

Statistical bulletin

House price statistics for small areas in England and Wales: year ending December 2017

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

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1 . Main points

- More than 65% of Lower layer Super Output Areas had an increase in median price paid in the year ending December 2017 compared with the previous year, down from 70% in the year ending December 2016.
- There was a decrease in the number of property transactions in more than half of Lower layer Super Output Areas in the year ending December 2017 compared with the previous year.
- The number of residential property transactions recorded by HM Land Registry in England and Wales fell 3.8% to 884,329 in the year ending December 2017.
- The number of property transactions for flats and maisonettes decreased by 12.7% in the year ending December 2017, the largest change out of all property types.

2 . Things you need to know about this release

Definitions and data sources

The house price statistics for small areas (HPSSAs) use data from the HM Land Registry (LR) to provide statistics on the price paid and composition 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 excluded from the LR data.

The data series in the HPSSAs is revised quarterly back to year ending March 2011 and these data supersede all previously published HPSSA data, to ensure that:

- residential property transactions added to or edited in the LR price paid data (PPD) 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

HPSSA data prior to year ending March 2011 were last revised on 20 December 2017.

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 the larger [Middle layer Super Output Areas \(MSOAs\)](#). There are 7,201 MSOAs in England and Wales, each containing around 3,000 households. Statistics for super output areas therefore provide a detailed geographic understanding of housing trends for properties that were sold at market value.

Differences to other housing statistics

HPSSAs provide a different set of statistics to the [UK House Price Index \(UK HPI\)](#). The UK HPI is weighted to reflect the mix of properties sold in the previous year, which is broadly representative of the mix of properties in the overall dwelling stock. The HPSSAs are not mix-adjusted but use rolling years to better reflect the actual mix of property sold than is possible with a shorter period and so avoids seasonal effects. This means that the UK HPI provides a measure of the changing value of properties in the housing market, whereas the HPSSAs measure the price paid for properties sold in a given period. Therefore, the two sets of statistics provide different figures.

The HPSSAs report the non-adjusted average transactional values down to the small area level and are therefore particularly useful when identifying the change in price for properties actually sold in a given period and area. Changes in the price paid reported in the HPSSAs can reflect actual changes in house prices or a change in the composition of properties which were sold. HPSSAs can also be used to identify changes in the number of property transactions, housing market value and the composition of transactions by property type.

Her Majesty's Revenue and Customs Quarterly Stamp Duty Statistics also produce local authority district and Westminster Parliamentary constituency level data showing the number of property transactions in each Stamp Duty Land Tax (SDLT) band. These statistics relate to a slightly different subset of transactions than the HPSSAs. The Quarterly Stamp Duty Statistics include transactions of £40,000 or more and include 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 underlying data. These differences mean that the number of transactions reported in the HPSSAs is lower than the number of transactions reported in the Quarterly Stamp Duty Statistics.

Effect of changes to Stamp Duty Land Tax

The autumn Budget (22 November 2017) announced immediate exemption of Stamp Duty Land Tax for first-time buyers for purchases up to £300,000 in value and reduced tax for those purchasing for the first time at up to £500,000.

These statistics do not measure the effect of first-time buyer transactions on the total number of transactions and price, information about which are not included in the LR data. Experimental statistics on [first-time buyer transactions](#) are available from Her Majesty's Revenue and Customs.

In Wales from April 2018, Stamp Duty Land Tax was replaced by [Land Transaction Tax \(LTT\)](#).

3 . Residential property transactions in England and Wales fall to four-year low

The number of residential property transactions recorded by HM Land Registry in England and Wales fell 3.8% to 884,329 in the year ending December 2017, from 919,458 in the previous year. This is the lowest number recorded since the year ending December 2013, when 790,585 transactions were recorded.

