

Statistical bulletin

# The national balance sheet and capital stocks, preliminary estimates, UK: 2022

Preliminary annual estimates of the nation's net worth, by type of financial and non-financial asset for the UK. Includes estimates of produced assets used in the production process and their loss of value over time.

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# 1 . Main points

- The UK's net worth was estimated at £11.4 trillion in 2021; an average of around £170,000 per person.
- The UK's net worth grew by 6.1%, or £0.7 trillion in 2021; the second consecutive year in which growth exceeded the average annual growth between 2010 and 2021.
- Land remained the largest asset, worth £7.0 trillion in 2021 and showed a strong growth of 10.8% compared with the previous year; it accounted for a record high of just over 60% of net worth, with households owning two-thirds.
- Households' net worth grew by £0.5 trillion in 2021, to £11.8 trillion, driven by the largest annual increase in [UK house prices](#) since 2006.
- UK net capital stock grew by 1.0% in 2021 in chained volume measures; this is higher than net capital stock growth of 0.6% in 2020, but below the average growth of 1.2% from 2011 onwards.
- General government continued to drive growth in UK net capital stock in 2021, accounting for half of the increase.

## 2 . UK net worth

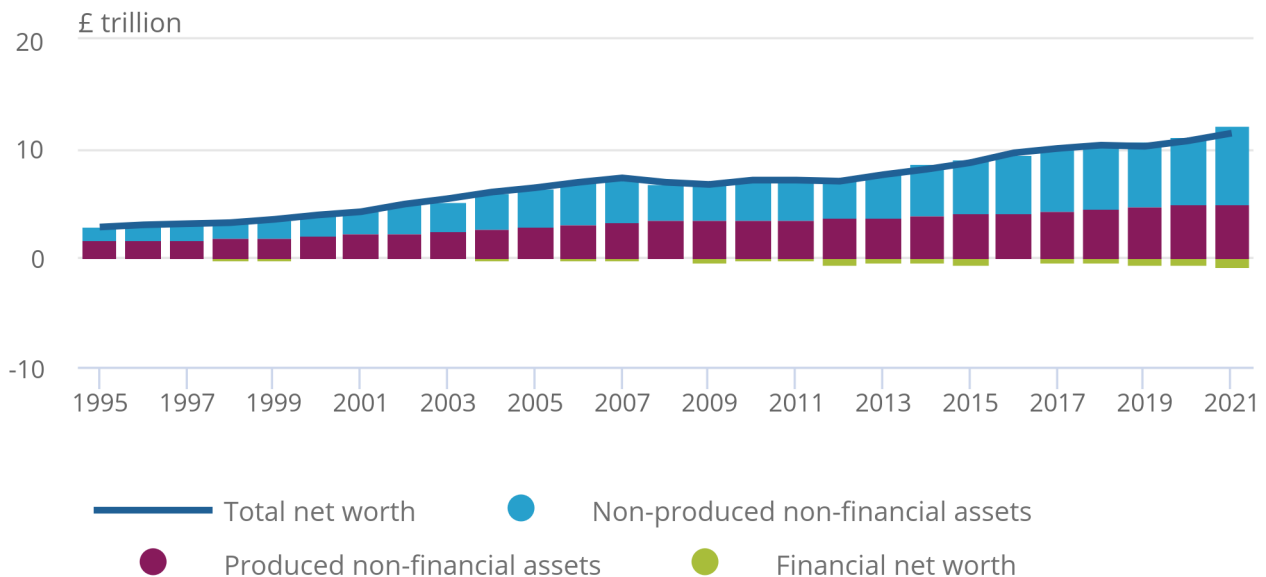
The UK's net worth increased by 6.1% in 2021, to £11.4 trillion – an average of around £170,000 per person. This was the second consecutive year in which net worth growth exceeded the average annual growth between 2010 and 2021. It was also the strongest growth since 2016. Non-produced assets, which consist predominantly of land, accounted for 61.7% of the UK's net worth in 2021; this was the largest proportion on record, exceeding previous peaks of 57.2% in 2006 and 58.9% in 2015.

