

Housing affordability improved, but unevenly

England and Wales, 2021-2025

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+25.0%

England median earnings, 2021-2025

+5.3%

England median sale price, 2021-2025

8 of 9

English regional median ratios fell,
2024-2025

What this study adds

This note separates changes in house sale prices from changes in employee earnings, then compares the median and lower-quartile affordability measures. It uses the March 2026 ONS release, with 2025 as the latest observation year. All nine English regions recorded higher median sale prices but lower median price-to-earnings ratios between 2021 and 2025. Earnings grew faster than prices in each region. In the latest year, eight regions improved on the median measure, while seven improved at the lower quartile. Local-authority change counts show how much variation sits beneath those regional results. The analysis supports market research and further questions about buyers' circumstances; it does not estimate mortgage eligibility or forecast property returns.

Evidence available for reuse

The backing package contains the exact ONS workbook, four analysis CSVs, all 318 local authorities for three selected years, calculation code, definitions and provenance.

[Download backing data and reproduction code](#)

Research disclosure

Construction Capital has a commercial interest in property finance. This descriptive note has not undergone independent peer review. OpenAI Codex assisted with source checking, calculations, drafting and layout.

A lower ratio can coexist with a higher price

England's median sale price rose from £285,000 in 2021 to £300,000 in 2025. Median earnings rose from £31,440 to £39,298. The resulting published ratio fell from 9.06 to 7.63. Wales followed the same direction, with faster price growth than England but slightly faster earnings growth too.

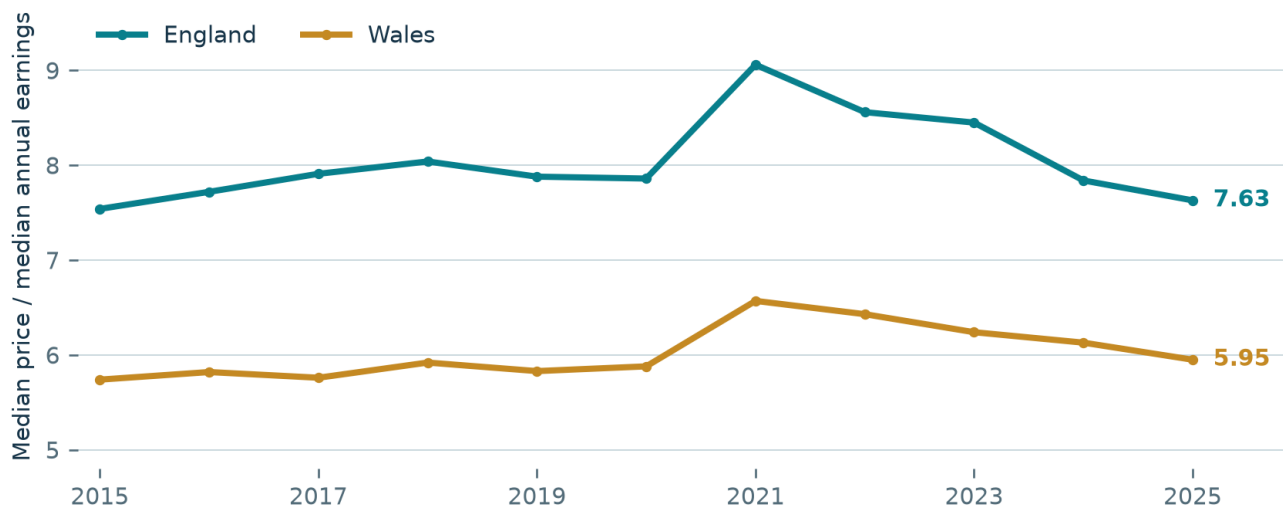


Figure 1. Published workplace-based median affordability ratios. A lower ratio indicates a smaller price relative to earnings.
Source: ONS tables 1a-c, March 2026 vintage.

Country	Year	Median sale price	Median earnings	Ratio
England	2021	£285,000	£31,440	9.06
England	2025	£300,000	£39,298	7.63
Wales	2021	£187,500	£28,527	6.57
Wales	2025	£213,000	£35,796	5.95

The arithmetic behind the change

Ratio change follows the change in prices divided by the change in earnings. For England, a price factor of 1.0526 divided by an earnings factor of 1.2499 gives a ratio factor of about 0.8422, a 15.8% fall. That is an accounting identity, not proof of what caused either prices or earnings to change.

Earnings growth exceeded price growth in every region

Between 2021 and 2025, median earnings increased by 21.8% to 28.3% across the nine English regions. Median sale prices increased by 3.1% to 13.2%. In every region, earnings grew faster than prices, reducing the price-to-earnings ratio.

