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House prices have trebled over the course of the last millennium

The price of a home in the UK has more than trebled since the turn of the century, new research has revealed.

In an assessment of UK house prices since the turn of the millennium, at the end of 1999 the average price of a home would have set you back £91,199. However, by the end of November 2019 that figure had soared to £279,997, representing an increase of over 200%.

No more stark is this increase than in Greater London, where individuals need to fork out an extra £375,983 (239%) now than they would have done in 1999 (£157,453). This has also gone some way to decrease affordability within the region. In 2000, the house price to earnings ratio (average earnings in the Region as a proportion of average house prices in that Region, or PE ratio) sat at 5.4. However, by the end of 2019 this has rocketed to 10.8.

Similarly, people buying in East Anglia now face buying costs £190,308 higher (238%) than they would have paid over the same period (£79,899). At the same time, properties have become much less affordable (PE ratio of 4 to 6.8).

While every region saw houses, at the very least double, in value, residents in Northern Ireland experienced the least dramatic increase at 139%, or £97,056. They have also enjoyed a less dramatic fall in affordability, with the PE ratio rising by just 1.2 (from 4 in 2000 to 5.2 in at the end of 2019). Scotland (172%) and the North (185%) also sat close to the bottom of the table of average house price increases.

Two Local Authorities in London have seen average house price increases of over 400% since the end of 1999, Newham (429%) and Waltham Forest (418%). In fact, nine of the top ten biggest risers are situated in London, with Brighton and Hove the only exception. Newry, Mourne and Down, situated on the East coast of Northern Ireland saw the smallest increase at 106%. Hyndburn, named after the River Hyndburn in the North West increased by 117%.

First-time buyers are also facing into higher prices than 20 years ago, with the cost of a first home outstripping the increases seen in the average UK home. At the end of 1999, the average first home cost £63,640, rising 264% over the period to £231,442.

Greater London and East Anglia both share top spot for biggest percentage increases, with first homes in both regions increasing a huge 284%. Again, both Northern Ireland and Scotland have seen the smallest increases in prices, 160% and 212% respectively.

When translated into purchasing power, the increase in prices in Greater London is having the unsurprising effect of making first homes in the region the most unaffordable in the country. In fact, nine out of ten local authorities where affordability has decreased by the largest margins are in the region. Hillingdon on the outskirts of West London had a first home PE ratio of 3.9 in 2000. However, by November 2019 this had catapulted to 11.1. Not far behind was Newham, where its ratio has increased from 4.2 to 10.8.

Richmond-upon-Thames has seen the smallest change in its first home house price to earnings ratio, increasing by just 0.4. However, in 2000, the area was already the most unaffordable according to this measure at 7.2.