**Figure 1: UK's net worth increased to £11.4 trillion in 2021**

UK total net worth, current prices, 1995 to 2021

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UK total net worth, current prices, 1995 to 2021



Source: Office for National Statistics – Capital stocks

Notes:

1. The components of net worth may not always add to the total because of rounding.

Non-produced assets remain the largest contributor to the growth in UK net worth in 2021, accounting for 6.4 percentage points, making this the strongest contribution since 2015. The main factor that contributed to increases in the value of land was a 10.2% increase in average house prices in 2021. This was the largest increase in house prices since 2006 and prices continued to rise beyond the Stamp Duty holiday.

Net financial assets made a contribution of negative £257 billion to net worth in 2021, driven by a £345 billion rise in net liabilities for “equity and investment fund shares/units”. Firms relocating to the UK added liabilities to the UK private non-financial corporations sector. This was partially offset by an increase of £116 billion in net “currencies and deposits”.

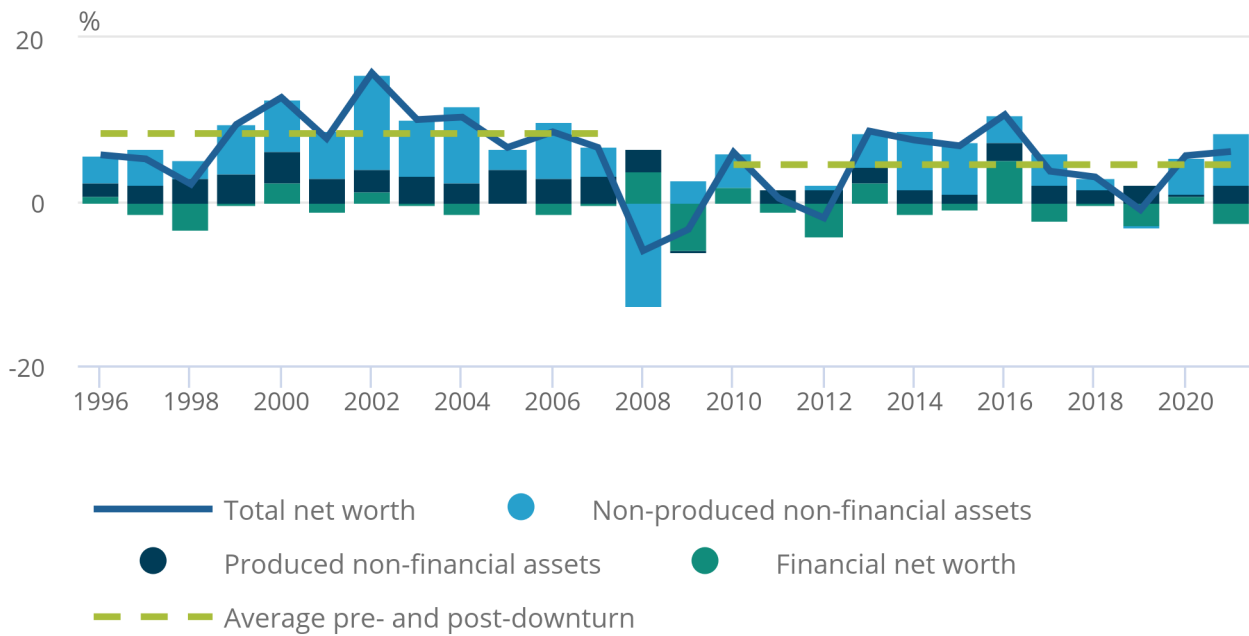
Produced assets contributed 2.1 percentage points of growth to net worth in 2021 because of increases in net capital stock. In 2021 capital stocks grew by 4.6% in current prices, although the growth in chained volume measures, which accounts for price changes, was much lower at 1.0%.