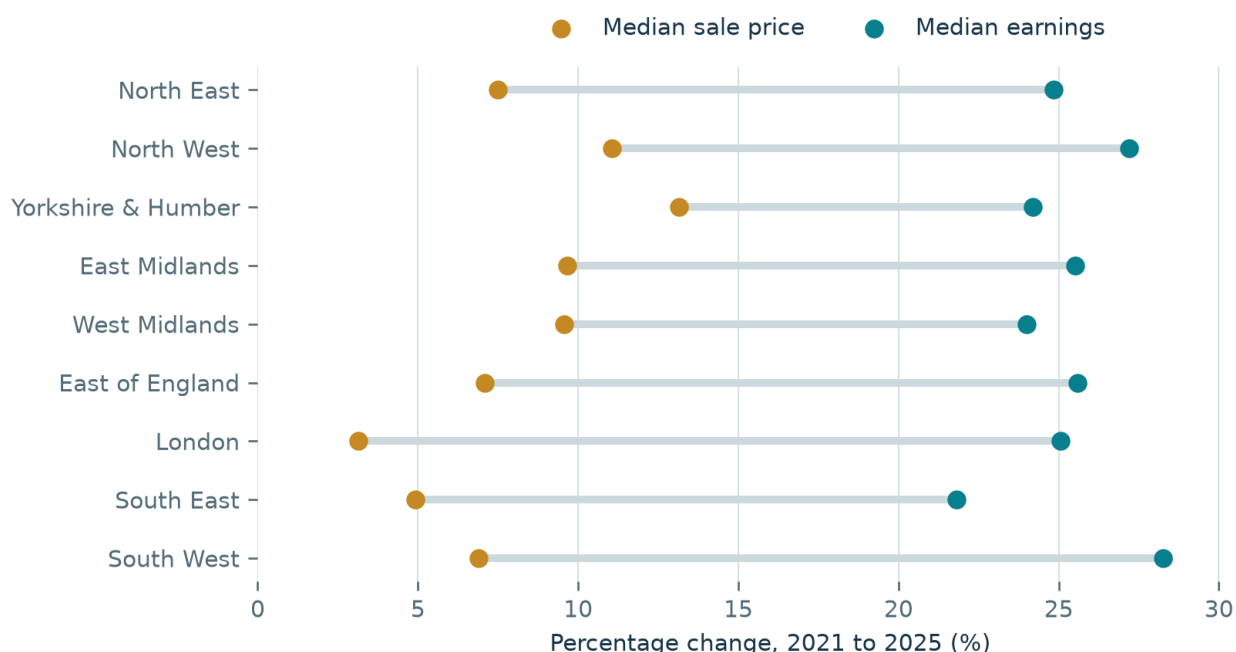


Figure 2. Growth calculated from ONS published component values, tables 1a and 1b. These nominal sale-price medians are not mix-adjusted price indices.

Different routes to a lower ratio

London had the smallest median price increase, 3.1%, alongside 25.1% earnings growth. Yorkshire and The Humber had the largest price increase, 13.2%, alongside 24.2% earnings growth. Both improved on the ratio measure, but the price changes were quite different.

The South West recorded the strongest earnings growth, 28.3%, and a 6.9% price increase. The South East recorded 21.8% earnings growth and a 4.9% price increase. These comparisons help frame further research into local buyer groups and market composition; they do not establish individual purchasing power.

The median and lower quartile tell different stories

Eight of nine English regional median ratios fell between 2024 and 2025. At the lower quartile, seven fell. Yorkshire and The Humber increased slightly on both measures; the West Midlands improved at the median while its lower-quartile ratio increased.

English region	Median 2024	Median 2025	Lower quartile 2024	Lower quartile 2025
North East	5.07	5.00	4.49	4.43
North West	6.11	5.92	5.61	5.56
Yorkshire & Humber	6.01	6.03	5.50	5.51
East Midlands	7.23	7.02	6.95	6.77
West Midlands	7.01	6.80	6.77	6.80
East of England	9.20	9.02	8.96	8.76
London	11.17	10.61	11.42	11.29
South East	9.73	9.58	9.64	9.56
South West	8.63	8.33	8.55	8.21

Table 1. Published ONS ratios, tables 1c and 2c. Lower ratios indicate improved relative affordability. Changes are descriptive; no statistical significance is claimed.

What the West Midlands example shows

Its median ratio fell from 7.01 to 6.80, but its lower-quartile ratio rose from 6.77 to 6.80. A headline about the median alone would miss that difference. The small lower-quartile increase is 0.03 ratio points and may sit within survey and rounding uncertainty.

