

Statistical bulletin

UK House Price Index: September 2021

Monthly house price inflation in the UK, calculated using data from HM Land Registry, Registers of Scotland, and Land and Property Services Northern Ireland.



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1 . Main points

- UK average house prices increased by 11.8% over the year to September 2021, up from 10.2% in August.
- The average UK house price was at a record high of £270,000 in September 2021, which is £28,000 higher than this time last year.
- Average house prices increased over the year in England to £288,000 (11.5%), in Wales to £196,000 (15.4%), in Scotland to £180,000 (12.3%) and in Northern Ireland to £159,000 (10.7%).
- London continues to be the region with the lowest annual growth (2.8%) for the tenth consecutive month.

2 . UK house prices

UK average house prices increased by 11.8% over the year to September 2021

The [latest house price data published on GOV.UK by HM Land Registry for September 2021](#) show that average house prices in the UK increased by 11.8% in the year to September 2021, up from 10.2% in the year to August 2021 (Figure 1).

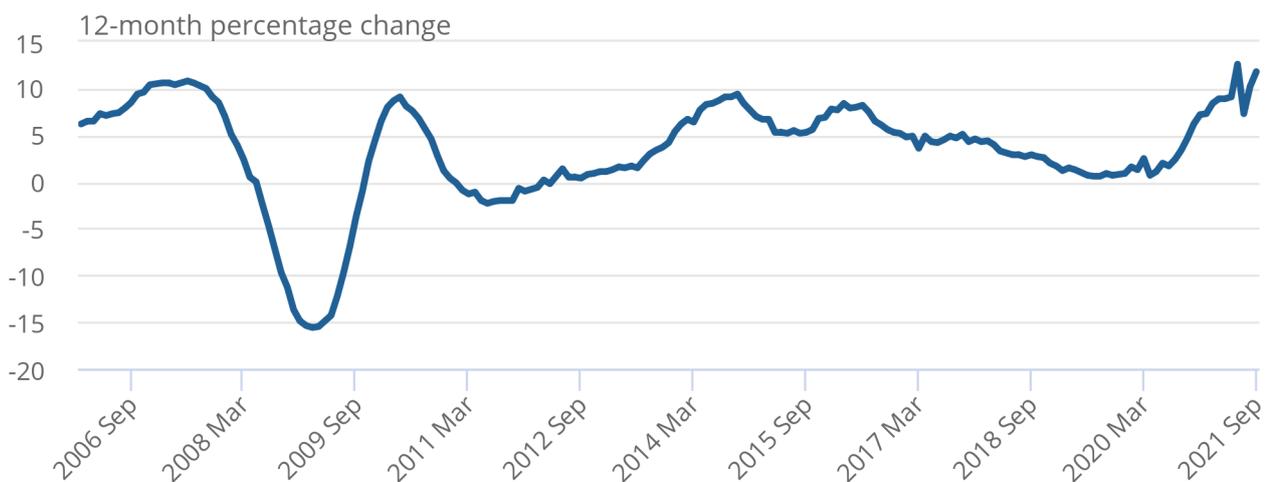
Because of the impact of the coronavirus (COVID-19) pandemic on both the number and supply of housing transactions, we might see larger revisions to the published House Price Index (HPI) estimates than usual. It is worth noting that the [monthly property transactions statistics](#) published by HM Revenue and Customs show that the number of transactions in September 2021 were higher than average. As fewer processed transactions are available than expected for the September 2021 estimate, the proportion of transactions used in the compilation of the UK HPI is lower than usual. As a result, there may be increased volatility in this month's estimates, particularly at the lower geographical levels where transaction volumes are smaller. We are looking at options to improve this, including working with data suppliers. In particular, HM Land Registry is currently increasing the level of automation in the way they process applications. As a result of this process, initial data numbers may be slightly lower, however in the medium to long term this will lead to higher volumes. Further information on this can be found in [Section 7: Measuring the data](#).

Figure 1: September 2021 saw UK house price growth increase to 11.8%

Annual house price rates of change for all dwellings, UK: January 2006 to September 2021

Figure 1: September 2021 saw UK house price growth increase to 11.8%

Annual house price rates of change for all dwellings, UK: January 2006 to September 2021



Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, Office for National Statistics – UK House Price Index

Notes:

1. Not seasonally adjusted.
2. The [full UK House Price Index \(HPI\) release](#) is available to download from HM Land Registry at GOV.UK.

