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This is the 8th **Halifax University Town House Price Review**, tracking house price movements in 64 university towns across the UK. The review is based on Halifax's own extensive housing statistics database, along with data from the Higher Education Statistics Agency.

## **Thirty five university towns have average house prices higher than in neighbouring towns**

- Thirty five university towns (55% of the 64 surveyed) in the UK have an average house price higher than in surrounding areas, with an average price premium of £20,335 compared to their county average
- The highest premium is in Winchester, home to the University of Winchester, where the average house price exceeds the county (Hampshire) average by £114,489, or 50%
- Manchester, which has the largest student population (73,160) recorded average house price growth of 63% - well above the UK average of 44% - during the last five years
- The average rent paid by students across the UK is £96 per week for private rented accommodation, ranging from £64 in Northern Ireland to £116 in Greater London
- Guildford is the most expensive university town in the UK with an average house price of £363,503 followed by Winchester (£343,332) and Bath (£326,403)
- Hull is the least expensive university town with an average house price of £124,108. The average house price in Hull has increased by 79% during the past five years
- Three university towns saw average house prices rise by over 100% during five years; Belfast (105% increase), Dundee (101%) and Bangor (100%)

### **KEY FINDINGS**

#### **House prices in the majority of university towns trading at a premium (Table 1)**

**Thirty five university towns (55% of the 64 surveyed) in the UK have an average house price higher than in surrounding areas**, with an average price premium of £20,335 compared to the county average.

**Nine university towns have an average house price premium in excess of £20,000 when compared to their county.** These include Winchester (£114,489, or 50%), Bath (£98,562, or 43%), Cambridge (£90,699, or 44%), Warwick (£75,454, or 46%), Oxford (£39,797, or 14%), Newcastle (£25,005, or 16%) and Stirling (£20,296, or 13%).

**In total, 17 university towns have an average house price premium in excess of £10,000 when compared to their county.**

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## **Size of student population and house price growth in last five years (Table 2)**

**Manchester, which has the largest student population in the UK - 73,160 - recorded average house price growth of 63% during the last five years, well above the UK average of 44%.** Liverpool, which has a student population of 53,705, saw average prices increase by 71% during the period.

**However, some university towns with a smaller student population also experienced large average house price increases.** Glasgow, with a student population of 45,125, recorded average price growth of 74% and Preston, with 29,845 students, saw a price rise of 53% during the five years.

## **Rental values for private student accommodation during term time in university towns (Table 3)**

**A survey conducted for the Halifax showed that, on average, students pay £96 per week (£415 per month) for private rented accommodation across university towns in the UK.** Highest average rents are paid by university students in London, at £116 per week (£502 per month), followed by the East of England and South West (£104 per week, or £452 per month). The lowest are in Northern Ireland with an average student rent of £64 per week (£276 per month).

**Demand for private student accommodation has been driven by the increasing number of students entering higher education in recent years,** particularly term time students living away from home and those from overseas who are likely to be there throughout the academic year.

## **Most expensive University towns (Table 4)**

**The ten most expensive university towns are all in the South East.** The most expensive is Guildford (£363,503), followed by Winchester (£343,332), Bath (£326,403), Oxford (£323,946) and Cambridge (£295,581). These top five most expensive towns also feature within the top seven university towns in the UK which trade at a premium to their county.

**Outside southern England, the most expensive university towns are Bangor with an average house price of £245,855, Warwick (£240,332) and Cheltenham (£237,868).**

## **Least expensive University towns (Table 5)**

**Hull is the least expensive university town with an average house price of £124,108.** The average house price in Hull has increased by 79% during the past five years.

**There are eight other university towns with an average house price below £150,000.** These include Stoke-on-Trent (£130,336), Bradford (£131,464) and Salford (£148,338).

## **Strongest house price growth during the last five years (Table 6)**

**Three university towns saw average house prices rise by over 100% during a five year period.** The highest was recorded in Belfast where average house prices increased from £101,272 over the five year period to £207,669, a growth of 105%; followed by Dundee (101%) and Bangor (100%).

**Twenty other university towns saw average house price growth of at least 50% in the same five year period;** ranging from Stoke-on-Trent where average house prices increased from £85,722 to £130,336 (52%), Preston (53%), Bradford (94%) and Aberdeen (95%).

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

"The majority of the university towns we have surveyed have an average house price higher than the average for their county.

"While it can be a good investment, the decision to buy a property for a son or daughter at university ultimately depends on the parents' personal circumstances and property prices around the university in question."

Ends.

## Editors' Notes

**House prices** – Halifax House Price Index, crude average prices 2003 to 2008 (12 months to June in all cases). Prices shown are the arithmetic average prices on which an offer of mortgage has been granted. These prices are not standardised and therefore can be affected by changes in the sample from quarter to quarter.

