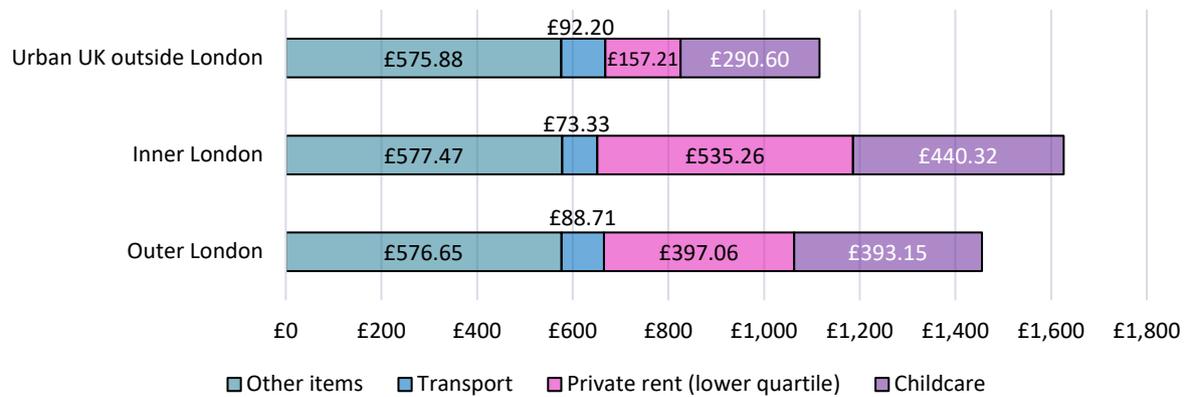
**Figure 5b Weekly minimum costs in/outside London, couple pensioners, social rent (2025)**



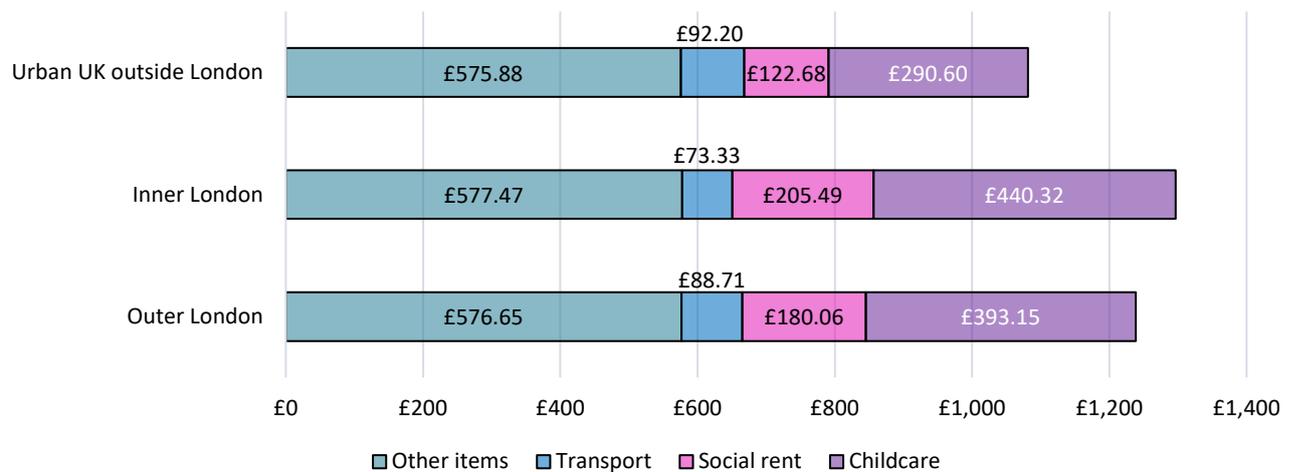
The contribution of transport costs, rent, childcare, and other items to the total budgets for parents are shown in Figures 6a and 6b (lone parents), and 7a and 7b (couple parents). Figures 6a and 7a show the results for parents living in private rented accommodation. For lone parents with two children, private rent and childcare account for more than half of a minimum weekly budget for the other London parents – 60% in Inner London, and 54% in Outer London. In urban UK, rent and childcare only account for 40% of the total budget for this household type. For couple parents with two children living in Inner or Outer London, rent and childcare account for 50% and 46%, respectively, of what they need for a socially acceptable standard of living in 2025, compared with 38% in urban UK. If these households were able to access social housing in the capital, the impact on a minimum weekly budget is significant (Figures 6b and 7b). For parents with two children in Inner London, social rent could reduce a minimum budget by £330 each week for both lone and couple parents, and by £217 per week in Outer London. However, while this would reduce the additional cost of living in London substantially, the much higher childcare costs in the capital mean that even if social rented accommodation were available, the gap in total minimum costs for London

parents, compared with those outside the capital, would remain more pronounced than for households without children.

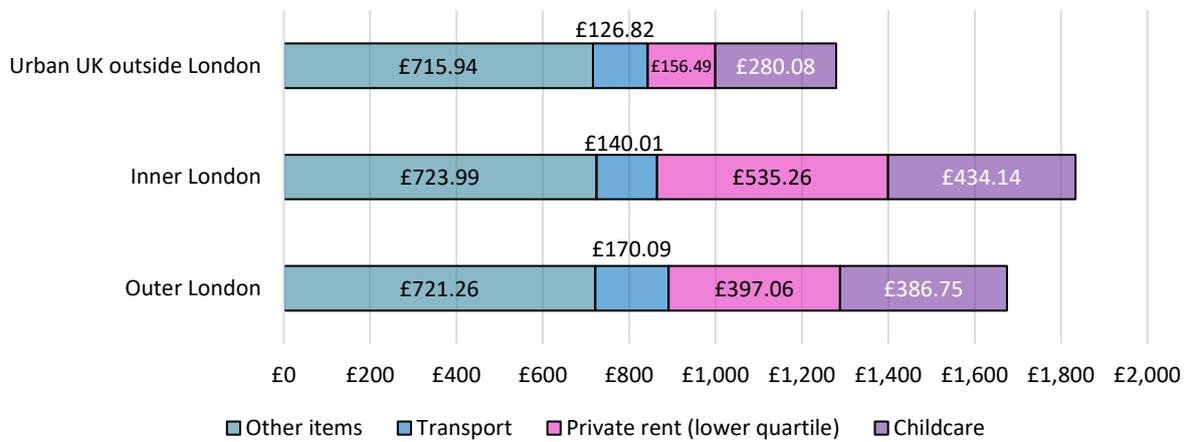
**Figure 6a** Weekly minimum costs in/outside London, lone parent, two children (one aged 2-4; one primary age), private rent (2025)



