

Statistical bulletin

House price statistics for small areas in England and Wales: year ending December 2018

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

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Table of contents

1. [Main points](#)
2. [Things you need to know about this release](#)
3. [House prices analysis: Median price paid for residential properties in LSOAs in England and Wales ranged from £25,000 to £3.9 million](#)
4. [Transactions analysis: Fewer sales of flats was the main driver of the property transaction decrease](#)
5. [Value analysis: Nominal total housing market value decreased most in London](#)
6. [Links to related statistics](#)
7. [Quality and methodology](#)

1 . Main points

- The median price paid for residential properties in Lower layer Super Output Areas in England and Wales ranged from £25,000 (within Sunderland and County Durham) to £3.9 million (within Kensington and Chelsea).
- The number of residential property sales recorded by HM Land Registry in England and Wales fell 5.3% to 856,420 in the year ending December 2018.
- Transactions of flats and maisonettes in the year ending December 2018 fell 10.3% from the previous year, a larger fall than any other property type.
- The total value of residential property transactions (unadjusted for inflation) decreased most in London in the year ending December 2018.

2 . Things you need to know about this release

Definitions and data sources

The house price statistics for small areas (HPSSAs) use data from HM Land Registry (LR) to provide statistics on the price paid and number of residential property transactions for properties that were sold in England and Wales. Properties sold at a discount to market level, such as properties sold under the Right to Buy scheme, are not included in these statistics.

HPSSAs are updated quarterly, adding a new 12-month period to the data. The use of rolling annual data removes seasonality effects and reduces the impact of registration lag, where transactions can be registered by the LR some time after the date of completion. The latest release includes the year ending December 2018, which covers the period from January 2018 to December 2018. Any comparisons with previous years are also for the year ending December.

The [datasets](#) used to create this analysis are available. These data show both property prices and the number of transactions for existing and newly built properties, and are available across a range of geographies as summarised in Section 7.

With each quarterly publication, revisions to the entire time series of HPSSAs back to the year ending December 1995 are made to reflect the fact that LR can make amendments to historic underlying data used to produce these statistics. The data in this release supersede all previously published HPSSA data, to ensure that:

- residential property transactions added to or edited in the LR Price Paid Data are included, especially in more recent periods to which changes are more likely to relate
- if a geography change is made, the entire series reflects the new structure, avoiding geographic breaks in the time series

The smallest areas for which statistics are presented are [Lower layer Super Output Areas \(LSOAs\)](#), of which there are 34,753 in England and Wales, each containing around 600 households. More detailed statistics are presented for other geographies including [Middle layer Super Output Areas \(MSOAs\)](#). There are 7,201 MSOAs in England and Wales, each containing around 3,000 households. Statistics for these Super Output Areas therefore provide a detailed geographic understanding of the number and price paid for properties that were sold at market value.

Differences to other house price statistics

There are two sets of official statistics for house prices. In addition to these HPSSAs, the Office for National Statistics (ONS) also produces the [UK House Price Index \(UK HPI\)](#). The HPSSAs measure the number of property transactions and the price paid for properties sold in a given period, while the UK HPI provides a measure of the changing value of properties in the housing market. The differences and uses of these outputs are summarised in Table 1.

Table 1: Summary of differences between the house price statistics for small areas (HPSSAs) and the UK House Price Index (HPI)

	HPSSA	UK HPI
Period covered	12 months	Month
Frequency of production	Quarterly	Monthly
What is it designed to measure?	The price paid for properties sold in a given period and the number of transactions	The changing value of properties in the housing market
Are the data weighted?	No, to reflect the mix of properties sold in a short period	Yes, to reflect the mix of properties sold over the previous year. This is broadly representative of the mix of properties in the overall dwelling stock
Seasonal adjustment	Not required, as data covers a year	Seasonally adjusted series are calculated at the regional and national level
Coverage	England and Wales: Several geographies, down to Lower layer Super Output Area	UK: Country, region, county and unitary authority, local authority

Source: Office for National Statistics – House Price Statistics for Small Areas, HM Land Registry – Price Paid Data

There are also other sources of house price statistics. These are described in the [Quality and Methodology Information](#) report.

