

Statistical bulletin

The national balance sheet and capital stocks, preliminary estimates, UK: 2021

Preliminary annual estimates of the nation's net worth, by type of financial and non-financial asset for the UK. Includes estimates of produced assets used in the production process and their loss of value over time.

Contact:
Marianthi Dunn and Kris
Johannsson
capstocks@ons.gov.uk
+44 (0)1633 455643

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1 . Main points

- The UK's net worth was estimated at £10.5 trillion in 2020, an average of £158,000 per person.
- The UK's net worth grew by 4.4% or £0.4 trillion in 2020; this was the strongest annual growth since 2016 and was moderately above the average annual growth between 2009 and 2020 of 4.2%.
- Households' net worth grew by £0.9 trillion in 2020, driven by increases in property values, defined contribution pensions and deposits.
- The UK's net capital stock was estimated at £4.5 trillion in 2020, increasing by 0.6% compared with 2019 in chained-volume measures; this is significantly below the average increase of 1.5% between 2010 and 2020 and was the lowest growth rate since 2015, when annual growth was 0.3%.
- Weak growth in dwellings contributed to slow growth in net capital stocks in 2020 with other buildings and structures driving growth during this period.

2 . UK net worth

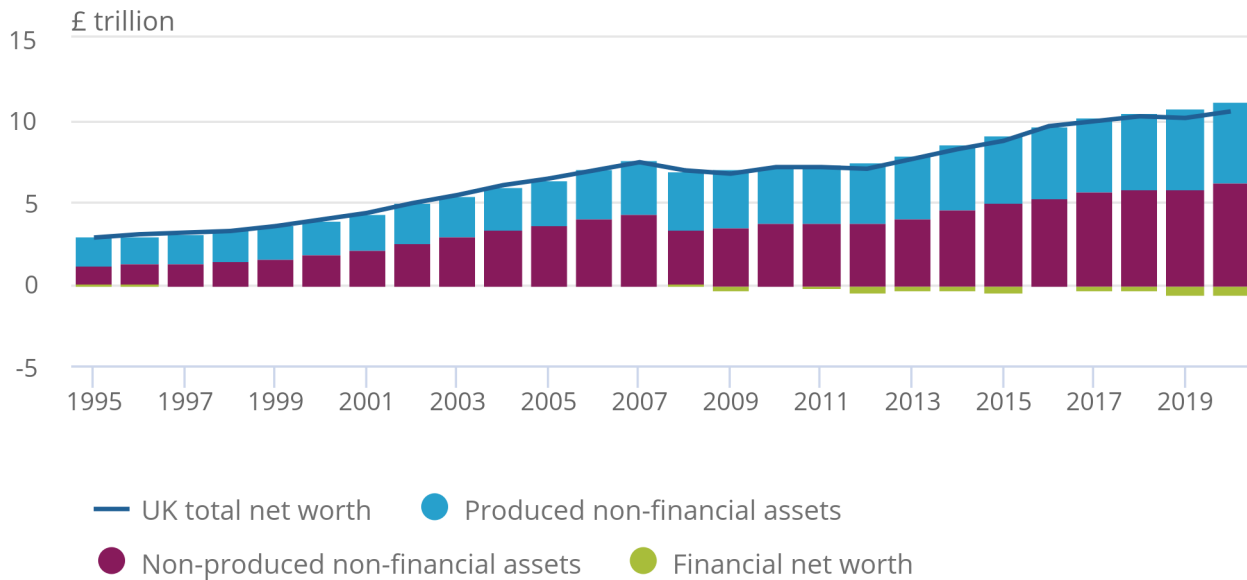
The UK recorded a net worth of £10.5 trillion in 2020, an average of £158,000 per person. The UK's net worth increased by 4.4% or £0.4 trillion in 2020; this was the strongest growth since 2016 and above the compound annual growth rate of 4.2% between 2009 and 2020.

