

Article

# House price per square metre and house price per room, England and Wales: 2004 to 2016

Annual data on house price by size of property calculated using data from HM Land Registry and Valuation Office Agency.

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# 1 . Authors

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## 2 . Introduction

Using data collected and used as part of the [UK House Price Index](#) (UK HPI) has allowed us to publish additional statistics on house price per square metre and house price per habitable room. This new analysis and data is presented here, available down to a local authority level, for the first time.

## 3 . Method and data sources

Launched in June 2016, the UK House Price Index (UK HPI) replaced the previous house price indices separately published by us and [HM Land Registry](#). The development of the UK HPI brought together a number of comprehensive administrative data sources, which includes house price data from HM Land Registry and property attribute data from the [Valuation Office Agency](#) (VOA).

The VOA maintains the Council Tax valuation list and has been responsible for banding properties for Council Tax since the tax was first introduced in 1993. The Council Tax valuation list is a robust source of property attributes (such as the size of the property) that covers, in principle, all residential properties in England and Wales. From this dataset two variables are used.

1. Number of rooms – this relates to the number of habitable rooms and so excludes bathrooms, conservatories, kitchens and utility rooms.
2. Floor space – the floor space is collected by two different methods depending on the property type:
  - Houses – reduced covered area is the method of measurement, which applies to domestic properties excluding flats and maisonettes; it is effectively the area under the roof and is calculated by measuring each floor externally from outside wall to outside wall
  - Flats – effective floor area is used for the calculation of flats and maisonettes; this includes living rooms, bedrooms and kitchens but excludes bathrooms, corridors hallways and landings

Following combining these two datasets, an estimated house price was calculated for each transacted property. This was then divided by the number of habitable rooms and floor space to calculate house price per room and house price per area for each transaction.

These individual transactions were then averaged (using a geometric mean) and aggregated to higher geographical levels (local authority, region and country) for each year.

$$\text{House price per (habitable) room} = \left( \prod \frac{p_i}{r_i} \right)^{\frac{1}{n}}$$

$$\text{House price per area} = \left( \prod \frac{p_i}{a_i} \right)^{\frac{1}{n}}$$

Where:

$p$  represents the price of property  $i$

$r$  represents the number of habitable rooms for property  $i$

$a$  represents the floor space of property  $i$  in metres squared

$n$  represents the number of properties aggregated to a particular geography (such as local authority).

Results presented in this article are based on transacted properties within the year and so they are influenced by the type and location of properties transacted during that period. Given this, caution is advised when comparing estimates across years as the mix of properties is likely to have changed. Further information on the quality of the VOA data can be found in a [comparison of the VOA data with the 2011 Census](#).

