

Statistical bulletin

Housing affordability in England and Wales: 2025

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 2025, the median average home in England, at £300,000, cost 7.6 times the median annual average earnings of a full-time employee (£39,300); in Wales, the average home (£213,000) was 6.0 times the median annual average earnings (£35,800).
- Affordability in England and Wales has continued to improve in 2025, after ratios peaked in 2021; since 2021 median house sales prices have increased by 5%, while average earnings have increased by 25%.
- Housing affordability improved in two-thirds of local authorities (LAs) in England and Wales (213 areas) and worsened in 103 (32%) since 2024.
- The most affordable LAs in 2025 were Hyndburn and Kingston upon Hull (both with an affordability ratio of 4.1); the least affordable was Kensington and Chelsea (25.2, which was about six times less affordable).
- In the North East, an average-priced home was affordable with 5.0 times average earnings; compared with London (affordability ratio of 10.5) where a further £279,000 would be required to buy an average-priced home in addition to five times average earnings.

2 . How to use these statistics

With these statistics, you can:

- compare affordability ratios based on workplace earnings (where people work) as used in this bulletin, or residence earnings (where they live), at median or lower quartile level
- compare sales prices for all dwellings, existing dwellings and new dwellings, by property type
- for the first time, compare affordability estimates for combined authorities, as well as for regions, counties, local authorities and former local authority areas
- view house price and sales volume data for a range of additional geographies including Parliamentary constituencies, national parks and Middle-layer Super Output Areas (MSOAs) – which are mapped in [Section 6: House prices for small areas](#)
- for the first time, compare local authority workplace earnings with neighbourhood (MSOA) house prices, in our [How affordable are homes in your neighbourhood release](#)
- find the workplace-based affordability data that are used for housing policy, including [assessing local housing need](#) in England

With these statistics, you cannot:

- see the effects of having multiple earners or other non-Pay As You Earn (PAYE) sources of income, nor compare across the UK – the purpose of our [Housing Purchase Affordability, UK](#) release
- track pure house prices change over time, as our statistics are not mix adjusted – the purpose of the [UK House Price Index](#)

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 months to September period (Table 1).

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, 2025

	Median house price (year ending Sept 2025)	Median earnings	2025 affordability ratio	Change in ratio from 2024
England	£300,000	£39,300	7.6	Decrease from 7.8, significant
Wales	£213,000	£35,800	6.0	Decrease from 6.1, 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 article](#).

Figure 1: Average earnings have been growing faster than average house prices since 2021, leading to improved affordability in England and Wales

Housing affordability ratio, house prices, and five years of earnings by country, England and Wales, 1997 to 2025

Since the affordability ratio peaked in 2021, affordability has been improving in England and Wales. The 2025 affordability ratio for England (7.6) is the lowest since 2015, while in Wales (6.0) it has returned to levels similar to the ratios in 2015 to 2020. However, affordability remains above the threshold of five times earnings, and is still higher than earlier in our data series.

Since 2021, median earnings across England and Wales have increased by 25% while median house prices have risen slower at 5%, leading to improved housing affordability.

This trend has continued in the latest year, with average earnings increasing by £1,580 (4.0%) while the median price of homes sold in England and Wales increased by £5,000 (1.7%).

Other ways of measuring how affordable homes are

Another way to look at these estimates is to calculate how much would be required to buy an average home, beyond five times average earnings. In 2025 in England, a further £104,000 in addition to five times average earnings would be required to buy an average home. In Wales, only a further £34,000 would be required.

We publish a range of affordability ratios because not all users will require median average workplace-based earnings. Using the April 2025 [National Living Wage rate](#) (£12.21 for employees aged 21 years and over, or £23,810 for a 37.5 hour week) an average home in 2025 cost 12.4 times these earnings. While this means that the average home is above the affordability threshold for one or even a pair of national living wage earners, it is more affordable than in the previous year, where the ratio was 13.0.