Figure 1: UK's net worth increased to £10.5 trillion in 2020

UK total net worth, current prices, 1995 to 2020

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UK total net worth, current prices, 1995 to 2020



Source: Office for National Statistics - National balance sheet

Notes:

1. The components of net worth may not always add to the total because of rounding.

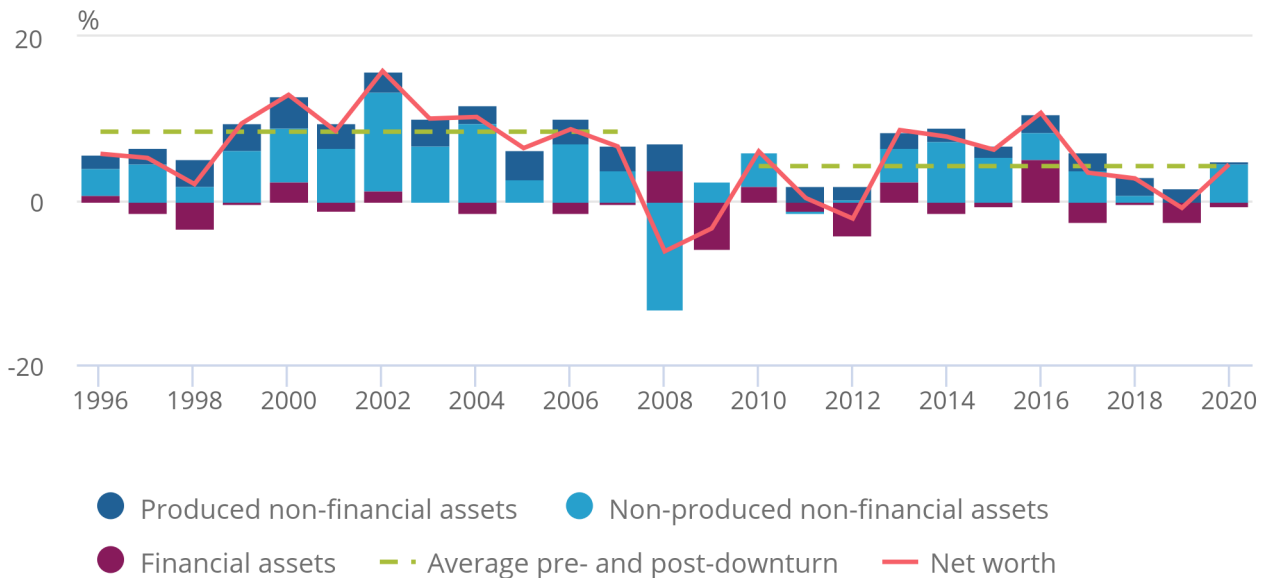
Non-produced assets, which consist primarily of the value of land, contributed 4.7 percentage points of growth during 2020. In contrast, net financial assets continue to make a negative contribution to net worth.

Figure 2: Non-produced assets drove growth in net worth in 2020, while net financial assets continued to make a negative contribution

Growth in UK net worth by asset, current prices, 1996 to 2020

Figure 2: Non-produced assets drove growth in net worth in 2020, while net financial assets continued to make a negative contribution

Growth in UK net worth by asset, current prices, 1996 to 2020



Source: Office for National Statistics - National balance sheet

Notes:

1. Pre-downturn growth compares compound growth between 1995 and 2007 where post-downturn growth compares compound growth between 2009 and 2020.
2. The components of net worth may not always add to the total because of rounding.

