

Statistical bulletin

UK House Price Index: May 2021

Monthly house price inflation in the UK, calculated using data from HM Land Registry, Registers of Scotland, and Land and Property Services Northern Ireland.



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1 . Main points

- UK average house prices increased by 10.0% over the year to May 2021, up from 9.6% in April 2021.
- UK average house prices saw a slight monthly increase (0.9%) in the month to May 2021 to £255,000, nearly returning to the record UK average house price seen in March 2021 (£256,000).
- Average house prices increased over the year in England to £271,000 (9.7%), in Wales to £184,000 (13.3%), in Scotland to £171,000 (12.1%) and in Northern Ireland to £149,000 (6.0%).
- London continues to be the region with the lowest annual growth (5.2%) for the sixth consecutive month.

2 . UK house prices

UK average house prices increased by 10.0% over the year to May 2021

The [latest house price data published on GOV.UK by HM Land Registry for](#) May 2021 show that average house prices in the UK increased by 10.0% in the year to May 2021, up from 9.6% in the year to April 2021 (Figure 1), representing a continuation of the strong annual growth seen in recent months.

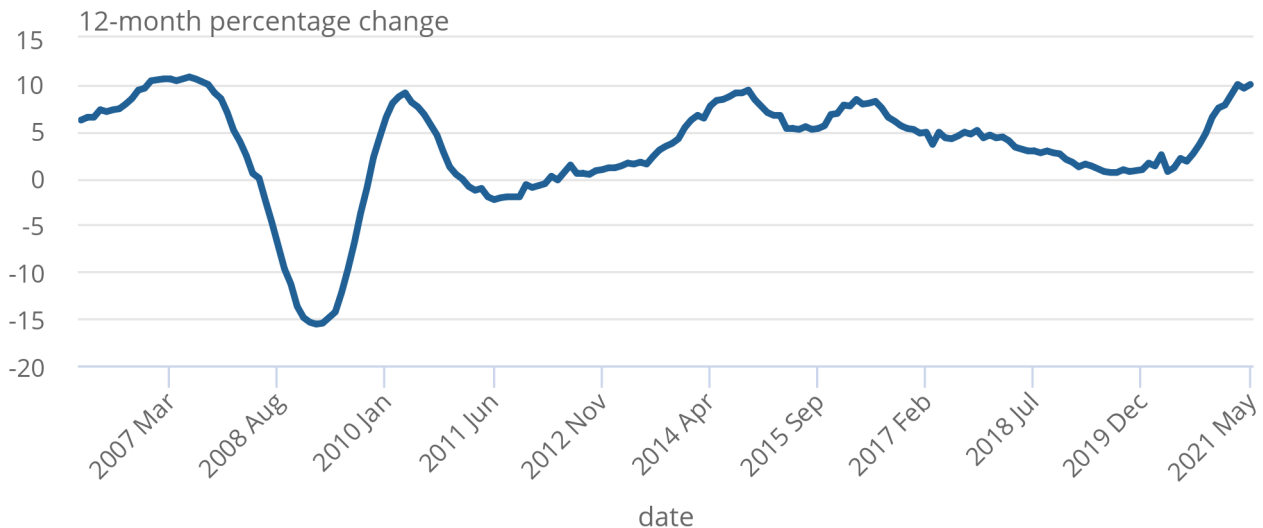
Because of the impact of the coronavirus (COVID-19) pandemic on both the number and supply of housing transactions, we might see larger revisions to the published House Price Index (HPI) estimates than usual. Fewer transactions are available than expected for the May 2021 estimate. As a result, there may be increased volatility in this month's estimates, particularly at the lower geographical levels where transaction volumes are smaller. We are looking at options to improve this, including working with data suppliers. Further information on this can be found in [Section 7: Measuring the data](#).

Figure 1: May 2021 saw UK house price growth rise to 10.0%

Annual house price rates of change for all dwellings, UK: January 2006 to May 2021

Figure 1: May 2021 saw UK house price growth rise to 10.0%

Annual house price rates of change for all dwellings, UK: January 2006 to May 2021



Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, and Office for National Statistics – UK House Price Index

Notes:

1. Not seasonally adjusted.
2. The [full UK House Price Index \(HPI\) release](#) is available to download from HM Land Registry at GOV.UK.