3 . House prices analysis: Median price paid for residential properties in LSOAs in England and Wales ranged from £25,000 to £3.9 million

In the year ending December 2018, the median price paid for residential properties in Lower layer Super Output Areas (LSOAs) in England and Wales ranged from £25,000 (within two LSOAs, one in Sunderland and the other in County Durham) to £3.9 million (within Kensington and Chelsea). The least expensive LSOAs were the same as in the previous year, while the most expensive LSOA was in Barnet in the previous year.

Figure 1 shows the geographical distribution of house prices across LSOAs in England and Wales in the year ending December 2018.

Figure 1: Median price paid for all dwellings by Lower layer Super Output Area

England and Wales, year ending December 2018

There were fewer small areas in which the median price paid was £1 million or more in the year ending December 2018 than in the previous year (357 LSOAs, down from 370). Out of the 357 LSOAs in which the median price paid was £1 million or more, 294 were in London (this represents 6.1% of London's LSOAs).

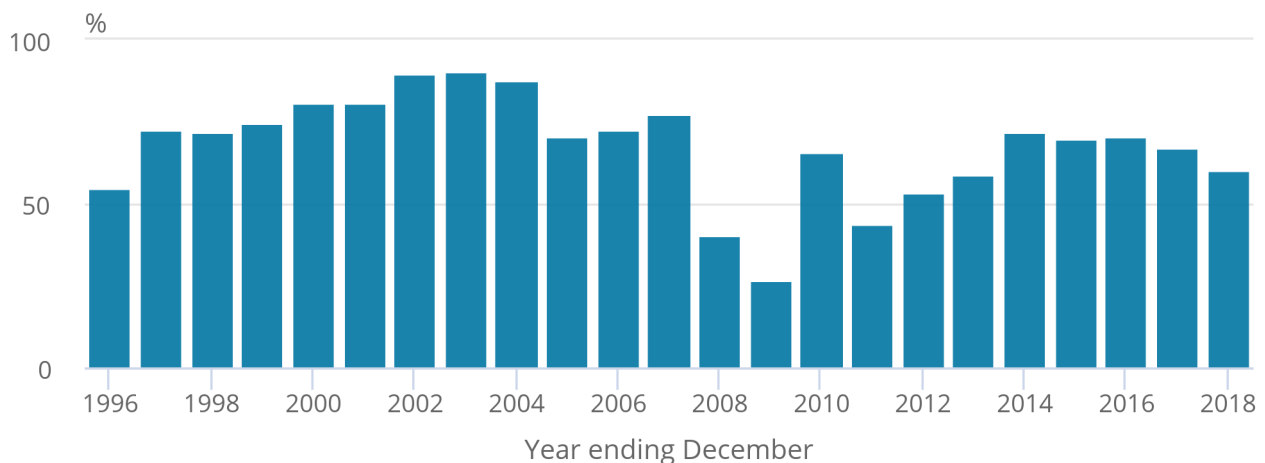
Figure 2 shows the percentage of LSOAs with an increase in median price paid compared with the previous year.

Figure 2: Second consecutive drop in small areas with an increase in house prices

Percentage of Lower layer Super Output Areas in which median property price paid increased since the previous year, England and Wales, year ending December 1996 to year ending December 2018

Figure 2: Second consecutive drop in small areas with an increase in house prices

Percentage of Lower layer Super Output Areas in which median property price paid increased since the previous year, England and Wales, year ending December 1996 to year ending December 2018



Source: Office for National Statistics – House Price Statistics for Small Areas, HM Land Registry – Price Paid Data

Notes:

1. The percentages are calculated for LSOAs where data are available (approximately 97% of LSOAs).

In the year ending December 2018, the median price paid for residential properties increased in 60.2% of LSOAs where data were available (around 97% of LSOAs) in England and Wales. The median price paid stayed the same in 1.3% of LSOAs and decreased in the rest.

Figure 2 shows that the percentage of LSOAs with an increase in median price paid has dropped compared with the previous year, with a decrease of 6.7 percentage points since the year ending December 2017. This is the second consecutive annual decrease, but still remains notably higher than the year ending December 2009, following the economic downturn.