3 . Household sector

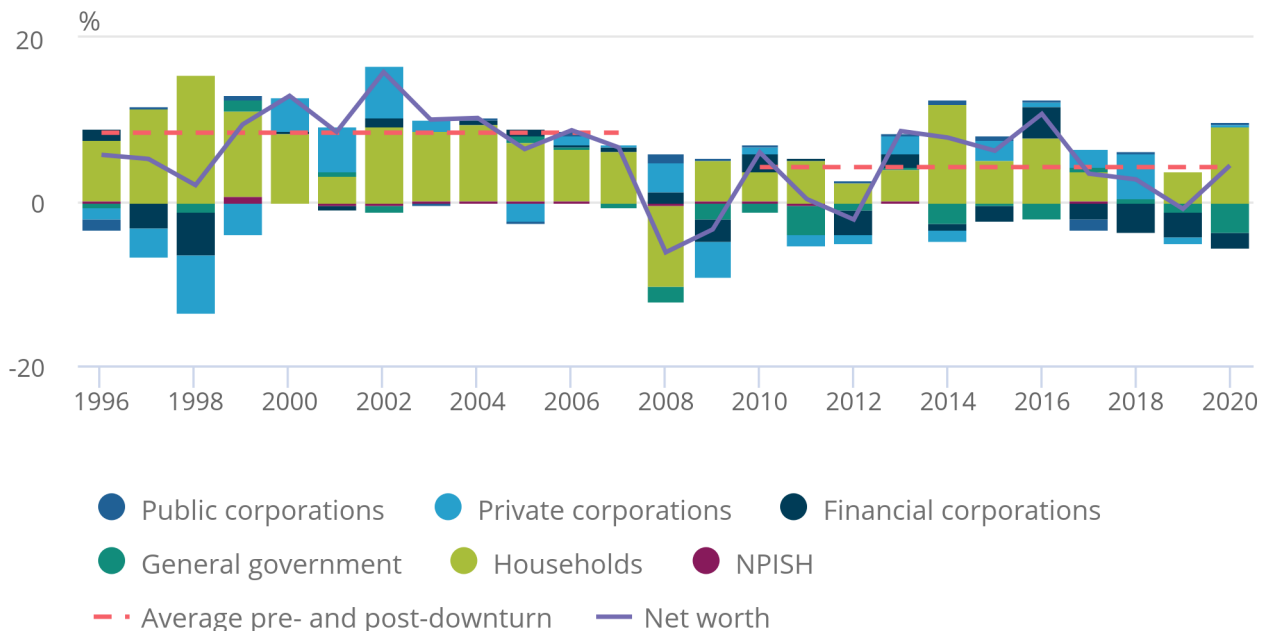
Households continue to drive growth in the UK's net worth and accounted for 9.4 percentage points of growth in 2020. This strong growth was slightly offset by negative contributions of 3.5 percentage points from general government, as a result of an increase in government borrowing, and 2 percentage points from financial corporations.

Figure 3: Household sector drove growth in net worth during 2020

Growth in UK net worth by sector, current prices, 1996 to 2020

Figure 3: Household sector drove growth in net worth during 2020

Growth in UK net worth by sector, current prices, 1996 to 2020



Source: Office for National Statistics - National balance sheet

Notes:

1. Pre-downturn growth compares compound growth between 1995 and 2007 where post-downturn growth compares compound growth between 2009 and 2020.
2. The components of net worth may not always add to the total because of rounding.

The household sector's net worth grew by 9.1%, or nearly £1 trillion, to £11.4 trillion between 2019 and 2020 as a result of increases in 'land', 'insurance and pension schemes' and 'currencies and deposits'.

A rise in the value of land in 2020 increased growth of the household sector's net worth by 3.8 percentage points, and was the result of an 8.1% increase in [UK average house prices](#). The reduction in [stamp duty rates](#) are likely to be a main factor driving increases in house prices.

Increases in the value of 'insurance, pension and standardised guarantee schemes' contributed to a further growth of 3.3 percentage points in the sector's net worth and was the result of an increase in the value of [defined benefit pension schemes](#), that rose mainly because of a fall in gilt yields in 2020.

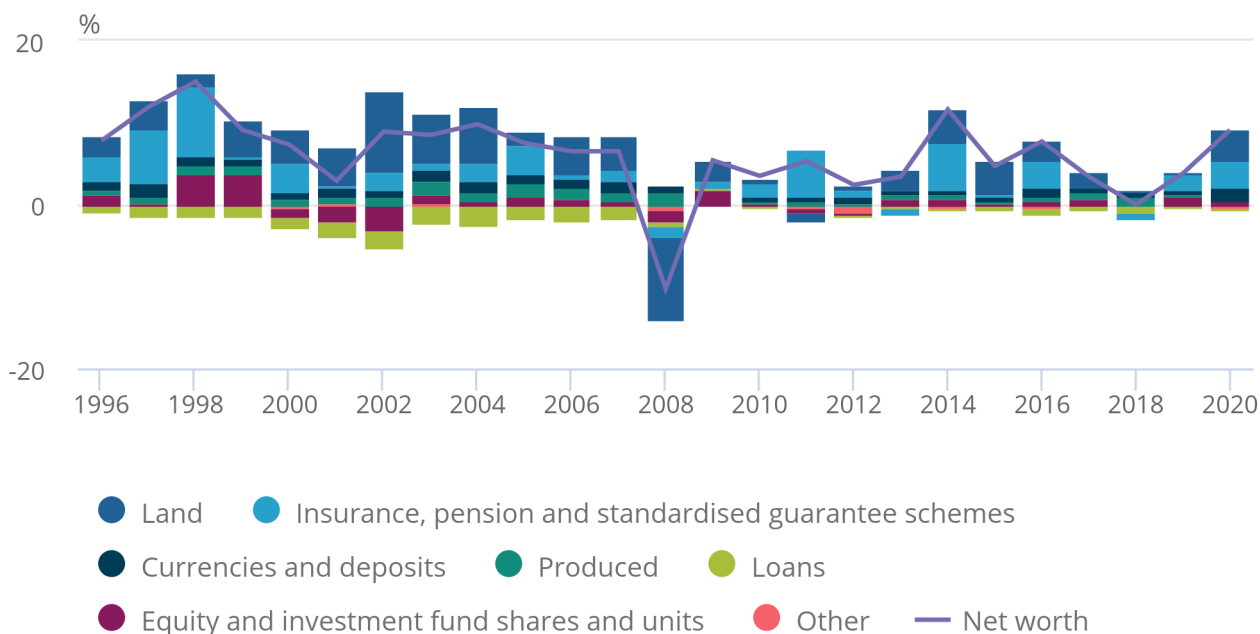
'Currencies and deposits' contributed 1.8 percentage points of the sector's growth, which is likely to have been driven by a significant increase in the [household savings ratio](#), which is at its highest level since 1962.