**Figure 2: Increases in the value of land, included in non-produced assets, drove net worth growth in 2021**

Contributions to growth in UK net worth by asset, current prices, 1996 to 2021

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Contributions to growth in UK net worth by asset, current prices, 1996 to 2021



Source: Office for National Statistics – Capital stocks

Notes:

1. The components of net worth may not always add to the total because of rounding.

### 3 . Households' net worth

The household sector's net worth grew by 4.7%, or £0.5 trillion, in 2021 to £11.8 trillion; an average £419,000 per household. This was slower than the previous year's growth of 8.3% and 0.1 percentage points below the average annual growth in households net worth between 2010 and 2021.

The main cause of the slower growth has been a fall in the value of "insurance, pension and standardised guarantee schemes". This was predominantly driven by a decrease in the value of private, defined benefit pension entitlements, which are inversely affected by gilt yields. Therefore, increases in gilt yields have contributed to a fall in the value of household pension entitlements in 2021.

This fall in the value of insurance, pensions and standardised guarantee schemes, was outpaced by stronger growth in non-produced assets, owned by households. This accounted for 3.4 percentage points of the sector's growth in net worth and was driven by stronger growth in house prices during 2021.

"Equity and investments" contributed 1.2 percentage points to growth in 2021, compared with 0.1 percentage points in 2020. Stronger stock market performance would have affected growth in 2021.

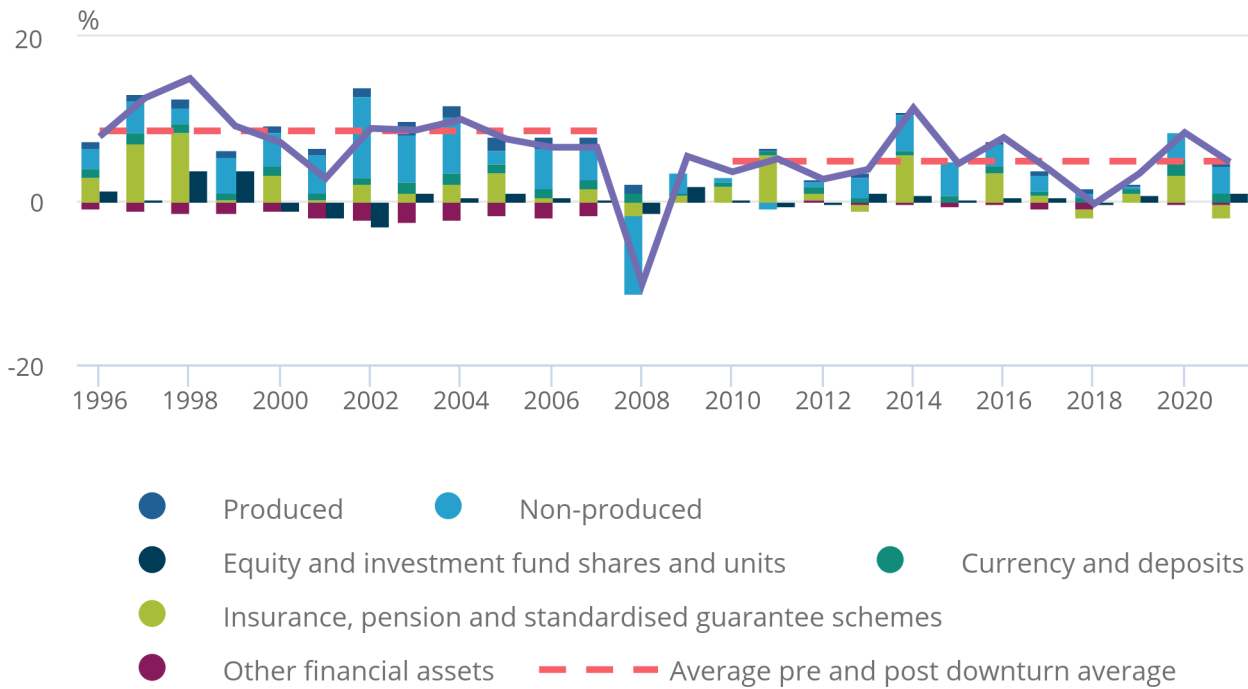
"Currencies and deposits" made a smaller contribution to the sector's growth in 2021, of 1.1 percentage points, compared with 1.8 percentage points in the previous year, while the [household savings ratio](#) also fell during the same period.