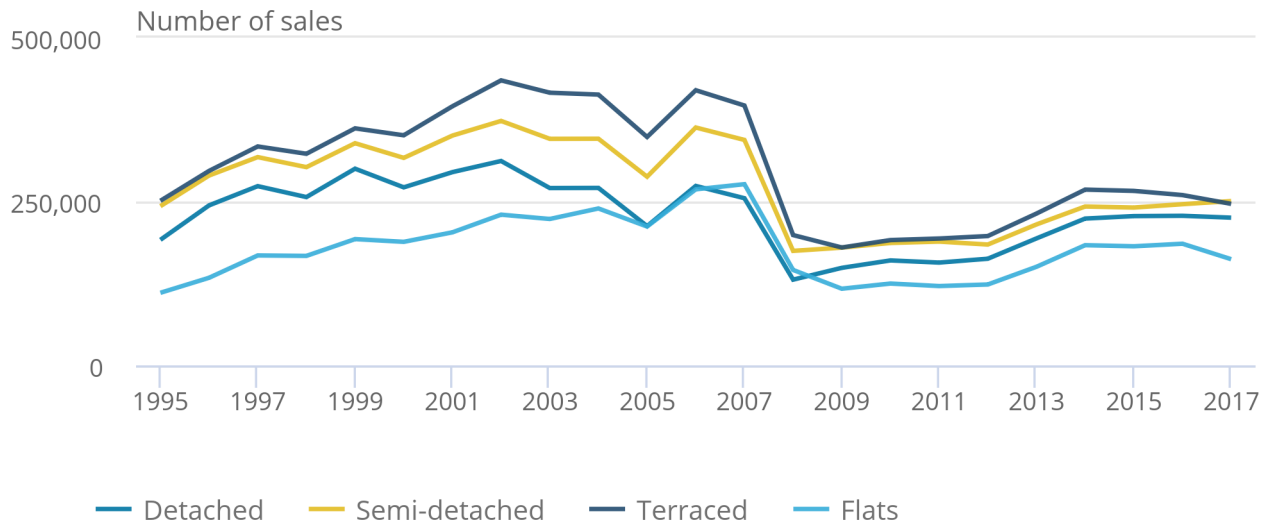
Figure 1 shows that the number of property transactions for all property types, except semi-detached properties, was lower in the year ending December 2017 compared with the previous year. Property transactions for flats and maisonettes have decreased by the most, with a drop of 12.7% to 161,997 in the year ending December 2017.

Figure 1: Number of residential property transactions by property type

England and Wales, years ending December 1995 to 2017

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England and Wales, years ending December 1995 to 2017



Source: Office for National Statistics and HM Land Registry

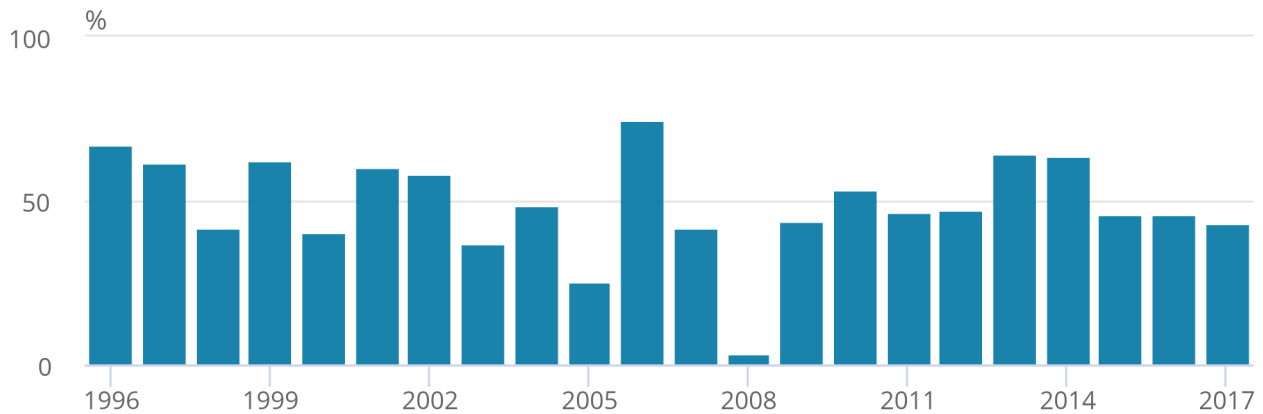
At the small area level, it is possible for some areas to have an increase in the number of property transactions despite an overall decrease in transactions at the national level. Figure 2 shows the percentage of Lower layer Super Output Areas (LSOA) in which the number of property transactions increased compared with the previous year. In the year ending December 2017, there were 43% of LSOAs with an increase in the number of property transactions since the previous year, down from 46% for the year ending December 2016. This was the lowest it has been since the year ending December 2008, during the economic downturn, although this is well above the downturn low.

Figure 2: 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 2017

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England and Wales, years ending December 1996 to 2017



Source: Office for National Statistics and HM Land Registry

In the year ending December 2017, the median price paid for residential properties in LSOAs in England and Wales ranged from £24,000 (two LSOAs, one within County Durham and one within Sunderland, comprising sales of only terraced properties and flats) to £7,775,000 (within Barnet). The LSOA in Barnet that had the highest median price paid has been the highest for 10 of the last 22 years. There were 14 property transactions in the LSOA, including nine flats. Some of these properties contain luxurious features and extras such as maid service, access to land, private cinemas and spas, and so they are unlikely to reflect the type of properties in the overall dwelling stock of the area. This could explain the high median price paid here. For comparison, the median price paid for this LSOA in the year ending December 2017 is almost five and a half times the median of its parent MSOA (£1.42 million).