The latter half of 2020 saw the UK's average house price growth accelerating. This trend continued into Quarter 1 (Jan to Mar) 2021. After dipping in April, UK average house prices saw a slight monthly increase in the month to May 2021 to £255,000, nearly returning to the record UK average house price seen in March 2021 (£256,000).

On 8 July 2020, the Chancellor of the Exchequer announced a suspension of the tax paid on property purchases with immediate effect in England and Northern Ireland. The suspension came into effect slightly later, on 15 July in Scotland and 27 July in Wales. In England and Northern Ireland, properties up to the value of £500,000 would incur no tax, while the thresholds for Scotland and Wales were £250,000. These changes in the tax paid on housing transactions may have allowed sellers to request higher prices as the buyers' overall costs are reduced.

As the tax breaks were originally due to conclude at the end of March 2021, it's likely that this inflated March's average house prices as buyers rushed to ensure their house purchases were scheduled to complete ahead of this deadline. The [monthly property transactions statistics](#) published by HM Revenue and Customs show that the seasonally adjusted number of transactions in March 2021 were estimated to be 183,670, the highest on record, but in April 2021 they fell back to 119,540; a fall of 35%. Transaction numbers then remained at a relatively similar level in May 2021 (114,940).

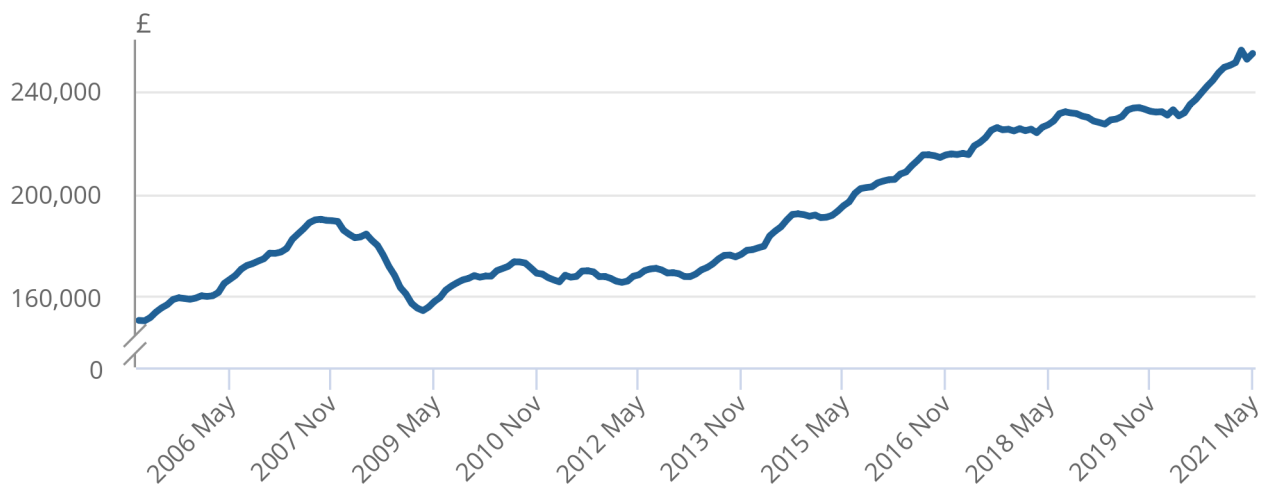
On the 3 March 2021, the Chancellor of the Exchequer announced an extension to the Stamp Duty holiday in England and Northern Ireland. This meant that the tax holiday was extended until 30 June 2021 after which the threshold will decrease to £250,000 until 30 September 2021. From the 1 October 2021, the Stamp Duty thresholds will revert to what they were before 8 July 2020. The tax holiday for Scotland ended on 31 March 2021. The tax holiday ended on 30 June 2021 in Wales.

Figure 2: Average UK house prices peaked at £256,000 in March 2021

Average house price, UK: January 2005 to May 2021

Figure 2: Average UK house prices peaked at £256,000 in March 2021

Average house price, UK: January 2005 to May 2021



Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, and Office for National Statistics – UK House Price Index

Notes:

1. Not seasonally adjusted.
2. The [full UK House Price Index \(HPI\) release](#) is available to download from HM Land Registry at GOV.UK.

The average UK house price was £255,000 in May 2021; this is £23,000 higher than in May 2020 (Figure 2).