**Figure 3: A fall in insurance, pensions and standardised guarantee schemes slowed growth in households' net worth during 2021**

Contributions to growth in UK household net worth, current prices, 1996 to 2021

Figure 3: A fall in insurance, pensions and standardised guarantee schemes slowed growth in households' net worth during 2021

Contributions to growth in UK household net worth, current prices, 1996 to 2021



Source: Office for National Statistics – Capital stocks

Notes:

1. The components of net worth may not always add to the total because of rounding.

## 4 . Net capital stock

Net capital stocks grew by 1.0% in 2021 to £4.6 trillion in chained volume measures referenced to 2019. Although this is faster growth compared with 0.6% in the previous year, it remains below the pre-coronavirus (COVID-19) growth rate of 1.5% in 2019.

Other buildings and structures continued to account for most of the increase in the UK's net capital stock, contributing a 0.7 percentage point increase in 2021 compared with a 0.5 percentage-point increase in 2020.

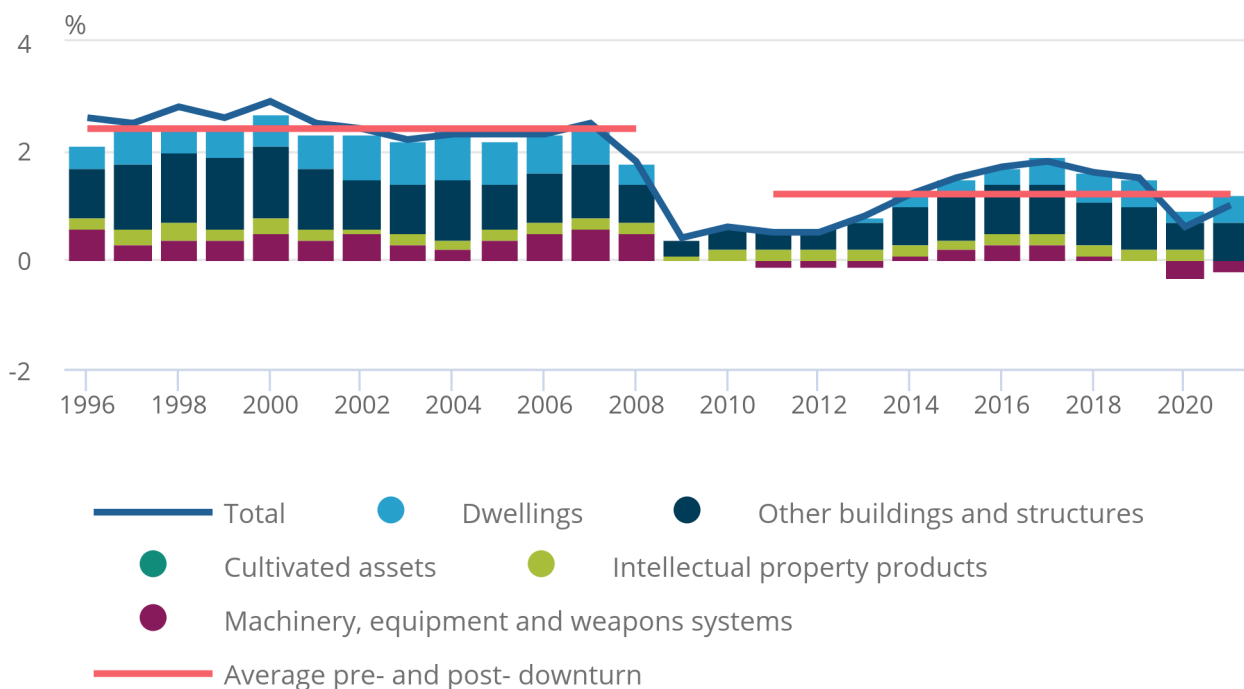
The contribution of dwellings to the growth in net capital stock returned to pre-coronavirus levels of 0.5 percentage points. The contribution of "machinery, equipment, and weapons systems" remained negative in 2021, contributing to a 0.2 percentage point fall in net capital stocks.

