

Article

Understanding towns in England and Wales: house price analysis

Data and analysis on house prices in towns in England and Wales. Looks at house price trends in towns up to 2020, and changes over the pandemic period from Jan 2020 to April 2021.

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Table of contents

1. [Main points](#)
2. [Annual house price analysis up to 2020](#)
3. [House prices during the coronavirus pandemic](#)
4. [Data](#)
5. [Glossary](#)
6. [Data sources and quality](#)
7. [Future developments](#)
8. [Related links](#)

1 . Main points

- The median price of residential properties in towns in 2020 ranged from £39,000 in Ferryhill, County Durham, to £1,050,000 in Northwood, which borders Hertfordshire and North London.
- Of the 10 towns with the highest median house prices, six of them were in the South East, while 6 of the 10 lowest were in the North East: all the 10 lowest were mining and industrial legacy communities in the North of England or South Wales.
- Over the decade from 2010 to 2020, 33% of towns in the North East experienced declining house prices, far higher than any other region, while no towns in the South East, East of England, East Midlands, West Midlands or the South West saw a decline.
- London saw lower growth in median house prices during the coronavirus (COVID-19) pandemic period while smaller built-up areas had the highest growth.
- Average and larger sized properties experienced higher price growth during the same period when compared with smaller properties, though the trend varied by settlement type.
- Towns which had higher income deprivation experienced slower growth over the decade from 2010 to 2020 compared with lower deprivation towns and this trend continued over the COVID-19 pandemic period.

2 . Annual house price analysis up to 2020

This section explores median house prices in 1,082 towns in England and 104 in Wales, and how they have changed over the period 2010 to 2020. Differences in house prices by region and income deprivation are described. This is followed by an investigation of changes to house prices just before and during the coronavirus (COVID-19) pandemic in January 2020 to April 2021. We identify house price trends according to settlement types, town characteristics and property size, to investigate how the pandemic may have accelerated existing trends in the housing market.

The towns definition is based on the built-up area (BUA) geography, and, where they exist, built-up area subdivisions (BUASD), with a population between 5,000 and 225,000 at the census in 2011. The towns definition was first introduced in an article [Understanding towns in England and Wales: an introduction](#), published on 9 July 2019. Additionally, we provide comparisons with cities (excluding London), London (separate to other cities) and smaller built-up areas, for example, villages. All these definitions are based on the same BUA geography. Throughout the article, we collectively refer to these different places as settlement types.

House prices in towns across England and Wales

From the bulletin [House price statistics for small areas in England and Wales: year ending December 2020](#), the median house price in England and Wales in 2020 was £250,000. England had a median price of £259,000, while Wales had a median price of £170,000. Not only did house prices differ between countries, but they varied vastly at a region and town level.

It should be noted that the analysis of median house prices presented in this article is based on median point in time averages and no attempt has been made to control for the quality of property transacted over time. Care should be taken when making comparisons over time. The analysis in this article is not directly comparable with the [HM Land Registry UK House Price Index](#).

Figure 1 below shows an interactive map with house prices by year and town. The scale on the left-hand side has been selected automatically.

Figure 1: Median house prices in towns in England and Wales

Download the data

[.xlsx](#)

The town with the highest median price in 2020 was Northwood, a town situated on the border of London and Hertfordshire. Northwood has had the highest median house price each year since 2009, with a median price of £1.05 million. In comparison, Ferryhill in County Durham in the North East had the lowest median house price at £39,000 in 2020.

Of the 10 towns with the highest prices, six were in the South East of England and four were in the East of England, all within commuting distance to London. Of the 10 towns with the lowest prices, six were in the North East, three were in Wales and one was in the North West. Within Wales the three towns that appear in the bottom 10 are all located in the South Wales Valleys. Each of the towns in the bottom 10 were mining and industrial legacy communities in the North of England or South Wales. More information on how mining and industrial legacy areas were identified can be found in [ONS 2011 residential-based area classifications](#).