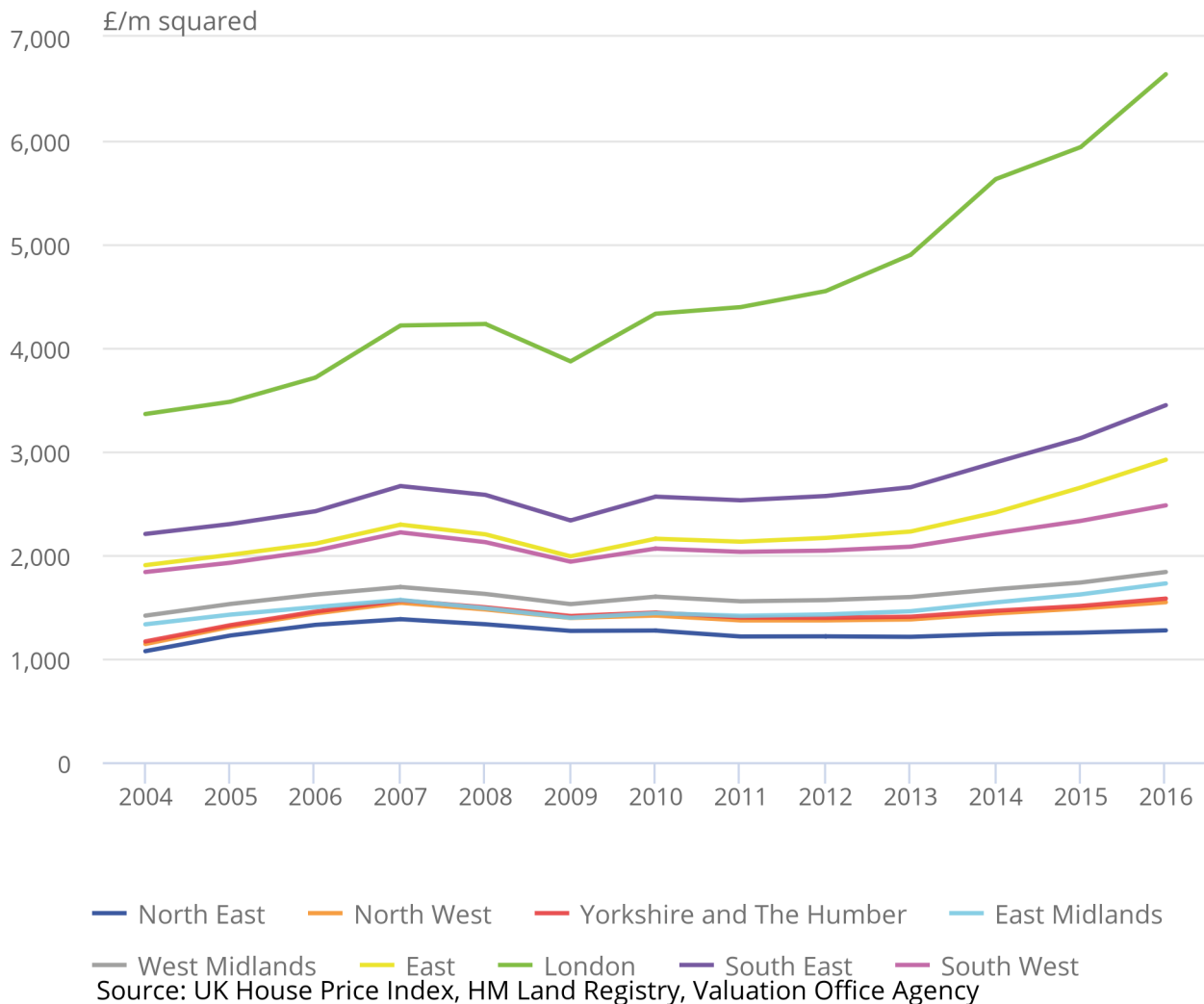
## 4 . Results

### 4.1 Price per room

As one might expect, the highest house price per square metre (which includes both houses and flats) is in London with an average cost of over £6,500 for each square metre. In Figure 1 we can see a clear north south divide both in levels but also in growth terms.

**Figure 1: House Price per area (metre squared), 2004 to 2016 by English region (house and flat)**

Figure 1: House Price per area (metre squared), 2004 to 2016 by English region (house and flat)



Source: UK House Price Index, HM Land Registry, Valuation Office Agency

**Notes:**

Between 2004 and 2016, price per area in London nearly doubled (98%) with the East of England and the South East both increasing by around 55% over the period. While there was a small increase in the floor space of properties purchased over this period (2.7% increase for England and Wales), the majority of the growth is driven by increases in house prices. Changes in the mix of properties between periods may also have contributed to the increased growth.

Looking at the local authority level, a number of London boroughs dominate the top of England and Wales's most expensive local authorities. The borough of Kensington and Chelsea is the most expensive area to buy a house, with an average price of £19,400 per metre squared, around eight times the England and Wales average.

**Table 1: Top house price per area (metre squared), 2016, England and Wales**

<b>LA name</b>	<b>(£/m<sup>2</sup>)</b>
Kensington and Chelsea	19439
City of London	17371
City of Westminster	16246
Camden	12671
Hammersmith and Fulham	10718

Source: Land Registry, Valuation Office Agency

At the lower end you would pay £777 per metre squared in Blaenau Gwent, a third of the England and Wales average and less than 5% of the prices in Kensington and Chelsea.

**Table 2: Bottom house price per area (metre squared), 2016, England and Wales**

<b>LA name</b>	<b>(£/m<sup>2</sup>)</b>
Blaenau Gwent	777
Burnley	838
Merthyr Tydfil	917
Hyndburn	976
Neath Port Talbot	984