### Figure 4: The "Other buildings and structures" category continues to drive net capital stock growth

Growth in UK net capital stocks, chained volume measures, 1996 to 2021

#### Figure 4: The "Other buildings and structures" category continues to drive net capital stock growth

Growth in UK net capital stocks, chained volume measures, 1996 to 2021



Source: Office for National Statistics – Capital stocks

Notes:

1. Capital stocks of machinery, equipment and weapon systems include transport equipment, ICT, other machinery and weapon systems.
2. Capital stocks include "dwellings", "other buildings and structures", "machinery, equipment and weapon systems", "intellectual property products" and "cultivated assets".
3. Capital stocks of other buildings and structures include: buildings, other structures and land improvements.
4. The components of net capital stock growth do not always add to the total because of rounding or because chained volume measures data are not additive until the reference year.

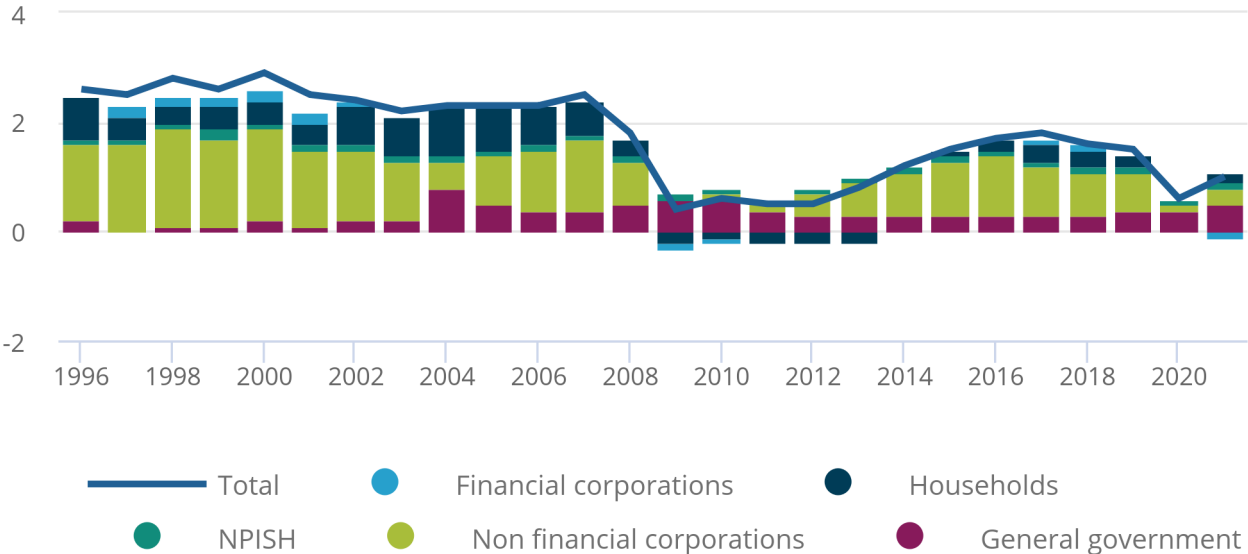
In 2021, general government remained the single largest driver of growth in net capital stocks. Despite accounting for only 15% of the net capital stock in the UK, the sector contributed to half of net capital stock growth in 2021. This also reflects the contributions the sector made to growth in net capital stocks during the global economic downturn of 2008, as the largest driver of growth in net capital stocks from 2009 to 2012. It illustrates the role of general government after periods of economic downturns in driving net capital stocks growth. This contrasts to the periods from 1996 to 2008 and from 2013 to 2019, when the market sector (non-financial corporations, financial corporations and households) made the largest contribution to increases in net capital stocks.

