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Life after the Housing Boom

- House prices are higher than in 2007 in just two areas of the country -

Rochford in Essex and South Lakeland are the only two local authority districts in the UK where house prices are currently higher than they were in 2007, according to the latest research from Halifax.

The research demonstrates that, since the peak of the housing market in 2007 and the subsequent period of declining prices, homes throughout the UK are still short of those peak historical values. Even in Rochford (1%) and South Lakeland (0.1%), prices are only marginally above pre-recession levels. The list of 20 areas where prices have performed best since 2007 is dominated by areas in southern England with only four of the top 20 outside that part of the country.

Three of the areas outside the south in the top 20 - South Lakeland, Derbyshire Dales and Ceredigion - are popular holiday areas where there is significant housing demand from retirees and second homebuyers. This demand has helped to support prices in these locations.

Aberdeenshire is the other area outside the south in the top 20. The market here has been supported by the buoyancy of the local oil industry, which has fared very well in the past few years.

The nine worst performers in house price terms over recent years are all in Northern Ireland. The biggest decline has been in Craigavon where the average price has more than halved from £213,844 in 2007 to £103,383 in 2011. There have been similar falls in other areas of Northern Ireland. Prices have fallen sharply in Northern Ireland following the remarkable - and ultimately unsustainable - gains in the few years leading up to 2007. Average prices in Northern Ireland were the highest in the UK outside London and the South East in 2007. Northern Ireland now has the lowest average prices of any region in the country.

Three of the areas with the biggest house price falls in recent years are in Wales: Wrexham, Neath Port Talbot and Flintshire.

All the areas in the bottom 20 are outside southern England.

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Martin Ellis, housing economist at Halifax, commented:

"The whole UK has been hit hard by the economic downturn of the last few years. There are only two areas of the country where house prices are currently higher than they were at the peak of the boom in 2007 and even here the increases are marginal.

"A striking feature of our analysis of the areas that have fared best and worst in the past four years is a distinct north-south divide. Those areas that have weathered the storm best are nearly all in the south whereas those areas worst affected are all outside southern England. Northern Ireland has done particularly badly as much of the sharp gains in the years prior to 2007 have since been reversed."

Table 1: 20 Best Performers 2007 - 2011

Local Authority District	Region	Average House Price 2007 £	Average House Price 2011 £	% Change 2011 - 2007
Rochford	East of England	229,666	231,595	1%
South Lakeland	North West	212,274	212,457	0%
Islington	London	474,473	470,206	-1%
Hart	South East	331,283	326,555	-1%
Spelthorne	South East	283,789	278,216	-2%
Worthing	South East	222,150	216,435	-3%
Ceredigion	Wales	183,610	177,968	-3%
Windsor and Maidenhead	South East	410,423	396,826	-3%
Hillingdon	London	282,410	272,699	-3%
Derbyshire Dales	East Midlands	259,104	249,189	-4%
Brent	London	350,098	335,574	-4%
Torridge	South West	211,203	199,638	-5%
Exeter	South West	208,147	195,129	-6%
Epsom and Ewell	South East	334,734	312,717	-7%
Harrow	London	339,076	316,595	-7%
Hackney	London	362,516	337,433	-7%
Uttlesford	East of England	341,182	317,528	-7%
Shepway	South East	209,462	194,926	-7%
Aberdeenshire	Scotland	212,694	197,918	-7%
Rushmoor	South East	224,092	207,906	-7%
UK		228,251	172,427	-24%

Source: Halifax

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Table 1: 20 Worst Performers 2007 - 2011

Local Authority District	Region	Average House Price 2007 £	Average House Price 2011 £	% Change 2011 - 2007
Craigavon	Northern Ireland	213,844	101,383	-53%
Newtownabbey	Northern Ireland	218,111	107,992	-50%
Ballymena	Northern Ireland	241,198	120,894	-50%
North Down	Northern Ireland	289,571	145,974	-50%
Belfast	Northern Ireland	226,431	117,077	-48%
Castlereagh	Northern Ireland	245,377	126,943	-48%
Lisburn	Northern Ireland	238,287	126,703	-47%
Ards	Northern Ireland	246,074	136,072	-45%
Derry City	Northern Ireland	184,767	105,791	-43%
Corby	East Midlands	168,010	109,316	-35%
Bromsgrove	West Midlands	282,721	185,943	-34%
Northumberland	North East	185,689	124,689	-33%
Wrexham	Wales	193,032	131,565	-32%
Neath Port Talbot	Wales	139,852	96,377	-31%
Pendle	North West	136,476	94,382	-31%
South Staffordshire	West Midlands	240,447	169,085	-30%
Flintshire	Wales	187,151	132,108	-29%
Bassetlaw	East Midlands	162,656	115,468	-29%
East Ayrshire	Scotland	141,714	100,933	-29%
Inverclyde	Scotland	153,526	109,482	-29%
UK		228,251	172,427	-24%

Source: Halifax

Editors' Notes:

The prices quoted in this release are taken from the Halifax House Price database and refer to average prices for the twelve months to December of each year. Prices are arithmetic average prices of houses - otherwise known as crude averages - on which an offer of mortgages has been granted. These prices are not standardised and therefore can be affected by changes in the sample from year to year.

377 local authority districts have been surveyed for this research.

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Press Release



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