Figure 3 shows a map of the median price paid for LSOAs in England and Wales in the year ending December 2017. There were 41 LSOAs in which the median price paid was £2 million or over in the year ending December 2017. All 41 were in London (this represents 0.8% of London LSOAs).

Figure 3: Median price paid for all dwellings by Lower layer Super Output Areas

England and Wales, year ending December 2017

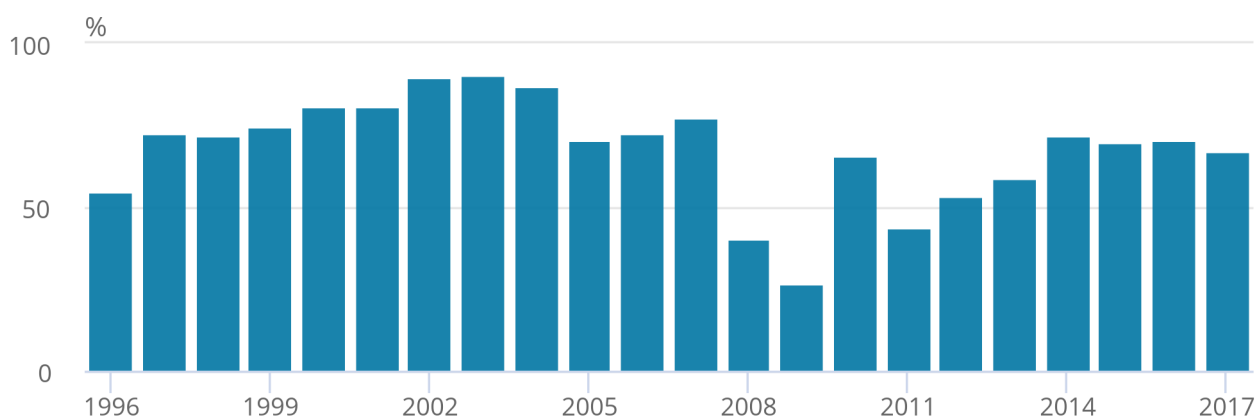
In the year ending December 2017, the median price paid for residential properties increased in 67% of LSOAs (where data were available) in England and Wales. The median price paid stayed the same in 1.2% of LSOAs and decreased in the rest. Figure 4 shows that the percentage of LSOAs in which the median price paid increased has remained relatively stable in the last four years, with a 3 percentage point drop in the last year. This follows a relatively large decrease during and immediately after the economic downturn. This trend for England and Wales is similar in its constituent countries and regions.

Figure 4: Percentage of Lower Layer Super Output Areas in which median property price paid increased since the previous year

England and Wales, years ending December 1996 to 2017

Figure 4: Percentage of Lower Layer Super Output Areas in which median property price paid increased since the previous year

England and Wales, years ending December 1996 to 2017



Source: Office for National Statistics and HM Land Registry

Notes:

1. The percentages are calculated for Lower Layer Super Output Areas where data is available.

Housing market value is the total value of residential property transactions for an area. It is driven 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 mean that 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 for the year ending December 2017 was £259 billion. This is a decrease of just over £1.2 billion on the previous year and the first time it has fallen since the year ending December 2011.

Figure 5 shows the total housing market value in nominal terms expressed as an index. It was marginally lower in the year ending December 2017 than the peak in 2007, before the economic downturn, both for England and Wales and for London. London's total housing market value has decreased more sharply than in England and Wales over the past year.

Figure 5: Total nominal value of property transactions decreased more in London than in England and Wales

London, England and Wales, years ending December 1996 to 2017

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London, England and Wales, years ending December 1996 to 2017



Source: Office for National Statistics and HM Land Registry

Notes:

1. Total nominal value is calculated by multiplying the mean price paid by the number of transactions. This is expressed as an index in this chart, where 100 is the total nominal value in year ending December 2007.

4 . 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.

[Housing affordability in England and Wales](#) – brings together data on house prices and annual earnings to provide a measure of housing affordability.

[Quarterly Stamp Duty Statistics](#) – the number of property transactions in each Stamp Duty Land Tax (SDLT) band.

5 . 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