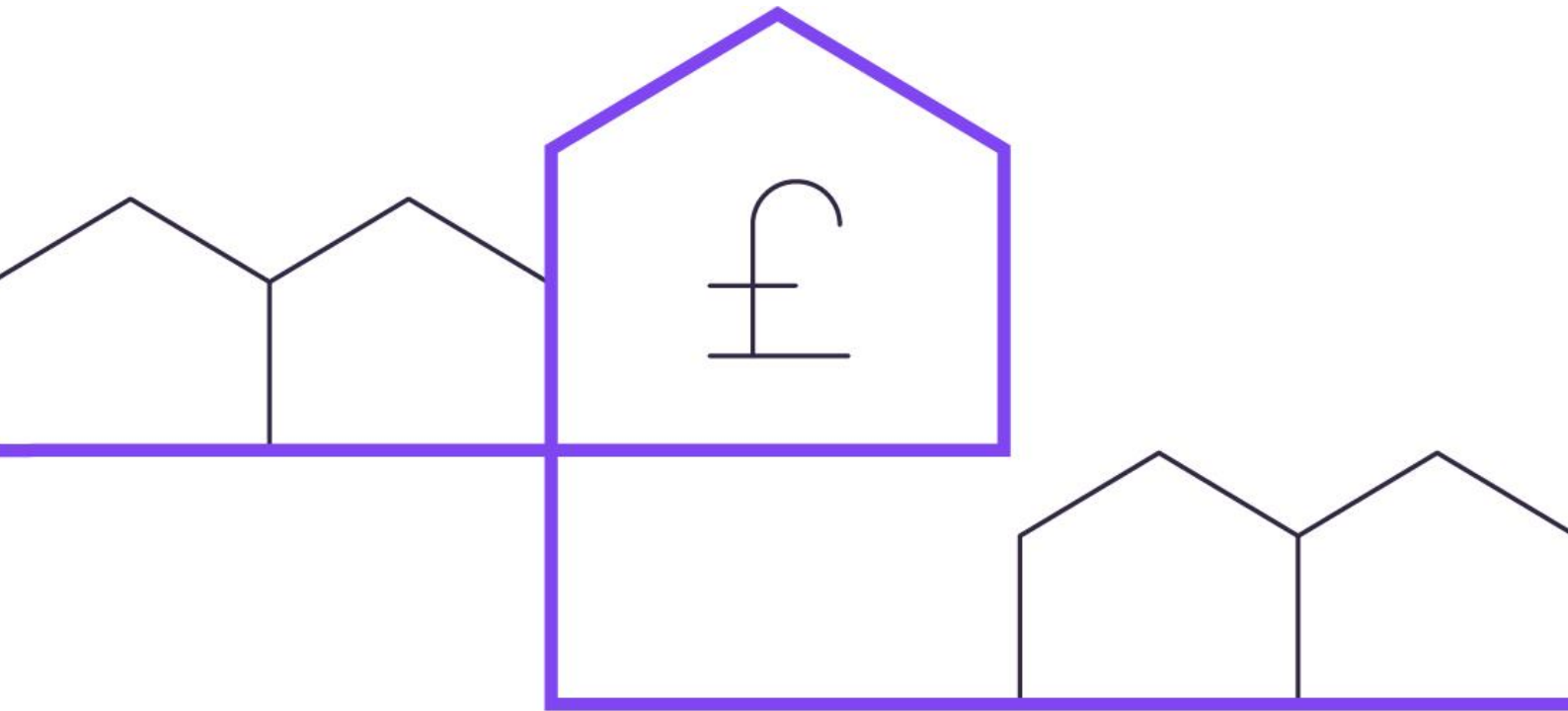


# The Value of Housing

## What are our homes worth?

An analysis of all GB housing



### Key findings

- The total open market value of Britain's homes is £9.2 trillion, up from £8.7 trillion a year ago and £7.6 trillion in 2016
  - Zoopla's automated valuation model (AVM) allows us to calculate the value of all 28.6 million homes in the country
  - The number of homes in GB has increased by 1 million since 2016, and the total combined value of homes has risen by £1.6 trillion over that time, an increase which is equal to the total value of Apple
  - Over the last five years, the largest increase in housing value has been in the South East (+£294 billion). The value of homes in London have risen by £214 billion over the same period
  - The average property has risen in value by £49,257 over the last five years, but in 53 local authorities across the country more than two-thirds of homes have risen by more than this amount
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## Introduction