Source: Land Registry, Valuation Office Agency

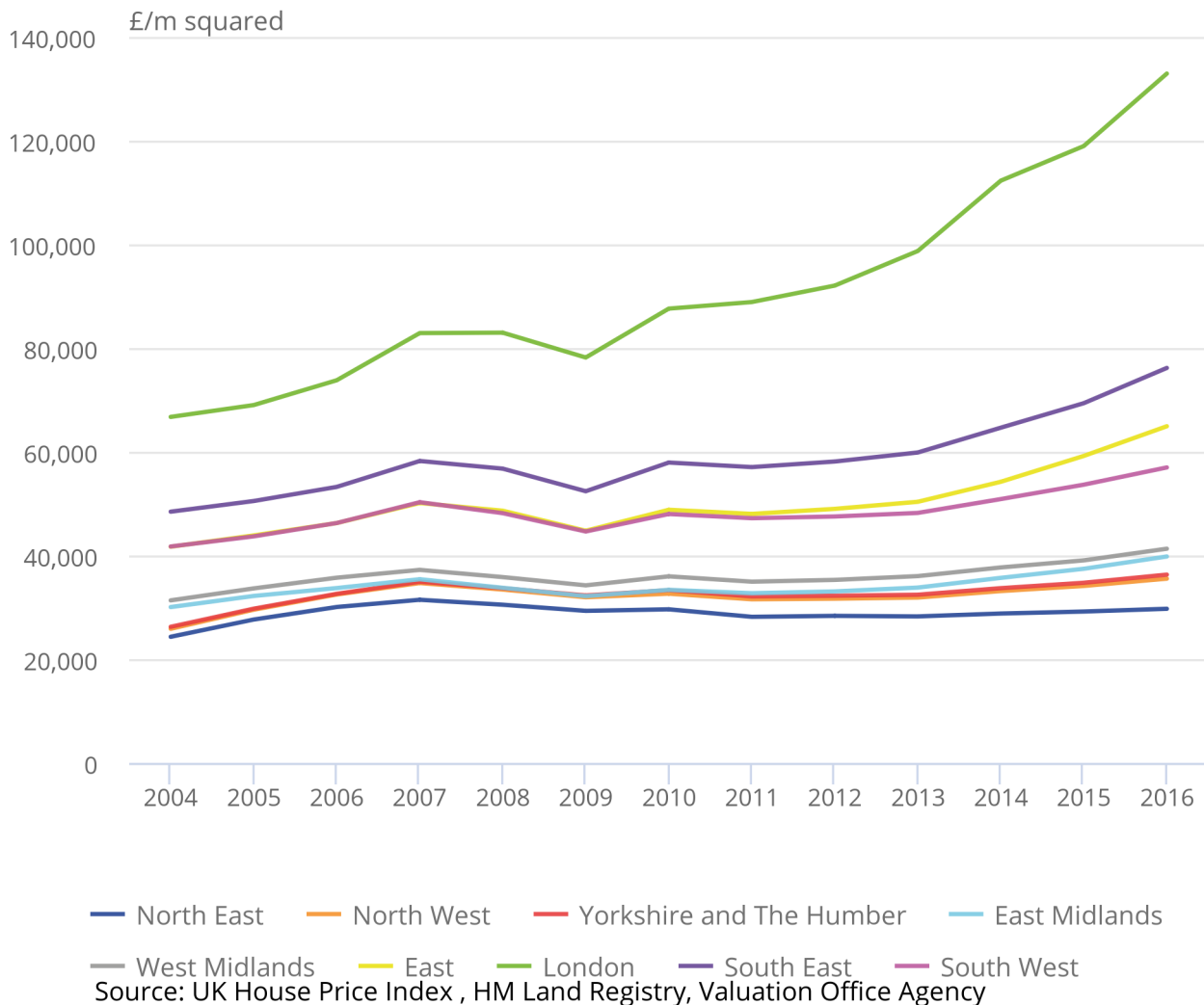
You can explore the data further in the associated dataset or through our [interactive tool](#).

## 4.2 Price per (habitable) room

As one might expect, a similar relationship is seen if we look at price per (habitable room) as shown in Figure 2. Between 2004 and 2016 the price per habitable room at the England and Wales level increases by around 45%. Over the same period rooms increase by slightly over 1%.

**Figure 2: House Price per (habitable) room, 2004 to 2016 by English region (house and flat)**

Figure 2: House Price per (habitable) room, 2004 to 2016 by English region (house and flat)



Source: UK House Price Index , HM Land Registry, Valuation Office Agency

### 4.3 How are rooms and square footage changing?

Table 3 shows how the number of (habitable) rooms and the floor space of purchased properties have changed over time at the England and Wales level.

