

## Desperate house buyers: city slickers flock to the suburbs in search of space

- **House prices in major British cities have grown by 8.9% since March last year**
- **Areas surrounding those cities have increased by 10.8% over the same period**

The impact of the pandemic on people's lifestyles has driven stronger house price growth in areas surrounding most of Britain's biggest cities, as buyers seek out more spacious homes in the suburbs, according to new research from Halifax.

Based on analysis of mortgage transactions included in the Halifax House Price Index between March 2020, when the first lockdown restrictions were introduced, and June 2021 when the Government's Stamp Duty holiday began to be unwound in England and Wales, figures shows that house prices in major British cities (excluding London) grew by an average of 8.9%. In the areas surrounding those cities, average house price growth was much higher at 10.8%.

Since lockdown restrictions first eased last summer, buyer demand has been fuelled in part by a desire for larger properties with more indoor and outdoor space. This has been driven by a shift in people's work-life priorities during the pandemic and, for many, fewer days spent in the office. With the Stamp Duty threshold raised to £500,000, this provided even more incentive for those buying larger, family-sized homes.

This demand has often helped to drive faster price growth in areas further from major city centres, where buyers perceive they'll get better value for money, though the picture varies significantly in and around individual cities across the country.

In Plymouth, on England's southwest coast, the city itself saw house price growth of 5.8% between March 2020 and June 2021, while in the surrounding areas, the average was 16.1%. This was driven by the likes of South Hams – home to Salcombe, [Britain's most expensive seaside town](#) – which at 26.3% has seen exceptional house price increases during the pandemic.

Meanwhile in Leicester, house prices in the city grew by 6.5% over the same period, compared to a rise of 12.1% on average in the surrounding area, with Rutland and Melton up by 22.5%.

However, further north it's a different story in Newcastle where property price increases in the city itself (+6.5%) have continued to outstrip those in the surrounding areas (+4.0%). North Tyneside was one of the few areas surrounding major British cities to record a fall in average house prices during the pandemic (-5.0%).

### **Andrew Asaam, Mortgages Director, Halifax, said:**

"The pandemic has had a huge impact on the housing market right across the country. This has been shaped by buyers' demand for more space, a desire to move from the centre to more suburban locations, and the trend for more home working both now and in the future.

"It's clear from speaking to our mortgage customers that many have prioritised space over location as a result of more time spent at home over the last year and a half. As consumers look for value in the market, that inevitably leads people to look further afield from major city centres, where you tend to get more property for your money.

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# Press Release



“We’ve seen evidence of this in areas right across Britain, with house price growth in the vast majority of cities now being outstripped by increases in their surrounding areas.”

## Notes to Editors:

The figures are based on the same approved residential mortgage data that are used in the production of the Halifax House Price Index, the UK’s longest running house price series. House prices for referenced cities and surrounding areas have been calculated based on a residential price per square metre basis, with cash prices subsequently based on the area’s typical property size according to Energy Performance Certificate (EPC) data. Note that London has been excluded from the list and calculations.

Percent change figures have been calculated based on the difference in typical prices between the three months to March 2020 and the three months to June 2021.

Where sample sizes are deemed to be of sufficient size, weighted averages of postcode district transactional data have been used to calculate the figures. Otherwise, referenced figures are based on unweighted averages. In some instances, where sample sizes for defined areas are deemed insufficient, these have been combined with neighbouring areas.

| City          | March 2020 price | June 2021 price | City growth | Surrounding area average growth | Highest surrounding area growth | %     | Lowest surrounding area growth | %     |
|---------------|------------------|-----------------|-------------|---------------------------------|---------------------------------|-------|--------------------------------|-------|
| Birmingham    | £178,628         | £196,299        | 9.9%        | 9.0%                            | Dudley                          | 15.5% | Stratford on Avon              | 5.1%  |
| Bristol       | £253,891         | £278,415        | 9.7%        | 12.7%                           | Mendip                          | 19.0% | South Gloucestershire          | 10.3% |
| Cardiff       | £195,936         | £218,194        | 11.4%       | 12.7%                           | Rhondda Cynon Taf               | 27.3% | Merthyr Tydfil                 | 3.0%  |
| Derby         | £165,893         | £177,109        | 6.8%        | 10.0%                           | Amber Valley                    | 12.8% | South Derbyshire               | 4.4%  |
| Edinburgh     | £227,287         | £246,517        | 8.5%        | 12.6%                           | Scottish Borders                | 20.4% | Fife                           | 5.5%  |
| Exeter        | £228,881         | £246,097        | 7.5%        | 8.3%                            | Teignbridge                     | 14.1% | East Devon                     | 2.2%  |
| Glasgow       | £141,403         | £154,046        | 8.9%        | 6.3%                            | East Renfrewshire               | 10.8% | Renfrewshire                   | 1.9%  |
| Leeds         | £178,762         | £198,462        | 11.0%       | 13.8%                           | Calderdale                      | 26.7% | Selby                          | 2.1%  |
| Leicester     | £179,829         | £191,523        | 6.5%        | 12.1%                           | Rutland and Melton              | 22.5% | Hinckley and Bosworth          | 11.7% |
| Liverpool     | £144,940         | £163,049        | 12.5%       | 9.5%                            | Wirral                          | 16.6% | Knowsley                       | 2.2%  |
| Manchester    | £180,369         | £200,339        | 11.1%       | 13.4%                           | Rochdale                        | 17.6% | Rossendale                     | 4.9%  |
| Middlesbrough | £118,494         | £126,329        | 6.6%        | 9.0%                            | Stockton-on-Tees                | 13.7% | Hartlepool                     | 0.4%  |
| Newcastle     | £158,435         | £168,758        | 6.5%        | 4.0%                            | Gateshead                       | 14.0% | North Tyneside                 | -5.0% |
| Norwich       | £181,607         | £196,947        | 8.4%        | 13.0%                           | Broadland                       | 18.8% | Breckland                      | 7.7%  |
| Nottingham    | £159,098         | £170,949        | 7.4%        | 12.1%                           | Ashfield                        | 16.2% | Mansfield                      | 7.0%  |
| Portsmouth    | £192,539         | £210,156        | 9.1%        | 11.3%                           | East Hampshire                  | 13.1% | Chichester                     | 8.5%  |
| Plymouth      | £158,678         | £167,859        | 5.8%        | 16.1%                           | South Hams                      | 26.3% | Torridge West Devon            | 4.3%  |
| Sheffield     | £168,500         | £192,335        | 14.1%       | 12.8%                           | Doncaster                       | 18.7% | North East Derbyshire          | 2.2%  |
| Southampton   | £184,236         | £199,546        | 8.3%        | 9.4%                            | Winchester                      | 15.7% | Eastleigh                      | 4.0%  |
| Sunderland    | £121,336         | £131,609        | 8.5%        | 7.1%                            | County Durham                   | 8.2%  | South Tyneside                 | 5.9%  |
| <b>UK</b>     |                  |                 | <b>8.9%</b> | <b>10.8%</b>                    |                                 |       |                                |       |

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