



Not for broadcast or publication before 00:01 Hrs Wednesday 27th January 2010

This survey carried out by the Halifax reviews house price performance over the past decade. The data is sourced from the Halifax House Price Index. The Halifax House Price Index is the UK's longest running monthly house price series with data covering the whole country from January 1983 onwards.

UK house prices doubled during the 2000s

As we begin a new decade, Halifax has looked at house price performance over the past 10 years. The noughties was a significant period for the UK housing market. Despite a fall of more than one-fifth between mid 2007 and mid 2009, house prices increased by more in real (i.e. inflation adjusted) terms than in any other decade over the last 50 years.

KEY FINDINGS

House prices increased by 105% during the past decade, taking the UK average house price from £81,596 in 1999 quarter 4 to £167,020 in 2009 quarter 4.

The national average price increased by 145% between the start of the 2000s and the peak in 2007 quarter 3. This was followed by a 21% decline over the next seven quarters. Prices subsequently increased by 6% during the final two quarters of the decade. House prices ended the 2000s at a level similar to that in 2005 quarter 3.

Towns (Table 1)

- Redruth in Cornwall recorded the biggest price rise during the decade (207%).
- Three of the four towns that delivered the largest gains are in Cornwall; Redruth, Penzance and Helston.
- Wallasey in Merseyside (172%) and Wallsend in Tyne and Wear (164%) were the best performers in the north.
- Ramsgate (181%) and Southend on Sea (160%) were the best performing towns in the South East.
- All ten towns recording the fastest house price growth in the 2000s are on, or close to, the coast.

Regions (Table 2)

- Yorkshire and the Humber recorded the biggest rise in prices during the 2000s (130%).
- Wales (122%) and the North (120%) experienced the next largest increases.
- Greater London (80%) and the South East (85%) saw the smallest price gains over the decade.

- The regional pattern was the reverse of the previous decade. During the 1990s, London experienced the biggest price rises on the UK mainland (48%) and Yorkshire and the Humber recorded the smallest increase (3%).

Martin Ellis, housing economist at Halifax, commented:

"The noughties was a significant decade for house prices. Overall, prices increased considerably despite the marked decline towards the end of the decade. This contrasted sharply with the 1990s when prices rose only modestly in monetary terms and actually fell once retail price inflation is taken into account.

The majority of towns that experienced the strongest price growth began the decade with lower than average property prices, which provided the platform for bigger price gains. Seaside towns fared particularly well as the attraction of having a home on the coast helped to boost demand."

Table 1: Towns in the 2000s – 10 Biggest House Price Gains

Town	County	Average Price £		% change
		1999 Quarter 4*	2009 Quarter 4*	
Redruth	Cornwall	59,372	182,173	207%
Penzance	Cornwall	71,058	204,470	188%
Ramsgate	Kent	59,979	168,300	181%
Helston	Cornwall	83,943	230,270	174%
Wallasey	Merseyside	50,785	138,292	172%
Exeter	Devon	79,386	212,696	168%
Wallsend	Tyne And Wear	39,381	103,893	164%
Barry	South Glamorgan	53,536	139,820	161%
Great Yarmouth	Norfolk	55,435	144,587	161%
Southend on Sea	Essex	77,247	201,190	160%

Source: Halifax

*12 months to Quarter 4

Table 2: Regional House Prices in the 2000s

	Average Price £		% change
	1999 Quarter 4	2009 Quarter 4	
North	56,290	123,746	120%
Yorkshire & Humber	55,574	127,852	130%
North West	60,612	128,506	112%
East Midlands	66,562	136,032	104%
West Midlands	74,635	154,053	106%
East Anglia	77,466	163,334	111%
Wales	61,973	137,316	122%
South West	88,718	186,124	110%
South East	121,495	224,991	85%
Greater London	142,233	255,473	80%
Northern Ireland	64,474	128,259	99%
Scotland	63,809	123,805	94%
UK	81,596	167,020	105%

Source: Halifax

EDITORS' NOTES:

This research is based on data from the Halifax's own extensive housing statistics database.

1. National and Regional House Prices

These are based on the standardised house price indices. The indices calculated are 'standardised' and represent the price of a typically transacted house. The need for 'standardisation' arises because no two houses are identical and may differ according to a variety of characteristics relating to the physical attributes of the houses themselves or to their locations.

Source: Halifax House Price Index

2. Post-Town House Prices

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.

Data for 2009 quarter 4 refers to the averages for the 12 months to December 2009.

Data for 1999 quarter 4 refers to the averages for the 12 months to December 1999.

Source: Halifax

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