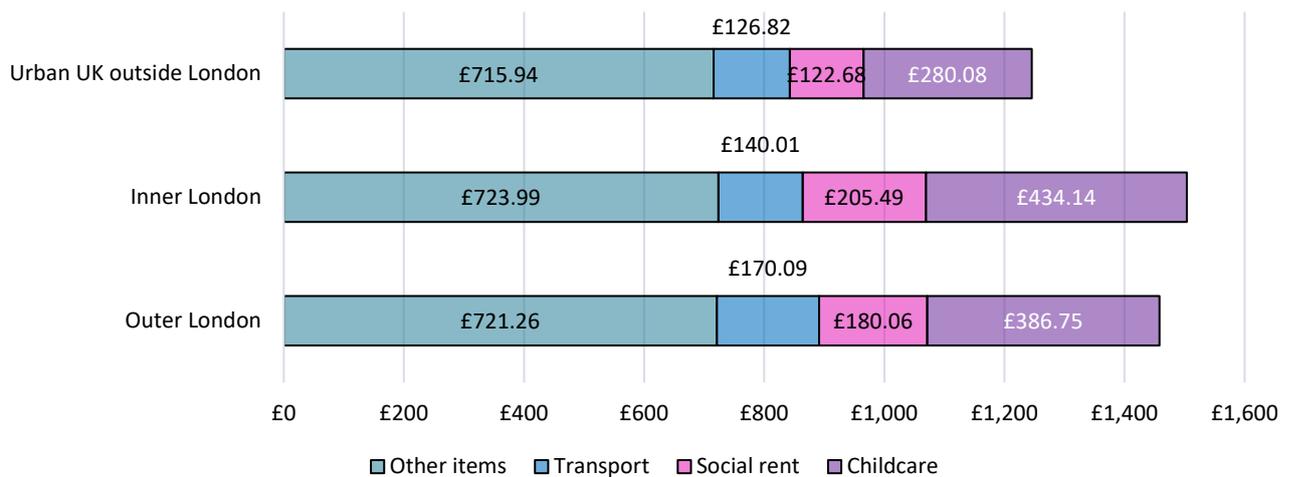
**Figure 6b** Weekly minimum costs in/outside London, lone parent, two children (one aged 2-4; one primary age), social rent (2025)



**Figure 7a** Weekly minimum costs in/outside London, couple parents, two children (one aged 2-4; one primary age), private rent (2025)



**Figure 7b** Weekly minimum costs in/outside London, couple parents, two children (one aged 2-4; one primary age), social rent (2025)



## Income comparisons and earnings requirements

The MIS London research makes it possible to compare what is needed for a minimum standard of living by different households with the level of income provided through safety-net benefits (for those out of work) and employment, paid at the National Living Wage (NLW). The research also makes it possible to calculate how much working households in Inner and Outer London would need to have the disposable income required for a minimum socially acceptable standard of living in 2025.

The figures in this report are for April 2025, at which point the NLW (for those aged 21 and over) increased from £11.44 to £12.21, an increase of 6.7%. Benefits were also uprated by 1.7% in April 2025, with the exception of the State Pension which was increased by 4.1%. The Local Housing Allowance (LHA), which sets the maximum amount of support with

housing costs that are available via Universal Credit or Housing Benefit, was re-linked to the 30<sup>th</sup> percentile of local rents in April 2024, having been frozen since 2020. However, it was subsequently re-frozen, and the rates remained at 2024 levels in April 2025. In the context of rising private rental costs State support for housing costs has, therefore, become increasingly inadequate. Across England, average private rents increased by 7.5% in the 12 months to April 2025, and rent inflation was even higher in London at 8.4% (ONS, 2025a). With this in mind, in 2025 we have revised our assumptions around the support provided by LHA when calculating the adequacy of different income sources. This is particularly important in London, where all MIS budgets now assume a need to cover the cost of private rented housing, and where housing cost are extremely high compared with other areas of the UK.

In 2024, when the LHA had been re-linked to the 30<sup>th</sup> percentile of local rents, we assumed that this would be adequate to cover 99% of a typical lower quartile rent in London. To test the validity of this assumption in 2025, we compared the lower quartile rents and LHA rates for boroughs in Inner and Outer London, with separate calculations for one-, two- and three-bedroom properties, to determine what proportion of a typical rent would be covered by the LHA.<sup>1</sup> This showed that LHA would, on average, cover 81% of a lower quartile rent in Inner London and 87% in Outer London. The 2025 calculations of income adequacy and income requirements therefore use these revised assumptions to calculate the amount of state support for the cost of private rented housing that households could expect to receive in the capital. Comparable data were not available for the main UK MIS calculations in 2025, so we retain an assumption that outside the capital, LHA will cover 95% of lower quartile private rent. We advise caution in comparing income adequacy and requirements between London and the rest of the UK.

Table 6 sets out the proportion of the disposable income needed for a minimum standard of living that households who are out of work would receive from safety-net benefits in Inner and Outer London, and in urban UK outside the capital, and for those in private and social rented housing. Disposable income is defined as the amount a household has left to spend on meeting its needs after paying taxes (including Council Tax), rent and childcare costs (where relevant). Regardless of where they live, whether they are single or partnered, whether they have children, or their housing tenure, out-of-work households fall far short of the income needed for a decent living standard if reliant on social security. Safety-net benefits provide for less than 50% of minimum needs in every case presented here, but the situation is particularly challenging for those living in the private rented sector in Inner London. None of the household types shown in Table 6 have any remaining disposable income after paying for housing and taxes (we assume that out-of-work parents would not need to pay for childcare) – the negative values show that they would not even have enough to pay for their housing costs using our assumptions. They would therefore be forced to make difficult decisions about, for example, the type of housing that they could afford, and could end up living in inadequate accommodation far smaller than the public agreed would be needed to meet minimum living standards.