List of UK universities and the number of students in higher education in those institutions is from the Higher Education Statistics Agency.

The rental values for student accommodation are from research conducted by the online market research company 'Opinionpanel Research' on behalf of Halifax. Opinionpanel's Student Panel is the largest online market research panel of its kind in the UK with over 60,000 panelists. The Survey took place in May 2008.

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**Table 1- House prices in university towns trading at a premium**

<b>University Town</b>	<b>County</b>	<b>Average House Price June 2008 *</b>	<b>Average House Price in County June 2008 *</b>	<b>Premium to County 2008* £</b>
Winchester	Hampshire	343,332	228,843	114,489
Bath	Avon	326,403	227,840	98,562
Cambridge	Cambridgeshire	295,581	204,882	90,699
Warwick	West Midlands	240,322	164,868	75,454
Oxford	Oxfordshire	323,946	284,149	39,797
Guildford	Surrey	363,503	332,106	31,396
Newcastle	Tyne And Wear	178,733	153,728	25,005
Stirling	Stirlingshire	182,070	161,144	20,926
Stafford	Staffordshire	179,311	160,116	19,196
Bedford	Bedfordshire	230,490	212,236	18,255
Chelmsford	Essex	257,035	240,559	16,476
Cheltenham	Gloucestershire	237,868	222,449	15,419
Preston	Lancashire	166,818	152,486	14,331
Chichester	West Sussex	287,550	275,473	12,077
Loughborough	Leicestershire	185,751	175,071	10,679
Brighton	East Sussex	266,368	256,311	10,056
Sheffield	South Yorkshire	151,316	141,670	9,647
Northampton	Northamptonshire	192,536	183,207	9,330
Glasgow	Lanarkshire	170,324	161,652	8,672
Swansea	West Glamorgan	163,232	154,979	8,253
Bangor	County Down	245,855	207,669	7,330
Norwich	Norfolk	194,757	188,896	5,861
Leeds	West Yorkshire	165,682	159,874	5,807
Edinburgh	Midlothian	218,516	212,922	5,594
Pontypridd	Mid Glamorgan	141,720	137,988	3,732

\*12 months to June

**Table 2- Size of student population and house price growth in last 5 years**

<b>University Town</b>	<b>County</b>	<b>Average House Price June 2008 *</b>	<b>5 Year House Price Increase %</b>	<b>Student population (2006/07)</b>
Manchester	Lancashire	152,537	63%	73,160
Birmingham	West Midlands	150,194	34%	70,485
Leeds	West Yorkshire	165,682	44%	64,090
Nottingham	Nottinghamshire	152,424	32%	57,460
Edinburgh	Midlothian	218,516	48%	57,120
Sheffield	South Yorkshire	151,316	48%	55,110
Liverpool	Merseyside	157,189	71%	53,705
Bristol	Avon	223,094	31%	52,385
Newcastle Upon Tyne	Tyne And Wear	178,733	55%	49,330
Glasgow	Lanarkshire	170,324	74%	45,125
Oxford	Oxfordshire	323,946	21%	43,410
Cardiff	South Glamorgan	169,193	18%	41,065
Norwich	Norfolk	194,757	28%	41,040
Canterbury	Kent	238,558	34%	38,605
Leicester	Leicestershire	164,617	34%	35,910
Southampton	Hampshire	212,633	24%	35,375
Plymouth	Devon	167,796	42%	34,005
Brighton	East Sussex	266,368	38%	33,580
Warwick	West Midlands	240,322	23%	30,320
Preston	Lancashire	166,818	53%	29,845
Cambridge	Cambridgeshire	295,581	35%	28775
Aberdeen	Aberdeenshire	198,336	95%	27010
Belfast	County Antrim	207,669	105%	26590
Salford	Lancashire	148,338	81%	24065
Middlesbrough	Cleveland	141,285	78%	23535

\*12 months to June

Source: Higher Education Statistics Agency (HESA), student population data is for all higher education students at institutions listed on the HESA website for enrollments for 2006-07.

**Table 3- Average rents paid by student in private accommodation during term time**

<b>University Region</b>	<b>Average weekly rents in private student accommodation (£s)</b>	<b>Average monthly rents in private student accommodation (£s)</b>
<b>North East</b>	<b>£91</b>	<b>£393</b>
<b>North West</b>	<b>£100</b>	<b>£434</b>
<b>Yorkshire &amp; the Humber</b>	<b>£83</b>	<b>£360</b>
<b>West Midlands</b>	<b>£78</b>	<b>£339</b>
<b>East Midlands</b>	<b>£89</b>	<b>£386</b>
<b>East of England</b>	<b>£104</b>	<b>£452</b>
<b>London</b>	<b>£116</b>	<b>£502</b>
<b>South East</b>	<b>£102</b>	<b>£442</b>
<b>South West</b>	<b>£104</b>	<b>£451</b>
<b>Wales</b>	<b>£75</b>	<b>£325</b>
<b>Scotland</b>	<b>£90</b>	<b>£388</b>
<b>Northern Ireland</b>	<b>£64</b>	<b>£276</b>
<b>UK Average</b>	<b>£96</b>	<b>£415</b>

Source: Opinionpanel Research survey of 60,000 panelists - for HBOS May 2008.