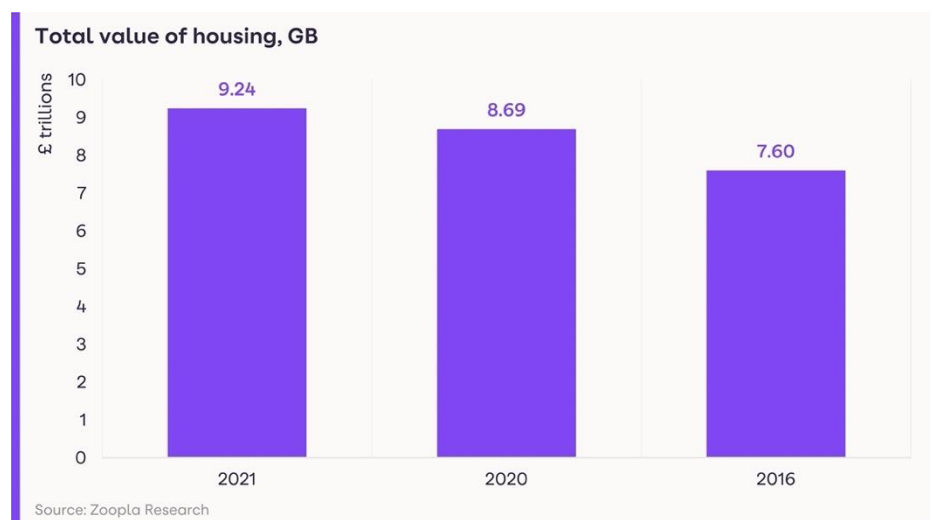
House price indices give a good indication of whether house values are rising or falling, and to what extent. But by their nature they signal what is happening ‘on average’.

Zoopla’s Automated Valuation Model (AVM), which carries out monthly valuations, allows us to calculate the total value of homes across the country and how they are changing.

## Total value of housing at £9.2 trillion

The total open market value of homes in Britain stands at £9.2 trillion\*. This very large figure is more than four times the UK’s GDP – the value of everything produced and services provided across the UK every year – and more than four times the value of all companies listed in the FTSE 100.

In the last year alone, the value of homes has risen by £550 billion, pushed higher by the rise in average house prices as a result of soaring buyer demand in the market as a result of the pandemic-led ‘search for space’ as well as the stamp duty holiday.



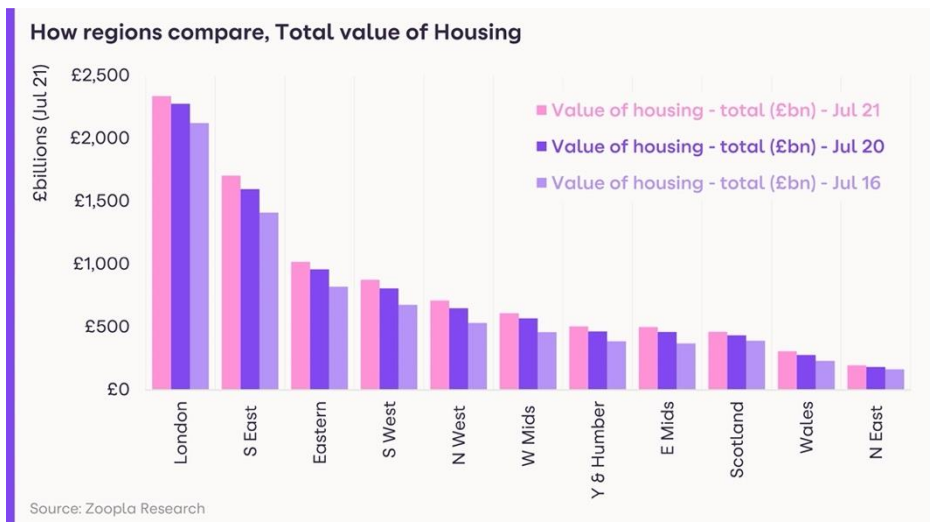
Over the last five years, the total value of homes has risen by £1.66 trillion, more than five times the total value of all GB housing transactions in 2020. It is also around the same value as the market cap of Apple, which is the world’s largest company by value.

The rise in values since 2016 signals modest but sustained annual house price growth across the UK since then, underpinned by low mortgage rates, which has resulted in a cumulative 20% uplift in the value of housing.

The total value of the 23.5 million privately-owned homes is £8.2 trillion, while 5 million affordable homes are worth £1 trillion.

If we consider that the total outstanding mortgage debt on UK homes across the country is nearly £1.6 trillion, this means that there is around £6.6 trillion in equity in privately-owned homes.

### Value of housing highest in London



Total housing value in London reached £2.4 trillion this year, making it the most valuable region in the country, just as in previous years.

The combined value of homes in London has risen around £214 billion since 2016 – a sum that is slightly higher than the GDP of South Africa.

However, the five-year rise in values in the South East outstrips that in London, with an increase of £294 billion taking the total value of homes in the region to £1.7 trillion this year.

Following the South East as the third-highest region by value is the East of England at £1 trillion, and the South West with £877 billion.