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<sup>1</sup> LHA rates are set for Broad Rental Market Areas, which do not necessarily align with local authorities. Best-fit estimates of LHA rates by London Borough were obtained from the Local Government Association data explorer at <https://lginform.local.gov.uk/>

This situation has worsened over time. In 2014, in the first MIS London research, safety-net benefits provided 54% of what a couple with two children living in Inner London needed; in 2025, with a private rent, they have no disposable income. This change over time in part reflects changes in the minimum budgets, both through the increasing cost of goods and services, and changes in what the public agree is needed for a minimum standard of living – particularly in relation to housing. However, even assuming households could access the lower rents offered by social housing, safety-net benefits still fall far short of having what they need to live with dignity in the capital, and couple parents in Inner London are still only able to meet 33% of a minimum budget. This highlights the inadequacy of a social security system that has become increasingly insufficient to allow people to have a dignified standard of living.

**Table 6 Londoners’ disposable income compared to MIS: safety-net benefits (2025)**

Household type		Safety-net benefits as % of MIS budget, 2025	
		Private rent	Social rent
Single, working-age adult	UK outside London	27%	28%
	Inner London	-25%	24%
	Outer London	-2%	23%
Lone parent, two children (one aged 2-4; one primary age)	UK outside London	38%	44%
	Inner London	-8%	44%
	Outer London	14%	43%
Couple parents, two children (one aged 2-4; one primary age)	UK outside London	30%	37%
	Inner London	-6%	33%
	Outer London	10%	35%

Note: Negative values in Table 6 show that households would not even have enough income on safety-net benefits to cover their housing costs

Table 7 shows that even those working full-time on the NLW will in most cases fall far short of having an income sufficient to have a socially acceptable standard of living in London, or even in other, less expensive areas of urban UK. None of the households shown in Table 7 have enough income to reach MIS, but the picture is again particularly stark for those who live in Inner London. In the UK outside London, a single working-age adult has 76% of the income needed to reach MIS if in private rented housing. The same household type in Inner London would have less than half (48%) of what they need for a minimum standard of living, and in Outer London would have just 54% of what they need. Although the difference between London and other areas of the UK is most pronounced for single working-age adults without children, this gap persists for parent households. Working full-time on the NLW provides lone parents with two children in Inner London with only around half (51%) of the income needed for a decent living standard, compared with around two-thirds (67%) in urban UK. The gap is similar for couple parents – the full-time NLW gives them 65% of what they need in Inner London and 69% in Outer London, compared with 81% in urban UK. This would be mitigated in part if social housing were more readily available – Table 7 shows that for all household types across London and the UK, the lower cost of social housing as compared to private renting would increase the proportion of a minimum budget provided

by working full-time on the NLW. However, no household would have sufficient income for a socially acceptable standard of living even with this change in tenure.

These findings reflect that over time, the MIS budgets have increased more rapidly than the wages, despite substantial rises in the NLW since it was introduced in its current form in 2016. The increases in MIS are driven in part by changing needs and how these are met – the switch to private renting for all households in London is a key example of this. But it also reflects rising costs that have outstripped the additional income provided by increases in the NLW, especially for essential goods and services that make up a large proportion of budgets for low-income households in London and elsewhere. For households with children, the cost of childcare has risen greatly over the past decade; in 2014 the weekly cost of childcare for a couple with two children in Inner London was £249 but by 2025 was 75% higher, at £434 a week. This is despite the introduction of policies to support working parents with the cost of childcare during this period, including the most recent expansion of free provision to include 15 hours for children from nine months old, introduced in September 2024 and extended to 30 hours from September 2025.

Taken together, this emphasises the importance of considering the interaction between needs, costs and incomes when analysing living standards. This means that even for households where all adults are working full-time at the NLW, the continued shortfall in disposable income means households are unable to have a standard of living that both meets their material needs, and allows them to participate in the world around them as part of society in the capital.

Appendix 2 includes a series of Figures which show the disposable income available to a range of different household types in Inner and Outer London, based on income on safety-net benefits and differing levels and combinations of employment, relative to a minimum budget.

**Table 7 Londoners’ disposable income compared to MIS: National Living Wage (2025)**

Household type		Disposable income working full-time on National Living Wage, as % of MIS budget, 2025	
		Private rent	Social rent
Single, working-age adult	UK outside London	76%	86%
	Inner London	48%	67%
	Outer London	54%	64%
Lone parent, two children (one aged 2-4; one primary age)	UK outside London	67%	69%
	Inner London	51%	67%
	Outer London	59%	67%
Couple parents, two children (one aged 2-4; one primary age)	UK outside London	81%	82%
	Inner London	65%	77%
	Outer London	69%	75%

Table 8 outlines the extent to which pensioners in London and in the rest of the UK are able to reach MIS if receiving the full state pension, or a top-up via Pension Credit. Pensioners in urban UK outside London are the household type whose income comes closest to reaching MIS, at over 90% in most cases. However, the disposable incomes of pensioners living in London in 2025 fall much further below that needed for a minimum standard of living. This is in part due to the shift to private renting in 2025 – pensioners in Inner London all have less than two-thirds of what they need to reach MIS if in the private rental sector. Being able to access social housing brings incomes much closer to MIS – single pensioners on the full state pension have the income needed to reach 85% of MIS if in social rented housing in Inner London, compared with just 58% for those in private rented housing. This emphasises the primary importance of housing across the life course in shaping living standards, and with an increasing number of people in the private rental sector as they age, this issue will only become more pressing.