**Table 4 - Most expensive University towns (Table 2)**

<b>University Town</b>	<b>County</b>	<b>Average House Price in June 2008 *</b>
Guildford	Surrey	363,503
Winchester	Hampshire	343,332
Bath	Avon	326,403
Oxford	Oxfordshire	323,946
Cambridge	Cambridgeshire	295,581
Uxbridge	Middlesex	291,905
Chichester	West Sussex	287,550
Hatfield	Hertfordshire	286,204
Reading	Berkshire	267,567
Brighton	East Sussex	266,368
Chelmsford	Essex	257,035
Bangor	County Down	245,855
Warwick	West Midlands	240,322
Canterbury	Kent	238,558
Cheltenham	Gloucestershire	237,868
Bedfordshire	Bedfordshire	230,490
Bristol	Avon	223,094
Edinburgh	Midlothian	218,516
Colchester	Essex	217,851
York	North Yorkshire	215,343
Bournemouth	Dorset	214,542
Exeter	Devon	213,916
Southampton	Hampshire	212,633
Belfast	County Antrim	207,669
Worcester	Worcestershire	205,610

\*12 months to June

**Table 5 - Least expensive University towns (Table 3)**

<b>University Town</b>	<b>County</b>	<b>Average House Price June 2008 *</b>
Hull	North Humberside	124,108
Stoke On Trent	Staffordshire	130,336
Bradford	West Yorkshire	131,464
Paisley	Renfrewshire	136,842
Middlesbrough	Cleveland	141,285
Sunderland	Tyne And Wear	141,526
Pontypridd	Mid Glamorgan	141,720
Durham	Co Durham	143,776
Salford	Lancashire	148,338
Bolton	Lancashire	150,100
Dundee	Angus	150,168
Birmingham	West Midlands	150,194
Lancaster	Lancashire	150,727
Sheffield	South Yorkshire	151,316
Nottingham	Nottinghamshire	152,424
Manchester	Lancashire	152,537
Carlisle	Cumbria	152,694
Liverpool	Merseyside	157,189
Derby	Derbyshire	157,836
Huddersfield	West Yorkshire	158,040
Wolverhampton	West Midlands	158,382
Lincoln	Lincolnshire	159,377
Swansea	West Glamorgan	163,232
Leicester	Leicestershire	164,617
Coventry	West Midlands	164,888

\*12 months to June

**Table 6 - Strongest house price growth in the last five years**

<b>University Town</b>	<b>County</b>	<b>Average House Price June 2003 *</b>	<b>Average House Price June 2008 *</b>	<b>5 Year House Price Increase %</b>
Belfast	County Antrim	101,272	207,669	105%
Dundee	Angus	74,826	150,168	101%
Bangor	County Down	122,639	245,855	100%
Aberdeen	Aberdeenshire	101,830	198,336	95%
Bradford	West Yorkshire	67,702	131,464	94%
Swansea	West Glam	87,226	163,232	87%
Paisley	Renfrewshire	73,745	136,842	86%
Salford	Lancashire	81,989	148,338	81%
Hull	North Humberside	69,162	124,108	79%
Middlesbrough	Cleveland	79,368	141,285	78%
Huddersfield	West Yorkshire	89,733	158,040	76%
Carlisle	Cumbria	86,764	152,694	76%
Bolton	Lancashire	85,404	150,100	76%
Glasgow	Lanarkshire	97,826	170,324	74%
Liverpool	Merseyside	91,671	157,189	71%
Pontypridd	Mid Glamorgan	84,054	141,720	69%
Manchester	Lancashire	93,645	152,537	63%
Sunderland	Tyne And Wear	87,331	141,526	62%
Durham	Co Durham	90,609	143,776	59%
Stirling	Stirlingshire	117,377	182,070	55%
Newcastle Upon Tyne	Tyne And Wear	115,656	178,733	55%
Preston	Lancashire	108,876	166,818	53%
Stoke On Trent	Staffordshire	85,722	130,336	52%
Edinburgh	Midlothian	147,575	218,516	48%
Sheffield	South Yorkshire	102,481	151,316	48%
All University towns		140,096	198,255	42%
UK average		146,373	210,131	44%

\*12 months to June