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## **NEW UNIVERSITY TOWNS TOP THE CLASS WITH AVERAGE 70% RISE IN HOUSE PRICES SINCE 2001**

**Over the past decade, average house prices in the 'new' university towns (those established since 1960) have increased by 70%, from £91,612 to £155,953, according to new research by Lloyds TSB.** Average house price growth in the more traditional, older university towns rose by a more modest 64%, on average. Both new and old university towns recorded higher average price increases than the 62% increase across the UK as a whole. More than two-thirds of all university towns recorded house price increases in excess of the UK average<sup>1</sup>.

### **New University towns**

Many new universities were formed when polytechnics converted to university status after 1992. The change in status enabled them to award their own degrees and thereby attract more students.

**House prices have more than doubled in seven of these new university towns over the last decade.** Bangor in Wales recorded the biggest increase (129%), followed by Carlisle (110%), Sunderland (108%) and Dundee (107%). Pontypridd - home to University of Glamorgan - (106%), Bradford (105%) and Plymouth (102%) were the others where prices more than doubled. [See Table 1]

**The most expensive new university town – and also the most expensive of all university towns - is Winchester** with an average house price of £364,667, followed by Kingston-upon-Thames (£360,331) and Buckingham (£330,795). The least expensive are Salford (£106,685), Paisley (£106,967) and Bradford (£108,282).

### **Older University towns**

Despite the success of the newer establishments, older university towns have also recorded significant house price growth. In **Aberystwyth the average house price has increased by 144%, making it the top performer of any university town.** Hull saw the next biggest rise amongst older university towns – and the third amongst all universities - with the average price increasing by 119%, followed by the historic Scottish university cities of Aberdeen (118%) and Edinburgh (103%), and Exeter (91%). [See Table 2]

The ancient university town of Cambridge has the most expensive homes amongst old university towns outside London, with an average price of £291,079. Oxford (£258,531) and Reading (£248,076) have the next highest average prices. Hull is the least expensive old university town – and the

second least expensive of all university towns - with an average price of £106,021.

## Towns in the Times University Ranking

**Eleven of the university towns in the Times Top 20 University Rankings have seen average house prices rise by at least 75% over the past ten years.** Edinburgh (103%) and Exeter (91%), were followed by Loughborough (90%), Leicester and Cambridge (both 88%) and Lancaster (84%). The average increase for all 20 towns (excluding London) was 73% meaning that these top ranked universities outperformed university towns as a whole. [See Table 3]

### **Nitesh Patel, housing economist at Lloyds TSB, commented:**

"Growing student numbers are likely to have had a positive impact on house prices in university towns over the past decade. This effect has been heightened in the newer university towns where prices have, on average, risen more rapidly than in the towns that host the more established universities. Increased student demand for accommodation is also likely to have added to upward pressures on rental values in university towns, increasing their attractiveness to landlords."

**Table 1 – 10 New (Post 1960) University Towns with largest increase in house prices.**

<b>New University Towns</b>	<b>Region</b>	<b>Average House Price (£) 2001*</b>	<b>Average House Price (£) 2011*</b>	<b>Increase over 10 Years</b>
Bangor	Wales	62,158	142,582	129%
Carlisle	North West	60,541	127,118	110%
Sunderland	North East	57,972	120,302	108%
Dundee	Scotland	60,191	124,776	107%
Pontypridd	Wales	55,142	113,335	106%
Bradford	Yorkshire and the Humber	52,745	108,282	105%
Plymouth	South West	73,839	149,190	102%
Lincoln	East Anglia	69,991	136,762	95%
Paisley	Scotland	55,974	106,967	91%
Loughborough	East Midlands	88,969	169,187	90%
<b>All new university towns</b>		<b>91,612</b>	<b>155,953</b>	<b>70%</b>

Sources: Halifax \* 12 months to June 2001 and June 2011

**Table 2 – 10 Old (Pre-1960) University Towns with largest increase in house prices**

Old University Towns	Region	Average House Price (£) 2001*	Average House Price (£) 2011*	Increase over 10 Years
Aberstwyth	Wales	78,105	190,209	144%
Hull	Yorkshire and the Humber	48,354	106,021	119%
Aberdeen	Scotland	81,423	177,411	118%
Edinburgh	Scotland	100,201	203,452	103%
Exeter	South West	107,313	205,281	91%
Glasgow	Scotland	71,996	136,235	89%
Leicester	East Midlands	79,006	148,898	88%
Cambridge	East Anglia	154,826	291,079	88%
Liverpool	North West	68,380	127,635	87%
Manchester	North West	68,801	124,477	81%
<b>All old university towns</b>		<b>108,661</b>	<b>177,974</b>	<b>64%</b>

Sources: Halifax \* 12 months to June 2001 and June 2011

**Table 3 – House Price in the 2012 Times Top 20 University Towns and Cities**

Times University Rank	University	Town	University town age status	Average House Price (£) 2001*	Average House Price (£) 2011*	Increase over 10 Years
1	University of Oxford	Oxford	Old	194,943	258,531	33%
2	University of Cambridge	Cambridge	Old	154,826	291,079	88%
3,4,5	LSE, Imperial and University College	London	Old	196,695	287,189	46%
6	University of St Andrews	St.Andrews	Old	168,234 <sup>1</sup>	299,606 <sup>1</sup>	78%
6	Durham University	Durham	Old	69,098	113,561	64%
8	University of Warwick	Coventry	New	76,159	137,092	80%
9	Lancaster University	Lancaster	New	77,254	142,331	84%
10	University of Exeter	Exeter	Old	107,313	205,281	91%
11	University of York	York	New	101,096	179,036	77%
12	University of Bath	Bath	New	154,334	259,536	68%
13	University of Bristol	Bristol	Old	119,072	186,812	57%
14	University of Sussex	Brighton	New	140,546	246,594	75%
15	University of Edinburgh	Edinburgh	Old	100,201	203,452	103%
16	University of Nottingham	Nottingham	Old	76,532	131,031	71%
17	University of Leicester	Leicester	Old	79,006	148,898	88%
17	University of Sheffield	Sheffield	Old	70,229	126,863	81%
19	Southampton University	Southampton	Old	130,764	192,318	47%
20	Loughborough University	Loughborough	New	88,969	169,187	90%
	<b>Average for Top 20<sup>2</sup></b>			<b>100,465</b>	<b>174,257</b>	<b>73%</b>

Sources: Halifax \* 12 months to June 2001 and June 2011

Note: 1 St. Andrews figures from Registrars of Scotland – 12 months to March 2003 to 12 months to December 2010

<sup>2</sup> excluding London

**Editors' Notes:**

<sup>1</sup> The prices used are simple arithmetic ('crude') averages. These prices are not standardised and therefore can be affected by changes in the sample from period to period. Data is from Halifax with average house price based on the rolling 12 months to June 2011.

The Times Top University Ranking takes into account eight criteria (such as student satisfaction, research quality, resources and facilities, and good honours) to inform applicants. As such, it is a good guide to which are the most popular universities in the country. **Universities on the whole have become increasingly popular over the past decade with 1.62 million students registered on full-time undergraduate and postgraduate courses – an increase of 40% or 453,000 since 1999/00.**

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