**Table 8 Pensioner’s disposable income compared to MIS: Full State Pension or Pension Credit (2025)**

		Full State Pension and Pension Credit as % of MIS Budget, 2025	
Full State Pension		Private rent	Social rent
Single pensioner	UK outside London	91%	93%
	Inner London	58%	85%
	Outer London	71%	86%
Couple pensioners	UK outside London	89%	91%
	Inner London	65%	83%
	Outer London	73%	83%
Pension Credit			
Single pensioner	UK outside London	92%	95%
	Inner London	59%	86%
	Outer London	73%	87%
Couple pensioners	UK outside London	85%	87%
	Inner London	60%	79%
	Outer London	70%	79%

Table 9 shows how much different households would need to earn to have a minimum standard of living in urban UK, and across London. Households in London have consistently needed to earn substantially more than those outside the capital in order to reach MIS. There is a marked widening of this gap for households with children in 2024, when there was a shift to private renting for these households in Inner and Outer London, resulting in a substantial rise in housing costs. Combined with the higher cost of other substantial components of households budgets for those living in London, including transport and childcare, this means that since the research began in 2014, Londoners have needed to earn

considerably more to have the same standard of living as their counterparts in other areas of the UK.

**Table 9 Earnings needed to reach MIS (excluding cost of living support in 2022)**

Household type		UK outside London	Inner London earnings needed	Outer London earnings needed
<b>Single, working-age</b>	2025	£30,500	£54,400	£48,200
	2024	£28,000	£47,300	£43,200
	2022	£25,514	£45,200	£39,500
	2020	£19,100	£33,300	£27,000
	2018	£18,400	£32,400	£26,900
	2016	£17,300	£29,600	£25,700
	2014	£17,100	£27,100	£24,500
<b>Couple, two children, primary and preschool age (each parent)</b>	2025	£37,000	£49,500	£46,900
	2024	£34,700	£41,600	£41,000
	2022	£21,700	£23,800	£27,800
	2020	£19,200	£30,800	£32,300
	2018	£20,000	£31,300	£28,400
	2016	£18,900	£28,400	£29,900
	2014	£20,400	£28,800	£28,500

## 4 Households below the Minimum Income Standard in London

This section compares the incomes of households in London to the MIS benchmark for a dignified standard of living. We use data from the Family Resources Survey (DWP, 2025) to look at the changes to income adequacy in London over time. The analysis of households below MIS in London uses an average of Inner and Outer London MIS budgets in order to produce an estimate for London as a whole. MIS budgets for years before 2014 – when MIS London research began – have been estimated by deflating the 2014 budgets. For the period from 2010 to 2024 we analyse how the incomes of different household types compare to the MIS threshold. Three-year averages are used here to ensure that sample sizes are sufficient. For ease of reporting, single financial year labels are used in the results – for example the data point for 2023/24 is an average of 2021/22, 2022/23 and 2023/24.

Table 10 shows the number individuals living in households with incomes below MIS in London according to household composition. The overall number of individuals living on insufficient incomes has increased from 3.37million in 2012/13 to 3.98 million in 2023/24 – an increase of over 18%.

**Table 10** Number of individuals below MIS in London

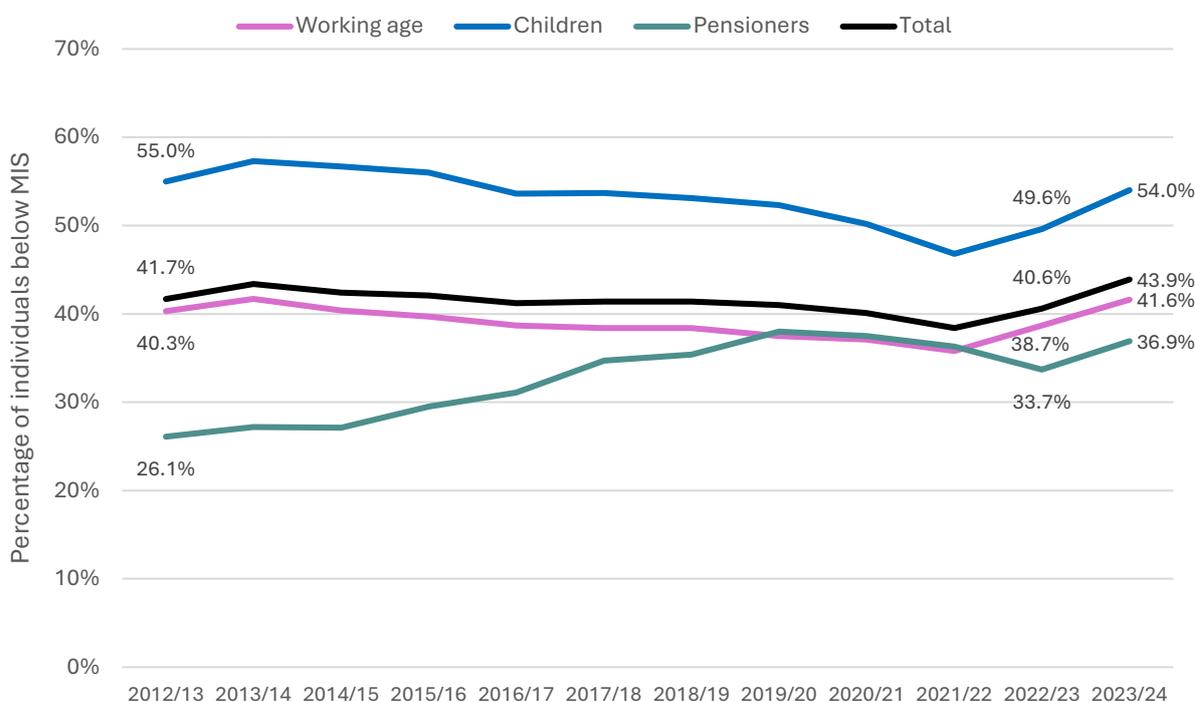
Household composition	Number below MIS (millions)	
	2012/13	2023/24
<b>Children</b>	<b>0.99</b>	<b>1.12</b>
<i>Children in lone parent families</i>	0.37	0.43
<i>Children in couple parent families</i>	0.62	0.69
<b>Parents</b>	<b>0.89</b>	<b>0.89</b>
<i>Lone parents</i>	0.22	0.22
<i>Couple parents</i>	0.67	0.67
<b>Working-age without children</b>	<b>1.23</b>	<b>1.60</b>
<i>Working-age without children, single</i>	0.87	1.09
<i>Working-age without children, couples</i>	0.36	0.51
<b>Pensioners</b>	<b>0.27</b>	<b>0.38</b>
<i>Pensioners, single</i>	0.16	0.23
<i>Pensioners, couples</i>	0.11	0.15
<b>TOTAL</b>	<b>3.37</b>	<b>3.98</b>

