

Statistical bulletin

# Housing affordability in England and Wales: 2024

Data on house prices and annual earnings to calculate affordability ratios for national and subnational geographies in England and Wales on an annual basis.

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# 1 . Main points

- In 2024, the median average home in England, at £290,000, cost 7.7 times the median average earnings of a full-time employee (£37,600); in Wales the average home (£201,000) was 5.9 times annual earnings (£34,300).
- Affordability in England and Wales in 2024 has returned to its pre-coronavirus (COVID-19) pandemic levels after a sharp increase between 2020 and 2021 (worsening affordability); median house sales prices have increased by 1% since 2021, while average earnings have increased by 20%.
- In 2024, 9% of local authorities (LAs) (27) had homes bought for less than five times workers' earnings on average and were therefore deemed affordable; this is the highest proportion since 2015, but well below that at the start of the series in 1997 (88% of areas).
- Housing affordability improved in 289 of the 318 LAs in England and Wales (91%) and worsened in 28 (9%) since 2023.
- The most affordable LAs in 2024 were Blaenau Gwent (with a ratio of 3.8), Burnley (3.9) and Blackpool (3.9); the least affordable was Kensington and Chelsea (27.1, which was about seven times less affordable).
- Between 2019 and 2024, 4 of the 10 largest increases in affordability ratios (worsening affordability) were in the East Midlands, while the 10 largest decreases in affordability ratios have all occurred in LAs in London.

## 2 . Housing affordability overview

This release produces timely, consistent local estimates that can be used for housing policy. Our [accompanying reference tables](#) provide:

- affordability ratios based on earnings estimates on a workplace basis (where people work) as used in this bulletin, or residence basis (where they live) at median and lower quartiles
- five-year average affordability ratios, for the updated standard method for [assessing local housing need](#)
- sales prices for all dwellings, existing dwellings and new dwellings, at median and lower quartile, by property type
- data on the number of sales, which previously formed part of our House price statistics for small area (HPSSA) release and are now published as datasets accompanying this bulletin
- house price and sales volume data are available for a range of geographies including current and former local authorities, counties, combined authorities, Middle layer Super Output Areas (MSOAs), and national parks

This bulletin presents analysis of our [workplace-based earnings affordability for all dwellings dataset](#), which is used in England in the updated standard method for [assessing local housing need](#).

### 3 . Housing affordability in England and Wales

Affordability ratios are calculated by comparing earnings from mid-April each year with the prices of homes that sold in the corresponding 12-month period.

We use a threshold of five years of earnings as a broad indicator of affordability. This is described in our [Housing affordability in England and Wales Quality and Methodology Information \(QMI\)](#), alongside our definitions and data sources.

Table 1: Affordability ratios in England and Wales, 2024

	Median House price (12 months to Sep 2024)	Median Earnings	2024 Affordability Ratio	Change in ratio from 2023
<b>England</b>	£290,000	£37,600	7.7	Decrease from 8.4, significant
<b>Wales</b>	£201,000	£34,300	5.9	Decrease from 6.2, not significant

Source: House Price Statistics for Small Areas and Annual Survey of Hours and Earnings from the Office for National Statistics

