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ANALYSING THE LINK BETWEEN INCOME LEVELS AND HOUSING AFFORDABILITY IN THE METROPOLITAN RENTAL MARKET

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ABSTRACT:

This study examines demographic characteristics of citizens living in a metropolitan locality and identifies how income and rental rates are related to each other to assess the qualification to balance between income and housing affordability. We considered some variables such as age, gender, job, income, marital status, education level, location, and household size using descriptive statistics. Our data comprised of 250 valid responses. These findings demonstrate that the variation in these demographic variables is moderate and income and occupation were significantly diverse as among respondents. The Pearson correlation analysis was conducted to determine the relationship between income levels and the level of rental prices. The findings indicate a positive but medium relationship ($r = 0.441$, $p < 0.01$), meaning that an increase in income levels have a strong relationship with the prices of rent. On the basis of this statistically significant correlation, the research finds that income is a major contributor towards rent affordability. Thus, it is suggested that measures that are strategic in nature should be taken to deal with the disparities and so in the process the balanced urban development can be achieved through policies that are income sensitive and the availability of affordable housing.

Keywords: *Income Levels, Housing Affordability , Rental Price and Household*