The latter half of 2020 saw the UK's average house price growth accelerating. This trend continued into 2021 as the UK average house price for September 2021 was a record high of £270,000, up from £263,000 in August 2021, and £6,000 higher than the previous record seen in June 2021.

On 8 July 2020, changes to the tax paid on property purchases were announced with immediate effect in England and Northern Ireland. Similar changes came into effect slightly later in Scotland and Wales (15 July and 27 July respectively). In England and Northern Ireland, properties up to the value of £500,000 would incur no tax, while the thresholds for Scotland and Wales were £250,000. These changes in the tax paid on housing transactions may have allowed sellers to request higher prices as the buyers' overall costs are reduced.

On 3 March 2021, an extension to the Stamp Duty holiday in England and Northern Ireland was announced. This meant that the tax holiday was extended until 30 June 2021, after which the threshold decreased to £250,000 until 30 September 2021. From 1 October 2021, the Stamp Duty thresholds have reverted to what they were before 8 July 2020. The tax holiday for Scotland ended on 31 March 2021. The tax holiday in Wales ended on 30 June 2021.

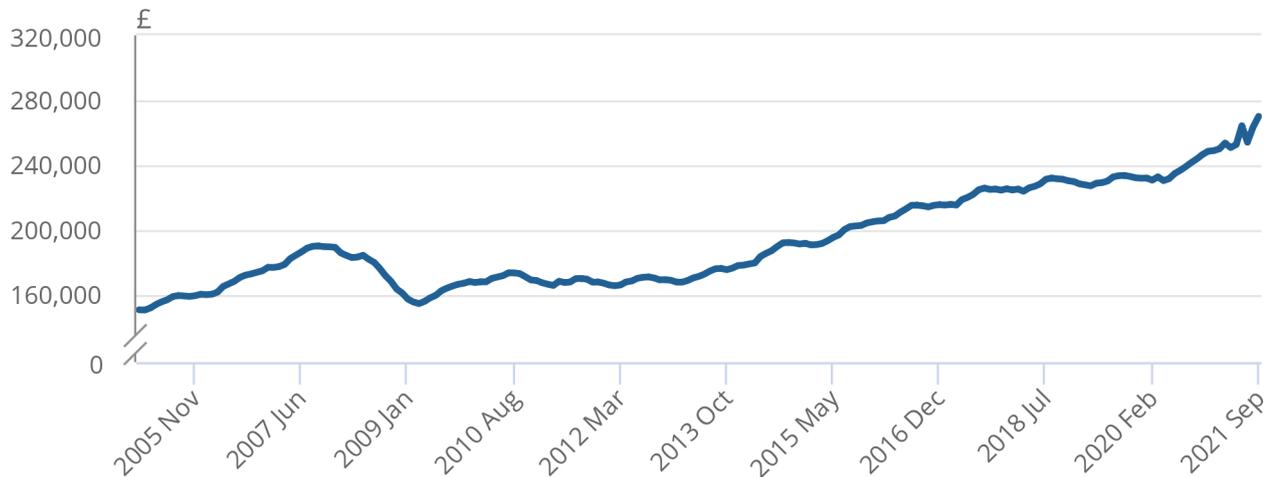
As the tax breaks were originally due to conclude at the end of March 2021, it is likely that March's average house prices were slightly inflated as buyers rushed to ensure their house purchases were scheduled to complete ahead of this deadline. This effect was then further exaggerated in June 2021, in line with the extension to the holiday on taxes paid on property purchases in England, Wales and Northern Ireland. Following a decrease in July, average house prices increased in the months of August and September 2021 and have now surpassed the peak seen in June. [Monthly property transactions statistics](#) published by HM Revenue and Customs show that the seasonally adjusted number of transactions in September 2021 (when the last of the tax holidays came to an end in England) increased to 160,950, which is 67.5% higher than August 2021, and 68.4% higher than a year earlier.

Figure 2: Average UK house prices rose to a record high of £270,000 in September 2021

Average house price, UK: January 2005 to September 2021

Figure 2: Average UK house prices rose to a record high of £270,000 in September 2021

Average house price, UK: January 2005 to September 2021



Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, Office for National Statistics – UK House Price Index

Notes:

1. Not seasonally adjusted.
2. The [full UK House Price Index \(HPI\) release](#) is available to download from HM Land Registry at GOV.UK.

The average UK house price was a record high of £270,000 in September 2021; this is £28,000 higher than in September 2020 (Figure 2).