4 . Transactions analysis: Fewer sales of flats was the main driver of the property transaction decrease

The number of residential property transactions recorded by HM Land Registry in England and Wales fell 5.3% to 856,420 in the year ending December 2018, from 904,536 in the previous year. This was the second consecutive year in which the number of property transactions has decreased and is the lowest number of sales since the year ending December 2013.

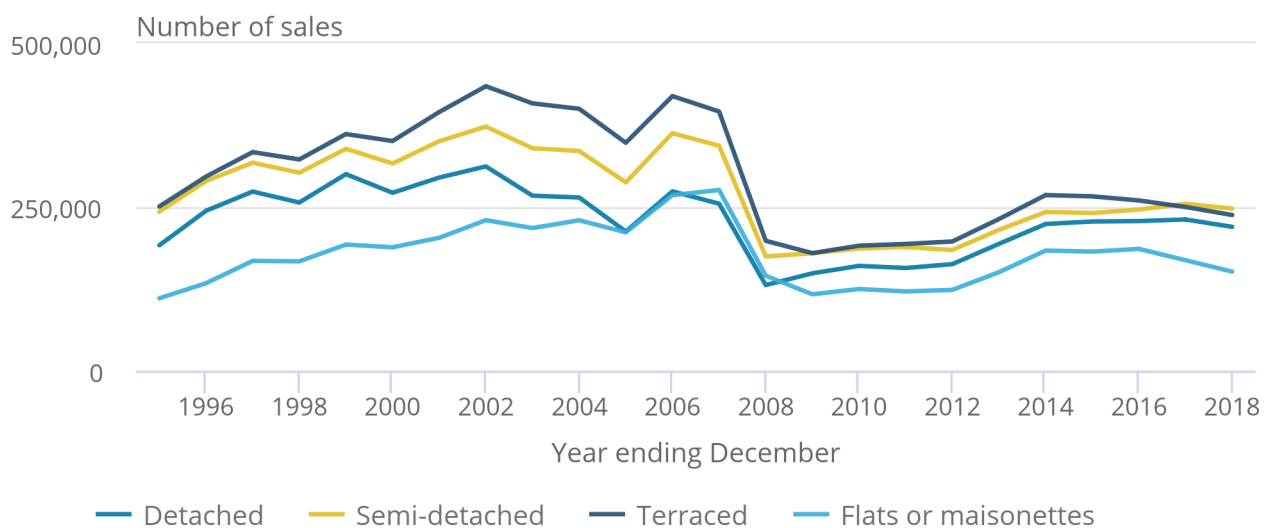
Figure 3 shows the number of property transactions for all property types over the last 24 years.

Figure 3: Property sales fell for all property types in the year ending December 2018

Number of residential property transactions, England and Wales, year ending December 1995 to year ending December 2018

Figure 3: Property sales fell for all property types in the year ending December 2018

Number of residential property transactions, England and Wales, year ending December 1995 to year ending December 2018



Source: Office for National Statistics – House Price Statistics for Small Areas, HM Land Registry – Price Paid Data

There was an overall decrease of 48,116 property sales in England and Wales on the previous year. Flats and maisonettes was the largest contributor, with 17,352 fewer transactions (a fall of 10.3%). Every country and region (except the West Midlands) had a greater percentage drop for flats and maisonettes than for other property types, with the largest drop being in Yorkshire and The Humber (12.4%).

The next largest decrease was for detached properties and terraced properties, of which there were 4.9% fewer transactions each in the year ending December 2018 compared with the previous year. For all property types, the number of transactions in the year ending December 2018 was higher than 10 years ago, following the economic downturn around 2007 and 2008.

