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MILTON KEYNES TOP OF THE 'NEW TOWNS' AS HOUSE PRICES JUMP SEVEN-FOLD

- Average house price in Milton Keynes rises from £44,155 in 1986 to £309,415
- Milton Keynes, Telford, Corby and Warrington have all recorded price growth in excess of the GB average increase of 554%
- The top nine performing New Towns between 2006 and 2016 are all in the South East

Milton Keynes today commemorates 50 years since it was officially designated as a 'New Town.'¹ Halifax has examined the house price performance of 26 of Britain's New Towns from 1986 to 2016 to mark this milestone.

Milton Keynes has been the top performing New Town in terms of house price growth over the past three decades, with the average price in the Buckinghamshire town rising by 601% since 1986 from £44,155 to £309,415.

Telford in Shropshire (586%), Corby in Northamptonshire (561%), and the North West towns of Warrington (559%) and Skelmersdale (551%), make up the five top performing New Towns since 1986.

Milton Keynes, Telford, Corby and Warrington have all recorded price growth in excess of the GB average increase of 554% during this period. New Towns overall, however, have slightly underperformed the national average with an average rise of 520%.

Eight of the 26 New Towns analysed now have an average house price above the average for their region (none of them did in 1986). Northampton has the highest price premium to its region with the average price in the town of £228,014, almost a fifth higher (19%) than the East Midlands average of £192,273.

Whilst no New Towns have been started since the 1960s, the Government announced plans on 2 January 2017 to create 14 new garden villages in England of between 1,500 to 10,000 houses.² It has also announced support for three new garden towns in Aylesbury, Taunton and Harlow & Gilston.

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2006-2016

New Towns have generally performed relatively well over the past decade with an average price rise of 32% compared with the national average increase of 26%. The nine top performing New Towns between 2006 and 2016 are all in the South East and have all recorded price gains above both national average (26%) and the regional average (36%). Welwyn Garden City in Hertfordshire (67%) has been the strongest performer followed by its near neighbours, Stevenage (58%) & Hemel Hempstead (55%).

Martin Ellis, housing economist at Halifax, said: “Milton Keynes has been the best performing of all the New Towns created following the Second World War in terms of house price performance since 1986.

“Many of these New Towns are within easy commuting distance of major commercial centres, where property is typically more expensive, particularly in the South East, where the average property price is well below that in London. This makes them a highly popular choice with homebuyers, explaining their relatively good house price performance, and this popularity has been particularly notable during the last decade.

“The recently announced planned new wave of garden villages and garden towns picks up where New Towns finished many years ago. These new developments could help provide much needed homes to house the country’s increasing number of households, helping to address the housing shortage.”

Table 1: House Prices in New Towns, 1986-2016

Town	Region	Average House Price 1986 £	Average House Price 2006 £	Average House Price 2016 £	10 year % change	30 year % change
Milton Keynes	South East	44,155	207,129	309,415	49%	601%
Telford	West Midlands	26,030	168,730	178,568	6%	586%
Corby	East Midlands	26,264	144,616	173,633	20%	561%
Warrington	North West	30,058	166,527	198,106	19%	559%
Skelmersdale	North West	21,260	147,804	138,466	-6%	551%
Northampton	East Midlands	35,401	186,178	228,014	22%	544%
Redditch	West Midlands	33,847	174,627	210,149	20%	521%
Welwyn Garden City	South East	59,651	217,681	362,656	67%	508%

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Bracknell	South East	61,192	236,960	365,874	54%	498%
Peterborough	East Anglia	34,787	166,434	200,589	21%	477%
Hemel Hempstead	South East	61,216	225,251	350,183	55%	472%
Stevenage	South East	52,353	188,482	297,238	58%	468%
Peterlee	North	22,345	108,770	126,066	16%	464%
Basildon	South East	45,576	166,101	256,060	54%	462%
Harlow	South East	49,987	184,362	280,592	52%	461%
Hatfield	South East	68,032	269,390	370,960	38%	445%
Washington	North	27,633	133,678	148,635	11%	438%
Livingston	Scotland	30,823	146,451	161,184	10%	423%
Newton Aycliffe	North	30,428	136,005	157,625	16%	418%
Crawley	South East	58,115	209,504	296,542	42%	410%
East Kilbride	Scotland	29,822	144,295	150,785	4%	406%
Cumbernauld	Scotland	25,335	127,879	127,764	0%	404%
Runcorn	North West	24,820	134,473	121,795	-9%	391%
Cwmbran	Wales	32,663	127,082	159,294	25%	388%
Glenrothes	Scotland	25,393	133,245	114,583	-14%	351%
Irvine	Scotland	27,905	121,098	122,469	1%	339%
New Town Average		36,949	173,337	228,902	32%	520%
Great Britain		38,467	200,059	251,679	26%	554%

Source:
Halifax

x, 12 months to December

Ends

Editors' Notes:

¹ Background on New Towns

New Towns in England and Wales were created under various New Towns Acts after the Second World War. The first wave in the 1940s was intended to help alleviate the housing shortages following the War beyond the green belt around London.

The second and third waves (both in the 1960s) were initiated to help relieve and allow for additional further growth further north from the previous London new towns. These 'new towns' were not in fact new, but were developed around historic cores. Milton Keynes was part of the third and final wave.

² The 14 new garden villages – from Devon to Derbyshire, Cornwall to Cumbria – will have access to a £6 million fund over the next 2 financial years to support the delivery of these new projects. The government also announced its support for three new garden towns in Aylesbury, Taunton and Harlow & Gilston – and a further £1.4 million of funding to support their delivery.

DCLG Press Release, 2 January 2017

<https://www.gov.uk/government/news/first-ever-garden-villages-named-with-government-support>

Data

The prices quoted in this release are taken from the Halifax House Price database and refer to average prices for

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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 – as such care should be taken when comparing prices.

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