On a non-seasonally adjusted basis, average house prices in the UK increased by 2.5% between August and September 2021, compared with an increase of 1.1% in the same period a year ago.

On a seasonally adjusted basis, average house prices in the UK increased by 2.6% between August and September 2021, following an increase of 3.5% in the previous month.

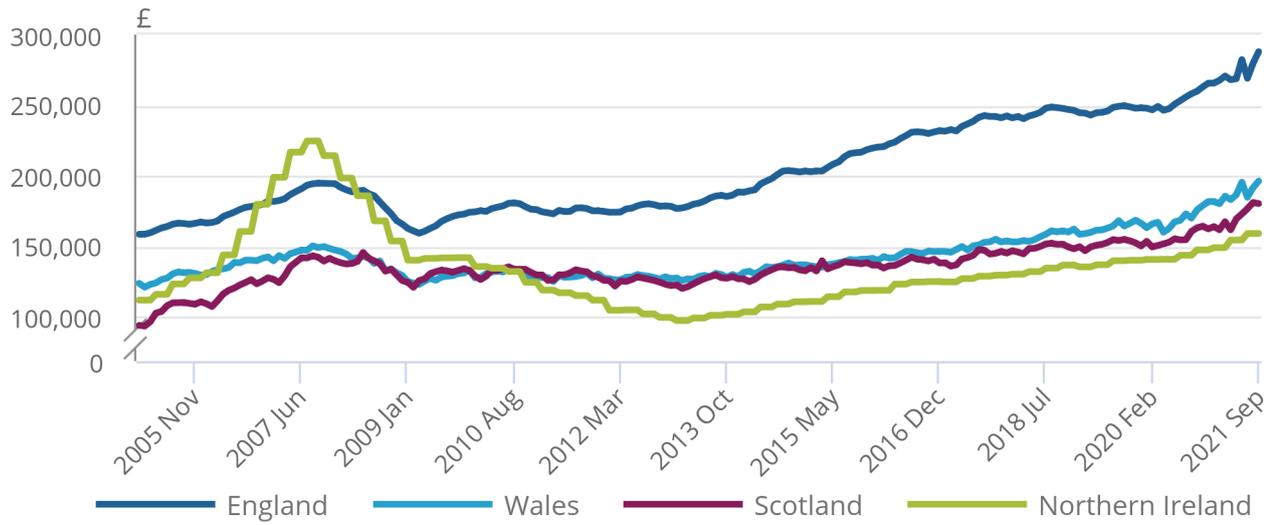
3 . House prices by country

Figure 3: England house prices remain the highest in the UK

Average house price by country, UK: January 2005 to September 2021

Figure 3: England house prices remain the highest in the UK

Average house price by country, UK: January 2005 to September 2021



Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, Office for National Statistics – UK House Price Index

Notes:

1. Not seasonally adjusted.
2. The [full UK House Price Index \(HPI\) release](#) is available to download from HM Land Registry at GOV.UK.
3. Northern Ireland data are only available on a quarterly basis. Northern Ireland data are copied forward until the next quarter's data are available, which will be in the December 2021 bulletin released on 16 February 2022.

The average house price in Wales increased by 15.4% over the year to September 2021, up from an increase of 10.7% in August 2021, with the average house price in Wales now at record level of £196,000.

The average house price in Scotland increased by 12.3% over the year to September 2021, down from an increase of 17.0% in the year to August 2021, with the average house price in Scotland now at £180,000.

The average house price in England increased by 11.5% over the year to September 2021, up from an increase of 9.3% in the year to August 2021, with the average house price in England now at a record high of £288,000.

The average house price in Northern Ireland increased by 10.7% over the year to Quarter 3 (Jul to Sept) 2021. Northern Ireland remains the cheapest UK country to purchase a property in, with the average house price at £159,000 (Figure 3).

