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The **Halifax Town House Price Survey of the UK** is compiled using information sourced from the bank's own extensive housing statistics database. London boroughs are included in this analysis.

Luton is the UK's top house price performer in 2016

Luton recorded the biggest percentage rise in house prices among major UK towns and cities over the past year, according to new research by Halifax.

Based on Halifax's own house price data, the average house price in the Bedfordshire town was 19.4% higher than in the previous year, increasing from £214,934 to £256,636 in 2016.

This is more than two and a half times the 7.5% increase in the UK as a whole. Luton is within easy commuting distance of London and has relatively low property prices.

The outer London borough of Barking and Dagenham experienced the second biggest rise in average house prices with an increase of 18.6%. Dunstable – Luton's near neighbour – completes the top three with a 17.9% rise in the past year.

All 10 top performers are in London and the South East. Basildon (17.2%), Chatham (17.1%), Tower Hamlets (15.8%), Watford (15.3%) and Basingstoke (15.1%) also all recorded price rises that were at least double the national average. (Table 1)

Price falls

A small number of towns recorded declines in house prices in 2016. By far the most significant fall was in Aberdeen (-6.9%) in Scotland.

There were also marginal price decreases in a number of other towns. In Scotland – Falkirk (-1.1%) and Inverness (-0.9%), in Northern Ireland – Bangor (-1.7%) and Londonderry (-0.4%) and northern England – Blackpool (-0.5%) and Stockton on Tees (-0.1%). Many of these areas are suffering from relatively weak employment and economic conditions, which continue to constrain local housing demand. (Table 2)

Martin Ellis, housing economist at Halifax, said: "Most of the areas that have seen the biggest house price rises during 2016 are either within close commuting distance of the capital or in outer London. Demand in these areas has risen as substantial property price rises in central London over the last few years have caused increasing numbers of people to seek property in more affordable areas.

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“A few towns have experienced price falls, with the biggest in Aberdeen. On the north east coast of Scotland, it is highly dependent on the North Sea oil and gas sector. The substantial fall in oil prices in the past couple of years has hit the industry hard with adverse impact on demand for homes in the area. Price declines elsewhere have been modest.”

Table 1: 10 Towns with biggest increase in average house prices, 2015-2016

Town/Area	Region	Average House Price (2015)*	Average House Price (2016)*	Change
Luton	South East	214,934	256,636	19.4%
Barking And Dagenham	Greater London	250,283	296,946	18.6%
Dunstable	South East	215,191	253,799	17.9%
Basildon	South East	220,156	258,068	17.2%
Chatham	South East	202,772	237,545	17.1%
Tower Hamlets	Greater London	355,298	411,495	15.8%
Watford	South East	362,734	418,080	15.3%
Basingstoke	South East	263,821	303,541	15.1%
Slough	South East	340,575	390,560	14.7%
Redbridge	Greater London	319,522	365,438	14.4%
United Kingdom		230,706	247,933	7.5%

Source: Halifax

*12 Months to November

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Table 2: 10 Towns with biggest fall/smallest rise in average house prices, 2015-2016

Town/Area	Region	Average House Price (2015)*	Average House Price (2016)*	Change
Aberdeen	Scotland	218,442	203,425	-6.9%
Bangor (Co Down)	Northern Ireland	157,213	154,613	-1.7%
Falkirk	Scotland	142,802	141,182	-1.1%
Inverness	Scotland	181,763	180,056	-0.9%
Blackpool	North West	124,568	123,947	-0.5%
Londonderry	Northern Ireland	117,223	116,766	-0.4%
Stockton On Tees	North	152,344	152,243	-0.1%
Liverpool	North West	156,561	156,828	0.2%
Wolverhampton	West Midlands	173,114	173,761	0.4%
Grimsby	Yorkshire & the Humber	142,430	143,141	0.5%
United Kingdom		230,706	247,933	7.5%

Source: Halifax

*12 Months to November

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Editors' Notes:

¹The prices quoted in this release are taken from the Halifax House Price database and refer to average prices for the twelve months to November 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 – as such care should be taken when comparing prices.

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