**Table 3: Number of (habitable) rooms and area, 2004 to 2016, England and Wales**

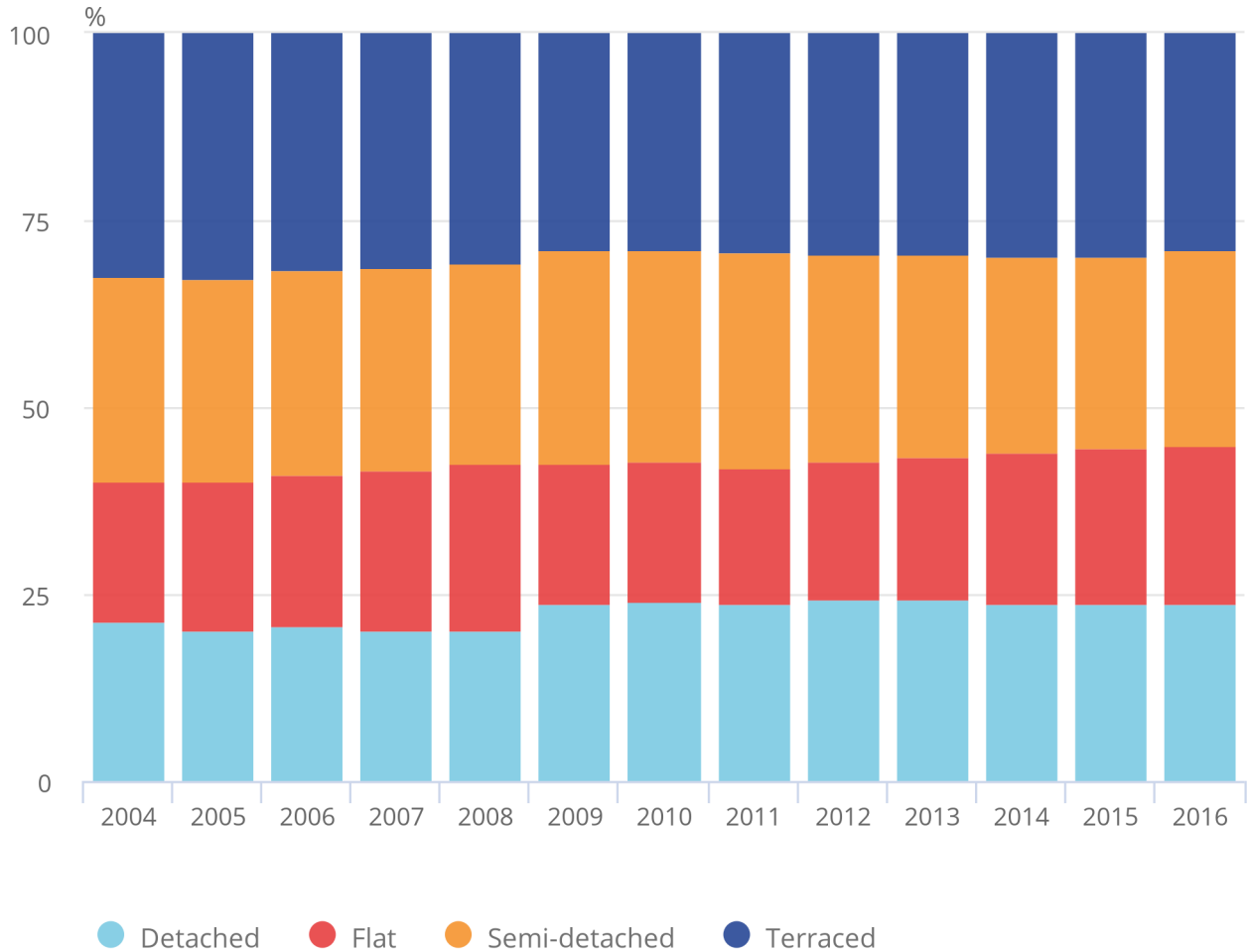
<b>year</b>	<b>Rooms</b>	<b>Floor space (m<sup>2</sup>)</b>
2004	3.98	87.80
2005	3.95	87.00
2006	3.97	87.28
2007	3.93	86.22
2008	3.93	86.61
2009	4.06	91.29
2010	4.08	91.88
2011	4.07	91.57
2012	4.08	92.11
2013	4.07	91.76
2014	4.03	90.44
2015	4.04	90.59
2016	4.02	90.18

Source: Land Registry, Valuation Office Agency

Both (habitable) rooms and floor space have seen small increases over the period with the biggest shift seen between 2008 and 2009. During this period there was an increase in the proportion of detached properties purchased (Figure 3) and a respective fall in the proportion of flats. As flats tend to be smaller than houses this contributed to the growth seen in floor space and (habitable) rooms between 2008 and 2009. Since 2012, while the proportion of detached properties has remained broadly consistent, the proportion of flats purchased has increased. This has reduced the average number of rooms and floor space slightly, but it is still above 2004 levels.

**Figure 3: Percentage of properties purchased by property type, 2004 to 2016, England and Wales**

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Source: HM Land Registry, Price Paid data

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While we haven't published price per room and price per area broken down by property type as part of this analysis, a breakdown by house (detached, semi-detached and terraced) and flat is provided within the associated dataset. This may allow more meaningful analysis given how the floor space for both is measured slightly differently.