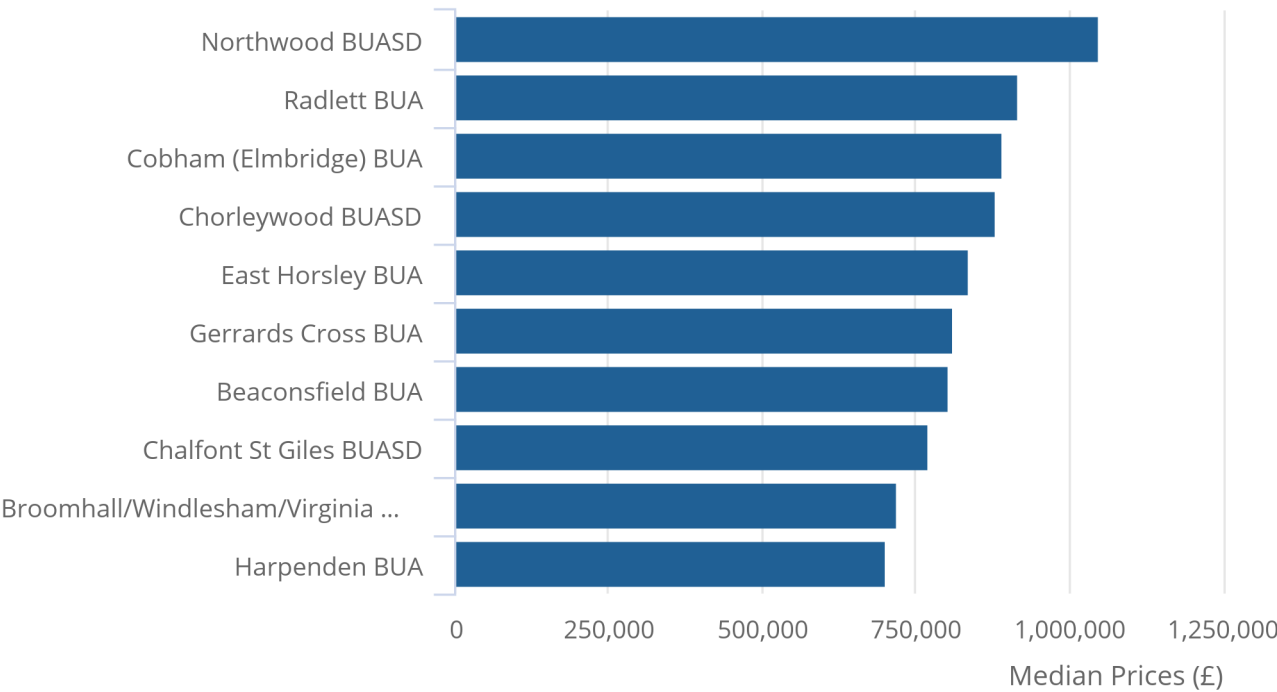
The town with the highest median price in Wales in 2020 was Dinas Powys, Vale of Glamorgan, with a median house price of £291,000, while Ferndale had the lowest at £60,000. This is a difference of £231,000 between the area with the highest and lowest house prices, which was considerably smaller than the difference of over £1 million observed in England.

Figure 2: All of the towns in the top 10 were within commuting distance to London

Median house prices, towns in England and Wales, 2020

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Median house prices, towns in England and Wales, 2020



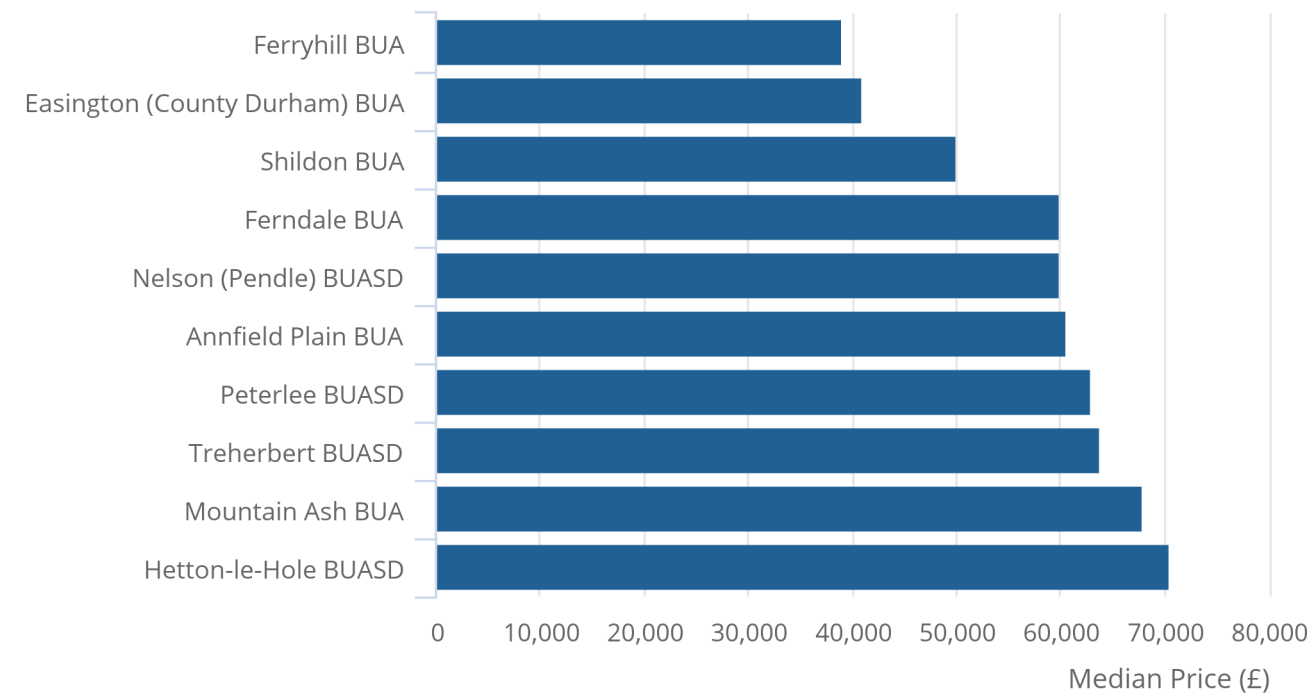
Source: Office for National Statistics using Land Registry Price Paid data