Figure 8 shows how the risk of individuals living below MIS in London has changed over time for children, working-age adults and pensioners. In 2023/24, 43.9% of individuals (3.98 million people) are living on an inadequate income, up from 41.7% in 2012/13. This compares to 37.5% across the UK (Robinson, Stone and Padley, 2026), emphasising that those living in the capital have a greater risk of living on incomes that fall short of what is needed, compared to those in other locations in the UK.

Children remain the broad demographic group most likely to be living below MIS in London – the majority (54%) are growing up without the resources many of us take for granted, echoing the findings for the wider UK (Robinson, Stone and Padley, 2026). As shown in Table 10, this means that 1.12 million children living in a household without adequate income. Throughout the period covered by this report, children have consistently been the demographic group most at risk of being below MIS.

The trend for those of working-age closely follows that for all individuals, since they form the largest group in the population. The proportion of working-age people who are below MIS has risen steadily from a low of 35.8% in 2021/22 to 41.6% in 2023/24, over 5 percentage points higher than in the UK overall. This is partly attributable to the higher rent inflation experienced in London (ONS, 2025a), but also points to the failure of wages to keep up with the rising cost of essentials, which make up a greater proportion of spending in low income households across the UK (Pittaway and Try, 2025).

**Figure 8** Proportion of individuals below MIS in London

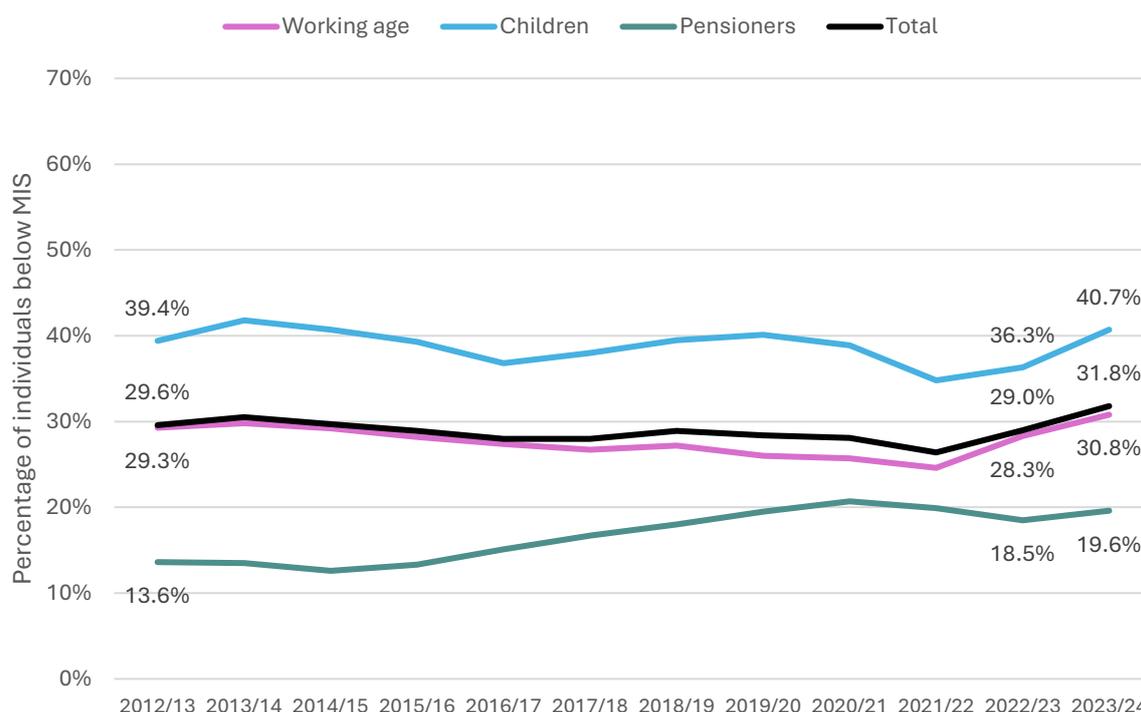


For the period from 2012/13 to 2019/20, pensioners were the group least likely to be below MIS, partly due to the value of the state pension being protected by the triple lock, meaning that the state pension has risen faster than either working-age benefits or earnings (Harker and Kirk-Wade, 2023; Karjalainen, 2025). After a short spell where their risk of living on an inadequate income was comparable to that of working-age people, there was a decline in 2022/23. However, pensioners have experienced an uptick in their risk of having inadequate income in 2023/24, reflecting the impact of the switch from social housing to private rented housing in minimum budgets for pensioners in 2025.

Figure 9 sets out how the proportion of people living below 75% of MIS in London has changed over time. This threshold is important because people living below this level have a substantially greater risk of material deprivation (Hirsch et al, 2016).

Throughout the period from 2012/13 to 23/24, children have consistently been the group most likely to be living in a household with an income below 75% of MIS. In contrast, over the same time period, pensioners have had the lowest risk of being below this level.

**Figure 9 Proportion of individuals below 75% of MIS in London**



The gap between children’s and pensioners’ risk of being below 75% of MIS has narrowed from 2013/14 to 2021/22. However, in 2022/23 and 2023/24 we have seen that gap start to increase again.

The recent scrapping of the two-child limit will go some way towards improving living standards for children (CPAG, 2025), but alone this will not alleviate the increased risk of material deprivation experienced by many children, since almost 4 in 10 children in London were living below 75% of MIS prior to 2017 when the limit began.

### Household composition

Table 11 shows how the risk of living below MIS in London varies by household type and how this has changed between 2012/13 to 2023/24.