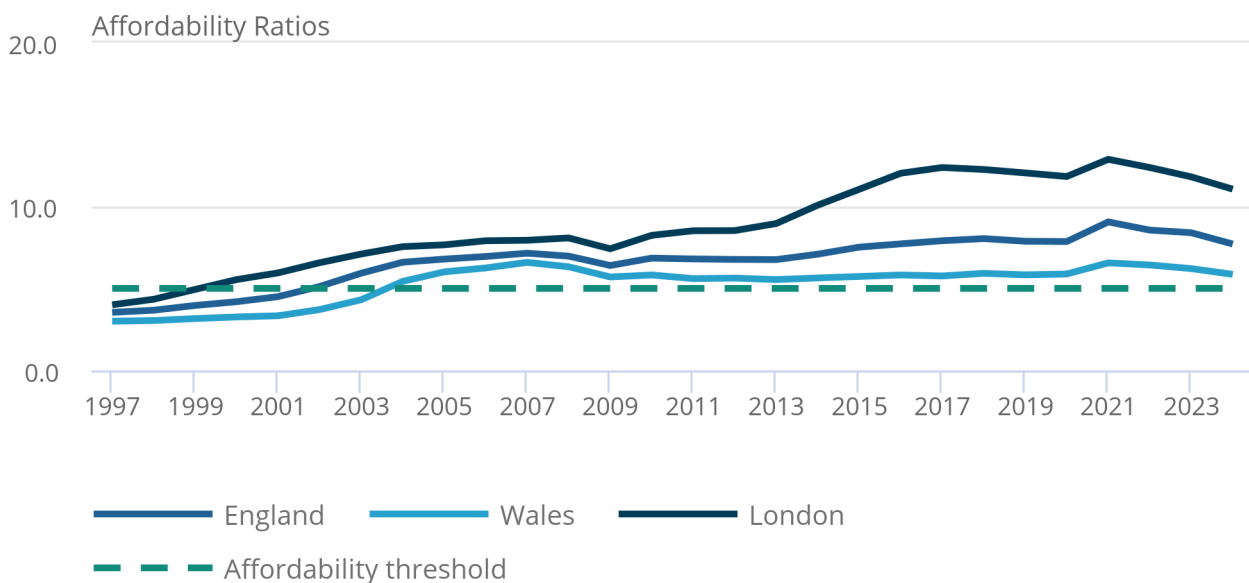
For information on statistical significance, see our [Uncertainty and how we measure it release](#).

**Figure 1: House sale prices have become more affordable since 2021, and have returned to pre-pandemic levels of affordability in England and Wales**

Housing affordability ratio by country, 1997 to 2024

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Housing affordability ratio by country, 1997 to 2024



Source: House Price Statistics for Small Areas and Annual Survey of Hours and Earnings from the Office for National Statistics

Figure 1 shows that affordability ratios doubled in England from the start of the series in 1997 to 2007, stayed at a similar level until around 2013, and then broadly increased until 2018.

There was a pronounced increase between 2020 and 2021, mainly because of an increase in house prices. However, three years of decreases have taken affordability in 2024 back to similar levels to 2018, 2019 and 2020.

In England, affordability ratios are highest (least affordable) in London. London's affordability ratio peaked at 12.9 in 2021, but by 2024 had returned to 11.1, which was a similar level to 2015.

In Wales, affordability ratios doubled from 1997 to 2005 and peaked in 2007 at 6.6. They have remained between 5.5 and 6.5 since 2009, with a less pronounced increase and decrease in the past four years than in England.

## 4 . Factors influencing housing affordability

The average (median) price of homes sold in England and Wales decreased by £7,500, or 2.6%, between the 12 months ending September 2023 and the 12 months ending September 2024. Meanwhile, the average earnings increased by £2,400, or 5.6%.

These recent changes are not typical of the full series. Figure 2 shows how five times average earnings compared to house prices over time. The House price statistics for small areas (HPSSA) data used here are not mix adjusted, so price variations may be a combination of true price changes and differences in the mix of housing types and trends. They will therefore differ from those in our [Private rent and house prices, UK bulletins](#), which are mix adjusted and comparable over time.

**Figure 2: While earnings have doubled since 1997, house prices have more than quadrupled**

**House sale prices and 5 years' worth of earnings, England and Wales, 1997 to 2024**

### Notes

1. Comparability across time is limited for earnings: the coronavirus (COVID-19) pandemic affected data collection in 2020 and 2021 ; in 2021 new occupation coding was applied; and methodological improvements have been applied to high-earner estimates in 2023 and 2024.

### Download the data

Figure 2 shows that changes in house prices are the main cause of the change in affordability. However, house prices have risen by 1% since 2021, a much smaller rise than the 20% increase in earnings.

At a national level, homes were affordable (selling for less than five times local earnings) on average at the start of the series until 2002, and not affordable thereafter. Lower quartile earnings have stayed closer to lower quartile house prices but have been unaffordable since 2003.

