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This **Lloyds Bank House Prices and Schools Review** examines house prices in the postal districts of the 30 top performing secondary state schools in England and the top ten performing secondary state schools in each region. The school rankings has been compiled using 2012 GCSE performance data from the Department for Education and reflects the percentage of pupils achieving 5+ A\*-C GCSEs (excluding equivalents) including A\*-C in both English and Maths GCSE and the percentage of A-A\* grades awarded. The review is based on house price data from the Land Registry.

## **£300,000 to buy a house near England's top state schools**

**\*Parents pay a house price premium of £31,500 to live close to a top state school\***

**Parents looking to purchase a home close to one of the country's top 30 performing state schools face paying an average house price of £295,972, according to new research by Lloyds Bank.**

Average property prices in the postal districts of the top 30 state schools in England – defined as those secondary schools that achieved the best GCSE results<sup>1</sup> in 2012 - were on average £31,490 (12%) higher than the neighbouring locations in their county (£264,482).

### **A third of locations close to the top state schools command a housing premium of over £80,000**

Nine of the 30 top state schools are in locations that command a house price premium of over £80,000 compared to their surrounding locations. Homes in the postal district of the Henrietta Barnett School in North London have the largest premium with homes trading at a premium of 87% (£402,600) to the average house price in neighbouring areas. Homes within the postal district of Tiffin Girls' School and Tiffin (Boys') School in Kingston-upon-Thames command the second highest premium with house prices in the postal district of KT2 at a premium of 51% (£207,591) to the average for the borough. (See Table 1)

### **But, parents don't always have to pay a premium...**

However, more than a third of England's top 30 state schools – 12 in total - are in locations where the average property price is below the average of those in neighbouring areas. With an average price of £94,843, properties in the postal district of King Edward VI Handsworth School in Birmingham (B21) are 42% (or £67,738) below the county average.

In cash terms, the largest discount can be found in the area close to both Kendrick School and Reading School where the average house price in RG1 of £202,721 is £108,033 lower than the county average. (See Table 2)

### **Schools' house price premium highest in northern England**

The postal districts of the top performing secondary state<sup>2</sup> schools in six of the nine English regions command a house price premium compared to their county average.



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The North West has the largest premium with average house prices in the postal districts of the top ten state schools in the region trading 28% (£43,142) above the average house price in their county. This is followed by Yorkshire and the Humber (premium of 18%) and London (15%). (See Table 3)

In contrast, homes in the East Midlands that are close to the best performing state schools are, on average, 6% lower than in neighbouring locations. Average property prices are also below those of surrounding areas in the South West (-4%) and the South East (-3%).

### **High property values price out many parents on average earnings**

Those on average earnings are finding it difficult to purchase a property close to many of the best state schools.

The average house price of £295,972 in the postal districts of the 30 best performing state schools is almost nine (8.8) times average gross annual earnings (£33,740). This is significantly higher than the average across England of 7.3 times average gross annual earnings. (See Table 4)

Homes within the postal district of the Henrietta Barnett School – the most expensive in this survey - are the least affordable with the typical property price of £863,340 in this part of north London almost twenty-one times (20.6) gross average annual earnings in the area. Houses in the postal district of the Tiffin Girls' School and the Tiffin School are the second least affordable (13.3).

In contrast, properties in the postal district of King Edward VI Handsworth School in Birmingham - the least expensive in this survey at £94,843 - are the most affordable with a house price to earnings ratio of 3.3.

### **Nitesh Patel, Housing Economist, Lloyds Bank said:**

*"All parents want to ensure their children have access to the best schools, so it is not surprising that homes in areas close to the top performing state schools typically command a significant premium over neighbouring areas.*

*"However, with the availability of suitable homes in short supply, high demand has led to average prices in many of these areas being out of reach for many buyers on average earnings."*



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**Table 1: House prices in postal districts of the highest ranked\* secondary state schools in England 2013 – House prices above county/borough average**

School	County/Borough	Average House Price 2013* (£)	Average House Price in County 2013* (£)	Premium to County 2013 * £	Premium to County 2013 * %
The Henrietta Barnett School	Barnet **	863,340	460,740	402,600	87%
Dr Challoner's Grammar School	Buckinghamshire	450,801	308,980	141,821	46%
Altrincham Grammar School (both for Girls and Boys)	Cheshire	301,267	201,877	99,390	49%
The Tiffin Girls' School and Tiffin School	Kingston Upon Thames **	617,454	409,863	207,591	51%
St Olave's and St Saviour's Grammar School	Kent	364,673	249,471	115,202	46%
Colyton Grammar School	Devon	306,808	213,391	93,417	44%
King Edward VI School	Warwickshire	303,525	218,711	84,814	39%
South Wilts Grammar School for Girls	Wiltshire	252,317	219,475	32,841	15%
Alcester Grammar School	Warwickshire	250,069	218,711	31,358	14%
Newport Girls' High School	Shropshire	207,248	186,005	21,243	11%
<b>Top 30 State Schools average</b>		<b>295,972</b>	<b>264,482</b>	<b>31,490</b>	<b>12%</b>

Sources: Lloyds Bank, Land Registry and Department for Education

\*Average premium to the county average for the thirty top performing state secondary schools. Average price for 12 months to June.

\*\*Local authority data has been used for schools located in London.