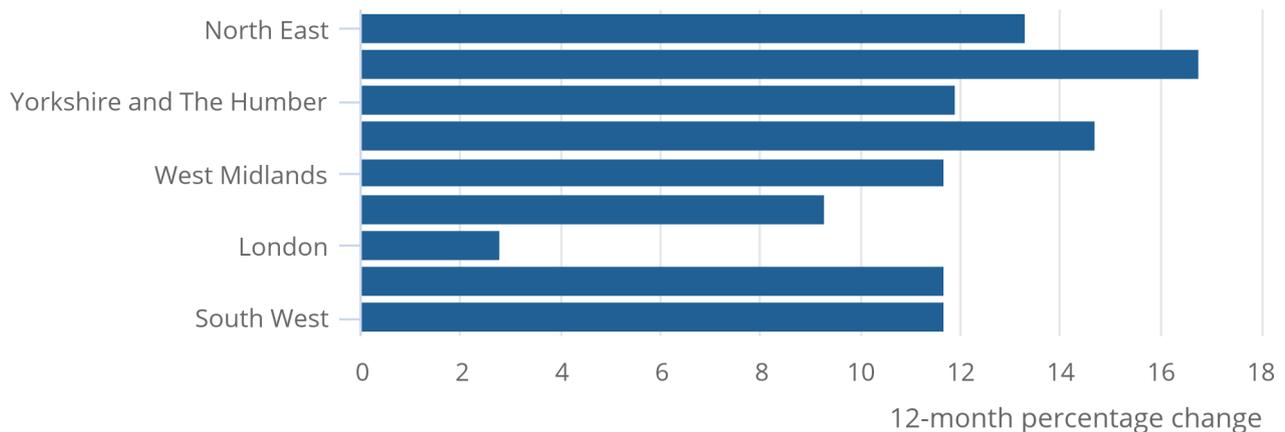
4 . House prices by region

Figure 4: London remains the region with the lowest annual house price growth

All dwellings annual house price rates of change, by English region, year to September 2021

Figure 4: London remains the region with the lowest annual house price growth

All dwellings annual house price rates of change, by English region, year to September 2021



Source: HM Land Registry and Office for National Statistics – UK House Price Index

Notes:

1. Not seasonally adjusted.
2. The [full UK House Price Index \(HPI\) release](#) is available to download from HM Land Registry at GOV.UK.

The North West was the region with the highest annual house price growth, with average prices increasing by 16.8% in the year to September 2021. This was up from 11.6% in August 2021 (Figure 4).

The lowest annual growth was in London, where average prices increased by 2.8% over the year to September 2021, down from 6.7% in August 2021. This represents the lowest annual growth in London since July 2020.

Despite being the region with the lowest annual growth, London's average house prices remain the most expensive of any region in the UK at an average of £507,000 in September 2021.

The North East continued to have the lowest average house price, at £153,000, having surpassed its pre-economic downturn peak of July 2007 in December 2020 (Figure 5).

5 . House Price Index data

[UK House Price Index](#)

Dataset | Released 17 November 2021

Monthly house price movements, including average price by property type, sales and cash mortgage sales, as well as information on first-time buyers, new builds and former owner occupiers. Data are collected by HM Land Registry and published on GOV.UK.

[House price data: quarterly tables](#)

Dataset | Released 18 August 2021

Quarterly house price data based on a sub-sample of the Regulated Mortgage Survey and an unrevised arithmetic mean version of the mix adjusted House Price Index (HPI) for Great Britain. The next release was originally scheduled for publication on 17 November 2021, but this has been delayed because of the receipt of late data. The quarterly tables will now be published on 2 December 2021 to allow time to process and quality assure the additional data.

[House price data: annual tables 20 to 39](#)

Dataset | Released 14 July 2021

Annual house price data based on a sub-sample of the Regulated Mortgage Survey.

6 . Glossary

House Price Index (HPI)

The House Price Index (HPI) measures the price changes of residential housing as a percentage change from a specific time period (12 months prior or a base period, where the HPI in 2015 equals 100).

House price inflation

House price inflation in the UK is the rate at which the prices of residential properties purchased in the UK rise and fall.

Non-seasonally adjusted

A non-seasonally adjusted series is one that includes seasonal or calendar effects.

Seasonally adjusted

A seasonally adjusted series is one that has been subject to a widely used technique for removing seasonal or calendar effects from time series data.

7 . Measuring the data

The UK House Price Index (HPI) is a joint production by HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, and the Office for National Statistics (ONS). HM Land Registry publishes the [main publication of the UK HPI](#) on the GOV.UK website (9:30am, 17 November 2021). It includes full details, including commentary, historical data tables and analytical tools.

Consultation on the Code of Practice for Statistics - proposed change to 9.30am release practice

On behalf of the UK Statistics Authority, the Office for Statistics Regulation (OSR) is conducting a [consultation on the Code of Practice for Statistics, proposing changes to the 9.30am release practice](#). Please send comments by 21 December 2021 to: regulation@statistics.gov.uk.