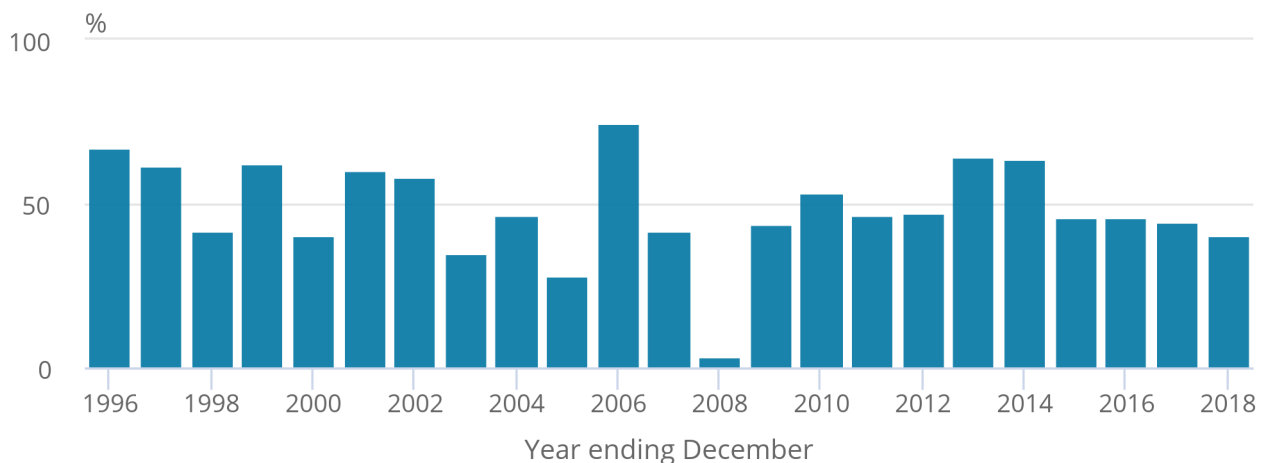
Figure 4 shows the percentage of Lower layer Super Output Areas (LSOA) in which the number of property transactions increased compared with the previous year.

Figure 4: Housing market activity in small areas continues to fall

Percentage of Lower layer Super Output Areas in which the number of property transactions increased since the previous year, England and Wales, years ending December 1996 to year ending December 2018

Figure 4: Housing market activity in small areas continues to fall

Percentage of Lower layer Super Output Areas in which the number of property transactions increased since the previous year, England and Wales, years ending December 1996 to year ending December 2018



Source: Office for National Statistics – House Price Statistics for Small Areas, HM Land Registry – Price Paid Data

In the year ending December 2018, of all LSOAs, 40.3% had an increase in the number of property transactions compared with the previous year, down from 44.2% for the year ending December 2017.

5 . Value analysis: Nominal total housing market value decreased most in London

Housing market value is the total value of residential property transactions in an area. It is determined by a combination of property prices and the number of property transactions. This can be used to provide an overview of the scale of the property transaction economy. These housing market value statistics are presented in nominal terms, which means they have not been adjusted to take account of price inflation and so they present the simple total transactional value of all property sales.

The total housing market value in England and Wales was £255 billion in the year ending December 2018. This is a decrease of 3.9% on the previous year and 8.7% less than the highest level of housing market value, which was in the year ending December 2007.

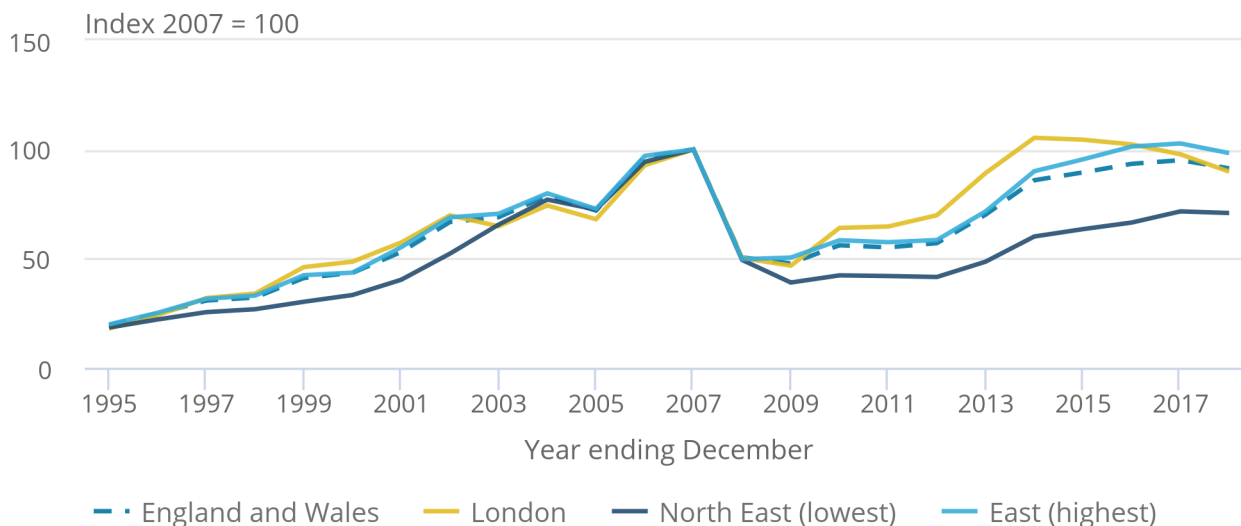
Figure 5 shows the total housing market value in nominal terms expressed as an index.