4 . Local authority housing affordability analysis

The most affordable local authority (LA) areas in 2025 were Hyndburn and Kingston upon Hull, both with ratios of 4.1.

Using an “affordability threshold” of 5 in 2025 showed that:

- 23 areas (7%) had homes selling for less than five times full-time workers’ earnings (the most affordable group) in England and Wales
- this was a slight decrease from 25 areas (8%) in 2024, but in broad terms similar to the number of affordable areas in the past decade
- there was a substantial decrease since the start of the data series in 1997 when 88% of areas were below the affordability threshold, while 31% were below the threshold in 2003 (the point when we have estimates for all LAs in England and Wales)

Figure 2: The number of local authority areas with an affordability ratio above 12 has more than halved since 2021

Housing affordability ratio, earnings, and house sales prices by local authority district, England and Wales, 1997 to 2025

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.

The number of less affordable areas (a ratio of 12 or more) decreased from a peak of 76 in 2021 to 33 in 2025 (10% of areas) (Figure 2). This is the lowest level since 2014. Of 33 London LAs, 19 (58%) had affordability ratios above 12 in 2025.

The least affordable area remained Kensington and Chelsea (25.2). This was down from 28.2 in 2024 and a peak of 44.0 in 2018, reflecting the median house price being its lowest since 2014. However, house prices remain proportionately much higher than earnings, and it is still a notable outlier.

Some areas have seen affordability ratios change faster than others. Out of 318 LA areas in England and Wales in 2025:

- housing affordability improved in two-thirds of areas (213 areas, 67%), and worsened in 103 (32%), compared with 2024
- average house prices increased in 65% of areas, compared with 2024, while average earnings increased in 78%

More subtle trends can be seen when looking at affordability over the last 20 years.

Figure 3: Changes in affordability in the past 20 years reflect different geographic patterns in house price and earnings changes across England and Wales

Change in housing affordability ratio, earnings, and house sales prices by local authority district, England and Wales, 2005 compared with 2025

As suggested in Figure 1, there were rapid increases in affordability ratios at the start of our data series between 1997 and 2005. However, since 2005, geographically distinct changes have occurred, as shown in Figure 3.

In around a fifth of LA areas, earnings increased faster than house sales prices, resulting in decreasing affordability ratios; these include areas in West Wales, North East and South West England. In a number of areas in Devon (Torrige, West Devon and East Devon), affordability ratios decreased by 2 or more points.

Over this time period, eight LAs saw increased ratios of 5 points or more, all in London or the South East.

5 . Regions and local authority affordability

In 2025, London had the highest affordability ratio, with average homes selling for 10.6 times average earnings. The North East had the lowest, at 5.0 times.

Another way to look at these estimates is to calculate how much would be required to buy an average home, beyond five times average earnings. In 2025 in London, a further £279,000 would be required in addition to five times earnings to buy an average home, while in the North East an average home would be affordable with five times earnings. There is, however, a wide variation within regions, shown in Figure 4.

Figure 4: Outside London, the South East and the East of England, there are only four local authority areas with affordability ratios above 10

Range of median housing affordability ratio in local authorities for English regions and Wales, 2025

Figure 4 shows that:

- the North East had a very tight distribution of affordability ratios, with more local authorities (LAs) having affordability ratios below 5 in 2025 than above 5
- there were no LAs in the North East, North West, Wales, or Yorkshire and The Humber that had ratios higher than 10
- half of the LAs in the South East had a ratio higher than 10, as did all but two LAs in London (Tower Hamlets, and Barking and Dagenham)

In the [previous edition of this bulletin](#) we estimated the percentage of homes sold in each year and region that were below five times average earnings. This showed that, for example, in 2024 3.0% of homes sold in London were sold for less than five times average earnings, compared with 57.4% in 1997. While in 2024 in the North East, almost half (49.9%) were sold for below five times average earnings.