**Table 2: House prices in postal districts of the highest ranked\* secondary state schools in England 2013 – House prices below county/borough average**

School	County/Borough	Average House Price 2013* (£)	Average House Price in County 2013* (£)	Discount to County 2013 * £	Discount to County 2013 * %
King Edward VI Handsworth School	County of West Midlands	94,843	162,581	-67,738	-42%
Kendrick School	Berkshire	202,721	310,754	-108,033	-35%
Reading School	Berkshire	202,721	310,754	-108,033	-35%
The Latymer School	Enfield	204,180	300,157	-95,977	-32%
Sir Thomas Rich's School	Gloucester	183,279	230,211	-46,932	-20%
Torquay Boys' Grammar School	Devon	173,698	213,391	-39,693	-19%
Sutton Grammar School	Sutton	248,357	280,051	-31,693	-11%
St Michael's Catholic Grammar School	Barnet	414,872	460,740	-45,868	-10%
Wallington High School for Girls	Sutton	252,363	280,051	-27,687	-10%
Queen Elizabeth's School, Barnet	Barnet	415,405	460,740	-45,335	-10%
<b>Top 30 State Schools average</b>		<b>295,972</b>	<b>264,482</b>	<b>31,490</b>	<b>12%</b>

Sources: Lloyds Bank, Land Registry and Department for Education



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\*Average premium to the county average for the thirty top performing state secondary schools. Average price for 12 months to June.

\*\*Local authority data has been used for schools located in London.

**Table 3: Top state schools house price premium\* by English region, 2013**

Region	Average House Price 2013* (£)	Average House Price in County/Borough 2013* (£)	Premium to County 2013* £	Premium to County 2013* %
North West	195,308	152,167	43,142	28%
Yorkshire and the Humber	200,245	169,966	30,280	18%
Greater London	414,360	359,699	54,662	15%
North <sup>3</sup>	142,143	134,310	7,833	6%
East Anglia	214,396	203,576	10,820	5%
West Midlands	193,359	189,718	3,641	2%
South East	262,061	271,539	-9,478	-3%
South West	217,343	227,211	-9,868	-4%
East Midlands	144,395	154,250	-9,856	-6%

Sources: Lloyds Bank, Land Registry and Department for Education

\*Average premium to the county average for the ten top performing state secondary schools in each region. Average price for 12 months to June.

**Table 4: Least affordable postal districts among the highest ranked\* secondary state schools in England 2013**

School	County	Average House Price 2013* (£)	Average Full Time Earnings	House Price/Earnings ratio
The Henrietta Barnett School	Barnet	863,340	41,908	20.6
The Tiffin Girls' School and Tiffin School	Kingston upon Thames	617,454	46,301	13.3
Colyton Grammar School	Devon	306,808	27,354	11.2
Dr Challoner's Grammar School	Buckinghamshire	450,801	45,381	9.9
St Michael's Catholic Grammar School	Barnet	414,872	41,908	9.9
Queen Elizabeth's School, Barnet	Barnet	415,405	41,908	9.9
King Edward VI School	Warwickshire	303,525	33,777	9.0
South Wilts Grammar School for Girls	Wiltshire	252,317	31,450	8.0
Altrincham Grammar School ( both for Girls and Boys)	Cheshire	301,267	36,777	8.2
Alcester Grammar School	Warwickshire	250,069	33,777	7.4
<b>Top 30 State Schools average</b>		<b>295,972</b>	<b>33,740</b>	<b>8.8</b>

Sources: Lloyds Bank, Land Registry and Department for Education, ONS

\*The thirty top performing state secondary schools in England. Average price for 12 months to June.

\*\*Local authority data has been used for schools located in London.



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**EDITORS' NOTES:**

<sup>1</sup>The ranking has been compiled using 2012 GCSE performance data from the Department for Education and reflect the percentage of pupils achieving 5+ A\*-C GCSEs (excluding equivalents) including A\*-C in both English and Maths GCSE and the percentage of A-A\* grades awarded. National analysis is based on the 30 top performing state schools in England

<sup>2</sup>The regional figures are based on the top ten performing state schools in each region.

<sup>3</sup>North East and Cumbria.

The review covers secondary state schools covering Academies, Academy Converter, City Technology Colleges, Community schools, Community special schools, Foundation schools, Foundation special schools, Voluntary aided and Voluntary controlled schools.

Registered Independent schools (any school which provides full time education for 5 or more pupils of compulsory school age, which is not maintained by a local authority, and which normally charge fees) have been excluded from the research.

Definitions for each school have been sourced from the Department for Education: [http://www.education.gov.uk/schools/performance/download\\_data.html](http://www.education.gov.uk/schools/performance/download_data.html).

A number of the top 30 schools are grammar schools which also require an exam to be passed to allow entry. School's postal districts have been used in the report as they typically provide the best possible chance of attending the school on the basis of location. Although the catchment area of a state school - comprehensive and grammar – can vary, schools usually have an 'oversubscription' criterion, which means that those living closest to the 'school door' will get priority if the number of successful applications exceeds the number of available places.

**House Prices:**

The prices used in this research are simple arithmetic ('crude') averages. These prices are not standardised and therefore can be affected by changes in the sample from period to period. The review is based on data from the Land Registry. The data covers the 12 months to June. The house price premiums have been calculated using the postal district of each school and the relevant average county house price. Local authority data has been used for schools located in London.

**Average Earnings:**

Average earnings figures are from the ONS's "Annual Survey of Hours and Earnings" (ASHE) and refer to the means for male full-time employees. At local authority level, figures for the relevant local authority (residence based) are used.

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**Ends**

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