**Figure 5: General government drove growth in net capital stock post economic downturn in 2021**

Growth in UK net capital stock, chained volume measures, 1996 to 2021

Figure 5: General government drove growth in net capital stock post economic downturn in 2021

Growth in UK net capital stock, chained volume measures, 1996 to 2021



Source: Office for National Statistics – Capital stocks

Notes:

1. The components of net capital stock growth do not always add to the total because of rounding or because chained volume measures data are not additive until the reference year.

Growth in the market sector net capital stock of other buildings and structures picked up by 0.4 percentage points in 2021, with the energy and construction industries driving growth. Net capital stock of other buildings and structures in the mining and quarrying industry, which predominantly relates to the extraction of crude petroleum and natural gas, has continued to fall.

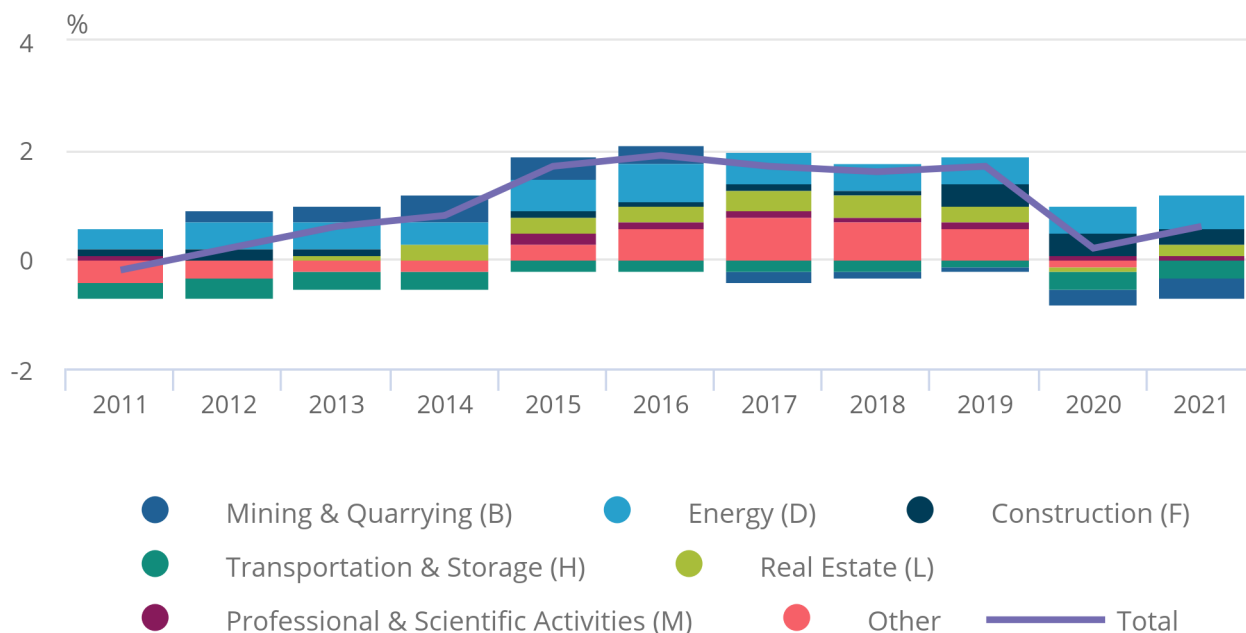


## Figure 6: Energy industry drives the growth for other buildings and structures in the market sector

Contributions to Growth in UK Net Capital Stock of Other building and structures, market sector, constant prices (KP), 2011 to 2021

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Contributions to Growth in UK Net Capital Stock of Other building and structures, market sector, constant prices (KP), 2011 to 2021



Source: Office for National Statistics – Capital stocks

#### Notes:

1. The market output sector includes private non-financial corporations, financial corporations, public corporations and households.

