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This is the sixth annual **Halifax Rural Housing Review**. The Review covers Local Authorities in Great Britain which are defined as rural areas, according to ONS classifications. The Review uses Halifax house price data to calculate rural house price movements.

## **Rural house prices up by £200 a week during the 2000s** *Countryside living is increasingly unaffordable*

**Rural homeowners have seen the value of their property rise by more than £100,000 over the past decade, according to the latest annual Halifax Rural Housing Review.** Based on Halifax's own data, the average house price in rural Great Britain rose by 96%, or £102,722, from £107,250 in 2000 to £209,972 in 2010 – equivalent to a weekly increase of £198. The rise in rural house prices was also greater than the increase in property prices in urban areas (91%). The average rural house price is now 20% higher than the average urban house price compared to 17% higher in 2000.

### **Rural homes fared better during the downturn**

House prices in rural areas experienced smaller house price falls during the recent downturn in the housing market. Rural property prices fell by 20% between 2007 and 2009 compared to a 25% drop in urban areas.

### **Other key findings:**

- Urban property has slightly outperformed rural homes over the past year. Rural property prices rose by 4% between 2009 and 2010 compared with a 5% rise in urban house prices.
- Rural housing affordability has deteriorated in the last ten years. Rural house prices in 2010 are, on average, 6.4 times average gross annual earnings. This is up from 4.6 times average earnings in 2000, but lower than the 8.2 multiple in 2007.
- Rural housing remains less affordable than in urban areas where average prices are 5.4 times average annual earnings.
- There are significantly fewer first-time buyers in rural areas, accounting for 27% of all buyers compared with 45% in urban areas.
- Social housing provision is much lower in rural areas of England. 13% of the rural housing stock in England was social housing in 2009 compared with 19% in urban areas.
- House prices across rural parts of the South East rose by 8.9% over the past year, more than any other region. In contrast, the West Midlands recorded a 1.2% price fall.

### **Suren Thiru, housing economist at Halifax, said:**

*"With the lifestyle benefits associated with living in the countryside still resonating with homebuyers, rural properties continue to trade at a significant premium to homes in urban areas. However, as a consequence of rising property prices and generally lower average earnings, the housing market in rural areas has become more challenging over the past decade, particularly for those looking to get on the property ladder."*

### **Rural house prices by local authority district**

### South Oxfordshire is the most expensive rural local authority district

The most expensive rural local authority district (LAD) in Great Britain is South Oxfordshire with an average house price of £388,326; 85% above the GB rural average (£209,972). East Ayrshire (£107,515) is the least expensive rural LAD in Britain.

### Half of the rural LADs with the biggest price rises are in Wales

Five of the ten rural LADs that recorded the largest price rises over the past decade are in Wales. Craven in Yorkshire and the Humber saw the largest price rise (180%), followed by Copeland in the North West (175%) and Powys and Pembrokeshire in Wales (both 164%).

### East Devon is the least affordable rural LAD

East Devon is the least affordable rural local authority district in Britain with an average house price (£252,813) that is 9.1 times local average earnings, followed by Uttlesford in the East of England at 8.9 times average earnings.

### East Ayrshire is the most affordable rural LAD

East Ayrshire is the most affordable rural LAD in Britain with an average house price that is 3.9 times local average annual earnings.

### North Lincolnshire has the highest proportion of first-time buyers

North Lincolnshire has the highest proportion of first-time buyers (47%) in rural Britain. In contrast, Wychavon in the West Midlands, the Derbyshire Dales and South Northamptonshire in the East Midlands and Craven in Yorkshire and the Humber have the smallest proportion of first time buyers, accounting for just 13% of all buyers; less than half the GB average (27%).

**Kennet in Wiltshire (23%) has the highest level of social housing in rural England**, followed by Allerdale, North East Derbyshire, Copeland and Wear Valley (all 20%).

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**Table 1: Changes in rural house prices by region, 2000-2010**

Region	House Prices 2000 (£)*	House Prices 2009 (£)*	House Prices 2010 (£)*	1 Year % change	10 Year % change
South East	186,516	288,902	314,725	8.9%	69%
South West	118,032	231,288	243,357	5.2%	106%
East Midlands	89,024	172,320	179,795	4.3%	102%
East of England	120,680	228,524	238,160	4.2%	97%
North East	67,400	134,902	140,201	3.9%	108%
Yorkshire and The Humber	80,291	173,595	178,859	3.0%	123%
Wales	70,613	154,243	156,759	1.6%	122%
North West	100,527	197,295	198,500	0.6%	97%
West Midlands	120,157	228,182	225,412	-1.2%	88%
<b>Rural Great Britain</b>	<b>107,250</b>	<b>201,966</b>	<b>209,972</b>	<b>4.0%</b>	<b>96%</b>
<b>Urban Great Britain</b>	<b>91,428</b>	<b>166,085</b>	<b>174,619</b>	<b>5.1%</b>	<b>91%</b>

\*12 months to August, London and Scotland excluded from regional analysis.