How to read the lower quartile

The lower-quartile ratio divides the 25th-percentile sale price by 25th-percentile earnings. These are separate distributions, not matched buyers and properties. It is not a first-time buyer mortgage assessment or the share of households who can afford a home.

A regional improvement does not reach every authority

The South West had a lower median ratio in 24 of its 26 comparable authorities, or 92.3%. In the North East the count was six of 12, or 50.0%, despite a fall in the region-wide median ratio. Country and regional ratios are calculated from their own price and earnings distributions, so they need not follow a majority vote of local ratios.

Source group	Compared	Lower	Higher	Same	Lower share
North East	12	6	6	0	50.0%
North West	35	19	16	0	54.3%
Yorkshire & Humber	15	8	7	0	53.3%
East Midlands	35	28	7	0	80.0%
West Midlands	30	18	11	1	60.0%
East of England	45	34	11	0	75.6%
London	33	21	12	0	63.6%
South East	64	43	21	0	67.2%
South West	26	24	2	0	92.3%
Wales	22	12	10	0	54.5%

Table 2. Construction Capital calculations from ONS tables 5a-c. Changes compare 2024 with 2025 published two-decimal median ratios. Wales is a country; the other rows are English regions.

The denominator is 317, not 318

All 318 authorities are retained in the backing data. The Isles of Scilly has no published earnings or ratio for the selected years, leaving 317 comparable authorities. This removes one authority from the South West denominator. Across England and Wales, 213 ratios fell, 103 rose and one was unchanged.

This is a count of authorities, not the proportion of households experiencing improved affordability. Authority populations and market sizes differ. No local change is classified as statistically significant in this note.

Keep the measures and observation periods aligned

Design choice	Treatment in this note
Source vintage	ONS release of 26 March 2026, downloaded 9 September 2026. The complete original workbook is preserved with its SHA256.
Geography	England and Wales, each country, nine English regions; 318 local authorities in the backing data. No Scotland or Northern Ireland estimates.
Price period	All-dwelling sale prices for the 12 months ending September of the labelled year. These are transaction medians and lower quartiles.
Earnings period	April ASHE snapshot of gross full-time workplace-based individual earnings; annual or annualised weekly as marked in the source. 2025 is provisional.
Comparisons	2021 to 2025 for the longer comparison; 2024 to 2025 for the latest year. Country/region series from 1997 are provided for reuse.
Calculation checks	696 country/region rows; 1,908 local rows; unique keys, missing-value preservation, source-cell references, ratio-rounding tolerance and growth-identity checks.

What the results do not measure

Individual full-time earnings exclude self-employment and part-time work. They do not describe joint household incomes, deposits, equity, mortgage interest rates or lender criteria. Price-to-earnings ratios therefore cannot establish whether a particular buyer can finance a particular home.

Changes in sale mix can move price medians. ASHE collection and methodology also changed around the pandemic and in 2023-2024. Those features limit causal interpretation and comparisons across vintages. The original workbook retains annualised-weekly earnings flags, and the derived data preserve them.

For development research

Use these results to identify questions for local research: the likely purchaser group, the price band of competing properties, and how household resources differ from a single-worker benchmark. Assess transaction evidence, planning and finance separately before drawing a project-level conclusion.

A traceable starting point for further research

Primary sources

[1] Office for National Statistics (2026). [House price to workplace-based earnings ratio](#). Released 26 March 2026. Tables 1a-c, 2a-c, 5a-c and 6a-c. Accessed 9 September 2026.

[2] ONS. [Housing affordability in England and Wales: quality and methodology information](#). Revised 26 March 2026. Definitions, earnings coverage, uncertainty and revisions.

[3] ONS. [Housing affordability in England and Wales: 2025](#). The 13 May 2026 correction changed the London headline ratio to 10.6. This report uses the workbook value of 10.61.

Backing data and code

[Download the complete B001-R17 backing package](#). The 13-file ZIP includes the exact ONS workbook, four derived CSVs, code, requirements, methods, dictionary, results and checksums. Run `python3 reproduce.py` after installing the listed `openpyxl` dependency. The code regenerates each derived result without a network request.

Related market evidence

The [regional house-price study on OSF](#) provides a separate price-index perspective. The [England housing-sales dataset on Kaggle](#) provides transaction-volume context. Those studies use different periods and measures. They are outputs from the same author and organisation, not independent endorsements.

For further national and local property analysis, including planning, recorded charges and market reports, visit [Construction Capital market reports](#). Read the individual source and method notes before combining indicators.

Citation and licence

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