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**NOT FOR BROADCAST OR PUBLICATION BEFORE 00.01 HRS Saturday 26<sup>th</sup> January 2013**

The **Halifax Cities Review** tracks house price movements in cities in the UK. The review is based on the Halifax's own extensive housing statistics database. There are 69 'official' cities in the UK. Eight - City of London, Wells, Armagh, Ripon, St David's, Newry, Bangor and St Asaph - have been excluded from the analysis due to an insufficient sample size.

## City house prices outperform UK average over past decade

- House prices in cities have risen by more than the UK as a whole over the past decade.
- The majority (67%) of cities have outperformed their region in terms of house price growth since 2002.
- Cities have done well in relative terms since the housing market peaked in 2007, recording an average fall of 17% compared with the UK average decline of 23%.
- House prices in towns that have become cities since 2000 have, on average, outperformed the country as a whole.

**House prices in cities have risen by more than the UK as a whole over the past decade, according to new Halifax research.** Prices in cities increased by an average of 38% from £125,276 in 2002 to £173,322 in 2012. This exceeded the 29% rise for the UK as a whole.

### **Martin Ellis, housing economist at Halifax, commented:**

*"Cities have typically recorded higher house price growth than the UK average over the past ten years. The majority of cities have also outperformed their region.*

*"The experience of towns that have been made cities since 2000 has been mixed. Some have gone on to outperform their region after gaining city status whereas they had underperformed previously. This, however, has not always been the case."*

**The Scottish cities of Aberdeen (94%) and Inverness (81%) recorded the biggest price rises between 2002 and 2012.** Two other Scottish cities – Dundee (73%) and Perth (70%) – also feature in the top five. The dominance of Scottish cities partly reflects the outperformance of house prices in Scotland relative to the rest of the UK over the past decade. Aberdeen has seen particularly sharp price increases due to the importance of the oil sector to the local economy.

The two English cities recording the strongest increases are both in Yorkshire and the Humber: Bradford (77%) and Hull (68%). The region generally has outperformed the UK in terms of house price performance over the past decade. In addition, average prices in

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Bradford and Hull are relatively low – both are amongst the five cities in the UK with the lowest average prices – providing the potential for stronger gains than cities with higher prices. All ten cities experiencing the biggest price increases are in northern Britain. (*Table 1*)

The Northern Irish cities of Lisburn (2%) and Belfast (3%) have seen the smallest price rises over the last ten years, largely reflecting the substantial decline in house prices across Northern Ireland since 2007. Ely (14%) and Southampton (16%) have recorded the smallest increases in England. (*Table 2*)

**The majority of cities have outperformed their region in terms of house price growth since 2002.** Two-thirds (67%) - 41 of the 61 cities surveyed – recorded average house price increases above their region's average over the period. (*Table 3*)

**Cities have done well in relative terms in the five years since the housing market peaked in 2007.** House prices in cities have fallen by an average of 17% since 2007 compared with the UK average decline of 23%. 70% of cities recorded a better house price performance than their region between 2007 and 2012.

**Towns that have become cities since 2000 have, on average, outperformed the country as a whole during the past decade.** Eleven towns have become cities since 2000. On average, these new cities have seen house prices increase by 39% since 2002. This is closely in line with the average rise for all those places that have been cities throughout the last decade (38%), but is above the 29% increase for the UK as a whole. Six of the nine<sup>1</sup> new cities analysed have outperformed their regions over the decade: Newport, Stirling and Lisburn are the exceptions.

#### ***Millennium Cities - 2000***

All three towns that became cities in 2000 – Brighton & Hove, Inverness and Wolverhampton – have recorded stronger house price growth than their region over the past decade. This compares with two – Brighton & Hove and Wolverhampton - in the preceding ten years (1992-2002).

#### ***Golden Jubilee Cities - 2002***

The experience of those towns that became cities in 2002 to coincide with the Queen's Golden Jubilee has been mixed. Preston recorded stronger price growth than its region between 2002 and 2012 whilst Newport, Stirling and Lisburn underperformed relative to their region<sup>2</sup>. During the decade prior to 2002, Stirling and Lisburn outperformed their region whilst the others underperformed.

#### ***Diamond Jubilee Cities - 2012***

Chelmsford and Perth have both outperformed their regions in terms of house price performance over both the past decade and during 1992-2002<sup>3</sup>.