Source: Halifax House Price Database

**Table 2: Ten most expensive Rural Local Authority Districts, 2010**

Local Authority District	Region	Average House Price 2010 (£)*
South Oxfordshire	South East	388,326
Uttlesford	East of England	307,545
Cotswold	South West	277,921
Horsham	South East	276,850
West Oxfordshire	South East	267,003
Malvern Hills	West Midlands	261,132
Derbyshire Dales	East Midlands	260,816
East Devon	South West	252,813
South Hams	South West	247,491
South Northamptonshire	East Midlands	237,037
<b>Rural Great Britain</b>		<b>209,972</b>

\* 12 months to August

Source: Halifax House Price Database

**Table 3: Largest increase in rural house prices, 2000-2010**

Local Authority	Region	Average House Price 2000 (£)*	Average House Price 2010 (£)*	10 Year % change
Craven	Yorkshire and The Humber	80,647	225,496	180%
Copeland	North West	50,416	138,668	175%
Powys	Wales	71,717	189,502	164%
Pembrokeshire	Wales	60,962	160,867	164%
Isle of Anglesey	Wales	58,681	151,974	159%
Gwynedd	Wales	54,919	141,331	157%
Aberdeenshire	Scotland	79,168	203,675	157%
East Devon	South West	98,610	252,813	156%
Ceredigion	Wales	76,313	195,028	156%
Ryedale	Yorkshire and The Humber	86,048	218,767	154%
<b>Rural Great Britain</b>		<b>107,250</b>	<b>209,972</b>	<b>96%</b>

\* 12 months to August

Source: Halifax House Price Database

**Table 4: Ten Least Affordable Rural Local Authority Districts, 2010**

Local Authority	Region	Average House Price 2010 (£)*	Average earnings 2010	Price to Earnings ratio
East Devon	South West	252,813	27,894	9.1
Uttesford	East of England	307,545	34,384	8.9
North Devon	South West	201,250	22,544	8.9
South Oxfordshire	South East	388,326	44,467	8.7
Derbyshire Dales	East Midlands	260,816	30,031	8.7
Torridge	South West	193,360	23,599	8.2
Wychavon	West Midlands	234,418	28,675	8.2
Ceredigion	Wales	195,028	24,349	8.0
Cornwall	South West	193,307	25,014	7.7
Mid Devon	South West	198,842	25,912	7.7
<b>Rural Great Britain</b>		<b>209,972</b>	<b>32,631</b>	<b>6.4</b>

\*12 months to August

Sources: ONS, Halifax House Price Database

**Table 5: Ten Most Affordable Rural Local Authority Districts, 2010**

Local Authority	Region	Average House Price 2010 (£)*	Average earnings 2010**	Price to Earnings ratio
East Ayrshire	Scotland	107,515	27,223	3.9
Copeland	North West	138,668	34,206	4.1
North Lincolnshire	Yorkshire and The Humber	116,451	28,687	4.1
Rushcliffe	East Midlands	181,117	41,212	4.4
Northumberland	North East	144,257	30,542	4.7
Huntingdonshire	East of England	164,915	34,915	4.7
North East Derbyshire	East Midlands	141,414	29,427	4.8
East Riding of Yorkshire	Yorkshire and The Humber	152,024	31,384	4.8
West Lindsey	East Midlands	143,554	29,372	4.9
Allerdale	North West	139,603	28,069	5.0
<b>Rural Great Britain</b>		<b>209,972</b>	<b>32,631</b>	<b>6.4</b>

\*12 months to August

Sources: ONS, Halifax House Price Database

**Table 6: Ten Rural Local Authority Districts with the lowest % of First Time Buyers (FTBs), 2010**

Local Authority	Region	FTB% share of all buyers
Wychavon	West Midlands	13%
Derbyshire Dales	East Midlands	13%
South Northamptonshire	East Midlands	13%
Craven	Yorkshire and The Humber	13%
East Devon	South West	16%

Malvern Hills	West Midlands	17%
Monmouthshire	Wales	18%
Ryedale	Yorkshire and The Humber	19%
Maldon	East of England	19%
South Hams	South West	21%
<b>Rural Great Britain</b>		<b>27%</b>

Source: Halifax House Price Database

**Table 7: Ten Rural Local Authority Districts with the Most Social Housing, England 2009**

Local Authority	Region	Social Housing as % of All Housing Stock, 2009
Kennet	South West	23%
Allerdale	North West	20%
North East Derbyshire	East Midlands	20%
Copeland	North West	20%
Wear Valley	North East	20%
Richmondshire	Yorkshire & the Humber	19%
Hambleton	Yorkshire & the Humber	18%
Teesdale	North East	18%
Berwick-upon-Tweed	North East	18%
Newark and Sherwood	East Midlands	17%
<b>Rural England</b>		<b>13%</b>

Sources: DCLG/ Halifax estimates

## Editors' Notes

**All price figures refer to the arithmetic average of house prices and have not been standardised and covers the 12 months to August 2010.** These prices are not standardised and therefore can be affected by changes in the sample from year to year. The data covers the period 2000 to 2010 and has been extracted from the Halifax House Price database.

Southern England is defined to comprise the South East, South West and the East of England.

A separate report will be available for Scotland.

This analysis was undertaken using the Office for National Statistics (ONS) Urban Rural classification. This classification defines an area as a Rural Area if it lies in a town or village of less than 10,000, or as an urban area if it lies in a town or city of 10,000 or more. A rural local authority is one where the majority of people live in rural areas.

Data on average earnings is based on ONS figures for April 2009, which have been inflated by national average earnings growth to calculate 2010 estimates at local authority level.

The affordability ratio is calculated as average house price divided by the average annual earnings of full time employees.

Data on social housing is from the 2009 Housing Strategy Statistical Appendix published by the DCLG and is based on local authority boundaries prior to April 2009.

"This report is prepared from information that we believe is collated with care, however, it is only intended to highlight issues and it is not intended to be comprehensive. **We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance.**"