## 5 . Local authority housing affordability analysis

The most affordable Local Authority (LA) areas in 2024 were Blaenau Gwent, Burnley, and Blackpool, which had affordability ratios below four. Using an "affordability threshold" of five in 2024 showed that:

- 27 areas (9%) had homes selling for less than five times full-time workers' earnings (the most affordable group)
- this was an increase from 19 areas (6%) in 2023 in England and Wales; this is the highest number since 2015
- there was a substantial decrease since 1997; this was the start of our series, when 255 areas (88%) had this ratio.

### Figure 3: Long-term house price growth has led to reduced affordability

Housing affordability ratio, earnings, and house prices by local authority district, England and Wales, 1997 to 2024

#### Notes

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#### Download the data

The number of areas with the least affordable housing (a ratio of 12 or more) decreased from a peak of 76 in 2021 to 34 in 2024 (11% of areas). This is the lowest level since 2014. Of 33 London LAs, 30 (91%) had affordability ratios above 12 in 2024.

The least affordable area remained Kensington and Chelsea, whose ratio was 27.1. This was down from 33.4 in 2023 and a peak of 44.0 in 2018, reflecting the median house price being its lowest since 2016. However, house prices remain proportionately much higher than earnings, and it is still a notable outlier.

Users should note that these ratios are based on area-level averages, and that affordability patterns change if looking at wider housing markets or below LA level. For example, there were 251 local authorities (74.7%) that contained at least one local area with an affordability ratio of five or below, as shown in our [Housing affordability for local areas in England and Wales bulletin](#). This compares with 91% of local authority areas that are on average above the affordability threshold of five, as described in this bulletin.

### Figure 4: Divergence in house prices compared with earnings in local authorities is becoming larger over time

Ratio of median house prices to median workplace-based annual earnings by local authority district, England and Wales, 1997 to 2024

#### Notes

1. Comparability across time is limited for earnings: the coronavirus (COVID-19) pandemic affected data collection in 2020 and 2021; in 2021 new occupation coding was applied; and methodological improvements have been applied to high-earner estimates in 2023 and 2024
2. 7% of local authority estimates are not available for 1997 to 2002, owing to local authority boundary changes

#### Download the data

Figure 4 shows that some areas have seen affordability ratios increase faster than others. Out of 318 LA areas in England and Wales in 2024:

- housing affordability improved in 289 areas (91%), and worsened in 28 (9%), compared with 2023 (data were not available for the Isles of Scilly)
- average house prices increased in 20% of areas, compared with 2023, while average earnings increased in 87%
- affordability has worsened in every LA area over the 25 years for which the series is available

More subtle trends can be seen when looking at affordability over the last five years, including that:

- the biggest increases in affordability ratio (worsening affordability) occurred in Staffordshire Moorlands in the West Midlands (from 5.8 in 2019 to 7.3 in 2024)
- 4 of the 10 biggest increases were in the East Midlands
- the 10 biggest decreases in affordability ratios in the past five years have all occurred in LAs in London

## 6 . Local authority affordability within regions

### Figure 5: London’s most affordable area was less affordable than the North East’s least affordable area

Range of median housing affordability ratio in local authorities for English regions and Wales, England and Wales, 2024

[Download the data](#)

Figure 5 shows that the North East had a very tight distribution of affordability ratios, with more LAs having affordability ratios below five in 2024 than above five. There were only four LAs in the North East, Yorkshire and The Humber, and North West combined that had ratios higher than eight.

While this bulletin has focused on averages, we can compare individual house sale prices to local earnings for a more precise measure of the proportion that are affordable at the time of the sale. Figure 6 shows how regional affordability has changed over time using the proportion of homes that were sold for less than five times local median earnings.

### Figure 6: Affordability of homes has diverged over time between regions, with 3% of homes in London, and 50% in the North East “affordable” in 2024

Proportion of homes sold for less than five times local authority earnings, grouped by Wales and English regions, 1997 to 2024

#### Notes

1. Comparability across time is limited for earnings: the coronavirus (COVID-19) pandemic affected data collection in 2020 and 2021. In 2021, new occupation coding was applied, and methodological improvements have been applied to 2023 and 2024.
2. 7% of local authority estimates are not available for 1997 to 2002, because of local authority boundary changes.