Figure 4: Land was the largest contributor to growth in household net worth in 2020

Growth in UK household net worth, current prices, 1996 to 2020

Figure 4: Land was the largest contributor to growth in household net worth in 2020

Growth in UK household net worth, current prices, 1996 to 2020



Source: Office for National Statistics - National balance sheet

Notes:

1. The components of net worth may not always add to the total because of rounding.

4 . Net capital stocks

Net capital stocks, which accounts for most produced assets in the economy, increased by 0.6% in 2020 to £4.5 trillion, in chained-volume measures (CVM). This is just over one-third of the annual average growth rate of 1.5% between 2010 and 2020 and is the lowest growth rate since 2015.

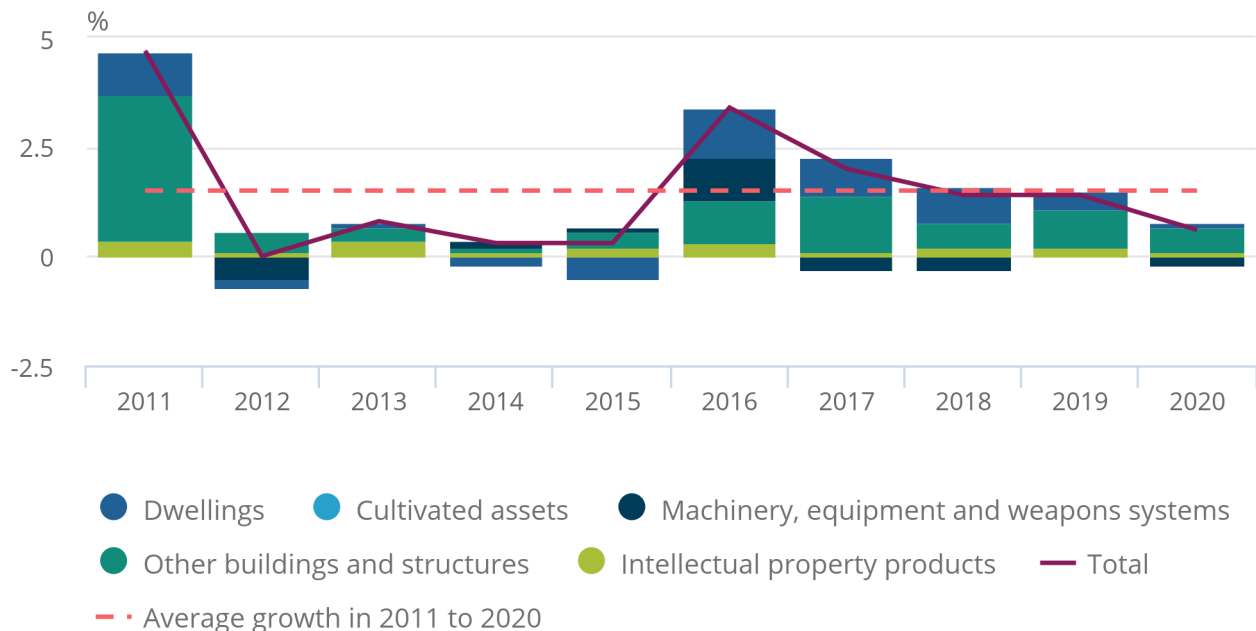
Other buildings and structures made the largest contribution to growth in net stocks during 2020, 0.6 percentage points, compared with 0.9 percentage points in 2019. Weak growth in dwellings, which account for over 40% of net capital stocks in the UK, contributed to slow growth of 0.1 percentage points in net capital stocks in 2020, compared with the 0.4 percentage points in 2019. Intellectual property products contributed 0.1 percentage points during the same period. This was offset by a fall of 0.2 percentage points in machinery, equipment and weapons systems in 2020, compared with 2019.