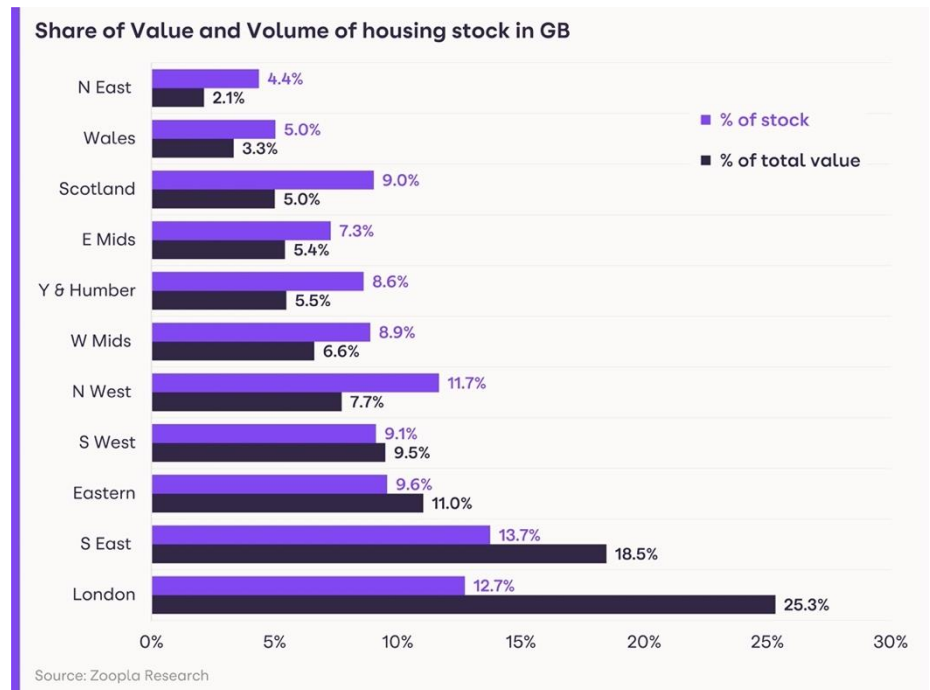
At the other end of the regional scale is the North East, where the total value of homes stands at £197 billion, followed by Wales where the value of all homes adds up to £308 billion.

There is a broad correlation between the total value of housing stock, and the density of housing, and also the rise in the number of homes over the last five years. The stock of homes in the South East has risen by 156,000, compared to 39,914 in the North East.

However, as the chart on the next page shows, there is another factor at play.

While accounting for 13% of all GB housing stock, London is home to a quarter of GB’s total housing value.

Likewise, some 14% of GB homes are located in the South East of England, yet this region accounts for 18.5% of the country’s total housing value.



In contrast, around one in twenty homes are located in the North East of England, but it accounts for only 2% of the total value of homes in the country.

This is where the range of regional house prices comes in to play. With the value of an average home in London at just over £500,000, according to Zoopla’s house price index, this pushes the total value of homes higher than in the North East, where the average property is worth £125,872.