[Download the data](#)

Figure 6 shows that over time, clear groupings of regions have formed relating to affordability. Distinct regional patterns emerge from 2005, with London and the North East at the extremes and East Midlands and the West Midlands in the middle. Since 2021, earnings increasing faster than house prices have resulted in more sales being affordable in all English regions and in Wales.

Currently, the proportions of “affordable” sales in northern English regions and Wales are in a distinct group from those of London and the south. For example, 57.4% of homes sold in London were sold for less than five times average earnings in 1997, while the proportion was just 3.0% in 2024. Conversely, 85.4% of homes in the North East were “affordable” in 1997, and 49.9% in 2024.

## **7 . Alternative house price, earnings, and affordability estimates**

## New and existing dwellings

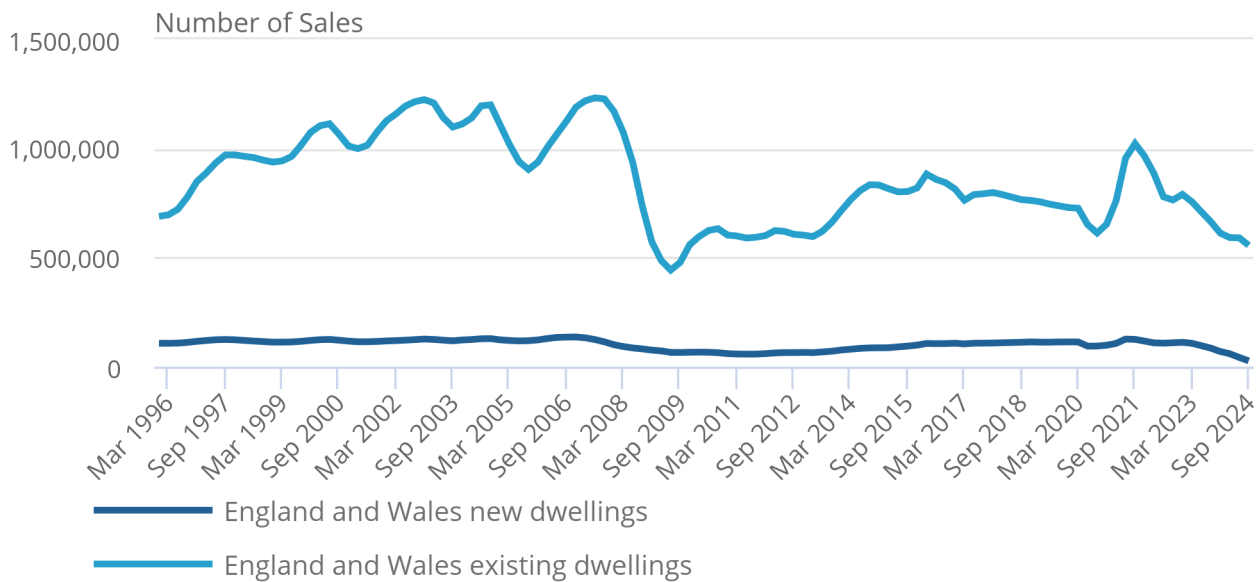
There is interest in the effect of new house building on housing affordability. Across England and Wales, newly built dwellings were, on average, more expensive than existing properties. In the year to September 2024, the average new dwelling sold for £350,000, compared with £280,000 for an existing dwelling. However, existing dwellings make up most sales, with new builds being just 4.7% of sales in England and 2.8% of sales in Wales in the year to September 2024.

### Figure 7: New dwellings sell in much lower numbers than existing dwellings, but sale volumes are less volatile

Numbers of residential dwellings sales, new and existing dwellings, England and Wales, rolling 12-month quarters

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Numbers of residential dwellings sales, new and existing dwellings, England and Wales, rolling 12-month quarters



Source: House Price Statistics for Small Areas and Annual Survey of Hours and Earnings from the Office for National Statistics

Figure 7 shows that there is more variation over time in the number of sales of existing dwellings, than with new builds.

