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In this review of the **Value of the UK Private Housing Stock**, Halifax tracks the value of private residential housing stock in the decade since 2004 at regional and national level. The review is based on data from the Communities and Local Government (CLG), the ONS for 2004-2013 and the Council of Mortgage Lenders. Estimates for the value of housing stock in the UK in 2014 and for all regions for the whole period 2004-2014, as well the value of residential mortgage loans outstanding in 2014 are made by Halifax.

VALUE OF UK PRIVATE HOUSING BREAKS £5 TRILLION

- Biggest annual increase since 2002
- 7.2 million households in England own their home outright and are mortgage free
- Increase in private new build contributed to growth in value of housing stock

New research from Halifax shows the current value of the UK's private housing stock is estimated at £5.06 trillion¹. This compares with £3.22 trillion in 2004; an increase of £1.83 trillion, or 57% over the past decade.

The increase of £1.83 trillion is equivalent to £79,262 per household in the owner-occupied and private rented sectors since 2004. The increase in the value of the UK private residential housing stock has outstripped rises in consumer prices, with the retail price index up by 37% in the past decade.

In the past year value of UK housing stock has soared by £630bn

In the past year, the value of the UK's private housing stock has grown 14% (£630bn) from £4.43 trillion. This rise is the fastest annual growth since 2002 (21%).

Regionally, over the last 12 months the value of housing stock in London is estimated to have grown by £217bn and by £123bn in the South East; the two regions accounting for more than half of the total growth of the value of housing stock across the UK. An increase in average property values combined with a rise in the number of private new build homes coming on to the market have been the main contributing drivers.

All regions see a strong rise in the value housing stock

The value of the housing stock has grown in all 12 UK regions over the past year, and all regions have also seen a significant increase in the value of their private housing stock during the last ten years. The largest increase was in London where the value of housing stock has more than doubled (109%) from £545bn in 2004 to £1.14 trillion in 2014. The capital is closely followed by Scotland, which has seen a rise of 96% (from £170bn to £333bn). However, there have been much smaller increases elsewhere with the smallest rises in the East Midlands (32%) and the North East (33%) (see Table 1).

Housing equity rises by over £1.4 trillion over past decade

The value of mortgage debt has risen by 47% since 2004 (from £877bn to £1.29 trillion), but at the same time the value of the private housing stock has grown by more than four times as much as outstanding mortgage debt. As such, housing equity has increased by £1.42 trillion (61%) over the decade from £2.34 trillion in 2002 to £3.76 trillion.

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Regionally, there is a wide variation in the level of housing equity, with a higher balance in the south² compared to northern² areas. On average, the highest amounts of equity are in London where housing equity is estimated at £820bn, which is equivalent to £313,466 per household. The capital is followed by the South East (£726bn or £219,163 per household), and the East (£447bn or £203,462 per household).

Outside southern England, the highest average equity levels are in Scotland (£249bn, £126,930 per household), the North West (£278bn or £106,011 per household), and West Midlands (£248bn or £125,532 per household). The lowest housing equity is in the North East (£84bn or £91,641 per household) and Northern Ireland (£14bn or £21,519 per household) (see Table 2).

Martin Ellis, housing economist at Halifax, commented:

"The total value of all privately owned residential dwellings in the UK continues to increase, and over the past decade the value of housing stock has grown by £1.83 trillion, with a third of this rise coming in the past year alone. An increase in average property values combined with a rise in the number of private new builds has contributed to the increase in the value of housing stock across all UK regions, although the growth is stronger in London and the South East.

"Aggregate housing equity held by UK households is in a healthy state with total housing assets worth £3.76 trillion more than the total value of mortgage debt. Regionally, there is wide variation in housing equity, but importantly after the recent housing downturn all regions are showing increasing equity levels. More so, there are an estimated 7.2 million³ households in England that own their home outright and are mortgage free."

Table 1: Value of Privately Owned Housing Stock in the UK 2004-2014

Region	Year End 2004 - £ billion	Year End 2013 - £ billion	2014* - £ billion	Total % change over the decade
North East	90	111	120	33%
North West	284	356	390	37%
Yorkshire and the Humber	204	265	289	42%
East Midlands	207	244	273	32%
West Midlands	248	303	333	34%
East	350	466	530	52%
London	545	923	1,140	109%
South East	611	827	950	55%
South West	333	411	456	37%
Scotland	170	297	333	96%
Wales	125	154	167	34%
Northern Ireland	55	68	77	40%
UK	3,221	4,426	5,056	57%

Source: The ONS for regional house prices and the CLG for privately owned residential properties

* Estimated value in August 2014;

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Table 2: Value of Privately Owned Housing Equity by Region - 2014

Region	Value of Housing Stock 2014* - £ billion	Value of Residential Mortgage Loans Outstanding 2014** - £ billion	Net Housing Equity - £ billion	Net Housing Equity per household - £
North East	120	36	84	91,641
North West	390	111	278	106,011
Yorkshire and the Humber	289	80	209	108,904
East Midlands	273	61	212	124,980
West Midlands	333	84	248	125,532
East	530	84	447	203,462
London	1,140	320	820	313,466
South East	950	224	726	219,163
South West	456	108	348	161,418
Scotland	333	83	249	126,930
Wales	167	39	128	111,704
Northern Ireland	77	63	14	21,519
UK	5,056	1,294	3,762	162,510

Source: The ONS for regional house prices and the CLG for privately owned residential properties, and CML postcode lending data

* Estimated value in August 2014; ** Estimated value in September 2014 – both by Halifax

Editors' Notes:

¹ Before deducting for mortgage outstanding balances. Estimated value in August 2014.

² South includes East, London, South East and the South West; North includes North East, North West, Yorkshire and the Humber, West Midlands, East Midlands, Scotland, Wales and Northern Ireland

³ English Housing Survey Households Report 2012-12

The data in this release has been sourced from the Communities and Local Government (CLG) department and the Scottish government for private dwelling completions and stock of private properties. House prices are from the ONS in August 2014.

Value of residential buildings for 2004-2013 in the UK as a whole is from the ONS (series code CGRI), 2014 is a Halifax estimate. The 2014 estimate of housing wealth is derived from the ONS house prices index for 2014 and the estimated number of privately owned residential buildings in the UK. This methodology varies from that used by the ONS, which takes the numbers of dwellings in each council tax band (by region, which are valued using council tax valuations in a base period updated to current year prices using the ONS house price index.

Housing value at the regional level is estimated by Halifax using estimates of owner-occupation and privately rented dwelling and the ONS regional house price indices.

Regional data for the value of residential mortgage loans outstanding is from the Council of Mortgage Lenders post code lending data. This data is provided by seven participating lenders who together represent around 73% of the national residential market. Therefore, regional estimates have been grossed up by 1.37 (i.e. 100/73), with a separate Halifax estimate for Northern Ireland.

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Press Release



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