Figure 5: Weak growth in dwellings resulted in low growth of net capital stocks in 2020

Growth in UK net capital stock, chained volume measures, 2011 to 2020

Figure 5: Weak growth in dwellings resulted in low growth of net capital stocks in 2020

Growth in UK net capital stock, chained volume measures, 2011 to 2020



Source: Office for National Statistics - Capital stocks

Notes:

1. Capital stocks include 'dwellings', 'other buildings and structures', 'machinery, equipment and weapon systems', 'intellectual property products' and 'cultivated assets'.
2. The components of net capital stock growth do not always add to the total because of rounding or because chained volume measures data are not additive until the reference year.
3. Net capital stocks of other buildings and structures include: buildings, other structures and land improvements.

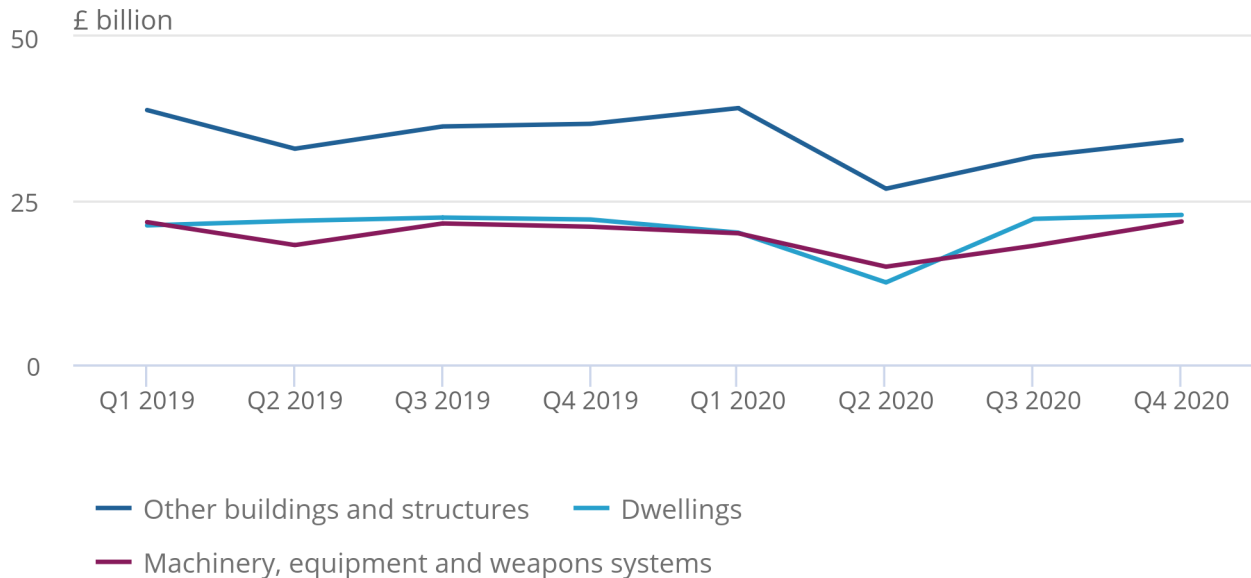
Changes in net capital stocks are determined by additions to net capital stocks from gross fixed capital formation (GFCF), capital investment and reductions caused by the consumption of fixed capital. The negative impact of the coronavirus (COVID-19) pandemic on capital investment is strongest in Quarter 2 (Apr to June) 2020, with significant falls in both dwellings, and other buildings and structures of 38% and 31% respectively, compared with the previous quarter. Investment in dwellings shows a faster recovery during the second half of 2020, compared with other buildings and structures, which remain below the pre-pandemic levels.