On a non-seasonally adjusted basis, average house prices in the UK increased by 0.9% between April and May 2021, compared with an increase of 0.5% in the same period a year ago.

On a seasonally adjusted basis, average house prices in the UK increased by 0.5% between April and May 2021, following a decrease of 1.5% in the previous month.

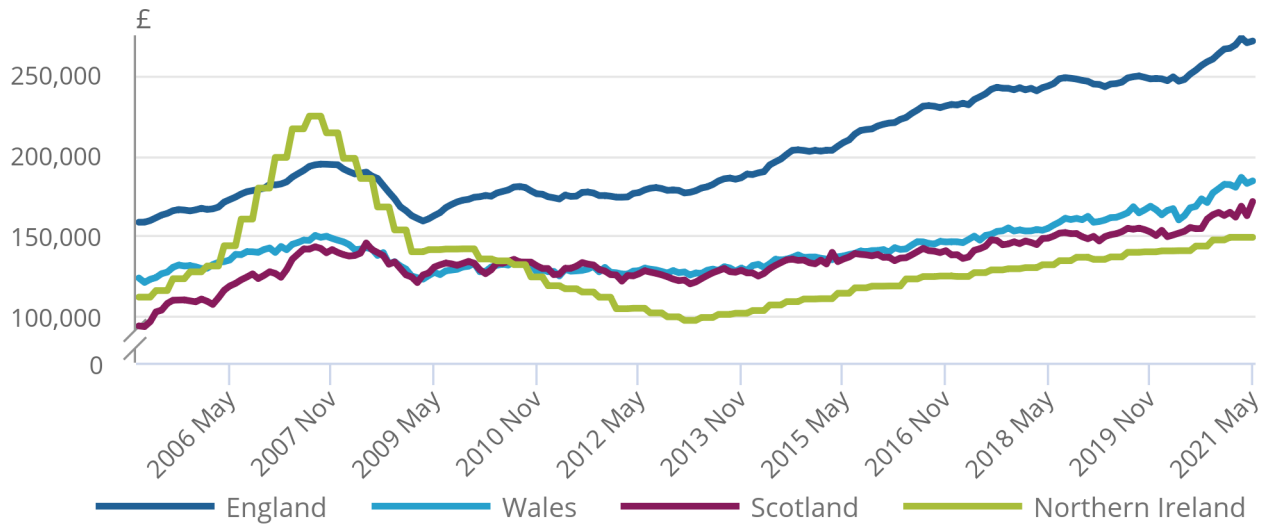
3 . House prices by country

Figure 3: England house prices remain the highest in the UK

Average house price by country, UK: January 2005 to May 2021

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Average house price by country, UK: January 2005 to May 2021



Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, and Office for National Statistics – UK House Price Index

Notes:

1. Not seasonally adjusted.
2. The [full House Price Index \(HPI\) release](#) is available to download from HM Land Registry at GOV.UK.
3. Northern Ireland data are only available on a quarterly basis. Northern Ireland data are copied forward until the next quarter's data are available, which will be in the June 2021 bulletin released on 18 August 2021.

The average house price growth in Wales increased by 13.3% over the year to May 2021, down from an increase of 14.2% in April 2021, with the average house price in Wales now at £184,000.

The average house price in Scotland increased by 12.1% over the year to May 2021, up from an increase of 7.2% in the year to April 2021, with the average house price in Scotland now at a record level of £171,000.

The average house price in England increased by 9.7% over the year to May 2021, unchanged since April 2021, with the average house price in England at £271,000.

The average house price in Northern Ireland increased by 6.0% over the year to Quarter 1 (Jan to Mar) 2021. Northern Ireland remains the cheapest UK country to purchase a property in, with the average house price at £149,000 (Figure 3).