Figure 3: All of the towns in the bottom 10 were mining and industrial legacy communities in the North of England or South Wales

Median house prices, towns in England and Wales, 2020

Figure 3: All of the towns in the bottom 10 were mining and industrial legacy communities in the North of England or South Wales

Median house prices, towns in England and Wales, 2020



Source: Office for National Statistics using Land Registry Price Paid data

Notes:

1. Hetton-le-Hole BUASD and Murton (County Durham) BUA have the same median price of £70,500.

Turning to price change between 2010 and 2020, Figure 4 shows the percentage change in median price of all towns broken down by region. Iwer Heath in the South East experienced the largest increase of 115% between 2010 and 2020. This contrasts with Ferryhill in the North East, which had the largest decrease of 47%.

There were considerable differences in the rates and direction of change in house prices between regions. Of the 10 towns that experienced the largest increases, four were in the South East, five within the East of England and one in the East Midlands. No towns in the South East, East of England, East Midlands, West Midlands, or South West experienced a decline in median house price.

Meanwhile, all 10 of the towns experiencing the largest decreases were in the North East, with many of these towns also having the lowest median house prices (Figure 3). Overall, the North East has seen a much larger proportion of its towns (33%) experience a decline in house prices compared with Wales (4%), the North West (2%) and Yorkshire and the Humber (1%), which were the only other regions with towns experiencing decline.

There were also marked differences in changes to house prices within regions as well as between them. Price changes in towns in the North East had more variation over the decade compared with any other region. Changes to house prices were most even across towns in the West Midlands. When we further examine Figure 4 below, we see that flats were more likely to see a decline in prices over the decade, compared with other property types across many towns in each region of England, and Wales.

Figure 4: The North East had the highest proportion of towns with declining property prices

Change in median price, towns in England and Wales, 2020 compared with 2010

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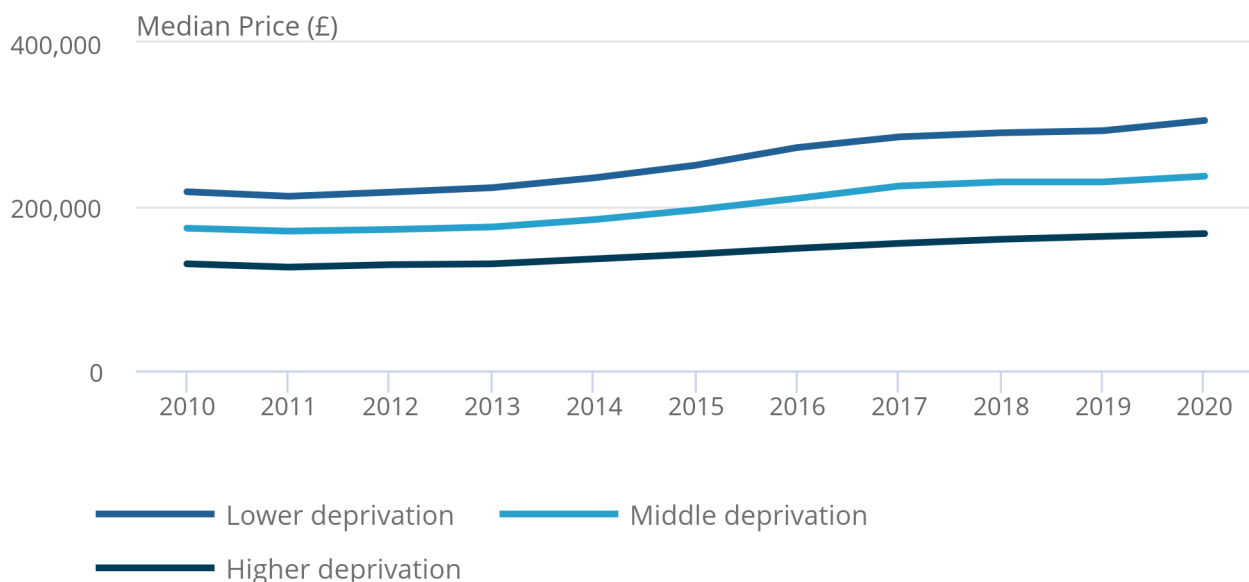
We now move on to look at prices by a town's characteristics. Figure 5 shows median house prices between 2010 and 2020 by a town's income deprivation classification. Income deprivation for towns was first introduced in [Understanding towns in England and Wales: an introduction](#) and we have used the same classifications for this analysis. Towns were classified into low, middle, and high deprivation based on the proportion of the town experiencing deprivation relating to low income.