Coronavirus

In the past 12 months all those involved in the property market have been affected by coronavirus; HM Land Registry (HMLR) is no different and as a result of this the HPI data are not as complete as it could be. HM Land Registry are focusing on their core purpose of registering land and this includes recording the price paid for a property.

This means that the HPI may be subject to increased revisions as more data are added over the coming months.

HMLR's priority is to reduce any delays, both those caused by the coronavirus pandemic and those existing beforehand. To simultaneously deliver their services while promoting public health, they are adjusting their resources where necessary, introducing automation where practical, and recruiting and training more than 500 new staff.

We have temporarily changed the date we receive the transaction data from HMLR. Because of this, we receive more transactions than those immediately seen in the published [Price Paid Data](#).

The processing of new build properties has been more affected than the processing of "old build" properties. So, to address this, we have pooled new build transactions for certain months in England and Wales:

- January 2021 includes new build transactions from December 2020 and January 2021 for England and Wales
- February 2021 includes new build transactions from January and February 2021 for England and Wales
- March 2021 includes new build transactions from February and March 2021 for England and Wales
- April 2021 includes new build transactions from March and April 2021 for England and Wales
- May 2021 includes new build transactions from April and May 2021
- June 2021 includes new build transactions from May and June 2021
- July 2021 includes new build transactions from June and July 2021
- August 2021 includes new build transactions from July and August 2021
- because of the nature of the processing of the new builds, these are never included in the model for the first estimate, so September 2021 has not been affected

These changes might lead to larger revisions to published estimates than usual as we reduce the reliance on pooling. Further information on how we usually process the new build properties can be found in the [Quality and methodology guidance](#).

Sales volumes

As sales only appear in the UK HPI once the purchases have been registered or submitted for registration in the case of sales in Scotland (based on completed sales rather than advertised or approved prices), there can be a delay before transactions feed into the index. Estimates for the most recent months are provisional and likely to be updated as more data are incorporated into the index.

The latest estimates for September 2021 are based on approximately 11,000 records for England, which currently represent roughly 8% of monthly property transactions (as published by HM Revenue and Customs), approximately 6,600 records for Scotland (62% of transactions) and approximately 500 records for Wales (9% of transactions). This represents the number of records that are available at the time of calculating the UK HPI and not the number of transactions that have taken place. As time progresses, more records will become available for September, in line with our published revision policy.

However, it should be noted that there are some coverage differences between the sales volumes used in the UK HPI dataset and the monthly property transactions statistics data, meaning that the two are not directly comparable, and sales volumes in the UK HPI are unlikely to ever reach the transaction levels published by HMRC. It is believed that the main reason for this difference is that residential properties where the buyer or seller is a corporate body, company or business are excluded from the HM Land Registry data in the UK HPI but included in HMRC property transaction statistics.

Upcoming changes

HM Land Registry is currently increasing the level of automation in the way they process applications. As a result of this process, initial data numbers may be slightly lower, however in the medium to long term this will lead to a better service and higher volumes. HMLR is also planning full automation regarding the collection of price paid data over the next 18 months, which will also impact the UK House Price positively.

Data sources

The main sources of data used in the UK are HM Land Registry for England and Wales, Registers of Scotland, and HM Revenue and Customs' (HMRC's) Stamp Duty Land Tax data for the Northern Ireland HPI.

Methods

The method for calculating the UK House Price Index can be found in our [Quality and Methodology guidance](#).

Quality

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the [guidance page](#) of the main release published by HM Land Registry on GOV.UK.

8 . Strengths and limitations

Further information on strengths and limitations of the data can be found in [Section 1.4 of the Quality and methodology guidance](#).

9 . Related links

[UK House Price Index: report](#)

Report | Released 17 November 2021

Complete report for the UK House Price Index (HPI) for England, Scotland, Wales and Northern Ireland, including in CSV format. Includes commentary, historical data tables and analytical tools.

[Land Registry interactive tool](#)

Search tool | Released 17 November 2021

Find access to background information on the UK HPI, help and support, and other index-linked data.

[Index of Private Housing Rental Prices](#)

Bulletin | Released 17 November 2021

An experimental price index tracking the prices paid for renting property from private landlords in the UK.

[House price statistics for small areas](#)

Bulletin | Released 9 November 2021

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

[Consumer price inflation](#)

Bulletin | Released 17 November 2021

Price indices, percentage changes and weights for the different measures of consumer price inflation.