Figure 6: Capital investment in dwellings, other buildings and structures and machinery, equipment and weapon systems fell sharply in the second quarter of 2020

Gross fixed capital formation (GFCF), current prices, UK, 2019 to 2020

Figure 6: Capital investment in dwellings, other buildings and structures and machinery, equipment and weapon systems fell sharply in the second quarter of 2020

Gross fixed capital formation (GFCF), current prices, UK, 2019 to 2020



Source: Office for National Statistics - Capital stocks

Notes:

1. There are small differences between the GFCF values used to estimate capital stocks, compared with the published GFCF values in business investment.

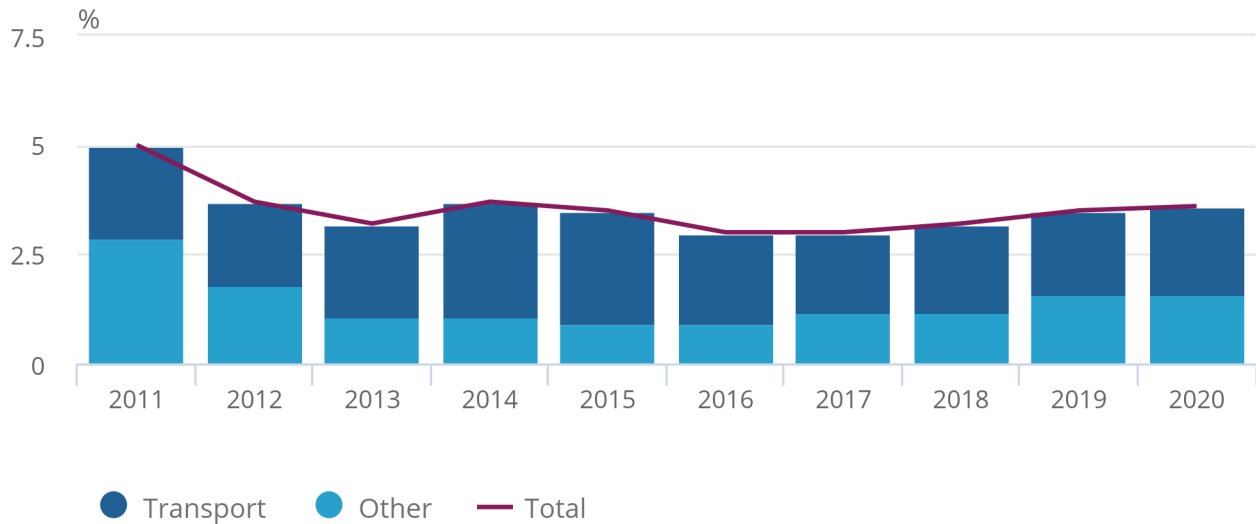
Increases in the net capital stocks of other buildings and structures in general government are mainly due to increased capital investment in transport which includes capital expenditure by Network Rail, Highways England, HS2 and local authorities.

Figure 7: Transport drove growth in net capital stocks in the general government sector in 2020

Growth in other buildings and structures in general government, constant prices, UK, 2011 to 2020

Figure 7: Transport drove growth in net capital stocks in the general government sector in 2020

Growth in other buildings and structures in general government, constant prices, UK, 2011 to 2020