## Workplace and residence-based earnings

As in previous years, workplace-based earnings are lower than residence-based earnings in LAs with high proportions of London commuters, such as Richmond-upon-Thames, St Albans, and Southend-On-Sea.

The patterns in differences between residence-based and workplace-based affordability are similar, despite homeworking becoming more common following the coronavirus (COVID-19) pandemic.

## Other measures of housing affordability

We publish a range of affordability ratios because not all users will require median average workplace-based earnings. Users interested in the minimum wage could apply the April 2024 [National Living Wage rate](#) (£11.44 for employees aged 23 years and over, or £22,300 for a 37.5 hour week). An average home in 2024 cost 12.7 times these earnings.

Our [Housing Purchase Affordability bulletin](#) covers the whole of the UK and better replicates mortgage lending in using estimates of household income, and is for wider context and research purposes.

Our [Private rental affordability, England, Wales and Northern Ireland bulletins](#) cover the affordability of living in a household in that tenure.

Our [Housing affordability for local areas in England and Wales: year ending March 2020 article](#) provides income estimates for neighbourhoods (Middle layer Super Output Areas) and compares these with house sale prices.

## 8 . Data on housing affordability

### [House price to workplace-based earnings ratio](#)

Dataset | Released 24 March 2025

Affordability ratios calculated by dividing house prices by gross annual workplace-based earnings. Based on the median and lower quartiles of both house prices and earnings in England and Wales.

### [House price to residence-based earnings ratio](#)

Dataset | Released 24 March 2025

Affordability ratios calculated by dividing house prices by gross annual residence-based earnings. Based on the median and lower quartiles of both house prices and earnings in England and Wales.

### [Ratio of house price to workplace-based earnings for former local authorities](#)

Dataset | Released 24 March 2025

Affordability ratios calculated by dividing house prices by gross annual workplace-based earnings for former local authorities in England and Wales.

### [Median house prices for administrative geographies](#)

Dataset | Released 24 March 2025

Median price paid for residential property in England and Wales, by property type and administrative geographies. Annual data. (Formerly HPSSA Dataset 9)

### [Residential property sales for administrative geographies](#)

Dataset | Released on 24 March 2025

Number of residential property sales in England and Wales, by property type and administrative geographies. Quarterly rolling annual data. Formerly HPSSA dataset six.

## 9 . Glossary

### Housing affordability ratio

Housing affordability estimates are calculated by dividing house prices by annual earnings to create a ratio. It can be used to compare affordability over time and between areas. A larger number reflects a less affordable area.

By using a ratio, it allows us to compare over time without the need to adjust for inflation.

## Local authorities

These are the 318 local authorities (LAs) that existed at the time of data collection (centred on 1 April 2023). Our additional dataset provides recent estimates for workplace-based earnings in LAs that existed between 2014 and 2022.

## Residence-based earnings

Residence-based earnings refer to the earnings of the people who live in the area, though they may work elsewhere. We use a snapshot of the annual earnings of all full-time employees, or an annualised version of the weekly estimate where annual is not available.

## Workplace-based earnings

Workplace-based earnings refer to the earnings of the people who work in the area, though they may live elsewhere. We use a snapshot of the annual earnings of all full-time employees, or an annualised version of the weekly estimate where annual is not available. The analysis in this statistical bulletin uses earnings data based on the place of work rather than the place of residence, unless otherwise stated.

## Statistically significant

When looking at changes over time in an area, or differences between areas in terms of affordability, we can account for the degree of uncertainty around estimates. We look at statistical differences by having a range around the estimates which the true affordability ratio is likely to lie within, and seeing whether these values overlap between the two ratios we are comparing.

# 10 . Data sources and quality

## Data sources

Full details of data sources and other available measures are in our [Housing affordability in England and Wales Quality and Methodology Information \(QMI\)](#).