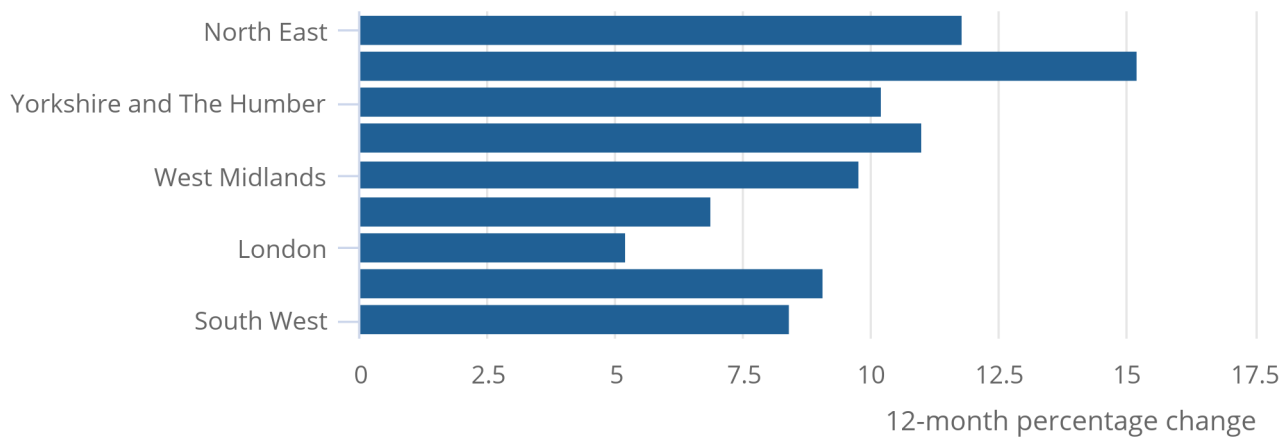
4 . House prices by region

Figure 4: London remains the region with the lowest annual house price growth

All dwellings annual house price rates of change, by English region, year to May 2021

Figure 4: London remains the region with the lowest annual house price growth

All dwellings annual house price rates of change, by English region, year to May 2021



Source: HM Land Registry and Office for National Statistics – UK House Price Index

Notes:

1. Not seasonally adjusted.
2. The [full UK House Price Index \(HPI\) release](#) is available to download from HM Land Registry at GOV.UK.

The North West was the region with the highest annual house price growth, with average prices increasing by 15.2% in the year to May 2021. This was up from 13.8% in April 2021 (Figure 4).

The lowest annual growth was in London, where average prices increased by 5.2% over the year to May 2021, down from 5.3% in April 2021.

London's average house prices remain the most expensive of any region in the UK at an average of £498,000 in May 2021.

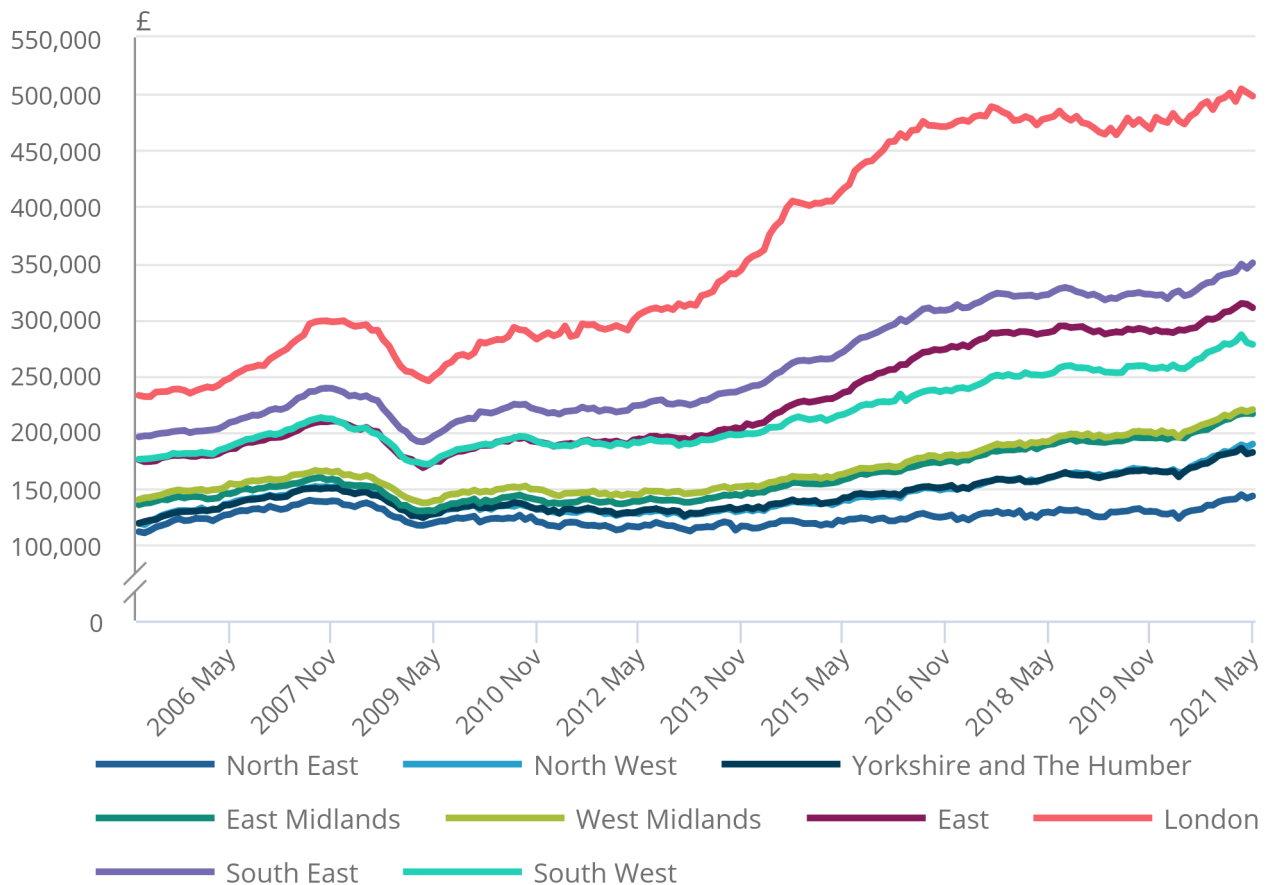
The North East continued to have the lowest average house price, at £143,000, and surpassed its pre-economic downturn peak of July 2007 in December 2020 (Figure 5).