Source: Office for National Statistics - Capital stocks

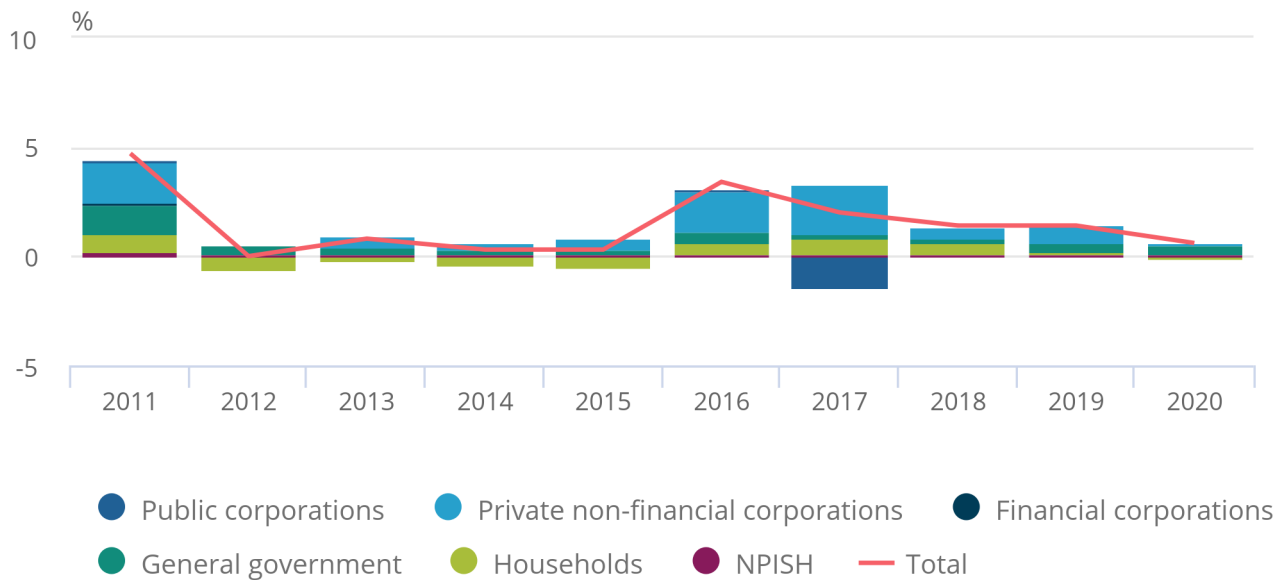
Net capital stocks in the non-market output sector showed stronger growth in 2020 compared with 2019, 3.1% and 2.8% respectively. The non-market output sector, which consists of general government and non-profit institutions serving households, drove growth in the UK net capital stocks across the whole economy in 2020.

Figure 8: Non-market output sector drove growth in net capital stocks in 2020

Growth in UK net capital stock, chained volume measures (CVM), 2011 to 2020

Figure 8: Non-market output sector drove growth in net capital stocks in 2020

Growth in UK net capital stock, chained volume measures (CVM), 2011 to 2020



Source: Office for National Statistics - Capital stocks

Notes:

1. In 2017 the fall in public corporations was mainly due to the reclassification of Housing Associations from public corporations to private non-financial corporations.
2. The components of net capital stock growth do not always add to the total because of rounding or because chained volume measures data are not additive until the reference year.

Keeping in touch with our users and understanding how your needs are transforming is very important to us. We will be conducting a review of the National Balance Sheet shortly and we would like to [hear your views](#).

5 . The national balance sheet and capital stocks, preliminary estimates, UK data

[Preliminary UK national balance sheet estimates](#)

Dataset | Released 29 April 2021

Annual estimates of the market value of financial and non-financial assets for the UK, providing a measure of the nation's wealth.

[Preliminary capital stocks and fixed capital consumption](#)

Dataset | Released 29 April 2021

Annual estimates of gross and net capital stocks and consumption of fixed capital in the UK, in current prices and chained volume measures.

[Capital stocks and fixed capital consumption time series](#)

Dataset | Released 29 April 2021

Annual estimates of the value and types of non-financial assets used in the production of goods or services within the UK economy and their loss in value over time.

[The UK national balance sheet time series](#)

Dataset | Released 29 April 2021

Annual estimates of the market value of financial and non-financial assets for the UK, providing a measure of the nation's wealth.

6 . Glossary

Net worth

The value of assets owned, less the value of all outstanding liabilities.

Net capital stocks

The stock of assets surviving from past investment after accounting for consumption of fixed capital.

Gross capital stocks

The stock of assets surviving from past investment and re-valued at the purchasers' prices of new capital goods of a reference period.

Gross fixed capital formation

Measures the value of a producer's acquisitions of fixed assets and certain expenditure on services for non-produced assets, minus disposals of fixed assets.

Capital consumption

The decline in the stock of fixed assets over a period of time as a result of physical deterioration, normal obsolescence or normal accidental damage.

Fixed assets

Produced assets that are repeatedly used in the production process for more than one year.

7 . Measuring the data

The Office for National Statistics (ONS) is publishing more data and analysis than ever before. We are constantly reviewing our publications based on your feedback to make sure that we continue to meet the needs of our users. As a result, future editions of this publication may focus more strongly on headline indicators and main messages. Thank you for your continued support.

National balance sheet

The National balance sheet is a measure of the wealth, or total net worth, of the UK. It shows the estimated market value of financial assets (for example, loans) and non-financial assets (for example, dwellings). The data are used to monitor economic performance, to inform monetary and fiscal policy decisions and for international comparisons.