Figure 5: House prices were higher and increased more in towns with lower income deprivation

Median price, towns in England and Wales, 2010 to 2020

Figure 5: House prices were higher and increased more in towns with lower income deprivation

Median price, towns in England and Wales, 2010 to 2020



Source: Office for National Statistics using Land Registry Price Paid data

Higher deprivation towns have seen median house prices increase at a slower rate than middle and low deprivation towns. Higher deprivation towns saw a median price increase of 28.4%, whereas middle and lower deprivation towns experienced increases of 36.6% and 39.9% respectively. It should be noted that there is a relationship between region and the number of towns which were in the various deprivation categories. More on this can be found in [Understanding towns in England and Wales: an introduction](#).

In our previous articles [Understanding towns in England and Wales: spatial analysis](#) and [Understanding towns in England and Wales: population and demographic analysis](#), we explored towns by population and employment change. Figure 6 below shows a plot of percentage change in median house prices against percentage change in population. This compares 2019 with 2009 as these were the periods explored previously. We see a slight positive relationship between change in median house prices and change in population; towns which experienced higher population growth tended to see higher growth in median house prices. However, there is a high degree of variance across different towns. Figure 7 below shows a similar plot, though this time it compares percentage change in median house prices with percentage change in employment over the same period. The relationship in this case is unclear.

Figure 6: There was a slight positive relationship between population change and price change, but this varied by town

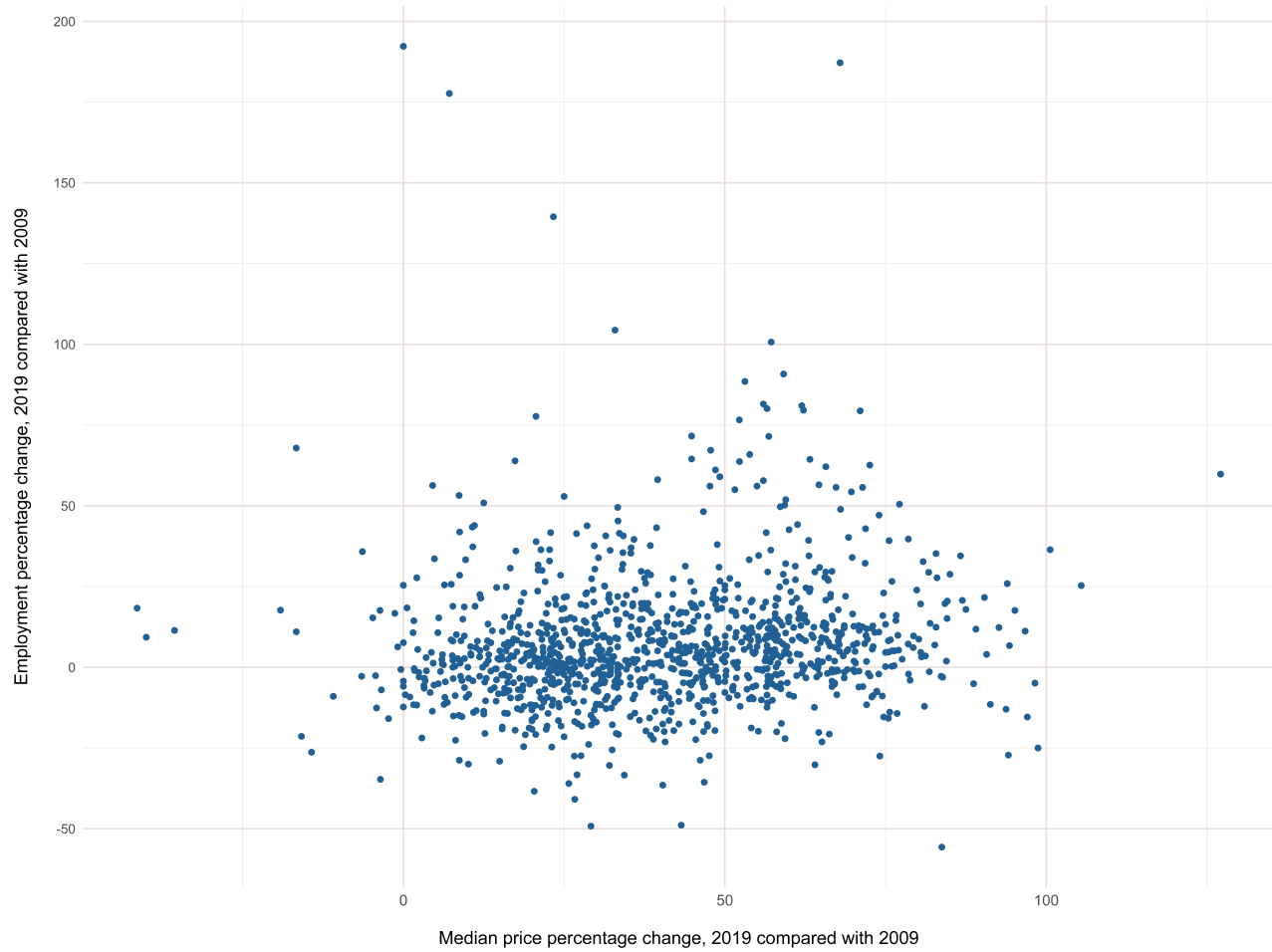
Median price percentage change against population percentage change, towns in England and Wales, 2019 compared to 2009