**Table 11** Proportion of individuals below MIS in London by household type

Household composition	Proportion of individuals below MIS	
	2012/13	2023/24
<b>Children</b>	<b>55.0%</b>	<b>54.0%</b>
<i>Lone parent households</i>	79.5%	86.5%
<i>Couple parent households</i>	46.5%	43.8%
<b>Working-age without children</b>	<b>29.5%</b>	<b>29.7%</b>
<i>Single</i>	47.3%	47.1%
<i>Couple</i>	19.9%	21.2%
<b>Pensioners</b>	<b>26.1%</b>	<b>36.9%</b>
<i>Single</i>	34.1%	49.3%
<i>Couple</i>	19.5%	27.0%

Children have been the group most at risk of living in a household with an inadequate income across this period (Figure 8). For children growing up in lone parent households, the risk is substantially higher than for those living in couple parent households at 86.5% compared to 43.8%.

The risk of having an income below MIS for working-age adults without children has changed very little between 2012/13 to 2023/24. However, single working-age adults living on their own exhibit a much higher risk of being below MIS – 47.1% compared to 21.2% for couples.

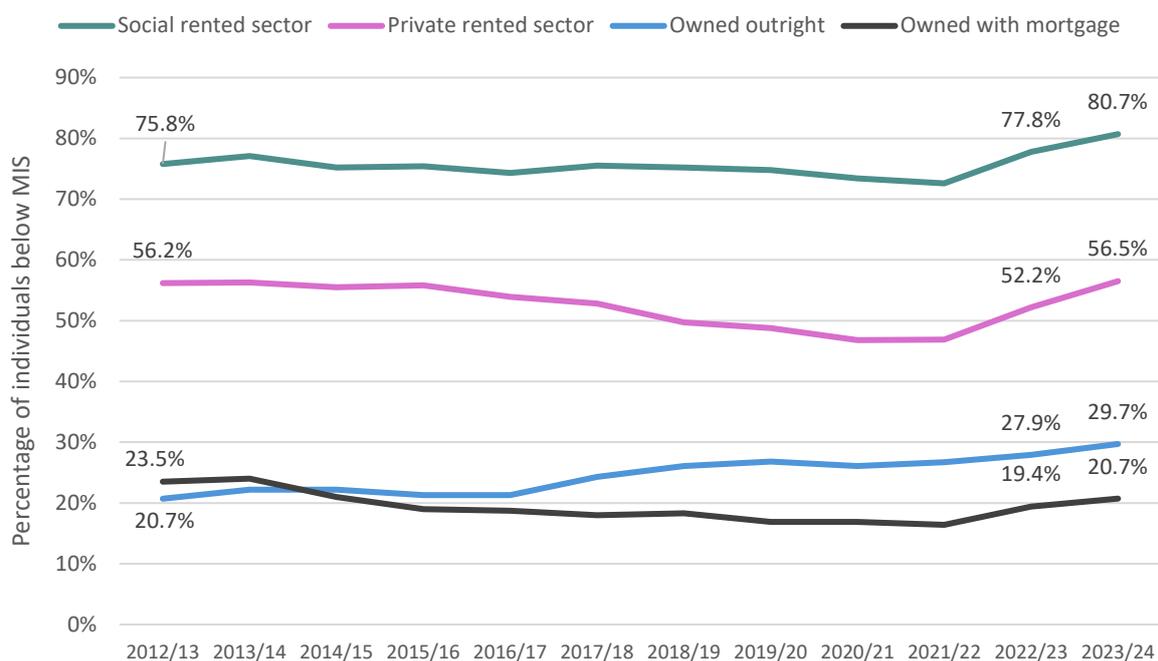
For pensioners living in the capital, the risk of having inadequate income has increased substantially between 2012/13 to 2023/24, so that they are now at greater risk of living below MIS than working-age adults without children. This contrasts with the UK national position for pensioners where the risk of being below MIS has fallen (Robinson, Stone and Padley, 2026), following the introduction of the state pension triple lock. Again, single pensioners are much more likely to be living without adequate resources than those who are part of a couple.

### Household tenure

Figure 10 illustrates the trend in the proportion of people living on an inadequate income in London by housing tenure and how it varies over time.

Across all tenure types the risk of living below MIS has increased from 2022/23 to 2023/24. Since 2022/23, those living in rented accommodation have seen their risk of living below MIS rise more sharply than those who own their home. Over the entire period from 2012/13 to 2023/24, social housing tenants have been the most likely to be living on inadequate income – 4 out of every 5 people in the latest year. This equates to 1.3 million people living in social housing without the resources they need to participate in society. There has been a decline in the availability of social housing places since the advent of the Right to Buy policy in 1980. Social housing is now only available to those who are most vulnerable, hence social housing tenants start from a position of disadvantage.