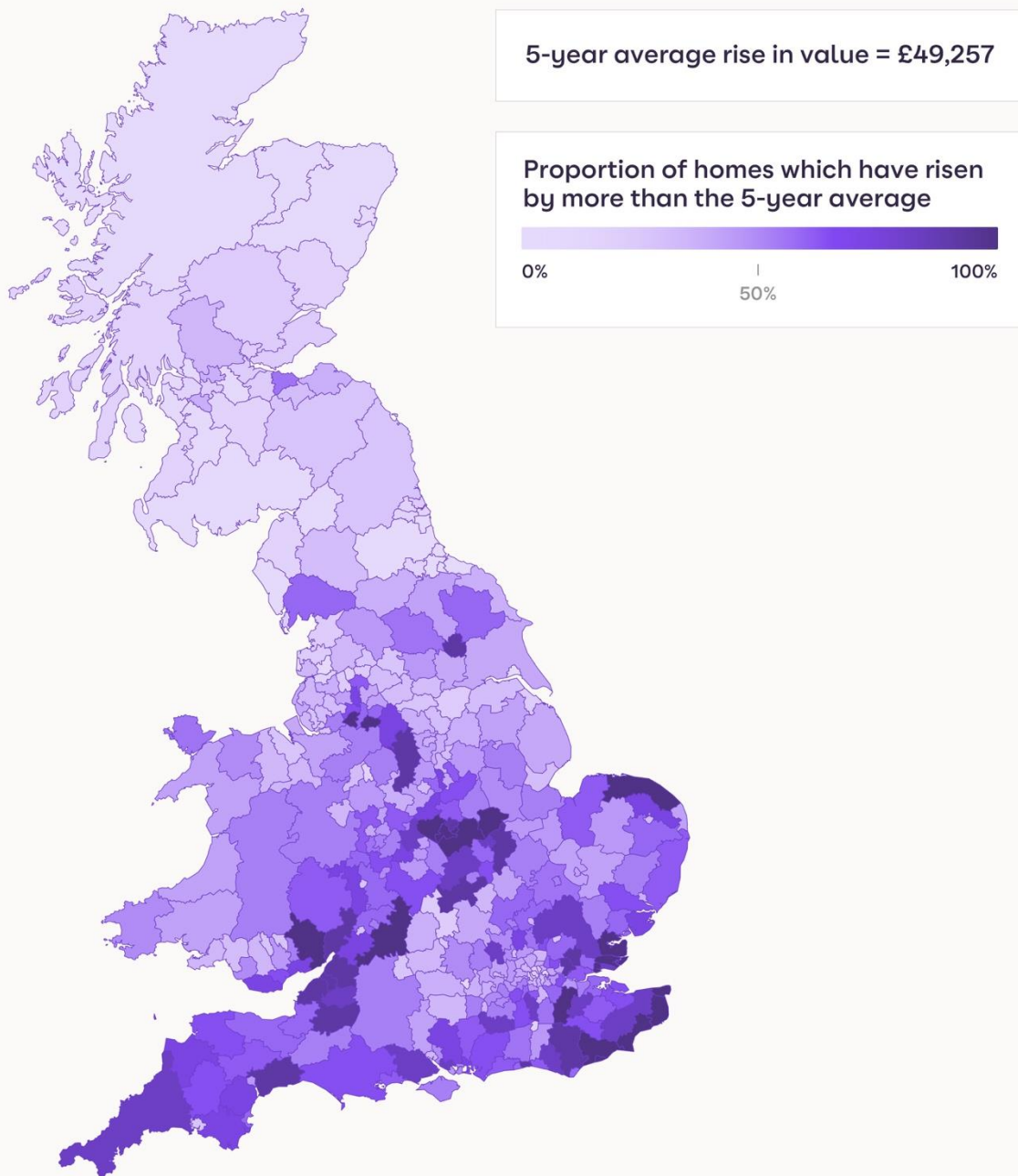
### Which areas are outperforming?

The average home in Britain has increased in value by around £49,000 since July 2016. The map on the next page shows the local authorities where a smaller or larger proportion of homes have increased by more than this value.

More than two-thirds of homes in 53 of the country’s 367 local authorities have risen by more than £49,000, and topping the list are Monmouthshire (88.2% of homes have risen by more than the average), Hastings (83.1%) and Trafford (82.2%).

## Where have homes risen in value the most?

The concentration of homes where values have risen by more than the 5-year average



Source: Zoopla Research

This map really illustrates the difference between data showing average house price growth, and the granularity of values data to show how property is performing at a local level.

The concentration of areas where a larger proportion of homes have risen by more than the average value are clustered in the South and Midlands, and there is a noticeable trend of more coastal locations feature. The map does not show a London-centric trend as might have been expected.

However, when it comes to comparing where the largest total outright value of housing resides, London comes back to the fore.

Homes in the London borough of Westminster are worth £164.6 billion, making this the most valuable residential local authority across Britain.

Top 10, GB			
	Local Authority	Region	Value of all housing (Jul 21) (£bn)
1	City of Westminster	London	164.6
2	Kensington and Chelsea	London	141.0
3	Wandsworth	London	117.3
4	Barnet	London	114.1
5	Birmingham District	West Midlands	102.3
6	Camden	London	100.5
7	Cornwall	South West	91.8
8	Lambeth	London	86.8
9	Richmond upon Thames	London	81.8
10	Bromley	London	81.8

It is closely followed by the London boroughs of Kensington & Chelsea (£141 billion), Wandsworth (£117.3 billion) and Barnet (£114.1 billion).

Outside London, the local authorities with the highest total value of housing are Birmingham (£102.3 billion) and Cornwall (£91.8 billion).

Top 10, GB excl. London			
Local Authority		Region	Value of all housing (Jul 21) (£bn)
1	Birmingham	West Midlands	102.3
2	Cornwall	South West	91.8
3	Leeds District	Y & the Humber	80.5
4	Wiltshire	South West	77.8
5	City of Edinburgh	Scotland	74.6
6	Bournemouth, Christchurch and Poole	South West	72.3
7	City of Bristol	South West	72.2
8	Dorset	South West	69.4
9	The City of Brighton and Hove	South East	61.6
10	Cheshire East	North West	59.4

The total value of Britain’s residential property has continued to climb over the last five years, speeding up over the last 12 months as house price growth has escalated. As this report illustrates, it is not only the value, but the density of homes which dictates where the largest concentrations of housing value are located.

On an individual level however, having an accurate assessment of the value of a home, and the equity held within the property, can help households when it comes to their financial plans.

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