Source: Office for National Statistics using Land Registry Price Paid data

Figure 7: The relationship between employment growth and price growth was unclear

Median price percentage change against employment percentage change, towns in England and Wales, 2019 compared to 2009



Source: Office for National Statistics using Land Registry Price Paid data

3 . House prices during the coronavirus pandemic

In this section we investigate trends in median house prices during the coronavirus (COVID-19) pandemic broken down by different settlement types. These are towns, cities (excluding London), London (separate to other cities) and smaller built-up areas, for example, villages. More information on these definitions can be found in the glossary.

Because of the small geographies and monthly data, we have aggregated individual built-up areas to their settlement type, to enable comparisons and remove the volatility caused by small counts. Additionally, we have taken rolling 12-month averages to smooth out seasonal effects. To explore trends, we have then indexed to a base period of January 2020, allowing comparison with the two months before the coronavirus pandemic period. The announcement of the first national lockdown was on 23 March 2020.

During this period, there have been changes to property transaction taxes in England and Wales. In July 2020, the UK Government introduced a temporary increase to the nil rate band for Stamp Duty Land Tax from £125,000 to £500,000. The £500,000 band was in place until 30 June 2021. From 1 July 2021 to 30 September 2021 the nil rate band was reduced to £250,000, before returning to the standard amount of £125,000 on 1 October 2021. These subsequent reductions (on 1 July and 1 October) do not affect the period covered by these statistics. Similarly, in July 2020 the Welsh Government introduced a temporary increase (until 31 March 2021, which was extended to 30 June 2021) in the nil rate band for Land Transaction Tax from £180,000 to £250,000 for residential properties. The taxes paid for higher residential or non-residential transactions remained unchanged.

Differences in patterns and trends around this time may be attributable to those tax changes, although this analysis does not explore any causes.

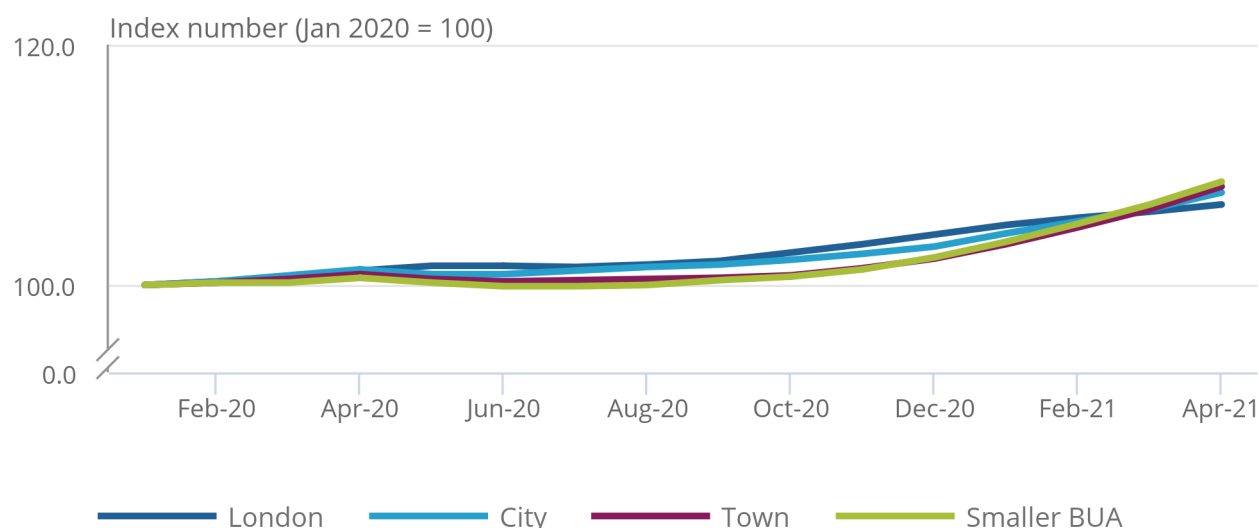
As can be seen in Figure 8 below, the trend observed in smaller built-up areas and towns differed from that observed in London and other cities. Other cities and London experienced faster increases in price initially, with smaller built-up areas and towns beginning to accelerate later in 2020 and into 2021. Cities outside of London also began to see price increases, leaving London as the place with the lowest price growth over the period.