**Figure 10 Proportion of individuals below MIS in London by housing tenure**



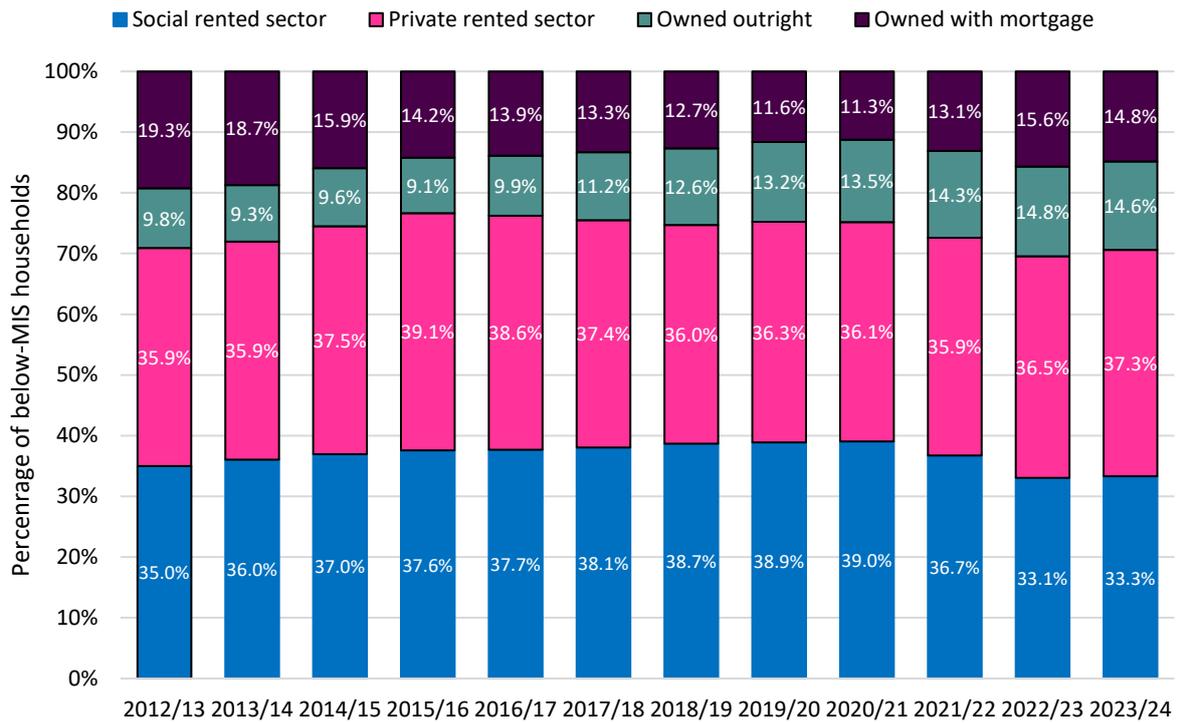
Those living in private rented housing have seen their risk of living below MIS increase to 56.5% - representing 1.5 million people. This is consistent with the substantial rent rises experienced in the private rental sector in London in recent years. In the year ending April 2025, London had the highest average rent of all UK regions - £2,246 per month compared to £1,335 across the UK (ONS, 2025a).

Owner occupiers fare better, although they too have seen an increase in their risk of living on an inadequate income. Almost 3 in 10 of those who own their home are below MIS. Those who own their own home with a mortgage continue to be least likely to be below MIS. This is partly many who own their property outright are pensioners and they tend to be on lower and fixed incomes. But also, perhaps because the high cost of buying one's own home in the capital is out of reach to all except those with high incomes. However, even 1 in 5 of them are living on an income below that needed to participate in society.

In comparison to the UK as a whole, those who own their home outright in London are almost 7 percentage points more likely to be living below MIS; similarly, social housing tenants are 6 percentage points more likely to be living below MIS if they are in London than they are in the UK overall (Robinson, Stone and Padley, 2026).

Figure 11 sets out how the housing tenure of those individuals living below MIS in London has changed over time. The proportion of people below MIS who are living in homes they own outright has increased from 9.8% in 2012/13 to 14.6% in 2023/24. Meanwhile, the percentage of individuals below MIS who own their homes with a mortgage has reduced from 19.3% in 2012/13 to 14.8% in 2023/24. There has also been an increase in the proportion of people below MIS, living in private rental accommodation, alongside a reduction in the percentage in social housing.

**Figure 11** Composition of individuals below MIS in London by housing tenure



## 5 Conclusion

This report has laid out in detail what the public, collectively, think people in London need to live with dignity in 2025, and how and why this is different to what is needed in other urban areas of the UK. As in previous years, the majority of what is needed for a minimum standard of living in Inner and Outer London is the same as what is needed in urban UK outside London. This report captures the detailed deliberations and discussions that take place in MIS groups. What emerges from these groups is a clear, shared view of what everyone in society should be able to have and do. This is a shared vision that goes beyond simply meeting material needs like food, clothes and shelter. Living with dignity means being able to take part in the world around you in a meaningful way, having what you need to be included in the community where you live, to be able to live and work and thrive in the city. This vision provides a powerful starting point for rethinking the ways in which London currently 'works', the ways in which services are delivered to Londoners, the ways in which incomes could be boosted and unavoidable costs reduced to enable more of those who call London home not just to survive, but to thrive.

This latest report highlights a particularly stark change in what is needed for a minimum standard of living in 2025, one that has significant consequences for what all households need to reach a dignified standard of living. For the first time since MIS London research began, there was a clear consensus that it was no longer reasonable to assume that households of all types would be able to straightforwardly access social housing. The result of this is that minimum budgets for all households now include rents in the private rented sector. The shift from social to private rented housing for pensioners follows the same shift in 2024 for households with children, resulting in substantially higher housing costs for all household types in 2025 than a decade ago, and comparatively, substantially higher housing costs in London for all household types compared to similar households in urban areas outside London. The cost of housing in London relative to other parts of the UK has been a challenge identified in every MIS London report. This shift away from social housing as a reasonable assumption points to a real deterioration in the housing 'safety-net' that has offered such valuable protection from the higher cost and often lower quality of private rented housing to so many households.

It is clear then from the report this year that much needs to change. The story coming out of a decade of MIS London research is one of a lack of progress towards improved living standards:

- More people are living below MIS in London now (3.98 million) than were a decade ago
- More than half of all children in London (1.12 million) are growing up in households without the income needed to meet their minimum needs
- 4 out of every 10 children live below 75% of MIS, the point at which the risk of material deprivation increases substantially
- Over a third of pensioners in the capital (380,000) don't have the income needed for a minimum socially acceptable standard of living, up from just over a quarter ten years ago.

Incomes continue to be stretched and there are few indications of improvements in the second half of the 2020s (Corlett, 2025), particularly for those on the lowest incomes – those most at risk of falling well short of what is needed to live with dignity in the capital. There is no quick fix here, but it is imperative that those in the positions to make positive changes in policy and to make bold decisions about funding start to do so. Otherwise, there is a real risk that ten years from now little will have changed, and too many people will continue to live without all that they need for a dignified standard of living in London.