The introduction of the [“super-deduction” tax relief scheme](#) on 1 April 2021 was aimed predominantly at increasing investment in other machinery and equipment assets. This investment increased in 2021, but this was not enough to replace depreciated capital in the same period, resulting in a 1.2 percentage point fall in net capital stock.

The largest contributor to this negative growth in 2021 was the energy industry. Since 2009 the net capital stock of other machinery and equipment for the energy industry has fallen by 47%, while showing increases in the net capital stock of other buildings and structures. This likely reflects changes in the asset mix, with increased investment in renewable energy.

As with other buildings and structures, the net capital stocks of other machinery and equipment in the mining and quarrying industry has continued to fall in 2021. The industry made a negative contribution of 0.4 percentage points to the decrease in net capital stocks of other machinery and equipment.

## Figure 7: Third consecutive year of reductions in the net capital stocks of other machinery and equipment in the market sector

Contributions to Growth in UK Net Capital Stock of Other machinery and Equipment, market sector, constant prices (KP), 2011 to 2021

Source: Office for National Statistics – Capital stocks

### Notes:

1. Capital stocks of other machinery, equipment and weapon systems include only other machinery and weapon systems.
2. The market output sector includes private non financial corporations, financial corporations, public corporations and households.

## 5 . The national balance sheet and capital stocks, preliminary estimates, UK data

[Preliminary UK national balance sheet estimates](#) Dataset | Released 29 April 2021 Annual estimates of the market value of financial and non-financial assets for the UK, providing a measure of the nation's wealth.

[Preliminary capital stocks and fixed capital consumption](#) Dataset | Released 29 April 2021 Annual estimates of gross and net capital stocks and consumption of fixed capital in the UK, in current prices and chained volume measures.

[Capital stocks and fixed capital consumption time series](#) Dataset | Released 29 April 2021 Annual estimates of the value and types of non-financial assets used in the production of goods or services within the UK economy and their loss in value over time.

[The UK national balance sheet time series](#) Dataset | Released 29 April 2021 Annual estimates of the market value of financial and non-financial assets for the UK, providing a measure of the nation's wealth.

## 6 . Glossary

### Net worth

The value of assets owned, less the value of all outstanding liabilities.

### Net capital stocks

The stock of assets surviving from past investment after accounting for consumption of fixed capital.

### Gross capital stocks

The stock of assets surviving from past investment and revalued at the purchasers' prices of new capital goods of a reference period.

### Gross fixed capital formation

Measures the value of a producer's acquisitions of fixed assets and certain expenditure on services for non-produced assets, minus disposals of fixed assets.

## Capital consumption

The decline in the stock of fixed assets over a period of time as a result of physical deterioration, normal obsolescence or normal accidental damage.

## Fixed assets

Produced assets that are repeatedly used in the production process for more than one year.

# 7 . Measuring the data

The Office for National Statistics (ONS) is publishing more data and analysis than ever before. We are constantly reviewing our publications based on your feedback to make sure that we continue to meet the needs of our users. As a result, future editions of this publication may focus more strongly on headline indicators and main messages. Thank you for your continued support.

## National balance sheet

The national balance sheet is a measure of the wealth, or total net worth, of the UK. It shows the estimated market value of financial assets (for example, loans) and non-financial assets (for example, dwellings). The data are used to monitor economic performance, to inform monetary and fiscal policy decisions and for international comparisons.

The components of net worth can be roughly categorised as produced assets, non-produced assets, and net financial assets. Non-produced assets are land. Produced assets fit under either inventories or net-capital stocks in current prices under which sits:

- dwellings
- other buildings and structures
- machinery, equipment and weapons
- intellectual property products
- cultivated assets

Net financial assets are made up of:

- monetary gold and special drawing rights
- currency and deposits
- debt securities
- loans
- equity and investment shares
- insurance, pension and standardised guarantee schemes
- financial derivatives and employee stock options
- other accounts receivable/ payable

All data referring to net worth in this bulletin are annual estimates at current prices and include changes in prices, as well as in the volume of assets. These data use market value, which is an estimate of how much these assets would sell for on the market today. If all these assets were sold simultaneously prices would be affected, but this effect is put to one side.