Figure 5: Housing market value decreased most in London

Nominal total value of property transactions, North East, East, London, and England and Wales, year ending December 1995 to year ending December 2018

Figure 5: Housing market value decreased most in London

Nominal total value of property transactions, North East, East, London, and England and Wales, year ending December 1995 to year ending December 2018



Source: Office for National Statistics – House Price Statistics for Small Areas, HM Land Registry – Price Paid Data

Notes:

1. Nominal total value is the total value of residential property transactions. This is expressed as an index in this chart, where 100 represents the value in the year ending December 2007.
2. In the year ending December 2018, the East of England had the highest housing market value relative to the peak in 2007. The North East had the lowest relative to the peak in 2007.

For England and Wales overall, the housing market value was lower in the year ending December 2018 than the pre-recession peak of 2007. This was also the case for all English regions and Wales, with London's housing market value falling the most. The East of England retained the highest proportion of its 2007 value (with an index of 98.3), despite a fall from 102.8 in the previous year. The North East remained the lowest (with an index of 70.9), the first time it has decreased since the year ending December 2012.

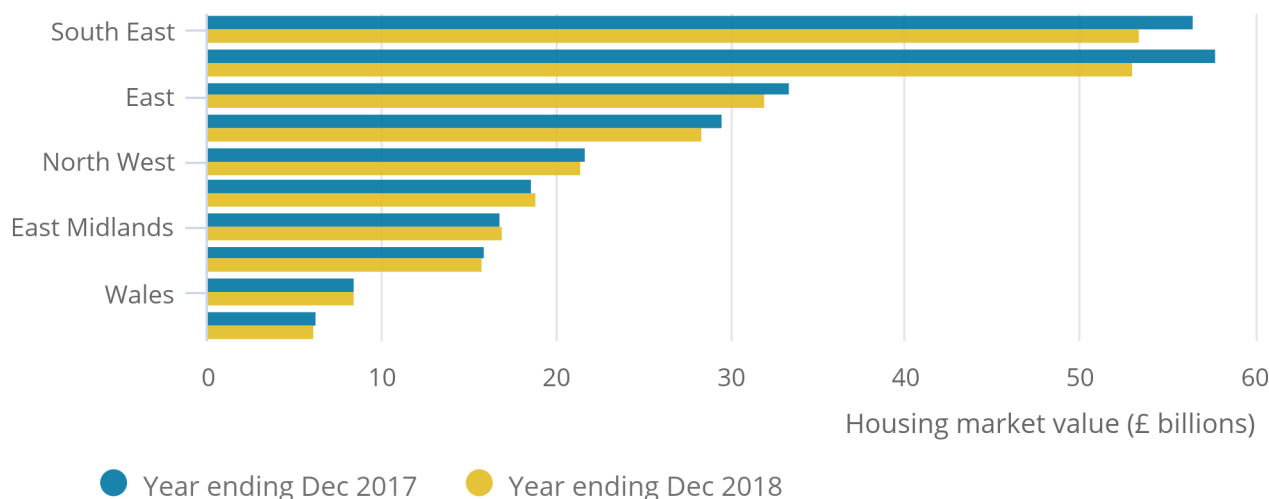
Figure 6 shows the total housing market value in nominal terms for each English region and Wales.