Figure 5: London continues to have the highest average house price in England

Average house price, by English region: January 2005 to May 2021

Figure 5: London continues to have the highest average house price in England

Average house price, by English region: January 2005 to May 2021



Source: HM Land Registry and Office for National Statistics – UK House Price Index

Notes:

1. Data at the local authority level and other breakdowns can be found in the [full House Price Index \(HPI\) release](#), available to download from HM Land Registry at GOV.UK.
2. Because of the impact of the coronavirus (COVID-19) pandemic on both the number and supply of housing transactions, we might see larger revisions to the published House Price Index (HPI) estimates than usual, particularly at the lower geographical levels where transaction volumes are smaller.

5 . House Price Index data

[UK House Price Index](#)

Dataset | Released 14 July 2021

Monthly house price movements, including average price by property type, sales and cash mortgage sales, as well as information on first-time buyers, new builds and former owner occupiers. Data are collected by HM Land Registry and published on GOV.UK.

[House price data: quarterly tables](#)

Dataset | Released 19 May 2021

Quarterly house price data based on a sub-sample of the Regulated Mortgage Survey and an unrevised arithmetic mean version of the mix adjusted House Price Index (HPI) for Great Britain.

[House price data: annual tables 20 to 39](#)

Dataset | Released 14 July 2021

Annual house price data based on a sub-sample of the Regulated Mortgage Survey.

6 . Glossary

House Price Index (HPI)

The House Price Index (HPI) measures the price changes of residential housing as a percentage change from a specific time period (12 months prior or a base period, where the HPI in 2015 equals 100).

House price inflation

House price inflation in the UK is the rate at which the prices of residential properties purchased in the UK rise and fall.

Non-seasonally adjusted

A non-seasonally adjusted series is one that includes seasonal or calendar effects.

Seasonally adjusted

A seasonally adjusted series is one that has been subject to a widely used technique for removing seasonal or calendar effects from time series data.

7 . Measuring the data

The UK House Price Index (HPI) is a joint production by HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, and the Office for National Statistics (ONS). HM Land Registry publishes the [main publication of the UK HPI](#) on the GOV.UK website (9:30am, 14 July 2021). It includes full details, including commentary, historical data tables and analytical tools.

Coronavirus

The ONS is working to ensure that the UK has the vital information needed to respond to the impact of the coronavirus (COVID-19) pandemic on our economy and society, this includes how we measure the UK HPI.

In the past 12 months all those involved in the property market have been affected by coronavirus; HM Land Registry is no different and as a result of this the House Price Index data are not as complete as it could be. HM Land Registry are focusing on their core purpose of registering land and this includes recording the price paid for a property.

This means that the HPI may be subject to increased revisions as more data are added over the coming months.

