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A 60-minute commute can save nearly £500,000 on house prices

- Homeowners living 60 minutes outside of Central London pay £483,342 (60%) less for average property
- A 40-minute commute into Central London will save homebuyers £375,114 (46%) and a 20 minute commute will save £295,075 (36%)
- Luton is most affordable commuter town with fastest journey into Central London

Workers in Central London can save an average of £483,342 by commuting up to an hour each day, according to new research by Lloyds Bank.

House prices in a number of towns around an hour's train journey away from the Capital (including Basingstoke, Crawley, Gravesend, Windsor and Northampton) are on average around £325,091 – a whopping £483,342 lower than the average of £808,434 for a property within travelcard zones 1 and 2. This is also significantly lower (£202,424 or 38%) than the average property price in zones 3 to 6. (See Table 1)

The difference between house prices for commuters travelling approximately 60 minutes would pay for the current annual rail cost (£5,381) for 90 years.

A 40-minute commute will save homebuyers £375,114 (46%)

Homebuyers looking to buy a home in towns approximately 40 minutes away, such as Billericay, Hatfield, Staines and Woking, will pay an average price of £433,320 – which is still £375,114 (46%) lower than in zones 1 and 2 – and with a lower average annual rail pass costing £3,775.

The difference of £375,114 would pay for the current annual rail cost for almost a century.

A 20-minute commute will save homebuyers £295,075 (36%)

Even at up to twenty minutes distance away from the heart of the capital, commuters from towns such as New Cross and East Croydon benefit from an average house price £295,075 lower than in Central London. This is enough to pay the current annual rail cost of £2,551 for 116 years.

Commuter Towns Bucking the Budget

Some areas, such as Beaconsfield command a higher price tag than Central London and, although rare, these commuters to Central London live in areas that command higher house prices. Residents of Beaconsfield, who pay an eye-watering average of £1,025,699 compared to the average price house price of £808,434 in Central London, a difference of £217,265. Gerrards Cross (£917,585), Harpenden (£813,298) and Wimbledon (£814,420) also top the Central London average.

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Andrew Mason, Mortgages Director at Lloyds Bank, said:

"Buying a home in Central London is out of reach for many where house prices are around 16 times the average UK wage. In almost all towns in this survey, housing affordability is significantly greater with a London salary compared to what can be earned locally and for commuters with up to an hour's journey, the reward is an annual salary that is, on average, £8,600 (18%), higher than what they could earn in their local neighbourhood which is around £40,000."

Although many commuter towns offer affordable properties, but with longer and more expensive journeys, the decision to commute is not simply a trade-off between financial costs and journey times. Quality of life is an important consideration. Family circumstances, schools, physical environment and value for money all come into the balance.

The most affordable commuter towns outside of London

Wellingborough in Northamptonshire offers an average house price of £212,367, 4.4 times average annual earnings in Central London (£48,281) compared to 6.1 times the average wage for those working within Wellingborough (£34,563).

The next most affordable is Peterborough in Cambridgeshire, with an average house price of £218,713, (4.5 times Central London average annual earnings), followed closely by Kettering in Northamptonshire (£223,725 and 4.6 the Central London average) – a considerable difference to the average annual earnings of those working in Peterborough and Kettering (both 7.0).

Luton is the most affordable town with the fastest commute to Central London (30 minutes), with an average house price of £261,725 which is 5.4 times the average earnings.

Commuters in the 10 most affordable towns are earning, on average, £12,609 more than they would in their place of residence (£35,672). (*Table 2*)

Ends



Table 1 – Commuter towns to London 2018

	Average House Price*	Average Difference in House Price compared with areas in Zones 1&2	Average Difference in House Price compared with areas in Zones 3&6	Average Annual season ticket cost**	Towns / Suburbs
Areas in Travelcard Zone 1 and 2	£808,434				
Areas in Travelcard Zone 3 to 6	£527,515				
Towns on average 20 minutes away (journey times range from 10 to 20 minutes)	£513,359	£295,075 (36% lower)		£2,551	Includes: New Cross, East Croydon, Ilford, Alexandra Palace, Hanwell, Tottenham
Towns on average 40 minutes away (21 to 40 minutes)	£433,320	£375,114 (46% lower)	£94,196 (18% lower)	£3,775	Includes: Billericay, Hatfield, Staines, Bexleyheath, Woking, Chelmsford, Harlow, Hemel Hempstead, Orpington, Rickmansworth, Reading, Hitchin, Stevenage, Brentwood, Luton, Sidcup
Towns on average 60 minutes away (41 to 60 minutes)	£325,091	£483,342 (60% lower)	£202,424 (38% lower)	£5,381	Includes: Basingstoke, Crawley, Gravesend, Windsor, Northampton, Tunbridge Wells, Wellingborough, Rugby, Winchester, Braintree, Peterborough, Oxford, Kettering, Rochester, Sittingbourne, Tonbridge, Wokingham, Chatham, Colchester

Source: Land Registry, ATOC and National Rail

Notes: * 12 months to June 2018 ** fares as at September 2018

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Table 2: Most affordable commuter towns 2018 within 60 minutes of Central London*

Commuter Town	County	Average Price July 2018 ¹	Average Annual Local Earnings ²	House Price to Average Local Earnings	House Price to Average Earnings in Travelzone 1 & 2 ³	Difference in Affordability	Fastest Rail journey time to Central London Minutes
Wellingborough	Northants	£212,367	£34,563	6.1	4.4	-28%	50 mins
Peterborough	Cambs	£218,713	£31,404	7.0	4.5	-35%	51 mins
Kettering	Northants	£223,725	£31,791	7.0	4.6	-34%	58 mins
Rugby	Warwickshire	£242,410	£38,986	6.2	5.0	-19%	52 mins
Chatham	Kent	£243,068	£36,926	6.6	5.0	-24%	55 mins
Northampton	Northants	£251,008	£33,352	7.5	5.2	-31%	46 mins
Luton	Beds	£261,725	£40,313	6.5	5.4	-17%	30 mins
Sittingbourne	Kent	£267,557	£34,298	7.8	5.5	-29%	59 mins
Witham	Essex	£271,541	£37,161	7.3	5.6	-23%	48 mins
Basildon	Essex	£271,567	£37,927	7.2	5.6	-21%	36 mins

Source: Land Registry, ONS

*Based on fastest rail journey possible

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NOTES TO EDITORS:

The Lloyds Bank commuter towns survey looks at differences in houses prices between the commuter town and the place of employment as well as costs and time of commuting when travelling to work using the national rail system.

¹ 12 months to July 2018 – Source: Land Registry

² Based on gross annual average earnings for full time workers in the local authority of the commuter town - Source: ASHE, ONS

³ Lloyds Bank estimate based on local authorities in travel zones 1 and 2. Gross annual average earnings for full time workers is estimated to be £48,281 – Source: ASHE, ONS

⁴ Cost of rail passes and commuting time is from the Association of Train Operating Companies and National Rail website collected in September 2018.

⁵ NB: The cost total cost of commuting by rail doesn't take into consideration the associated costs and time of getting to and from a train station.

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For further information

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