6 . House prices for small areas

In addition to the affordability datasets, there are 14 house price statistics for small areas (HPSSA) datasets, which show house prices by property type for various geographies in England and Wales, as well as the number of property transactions.

Estimates are available broken down by:

- house prices and volume of sales
- property type (detached, semi-detached, and terraced houses, and flats and maisonettes)
- for most geographies, median or lower quartile sale prices
- for most geographies, for all dwellings, new dwellings and existing dwellings

Figure 5: Even within local authority areas there is a wide variation in house sales prices

House sales prices by Middle-layer Super Output Areas, England and Wales, year ending September 2025

The median price paid for residential properties in neighbourhoods (Middle-layer Super Output Areas or MSOAs) in England and Wales ranged from £60,000 (in Horden in County Durham) to £3.6 million (in the Knightsbridge, Belgravia and Hyde Park area of Westminster) in the 12 months ending September 2025 (Figure 5).

If you want to explore the neighbourhood affordability and house price data further including personalising assumptions about first-time buyer status, mortgage lending ratio, deposit size, price of property, property type and other associated costs, then for the first time we have directly compared local authority workplace earnings with neighbourhood (MSOA) house prices, in our [How affordable are homes in your neighbourhood release](#).

7 . Alternative house price, earnings and affordability estimates

Workplace and residence-based earnings

As in previous years, workplace-based earnings are lower than residence-based earnings in most local authority areas (226 or 72% in 2025). Areas where residents’ earnings are the highest, relative to those of workers, were those with high proportions of commuters, such as Richmond upon Thames, St Albans, and Southend-on-Sea near London, or Harborough, and Oadby and Wigston, near Leicester.

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

Users can explore local-authority level residence-based housing affordability using our newly available indicator on [Explore Local Statistics](#). This provides an interactive map, as well as time-series and distribution graphing tools.

New house building

There is interest in the effect of new house building on housing affordability:

- in the year to September 2025, the average new dwelling sold for £355,000, compared with £290,000 for an existing dwelling
- existing dwellings make up most sales, with new builds being just 5.6% of sales in England and 3.2% of sales in Wales in the year to September 2025
- Figure 7 of the [previous edition of this bulletin](#) showed that there is typically more variation over time in the number of sales of existing dwellings, than with new builds

Other measures of housing affordability

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.

The [Household Costs Indices for UK household groups](#) show how the prices of goods and services consumed by households in the UK change over time, by tenure.

8 . Data on housing affordability

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

Dataset | Released 26 March 2026

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 26 March 2026

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 26 March 2026

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

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

Dataset | Released 26 March 2026

Affordability ratios calculated by dividing house prices by gross annual workplace-based earnings for combined authorities in England.

[Median house prices for administrative geographies](#)

Dataset | Released 26 March 2026

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 26 March 2026

Number of residential property sales in England and Wales, by property type and administrative geographies. Quarterly rolling annual data. Formerly HPSSA Dataset 6.

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 (from 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 (HPSSAs)) are published as part of this release. They are calculated using open Price Paid 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 2024 to September 2025. This release is based on HPSSAs to the year ending September 2025, as published by HMLR on 29 January 2026.

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 2025, as published in October 2025. The main implications of using ASHE are that:

- it is a 1% 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.

In recent years, the latest year's house price data in particular have been revised more than previously, leading to changes in the previous year's affordability ratio. Because of additional data, the 2024 England and Wales affordability ratio has been revised upwards by 0.20.

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 a 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

[How affordable are homes in your neighbourhood?](#)

Interactive tool | Released 26 March 2026

Use our calculator to explore the average cost of buying a home in your neighbourhood relative to local average earnings.

[Housing purchase affordability, UK: 2024](#)

Bulletin | Released 18 September 2025

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 and Northern Ireland: 2024](#)

Bulletin | Released 18 August 2025

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.

[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 with 10 years earlier, ONS analysis of Financial Conduct Authority data show.

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

Bulletin | Released 23 October 2025

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

[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.

[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.

12 . Cite this statistical bulletin

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