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House prices boosted after opening tram routes in five leading cities

- House prices near improved transport infrastructure grow strongly two years after routes open
- Half of locations with a tram stop see house prices outperform the rest of the city
- House prices along the Elizabeth Line (Crossrail) up by 22% in two years before line opens

House prices have been boosted by improved transport links, with new tram lines driving up property values, according to new research by Lloyds Bank. House prices along tram routes in Manchester, Birmingham and Edinburgh grew by an average of 12% in the first two years after opening. This contrasts with the two years before construction when property values remained unchanged in those same cities.

Each of the cities in the survey has seen a tram-led premium in property values. Half of residential locations close to tram stops in Manchester, Birmingham, Nottingham, London and Edinburgh have seen house prices grow faster than surrounding areas. In Manchester, the residential area served by the South Manchester line has seen house prices grow by 343% (from £57,425 to £254,224) since 1995, compared to an increase of 276% (from £44,488 to £167,431) in the city as a whole. In Nottingham, house prices in the area covered by Line 2 in the south of the city have grown by 40% (from £115,050 to £160,674) compared to 31% (from £137,804 to £180,102) in the surrounding areas since 2004.

Andrew Mason, Lloyds Bank Mortgage Products Director, commented:

“A new and modern transport system is potentially a great catalyst to urban regeneration and can be a game changer for cities investing in improved links. An excellent tram system can stimulate inward investment for the local economy, unlock previously hard to reach sites for development and make it easier for people to move around the city.

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“These are important factors for the housing market, and we can see these routes have helped boost increases in property values. Many properties close to tram links have recorded an outperformance in house price growth compared to the city as whole. Having a tram stop on your doorstep can make a lot of difference.”

West Midlands

In the two years after the Midland Metro opened in 1999 – which operates between Birmingham and Wolverhampton - the average house price in the areas served by the tram system grew from £42,253 to £52,720 in 2001, representing an increase of 25%. In the two years prior to opening, prices had fallen by 10% (from £46,739 in 1997 to £42,253 in 1999). Average house prices in these areas have continued to see substantial increases and have grown to £130,041 in 2016, an increase of 208%. This has comfortably outperformed the average price increase of 175% for Birmingham as a whole (from £63,592 to £174,717) over the same period.

Half of the 20 tram stops surveyed on the Midland Metro network have recorded a faster house price growth than the surrounding areas. The largest rise was recorded in the area of Soho, close to the Benson Road tram stop, where the average price has grown by 316% from £30,916 in 1999 to £128,721 in 2016. The next largest increase was in the area served by Priestfield/The Royal stops in Wolverhampton with an average increase of 282% (from £33,290 to £127,286) and Dudley Street Guns Village in West Bromwich (250%) over the same period. (See Table 1)

Manchester

The average house price along the Greater Manchester tram routes grew by an average of 11% (from £134,266 in 2013^{1a} to £149,511 in 2015^{1a}) in the two years after many of the routes opened – almost double the 6% increase recorded in the two years previously.

In addition, the average house price along this tram network has grown from £50,620 in 1995¹ to £188,898 in 2016, an increase of 273%. Whilst this increase is marginally below the increase of 276% for Manchester, houses along the tram network trade at a premium of £21,476 to the Manchester average (£188,898 compared to an average of £167,431 for Manchester).

The average price in the postal area of Central Park in the east of the city has grown almost six-fold from £19,234 to £110,818 since 1995 – an increase of 476%. The next largest rises were Queens Park (427%) and Velopark/Clayton Hall (404%).

Since opening in 1995 the house price along the Altrincham/Bury line has grown by 284% outperforming the city average. (See Table 2)

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Nottingham

Since opening in 2004 average house price on the Nottingham Express Transit (NET) route has grown from £114,190 to £149,884, an increase of 31% - the same as the growth rate for Nottingham as a whole.

House prices in areas served by Line Two on the NET network – south of River Trent – have seen the fastest price rises since 2004, growing by an average 39%.

The biggest rise was in the area of Phoenix Park in the north of the city with an average increase of 142% (from £68,790 to £166,319 since 2004). The next largest was in Compton Acres in West Bridgford where the average price has grown from £204,912 to £315,217 – an increase of 54%; followed by Gregory Street, Meadows Embankment and Queens Walk (all 53%). (See Table 5)

Edinburgh

Since opening in 2014, the average house price on the Edinburgh Trams route has grown from £199,171 to £218,350, an increase of 10%. This rate of growth is three times faster than in the previous two years before the line opened when the average price grew by 3%, from £193,976 to £199,171.

The service runs from the centre of Edinburgh out west to the city's airport serving fifteen locations. The largest rise in house prices was in the postal area of EH11 which includes the Balgreen, Bankhead, Edinburgh Park Station and Saughton stops. Average property values in EH11 have grown from £153,465 to £190,841 since opening, an increase of 24% - double the rate recorded in the rest of the city.