HM Land Registry's absolute top priority is to reduce any delays, both those caused by the pandemic and those existing beforehand. To simultaneously deliver their services while promoting public health, they are adjusting their resources where necessary, introducing automation where practical, and recruiting and training more than 500 new staff.

We have temporarily changed the date we receive the transaction data from HM Land Registry. Because of this, we receive more transactions than those immediately seen in the published [Price Paid Data](#).

The processing of new build properties has been more affected than the processing of "old build" properties. So, to address this, we have pooled new build transactions for certain months in England and Wales:

- January 2021 includes new build transactions from December 2020 and January 2021
- February 2021 includes new build transactions from December 2020, January 2021, and February 2021
- March 2021 includes new build transactions from January, February and March 2021
- April 2021 includes new build transactions from February, March and April 2021
- because of the nature of the processing of the new builds, these are never included in the model for the first estimate, so May 2021 has not been affected

These changes might lead to larger revisions to published estimates than usual as we reduce the reliance on pooling. Further information on how we usually process the new build properties can be found in the [Quality and methodology guidance](#).

The ONS has released a [public statement](#) on the coronavirus and the production of statistics. Specific queries should be directed to media.relations@ons.gov.uk.

End of EU exit transition period

As the transition period ends and the UK enters into a new Trade and Co-operation Agreement with the EU, the UK statistical system will continue to produce and publish our wide range of economic and social statistics and analysis. We are committed to continued alignment with the highest international statistical standards, enabling comparability both over time and internationally, and ensuring the general public, statistical users and decision-makers have the data they need to be informed.

As the shape of the UK's future statistical relationship with the EU becomes clearer over the coming period, the ONS is making preparations to assume responsibilities that as part of our membership of the EU, and during the transition period, were delegated to the statistical office of the EU, Eurostat. This includes responsibilities relating to international comparability of economic statistics, deciding what international statistical guidance to apply in the UK context and to provide further scrutiny of our statistics and sector classification decisions.

In applying international statistical standards and best practice to UK economic statistics, we will draw on the technical advice of experts in the UK and internationally, and our work will be underpinned by the UK's well-established and robust framework for independent official statistics, set out in the Statistics and Registration Service Act 2007. Further information on our proposals will be made available later this year.

Data sources

The main sources of data used in the UK are HM Land Registry for England and Wales, Registers of Scotland, and HM Revenue and Customs' (HMRC's) Stamp Duty Land Tax data for the Northern Ireland HPI.

Methods

The method for calculating the UK House Price Index can be found in our [Quality and Methodology documentation](#).

Future developments

Information on the future developments of the HPI can be found in [Section 8 of our February 2021 bulletin](#).

Quality

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the [guidance page](#) of the main release published by HM Land Registry on GOV.UK.

8 . Strengths and limitations

Extent of data coverage

The UK House Price Index (UK HPI) can provide a wide coverage of both cash and mortgage transactions and a large data source. Data are available at a local authority level as well as by property type, buyer status, funding statistics and property status.

Time lags

As sales only appear in the UK HPI once the purchases have been registered (based on completed sales rather than advertised or approved prices), there can be a delay before transactions feed into the index. Estimates for the most recent months are provisional and likely to be updated as more data are incorporated into the index.

While changes to estimates are small at the headline level, these can be larger changes at lower geographies owing to fewer transactions being used. Caution is therefore advised when interpreting price changes in the most recent periods.

Further information is provided in our [revisions policy](#).

9 . Related links

[UK House Price Index: report](#)

Report | Released 14 July 2021

Complete report for the UK House Price Index (HPI) for England, Scotland, Wales and Northern Ireland, including in CSV format. Includes commentary, historical data tables and analytical tools.

[Land Registry interactive tool](#)

Search tool | Released 14 July 2021

Find access to background information on the UK HPI, help and support, and other index-linked data.

[Index of Private Housing Rental Prices](#)

Bulletin | Released 14 July 2021

An experimental price index tracking the prices paid for renting property from private landlords in the UK.

[House price statistics for small areas](#)

Bulletin | Released 21 June 2021

House prices and number of transactions for property sales in England and Wales, on an annual basis, updated quarterly.

[Consumer price inflation](#)

Bulletin | Released 14 July 2021

Price indices, percentage changes and weights for the different measures of consumer price inflation.