House prices for small areas (formerly House Price Statistics for Small Areas) are published as part of this release. They are calculated using open data from HM Land Registry (HMLR). This is a source of comprehensive record-level administrative data on residential properties that have been sold up to the period October 2023 to September 2024. This release is based on HPSSAs to the year ending September 2024, as published by HMLR on 29 January 2025.

Median and lower quartile gross annual earnings for full-time workers are taken from our [Employee earnings in the UK bulletins](#), which use data from our [Annual Survey of Hours and Earnings \(ASHE\) QMI](#). This release uses ASHE data snapshot in April 2024, as published in October 2024. The main implications of using ASHE are that:

- it is a sample survey, so estimates are less precise than if all employees were included
- gross full-time annual earnings are not always available, in which case they are supplemented by annualised weekly earnings
- it includes payments to workers who were on the Coronavirus Job Retention Scheme (CJRS), also known as furlough, during 2020 or 2021, and had lower response rates around that time
- new occupation coding was applied in 2021, and methodological improvements were applied in 2023 and 2024 that increase the number of high earners included in the estimates

## Revisions

These affordability-ratio statistics are revised annually to reflect revisions to the HPSSA and ASHE data. House prices are subject to revision throughout the entire time series because there can be a delay in the registration of property transactions. ASHE data are only revised once, the year after provisional release.

## Strengths and limitations

### Consistency and timeliness

The main strength of this series is that it has been measured in a consistent way over time.

### Available for local areas

While a range of house price measures are available, this source is the main one available at below local authority level. Each release presents the whole series on the latest available geographies, as well as a five-year average ratio for using in local housing policy setting.

### Range of measures

This release provides a range of measures, such as earnings on a residence basis and workplace basis.

### Individual earnings

The Annual Survey of Hours and Earnings (ASHE) data we use in our [Employee earnings in the UK bulletins](#) are based on individual earnings, and therefore exclude the self-employed. However, house purchases are often done on a household basis. Our [Housing Purchase Affordability bulletins](#) look at affordability on a household basis. In Quarter 1 (Jan to Mar) 2024, 60% of mortgages were based on joint income, according to the Financial Conduct Authority's [Mortgage lending statistics - March 2025](#).

### House prices are not mix adjusted

House prices are for residential properties sold each year, not the stock of existing housing. As they are not mix adjusted, these prices will represent a varying mix of property types sold over time and this will differ from the mix in the underlying stock. There were sharp price increases in 2021, as shown in our [Median house prices for administrative geographies dataset](#). This corresponds with increases in the volume of sales and changes in Stamp Duty Land Tax.

### No estimation of equity, deposits, and upfront costs

The sources used in this release cannot account for household circumstances when buying a home, such as paying deposits, having existing equity, or paying upfront costs like stamp duty. It does not account for "ongoing affordability" (the costs of staying in owner-occupation, such as mortgage payments).

## 11 . Related links

### [Housing Purchase Affordability, UK: 2023](#)

Bulletin | Released 9 December 2024

Ratios of house prices to annual disposable household incomes, by decile, for countries of the UK and regions of England. Part of our additional measures of housing affordability series.

### [Private rental affordability, England and Wales: 2023](#)

Bulletin | Released 28 October 2024

Private rent prices by country and English region, expressed as a percentage of gross monthly income of private renting households. Part of our additional measures of housing affordability series.

### [Housing prices in your area](#)

Interactive tool | Released 20 March 2024

Find the latest data on average house prices and rents in your local authority area, and how they have changed compared with regional and national trends.

### [Employee earnings in the UK: 2024](#)

Bulletin | Released 29 October 2024

Measures of employee earnings, using data from the Annual Survey for Hours and Earnings (ASHE).

### [Who is most exposed to rising housing costs in England and Wales](#)

Article | Released 25 April 2024

See which areas were most and least affected by rising mortgage and rent costs in 2023.

### [First-time buyer mortgage sales fell across London in decade to 2023](#)

Article | Released 18 March 2025

First-time mortgage buyers bought homes further from the capital compared to 10 years earlier, ONS analysis of Financial Conduct Authority data show.

## 12 . Cite this bulletin

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