Figure 8: During the pandemic period, house prices increased across all settlement types

12 month rolling average of median price indexed with January 2020 = 100, England and Wales, January 2020 to April 2021

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12 month rolling average of median price indexed with January 2020 = 100, England and Wales, January 2020 to April 2021



Source: Office for National Statistics using Land Registry Price Paid data

Table 1: Price growth during the pandemic was higher than average for the previous decade, except in London

Settlement Type	Percentage change, 12 months ending April 2021 compared with 12 months ending April 2020	Average Annual Growth 2010 to 2019
Smaller BUA	9.6	3.4
Town	9.0	3.4
City	7.8	2.8
London	5.1	6.3

Source: Office for National Statistics using Land Registry Price Paid data

Turning to property type, all types of houses (detached, terraced and semi-detached) have seen their median price increase at a faster rate compared with flats. Figure 9 shows property prices by settlement type and property type.

In towns, flats decreased in price over the period, with only flats in cities excluding London appearing to somewhat keep pace with prices for houses. This trend has levelled into 2021. Within towns, detached and semi-detached houses have seen particularly large increases.

Figure 9: Flats saw slower growth in median sale price than other property types though the pattern varies by settlement type

12 month rolling average of median price indexed with January 2020 = 100, England and Wales, January 2020 to April 2021

Download the data

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The increase of median house prices also varied by the number of the bedrooms the properties contained. Figure 10 shows trends by settlement type and number of bedrooms.

Throughout the coronavirus pandemic period, we saw higher rates of growth for properties with three or more bedrooms, compared with those with one or two bedrooms. Only in smaller built-up areas was this pattern different, with less variation by room type.

Figure 10: Properties with three or more bedrooms experienced higher price growth than those with fewer bedrooms across all settlement types

12 month rolling average of median price indexed with January 2020 = 100, England and Wales, January 2020 to April 2021

Download the data

[.xlsx](#)

We also see different trends when breaking down by the size of a property, as measured by internal floor area. In figure 11 below, we have categorised properties based on their internal floor area into three groups: above average sized, average sized and below average sized. The top third of houses by floor area were classed as above average, the middle third were classed as average and the bottom third were classed as below average.

Figure 11 shows that properties below average size have seen their median house price increase at a slower rate than those of average size or above average size. Average sized properties have kept pace with larger properties in towns and smaller built-up areas. The smaller increases in below average sized properties is more evident in cities and London than it is in towns and smaller built-up areas.

Figure 11: Smaller properties have seen the smallest price increases

12 month rolling average of median price indexed with January 2020 = 100, England and Wales, January 2020 to April 2021

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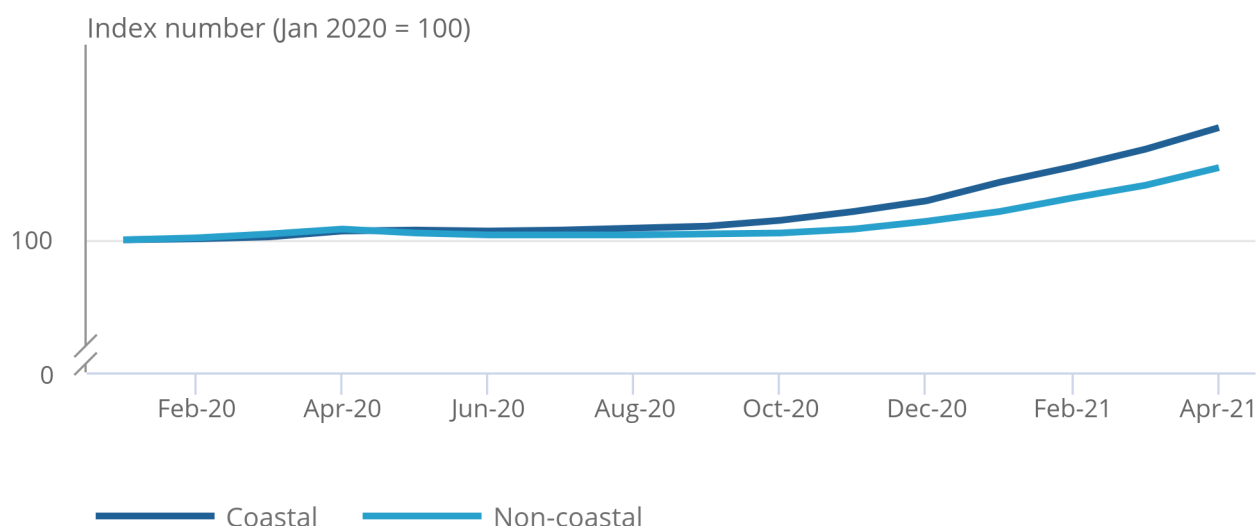
When looking at coastal and non-coastal towns, we see differences in the trends. The coastal towns examined in this output are a subset of the 1,186 towns, and more information can be found in a previous article, [Coastal towns in England and Wales](#). Coastal towns saw higher increases than non-coastal towns, particularly in the latter half of 2020 and into early 2021. This is a reverse of the trend observed over the previous decade, where coastal towns' median house prices increased by 28.1%, whereas non-coastal increased by 32.1%.