The components of net worth can be roughly categorised as produced assets, non-produced assets and net financial assets. Non-produced assets are land. Produced assets fit under either inventories or net-capital stocks in current prices under which sits:

- dwellings
- other buildings and structures
- machinery, equipment and weapons
- intellectual property products
- cultivated assets

Net financial assets are made up of:

- monetary gold and special drawing rights
- currency and deposits
- debt securities
- loans
- equity and investment shares
- insurance, pension and standardised guarantee schemes
- financial derivatives and employee stock options
- other accounts receivable/ payable

All data referring to net worth in this bulletin are annual estimates at current prices and include changes in prices, as well as in the volume of assets. These data use market value, which is an estimate of how much these assets would sell for if sold on the market today. Obviously, if all these assets were sold simultaneously this would affect prices, but this effect is put to one side.

Annual growth rates are calculated using compound annual growth.

Estimates in the national balance sheet up to the year 2018 are consistent with those published in the [National Balance Sheet estimates for the UK: 2020](#).

Capital stocks

The capital stocks estimates are an important variable within the accumulation accounts which show how the value of assets within an economy change over time. Net capital stocks estimates of produced assets are identical to the market value of these assets presented in the National Balance Sheet, which measures the net worth of the UK. Net capital stocks accounted for just over 44% of the UK's net worth in 2020.

Annual growth rates are calculated using compound annual growth.

Estimates of capital stocks and consumption of fixed capital up to the year 2018 are consistent with those published in the [Capital stocks and fixed capital consumption, UK: 2020](#).

Quality

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created up to the 2019 estimates, is available in the [UK national balance sheet estimates QMI](#) and the [Capital stocks and fixed capital consumption QMI](#).

8 . Strengths and limitations

This bulletin presents the first preliminary estimates of net worth and capital stocks in the UK for the year 2020. Previously the national balance sheet and capital stocks and fixed capital publications have been compiled approximately 11 months after the latest year in their data time series and have been consistent with the Blue Book estimates. They have been compiled using annual data sources which primarily focus on collecting information on levels and informing structural industry analysis, in conjunction with the annual supply use balancing exercise. Typically, annual statistical production processes provide a better quality of structural industry analysis, however, they take longer to compile.

With economic activity in 2020 being significantly affected by the coronavirus (COVID-19) pandemic and EU exit, we reviewed the availability of more timely sources against users' needs. For the first time the Office for National Statistics (ONS) has used the latest quarterly data for gross fixed capital formation (GFCF) to release more timely estimates of capital stocks and consumption of fixed capital. The GFCF data inputs for 2020 are national statistics and are consistent with those published in [Business investment in the UK: October to December 2020](#).

Estimates of net capital stocks are consistent with the values of produced assets in the national balance sheet. Estimates of the financial assets and liabilities for 2020 were derived using quarterly national statistics data from the [Quarterly sector accounts UK: October to December 2020](#). Estimates of land for 2020 have been produced using the house price index, administrative data, available company accounts and modelling.

This process has enabled us to publish more timely annual estimates of net worth and capital stocks; seven months earlier than in previous years.

Data for 2020 are preliminary as they have not had the opportunity to have gone through the annual supply use balancing exercise. Quarterly data sources are designed to capture short-term growth patterns rather than structural industry analysis. The 2020 data in this publication are preliminary and are likely to be revised in Blue Book 2021.

9 . Related links

[Capital stocks and fixed capital consumption, UK: 2020](#)

Bulletin | Released 1 December 2020

Annual estimates of the value and types of non-financial assets used in the production of goods or services within the UK economy and their loss in value over time.

[National balance sheet estimates for the UK: 2020](#)

Bulletin | Released 1 December 2020

Annual estimates of the market value of financial and non-financial assets for the UK, providing a measure of the nation's wealth.

[Business investment in the UK: October to December 2020 Revised Results](#)

Bulletin | Released 31 March 2021

Estimates of short-term indicators of investment in non-financial assets, business investment, and asset and sector breakdowns of total gross fixed capital formation.

[Productivity economic commentary, UK: Oct](#)

Article | Released 14 April 2021

The main findings from official statistics and analysis of UK productivity, presenting a summary of recent developments.

[Quarterly sector accounts, UK: October to December 2020](#)

Bulletin | Released 31 March 2021

Detailed estimates of quarterly sector accounts that can be found in the UK Economic Accounts (UKEA).