References to the UK net worth pre-downturn period refer to the years 1996 to 2007, while the post downturn period refers to the years 2010 to 2021.

Annual growth rates are calculated using compound annual growth.

Please note the estimates of household wealth in the national balance sheet and those produced in [our Household total wealth bulletin](#) are not directly comparable. This is because of differences in the concepts, data sources and methods reflecting the different purposes for which the two sources are designed.

Estimates in the national balance sheet from 1995 to 2019 are consistent with those published in [our National balance sheet estimates for the UK: 2020](#).

## Capital stocks

The capital stocks estimates are an important variable within the accumulation accounts. They show how the value of assets within an economy changes over time. Net capital stocks estimates of produced assets are identical to the market value of these assets presented in the National balance sheet, which measures the net worth of the UK. Net capital stocks accounted for just over 42% of the UK's net worth in 2021.

References to the pre-downturn period refer to the years 1996 to 2008, while the post-downturn period refers to the years 2011 to 2021.

Annual growth rates are calculated using compound annual growth.

Estimates of capital stocks and consumption of fixed capital from 1995 to 2019 are consistent with those published in [our Capital stocks and fixed capital consumption, UK: 2020 datasets](#).

## Quality

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created up to the 2019 estimates, is available in [our UK national balance sheet estimates QMI](#) and [our Capital stocks and fixed capital consumption QMI](#).

## 8 . Strengths and limitations

This bulletin presents preliminary estimates of net worth and capital stocks in the UK. Previously the national balance sheet and capital stocks and fixed capital publications have been compiled approximately 11 months after the latest year in their data time series and have been consistent with the Blue Book estimates. They have been compiled using annual data sources that primarily focus on collecting information on levels and informing structural industry analysis, in conjunction with the annual supply use balancing exercise. Typically, annual statistical production processes provide a better quality of structural industry analysis, however, they take longer to compile.

The gross fixed capital formation (GFCF) data inputs for 2021 are National Statistics and are consistent with those published in [our Business investment in the UK: October to December 2021 bulletin](#).

Estimates of net capital stocks are consistent with the values of produced assets in the national balance sheet. Estimates of the financial assets and liabilities for the latest year were derived using quarterly national statistics data from the [our Quarterly sector accounts UK: October to December 2021 bulletin](#). Estimates of land for 2021 have been produced using the house price index, administrative data, available company accounts and modelling.

This process has enabled us to publish more timely annual estimates of net worth and capital stocks; six months earlier than our main publication.

Data for 2021 are preliminary as they have not had the opportunity to go through the annual supply use balancing exercise. Quarterly data sources are designed to capture short-term growth patterns rather than structural industry analysis. The 2021 data in this publication are preliminary and are likely to be revised in Blue Book 2022.

## 9 . Related links

### [Capital stocks and fixed capital consumption, UK: 2021](#)

Bulletin | Released 25 November 2021

Annual estimates of the value and types of non-financial assets used in the production of goods or services within the UK economy and their loss in value over time.

### [National balance sheet estimates for the UK: 2021](#)

Bulletin | Released 2 December 2021

Annual estimates of the market value of financial and non-financial assets for the UK, providing a measure of the nation's wealth.

### [Business investment in the UK: October to December 2021 revised results](#)

Bulletin | Released 31 March 2022

Estimates of short-term indicators of investment in non-financial assets, business investment, and asset and sector breakdowns of total gross fixed capital formation.

### [Productivity overview, UK: October to December 2021](#)

Article | Released 7 April 2022

The main findings from official statistics and analysis of UK productivity, presenting a summary of recent developments.

### [Quarterly sector accounts UK: October to December 2021](#)

Bulletin | Released 31 March 2022

Detailed estimates of quarterly sector accounts that can be found in the UK Economic Accounts (UKEA).