Figure 12: The price of houses in coastal towns grew faster than those in non-coastal towns

12 month rolling average of median price indexed with January 2020 = 100, towns in England and Wales, January 2020 to April 2021

Figure 12: The price of houses in coastal towns grew faster than those in non-coastal towns

12 month rolling average of median price indexed with January 2020 = 100, towns in England and Wales, January 2020 to April 2021



Source: Office for National Statistics using Land Registry Price Paid data

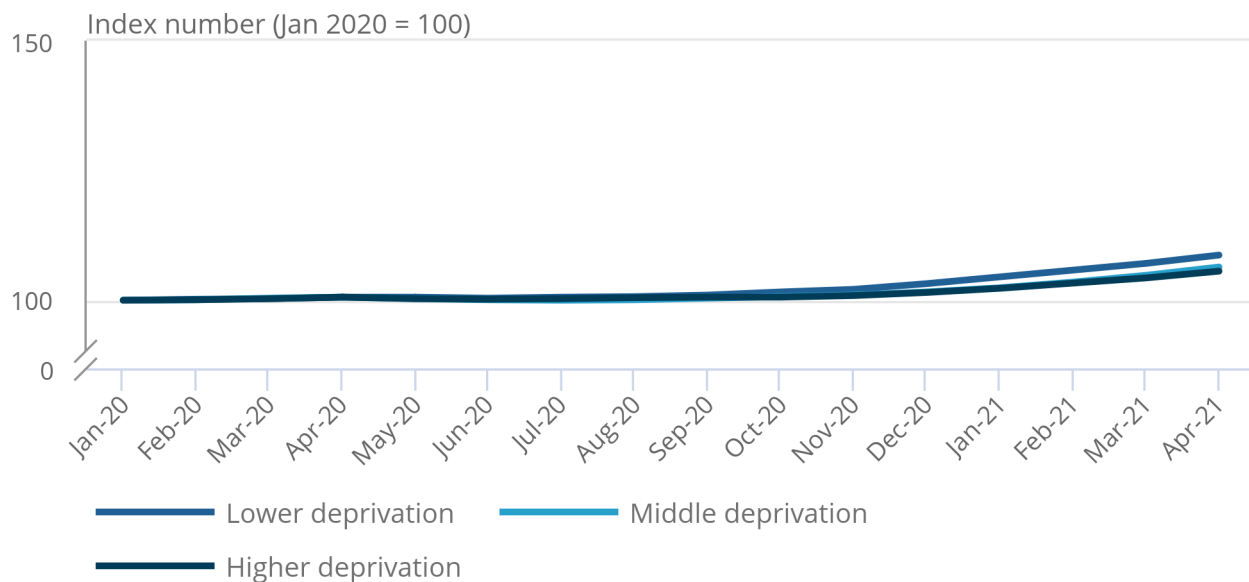
Earlier in the article we explored towns by income deprivation category over the decade from 2010 to 2020. We saw that places with higher income deprivation experienced slower growth. We find that this trend has remained during the coronavirus pandemic period, although high deprivation, middle deprivation and low deprivation towns all saw increases.

Figure 13: Over the pandemic more deprived towns experienced lower price increases, consistent with trends from the previous decade

12 month rolling average of median price indexed with January 2020 = 100, towns in England and Wales, January 2020 to April 2021

Figure 13: Over the pandemic more deprived towns experienced lower price increases, consistent with trends from the previous decade

12 month rolling average of median price indexed with January 2020 = 100, towns in England and Wales, January 2020 to April 2021



Source: Office for National Statistics using Land Registry Price Paid data

4 . Data

[Understanding towns in England and Wales: house price analysis](#)

Dataset | Released 18 October 2021

House price data for towns in England and Wales, 1995 to 2020, and index data by settlement type from January 2020 to April 2021.

5 . Glossary

Towns, cities and Greater London

This article is part of a series in which the Office for National Statistics (ONS) provides new data and analysis on towns in England and Wales. Therefore, the definition of a “town” in this output, follows on from previous ONS publications using built-up area subdivision boundaries (or built-up area boundaries where no subdivisions exist). Built-up areas (BUA) and built-up area subdivisions (BUASD) were created as part of the 2011 Census outputs and refer to urban areas defined as “irreversibly urban in character”. To be classified as a town, the 2011 Census population of the BUASD (or BUA) had to be between 5,000 and 225,000 (see Table 2). Within this context, 1,082 urban settlements in England and 104 in Wales were identified.