Figure 6: The South East had the largest housing market value

Nominal total value of property transactions in English regions and Wales, year ending December 2017 and year ending December 2018

Figure 6: The South East had the largest housing market value

Nominal total value of property transactions in English regions and Wales, year ending December 2017 and year ending December 2018



Source: Office for National Statistics – House Price Statistics for Small Areas, HM Land Registry – Price Paid Data

The South East had the highest housing market value in the year ending December 2018 (£53.4 billion). This was the first time that London did not have the largest housing market value since the year ending December 2009. Housing market value was lowest in the North East (£6.2 billion). The North East has consistently been the region with the lowest housing market value for the entirety of the house price statistics for small areas (HPSSAs) series.

For the year ending December 2018, London and the South East made up 41.8% of the total housing market value of England and Wales. This was down from 43.2% in the previous year and driven by a fall in sales.

In London, the housing market value fell 8.1% in the year ending December 2018 compared with the previous year. This was the largest fall out of all English regions and Wales. Of the 33 London boroughs, 28 had a decrease in the housing market value. Both the East Midlands and the West Midlands had increases in housing market value of around 1% in the year ending December 2018, despite an overall drop of 4.1% for England. This was the seventh consecutive annual increase in these regions.

6 . Links to related statistics

More information about house prices can be found in the following publications:

[UK House Price Index](#) – monthly house price inflation in the UK. This provides a measure of the changing value of properties in the housing market and is available for countries, regions, county and unitary authorities and local authorities.

[Housing affordability in England and Wales](#) – brings together data on house prices and annual earnings to provide a measure of housing affordability down to the local authority level. This provides information about house prices in the context of how much people earn. Housing affordability statistics are used in local authority planning for housing, as part of their housing needs assessments.

[Quarterly Stamp Duty Statistics for England](#) – Quarterly Stamp Duty Statistics produced by HM Revenue and Customs (HMRC) on the number of property transactions from Stamp Duty records. The number of transactions reported in the house price statistics for small areas (HPSSAs) is lower than the number of transactions reported by HMRC because they relate to a different subset of transactions. HMRC includes some types of transactions that are not included in the HPSSAs, such as transactions that took place with a buy-to-let mortgage (which are not recorded in the data used to produce the HPSSAs), but they exclude transactions of less than £40,000. These Quarterly Stamp Duty Statistics are for local authority districts and Westminster Parliamentary constituencies (this publication no longer includes transactions from Wales as, since April 2018, Land Transaction Tax (LTT) has replaced Stamp Duty Land Tax in Wales).

[Land Transaction Tax Statistics for Wales](#) – Since April 2018, Land Transaction Tax (LTT) has replaced Stamp Duty Land Tax (SDLT) in Wales. LTT is broadly consistent with SDLT, however, the [residential tax rates differ](#). This change in the tax system may have affected house prices and transactions in Wales, particularly around the time of LTT's introduction. Statistics on the number of property transactions subject to the LTT are published on a monthly basis, and on a quarterly basis with accompanying commentary.

In addition to these official statistics about house prices, there are also some other data sources available, such as house price statistics from financial organisations such as the Halifax and Nationwide. More information about these sources is available in the Quality and Methodology Information report.

7 . Quality and methodology

The [House price statistics for small areas Quality and Methodology Information report](#) contains important information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

The [datasets](#) used to create this analysis are available. There are 49 datasets that show house prices by property type for various geographies in England and Wales, as well as the number of property transactions (see Table 2).

Table 2: Geographies covered by the house price statistics for small areas (HPSSAs) datasets

Geography	Statistic	Dataset
Middle layer Super Output Area (MSOA)	Sales	1
	Prices	2 to 5
Administrative: country and region; local authority; county and unitary authority; combined authority	Sales	6 to 8
	Median	9 to 11
	Mean	12 to 14
	Lower quartile	15 to 17
	10th percentile	18 to 20
Subnational: rural and urban; travel to work areas; Parliamentary constituencies; local enterprise partnership; towns and cities; NUTS3	Sales	21 to 23
	Median	24 to 26
	Mean	27 to 29
	Lower quartile	30 to 32
	10th percentile	33 to 35
Ward	Sales	36
	Prices	37 to 40
Lower layer Super Output Area (LSOA)	Sales	41 to 45
	Prices	46 to 49

Source: Office for National Statistics – House Price Statistics for Small Areas