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## Appendix: Methodology

This appendix sets out the methodology used in the latest MIS London research. MIS is centred around in-depth discussions with groups of members of the public. These groups are asked to discuss in detail the goods and services that different households need to meet a minimum socially acceptable standard of living. Groups focus on reaching agreement on what is required by examples of 'hypothetical' households, which are similar but not identical to their own situation, rather than focusing on what they themselves think they need to have a minimum living standard. Groups in this latest research discussed the needs of pensioners and working-age households with and without children living in Inner and Outer London.

In the UK MIS research, in urban locations outside London, groups are regularly asked to construct household budgets from scratch, starting with a blank page (rebased). In 2024, all household budgets were 'rebased' in UK MIS (Davis et al, 2024). Household budgets included single and partnered working-age adults without children, single and partnered pensioners and lone and couple parents living with children. In MIS London research, groups of members of the public reviewed the lists of goods and services compiled in urban locations in the UK outside London in 2024 and considered how needs may differ in the capital. The groups also discussed whether what is needed for a minimum acceptable standard of living has changed since the previous research with households with children in London in 2024, and pensioner and working-age households in London in 2022.

The groups focused on:

- reviewing the goods and services needed for a minimum standard of living agreed in urban locations outside London
- identifying which, if any, of these goods and services would either be inadequate or unnecessary for people living in households of the same type in Inner and Outer London
- agreeing how the list of goods and services should be amended or added to so that households reach the same standard of living in London
- reflecting on any changes over time

Adopting this approach means that differences can be identified, and the impact of these on minimum income requirements can therefore be calculated. In 2025 all household budgets have been reviewed in the same year, the first time this has been done since the initial MIS London research (Padley et al, 2015).

### Ethics

The research was granted full ethical approval by the Loughborough University ethics committee. Discussing the needs of hypothetical examples of individuals and households means that participants are not being asked for details of their own situations, expenditures or other personal information. All participants signed informed consent forms before the start of groups, having already received a participant information sheet detailing what the group would entail, stating that their participation was entirely voluntary, that any personal

information would be kept securely and deleted once the study was completed and that any contributions quoted in reports and other publications would be anonymised.

### Data and analysis

All groups were audio recorded using digital recorders and transcribed, and notes were taken by moderators. Group decisions were captured using annotations on flipcharts so that participants could see the changes being made in real time because of their discussions. The transcripts were thematically coded using qualitative data analysis software (NVivo). The qualitative data (transcripts, field notes and flipcharts) were used to update and annotate the existing 2024 MIS UK minimum budgets, reflecting the changes in the details of what each household required in terms of items, quantities, retailers, lifetimes and replacement rates.

### Reviewing household budgets in London

In total, 21 groups were held in the summer of 2025 between May and September, with each group comprising, on average, 8-10 people. Participants were asked to think about the needs of households living in Inner and Outer London.

### Principal review groups

Six principal review groups were undertaken: one each with parents, working-age adults without children and pensioners in Inner London, with these groups mirrored in Outer London. These initial groups were tasked with reviewing the detailed lists of goods and services compiled in UK MIS research in 2024, and adjusting and amending these to reflect the different and/or additional needs of these households in the capital. Those participating in groups discussed and agreed what people living in the same kind of household as themselves need for a minimum socially acceptable living standard in London.

As in all MIS research, each group began from the definition of a minimum standard of living put together by the public in the initial urban UK MIS research in 2006. This definition states that:

*A minimum standard of living in the UK today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.*

Any changes to the 'baskets of goods and services', and/or to the quantities of items included in UK MIS budgets compiled in 2024, were made with reference to this definition, and what groups agreed is needed to reach this living standard. As in previous MIS London research, participants were asked to consider what is different *because households are living in London*, rather than because groups disagreed with the inclusion of any particular item as a minimum need for these households.

Groups were asked to consider what a hypothetical household, similar to their own, would need for a minimum acceptable living standard. Using these made-up households shifts the focus from participants' own tastes and preferences to what participants agree is needed to achieve this minimum living standard for a household like theirs. Further, groups were asked

to consider the needs of these households across either Inner London or Outer London, rather than in the specific location in which they live.

The principal review groups were asked to consider whether minimum needs in London – and how these are met – differ from those agreed in the UK MIS for urban areas outside London in 2024. Participants reviewed existing lists of goods and services, and were asked to reach agreement about:

- What – if any – goods and services need to be **added** to existing lists for households in London to reach a minimum socially acceptable standard of living?
- What – if any – goods and services within the UK MIS budgets are **not needed** for London households to achieve this standard?
- What – if any – goods and services need to be **amended** or **revised** for households in London to reach a minimum?
- **Why** are these changes needed?

### Follow up and final review groups

Follow up and final review groups were subsequently held with participants living in Inner and Outer London. A set of three follow up groups, one each with parents, working-age adults without children and pensioners, was held in both Inner and Outer London, with the same pattern repeated for the final review groups. Participants reviewed the lists of goods and services needed for a minimum living standard, including any changes or adjustments that had been made to these by the principal review groups. These twelve groups included different participants to the principal review groups. This is important in ensuring the robustness of the approach; changes made to the lists of goods and services are reviewed by more than one group and final adjustments are only confirmed if and when these are agreed by more than one group.

### Sharers groups

Three groups were held with single working-age people who live in shared accommodation to update the previous research on households of this type. Previous findings (Hill et al, 2015) have shown that there are differences between the needs of those living in shared accommodation and those living on their own. Many of the differences between sharing and living alone relate to what is customarily provided in these tenancy situations, the amount of space available to each ‘sharer’ and the different ways of living that result from being in this sort of accommodation.

### Recruitment

Participants for all groups were recruited by a recruitment company that has worked on MIS research projects across the UK. As in all MIS London research since 2014/15, Inner and Outer London were defined according to the definition used by the Greater London Authority, set out in Figure 1. The majority of groups were conducted in person in locations throughout Greater London, with the three sharers’ groups held online.

**Figure 1** Inner and Outer London



Participants were recruited to include a reasonable balance of gender and ethnicity, based on where they lived (Inner or Outer London), and their household composition. Finally, groups included participants from across a range of socio-economic backgrounds – this is to ensure that the minimum budgets described and agreed through this research represent the needs of the population in general, rather than being rooted in or dominated by a particular lived experience.