Table 2: Urban settlements used in the analysis, England and Wales, 2011

Settlement Type Population		Counts England Wales		
Smaller BUA	< 5,000	5,370	4,944	426
Small town	5,000 – 20,000	748	662	86
Medium town	20,000 – 75,000	347	331	16
Large town	75,000 – 225,000	91	89	2
City	> 225,000 excluding London	19	18	1
London	-	34	34	-

Source: Census 2011

It needs to be recognised that this is a statistical approach to examining settlements, and that not every town in the list will have “town” status. Some of the smaller built-up areas included will be villages, and there will be many of the larger places included that are small cities. However, the aim has been to make sure as many towns as possible are included within the analysis, and for statistical analysis it makes sense to group these medium sized urban settlements together. We chose the upper population limit of 225,000 to include the largest towns in the country, namely Reading and Northampton. More information on this town classification can be found in our previous publications.

For comparison purposes, any built-up area boundaries with less than 5,000 residents on 2011 Census Day were classified in the main text as smaller built-up areas and mostly cover smaller settlements. Built-up areas in London with 5,000 residents or above have been separated into a London grouping and within the data tables we have also split them into Inner and Outer London, consistent with previous publications. Built-up areas and built-up area subdivisions with less than 5,000 residents in London have been classified as smaller built-up areas. Cities in this publication were based upon built-up area boundaries outside the London region with a population above 225,000.

Please note that the built-up areas geography is not defined for Scotland or Northern Ireland.

Other towns classifications

In this article, we used the same definition and classification of coastal towns used in the ONS article, [Coastal Towns in England and Wales: October 2020](#), released on 6 October 2020.

Additionally, using a framework proposed in our previous article, [Understanding towns in England and Wales: an introduction](#), the towns have been grouped according to their level of income deprivation (lower deprivation towns, middle deprivation towns and higher deprivation towns).

Income deprivation rankings were calculated separately for England and Wales. Because percentiles of income deprivation are relative to each country, percentile 1 of England is not the same as percentile 1 of Wales.

6 . Data sources and quality

Data sources

This article uses data from HM Land Registry to provide statistics on the price paid and number of residential property transactions for properties that were sold in England and Wales. Properties sold at a discount to the market level, such as properties sold under the Right to Buy scheme, are not included in these statistics. This dataset contains property-related information and no personal data.

These data were linked to the Valuation Office Agency council tax property attributes dataset to supplement the price data with information on internal floor area in metres squared and number of bedrooms. Again, this dataset does not contain information about individuals or households.

Quality

The main set of official statistics for house prices in the England and Wales come from the [UK House Price Index: July 2021](#) and [House Price Statistics for Small Areas in England and Wales: year ending December 2020](#).

Unlike the UK House Price Index, the estimates in this publication have not been quality adjusted to account for changes in quality and composition. In line with other ONS housing outputs, we have not adjusted prices for inflation. Additionally, to smooth out seasonal effects, we have used 12 month rolling averages when analysing prices over the coronavirus (COVID-19) pandemic period.

In some small towns there have been fewer than five house sales in a period. In these cases, we have suppressed the estimates as the price is likely to be highly volatile from period-to-period with such small counts. Care should be exercised when interpreting prices for smaller towns with low sales counts as a small number of transactions could be contributing to extreme changes in price. More information on quality and the effect of coronavirus on the data can be found in the latest release of the [UK House Price Index: July 2021, section 7](#).

7 . Future developments

This article is a collaboration between the Integrated Data Analysis Team and the Centre for Sub-National Analysis at the Office for National Statistics (ONS). It is the fifth in a series of towns articles and builds upon the previous article, [Understanding towns in England and Wales: population and demographic analysis](#), published in February 2021. A further article on towns and businesses is likely to be released in 2021, with more articles in the series planned for 2022.

Our current work on towns focuses on England and Wales only, as the built-up areas' geography is only defined for these countries. However, both Scotland and Northern Ireland have alternative definitions available and as such ONS are investigating adding Scotland and Northern Ireland to future Understanding Towns outputs.

8 . Related links

[House price statistics for small areas in England and Wales: year ending December 2020](#)

Statistical Bulletin | Released 21 June 2021

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

[UK house price index: July 2021](#)

Statistical Bulletin | Released 15 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.

[Understanding towns in England and Wales: population and demographic analysis](#)

Article | Released 24 February 2021

Data and analysis on towns in England and Wales, with a focus on population and demography.

[Understanding towns in England and Wales: spatial analysis](#)

Article | Released 7 December 2020

Data and analysis on towns in England and Wales, with a focus on population and employment growth.

[Coastal towns in England and Wales: October 2020](#)

Article | Released 6 October 2020

Data and analysis on seaside and other coastal towns in England and Wales.

[Understanding towns in England and Wales: an introduction](#)

Article | Released 9 July 2019

The first in a series of articles that provide new data and analysis on towns in England and Wales, to help inform policy.