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## Editors' Notes:

<sup>1</sup> Newry and St Asaph have been excluded from the analysis due to an insufficient sample size.

<sup>2</sup> Newry has been excluded due to an insufficient sample size.

<sup>3</sup> St Asaph has been excluded due to an insufficient sample size.

The Halifax House Price Index is the UK's longest running monthly house price series with data covering the whole country going back to January 1983.

Eight cities - City of London, Wells, Armagh, Ripon, St David's, Newry, Bangor and St Asaph - have been excluded from the analysis due to an insufficient sample size.

A city is typically defined as 'a large town' or 'any town in the UK which has a cathedral'. However, there are notable exceptions to this including towns that were awarded city status to mark special occasions. For example, Inverness, Brighton and Hove and Wolverhampton were awarded city status as part of millennium celebrations. For more information please visit: <http://www.ukcities.co.uk/>

The prices used in this research are simple arithmetic ('crude') averages. These prices are not standardised and therefore can be affected by changes in the sample from period to period. The data used throughout the release refers to the 12 months to December.

**Table 1: 10 Cities with highest house price growth, 2002-2012**

City	Region	Average House Price 2002 (£)	Average House Price 2012 (£)	10 year change (£)	10 year change (%)
Aberdeen	Scotland	92,759	179,607	86,848	94%
Inverness	Scotland	86,669	156,832	70,163	81%
Bradford	Yorkshire & the Humber	60,002	106,015	46,013	77%
Dundee	Scotland	69,615	120,086	50,471	73%
Perth	Scotland	95,488	162,259	66,771	70%
Hull	Yorkshire & the Humber	60,515	101,914	41,399	68%
Carlisle	North	72,895	120,557	47,662	65%
Durham	North	80,802	133,463	52,661	65%
Swansea	Wales	76,110	120,483	44,373	58%
Stoke On Trent	West Midlands	74,305	117,131	42,825	58%
<b>Cities Average</b>		<b>125,276</b>	<b>173,322</b>	<b>48,046</b>	<b>38%</b>
<b>United Kingdom</b>		<b>136,204</b>	<b>176,121</b>	<b>39,917</b>	<b>29%</b>

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**Table 2: 10 Cities with lowest house price growth, 2002-2012**

City	Region	Average House Price 2002 (£)	Average House Price 2012 (£)	10 year change (£)	10 year change (%)
Lisburn	Northern Ireland	97,296	99,690	2,394	2%
Belfast	Northern Ireland	101,583	104,921	3,338	3%
Ely	East Anglia	152,624	174,116	21,491	14%
Southampton	South East	160,266	186,621	26,356	16%
Worcester	West Midlands	152,233	183,941	31,708	21%
Oxford	South East	243,889	295,083	51,194	21%
Londonderry	Northern Ireland	79,992	97,473	17,482	22%
Chelmsford	South East	192,719	239,809	47,090	24%
Peterborough	East Anglia	117,981	147,531	29,550	25%
Portsmouth	South East	123,306	154,405	31,099	25%
<b>Cities Average</b>		<b>125,276</b>	<b>173,322</b>	<b>48,046</b>	<b>38%</b>
<b>United Kingdom</b>		<b>136,204</b>	<b>176,121</b>	<b>39,917</b>	<b>29%</b>

**Table 3: 10 Cities that have outperformed their region the most, 2002-2012**

City	Region	Average House Price 2002 (£)	Average House Price 2012 (£)	10 year change (%)	Region's 10 year change (%)	Out-performance of Region (Percentage Points)
Stoke On Trent	West Midlands	74,305	117,131	58%	24%	34%
Aberdeen	Scotland	92,759	179,607	94%	63%	30%
St Albans	South East	247,795	369,267	49%	21%	28%
Bradford	Yorkshire & the Humber	60,002	106,015	77%	50%	27%
Salisbury	South West	183,651	280,013	52%	26%	27%
Hereford	West Midlands	129,720	186,098	43%	24%	20%
Winchester	South East	240,349	339,053	41%	21%	20%
Brighton And Hove	South East	185,293	259,091	40%	21%	19%
Hull	Yorkshire & the Humber	60,515	101,914	68%	50%	18%
Westminster	Greater London	377,339	555,962	47%	29%	18%
<b>Cities Average</b>		<b>125,276</b>	<b>173,322</b>	<b>38%</b>	<b>29%</b>	<b>9%</b>

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