Crossrail²

The report also looked at the impact of future transport regeneration – Crossrail, The new service – named the Elizabeth Line – will begin operating in May 2017, although the full service stretching from Reading, in Berkshire, to Shenfield, in Essex, won't be operational until December 2019.

Despite this, house prices near future Crossrail stations have already seen an average increase of 22% over the past two years in anticipation of the new line, from £344,242 in 2014 to £420,798 in 2016, compared to an average 14% growth for surrounding local authority areas and a 13% rise for Greater London.

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Of the 33 stations surveyed along the new Crossrail route, 28 have seen average house price growth for homes in the same postcode sector out pace than the average house price growth for the surrounding local authority areas (14%) over the past two years.

To the west of London, homes in the Burnham area have seen their average house prices increase by 40%, followed by Slough (34%) and Maidenhead (32%). These increases have comfortably outpaced the 15% house price growth for the South-East region as a whole over the past two years.

Table 1 - Top 10 Areas with Fastest Price Growth since Opening - West Midlands

Stop Name	Posttown	Line	Average House Price December 1999 £	Average House Price December 2016 £	17 Year % Change
Soho, Benson Road	Birmingham	One	30,916	128,721	316%
Priestfield	Wolverhampton	One	33,290	127,286	282%
The Royal	Wolverhampton	One	33,290	127,286	282%
Dudley Street, Guns Village	West Bromwich	One	36,785	128,777	250%
Handsworth, Booth Street	Birmingham	One	27,365	92,376	238%
Black Lane	West Bromwich	One	45,490	143,991	217%
Kenrick Park	West Bromwich	One	53,268	149,975	182%
Trinity Way	West Bromwich	One	53,268	149,975	182%
Bilston Central	Bilston	One	41,311	112,047	171%
Loxdale	Bilston	One	41,311	112,047	171%
All Stops Average			42,253	130,041	208%
Birmingham			63,592	174,717	175%

Source: Land Registry Data, 12 month rolling Crude Average Prices to December

Table 2 - Top 10 Areas with Fastest Price Growth - Manchester

Stop Name	Posttown	Line	Average House Price December 1995 £	Average House Price December 2016 £	21 Year % Change
Central Park	Manchester	Oldham-Rochdale	19,234	110,817	476%

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Queens Road	Manchester	Altrincham-Bury	20,104	105,965	427%
Clayton Hall/Velopark	Manchester	East Manchester	18,511	93,268	404%
St Werburgh's Road	Manchester	South Manchester	64,089	318,839	397%
Didsbury Village/West Didsbury	Manchester	South Manchester	66,354	325,524	391%
Old Trafford, Trafford Bar, Pomona, Firswood	Manchester	Altrincham-Bury	46,003	221,407	381%
Barlow Moor Road	Manchester	Manchester Airport	43,202	204,796	374%
Chorlton	Manchester	South Manchester	61,850	278,673	351%
Timperley	Altrincham	East Manchester	67,775	305,297	350%
Burton Road	Manchester	South Manchester	52,547	233,321	344%
All Stops Average			50,620	188,898	273%
Manchester			44,488	167,431	276%

Source: Land Registry Data, 12 month rolling Crude Average Prices to December

Table 5 - Top 10 Areas with Fastest Price Growth since Opening – Nottingham

Stop Name	Line	Average House Price December 2004 £	Average House Price December 2016 £	12 Year % Change
Pheonix Park	One	68,790	166,319	142%
Compton Acres	Two	204,912	315,271	54%
Gregory Street/Meadows Embankment/Queens Walk	Three	92,452	141,217	53%
Cinderhill/Moor Bridge	One	81,297	117,824	45%
Butler's Hill/Hucknall	One	103,188	146,777	42%
Clifton Centre/South/Rivergreen/Southchurch Drive	Two	93,300	127,037	36%
Cator Lane/Eskdale Drive/High Road/Bramcote Lane/Chilwell Lane	Three	147,553	196,713	33%

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Holy Trinity/Summerwood Lane	One	82,515	108,655	32%
Ruddington Lane/Wilford Lane/Wilford Village	Two	167,326	212,101	27%
Bulwell/Bulwell Forest/Inham Road	One	89,166	110,767	24%
All Stops Average		114,190	149,844	31%
Nottingham		137,804	180,102	31%

Source: Land Registry Data, 12 month rolling Crude Average Prices to December

NOTES TO EDITORS:

¹ Although parts of the Greater Manchester tram network first opened in 1992, the first year for which house price data from the Land Registry is available is 1995.

² More details on Crossrail can be found

on <http://www.lloydsbankinggroup.com/globalassets/documents/media/press-releases/lloyds-bank/2016/051216-crossrail-station-house-prices.pdf>

House price calculations based on Land Registry data – 12 month rolling arithmetic average prices to December.

Data produced by Land Registry © Crown copyright 2017.

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