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UK's most and least affordable cities revealed

- **Average UK city house prices outpacing earnings growth by 11%**
- **House price to average annual earnings ratio up from 5.8 in 2013 to 7.2 in 2018**
- **Londonderry and Stirling are the UK's most affordable with Oxford being the least**

City house prices in the UK have outpaced earnings growth by 11%, causing home affordability to reach on average, its lowest level since 2007, when the ratio of house prices to earnings stood at 7.5. (Table 1)

The average house price within UK cities has risen from £180,548 in 2013 to its highest ever level of £248,233 in 2018. In comparison, average city annual earnings over the same period have risen by just 11% to £34,366.

Oxford is the UK's least affordable city

Oxford, home to the world's highest ranked university¹ has an average house price of £460,184, 12 times (12.6) average annual earnings in the city (£36,430) making Oxford the UK's least affordable city.

There are seven cities with average house prices above 10 times the average annual earnings. In addition to Oxford, these are Chichester (11.5), Winchester (11.3), Truro (11.1), Greater London, Bath and Cambridge (all 10.3). The London average figure disguises considerable variations across the capital with central boroughs significantly less affordable than the Greater London average.

¹ Source – Times Higher Education World University Rankings data <https://www.timeshighereducation.com/student/best-universities/best-universities-world>

MEDIA CONTACTS

Olwen Morris-Jones
Kimberley Hamilton

olwen.morris-jones@lloydsbanking.com 07741 291 601
kimberley.hamilton@lloydsbanking.com 07557 257 298

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The only cities outside southern England and the East are Leicester (8.6), York (8.0) and Worcester (7.7). (Table 3)

Andrew Mason, mortgage products director, Lloyds Bank, said: “Buying a home in UK cities remains challenging, as average house prices are outpacing wage growth. However the market has seen the number of first-time buyers at a high and home owners are still attracted to cities across the UK, in spite of rising costs.

“Over the past five years, more than half of northern cities have made the UK top 10 in house price growth, whereas over a longer period, southern cities dominate.”

Top 20 most affordable cities outside southern England

Stirling in Scotland along with Londonderry, Northern Ireland are the UK's most affordable cities, with an average house price to earnings ratio of 4.4. Stirling is in the top spot for the sixth consecutive year.

Along with Londonderry, two other cities in Northern Ireland, Newry (4.5) and Belfast (5.0), are placed 3rd and 6th respectively within the 10 most affordable cities. Bradford (4.6) is named as the most affordable city in England and Swansea, home to nearly 25,000 students², is the most affordable city in Wales (5.5).

Northern English and Scottish cities make up the remainder of the 10 most affordable cities – Lancaster (4.7), Aberdeen (5.0), Perth (5.1) Hereford (5.1) and Sunderland (5.1). (Table 2)

House price growth highest in Winchester over the past decade

Winchester, England's ancient capital and home to King Arthur's legendary Round Table³, recorded the biggest price rise of any UK city over the past decade with a gain of 93% from £281,224 in 2008 to £541,891 in 2018, compared to the UK cities average of 35%.

² <https://www.visitwinchester.co.uk/listing/the-great-hall/>

³ <https://www.swansea.gov.uk/businessfactsandfigures>

MEDIA CONTACTS

Kimberley Hamilton kimberley.hamilton@lloydsbanking.com 07557 257 258
Olwen Morris-Jones olwen.morris-jones@lloydsbanking.com 07741 291 601



Chichester is second with a rise of 76% followed by Greater London (69%), Cambridge (66%), St Albans (64%) and Oxford (59%). Nine of the 10 top performers since 2008 are in southern England with the exceptions being Lichfield in the West Midlands and Cardiff in Wales (both 54%). (Table 4)

Chichester house prices record the greatest rise in the last five years

Over the past five years, Chichester has recorded the highest house price growth with a rise of 62% from £277,654 in 2013 to £450,023 in 2018. Cambridge has the second highest increase in average house price (61%), followed by Newcastle upon Tyne (56%), Ely (54%) and Lichfield (52%).

(Table 5)

Ends

Table 1: City Affordability, 2008-2018

Year	Average UK city house price £	Average full time Mean earnings £	Price to Earnings ratio
2008	182,467	28,879	6.3
2009	168,734	29,663	5.7
2010	173,427	29,851	5.8
2011	170,076	30,079	5.7
2012	171,745	30,643	5.6
2013	180,548	31,038	5.8
2014	194,374	31,443	6.2
2015	209,837	31,731	6.6
2016	225,238	32,483	6.9
2017	232,945	33,413	7.0
2018	248,233	34,366	7.2

Source: Lloyds Bank, 12 months to December, ONS, ASHE – All, Full Time

Table 2: Top 20 Most Affordable UK cities, 2018

UK cities	Region*	Price to Earnings ratio
Londonderry	Northern Ireland	4.4
Stirling	Scotland	4.4
Newry	Northern Ireland	4.5

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Bradford	Yorkshire and Humberside	4.6
Lancaster	North West	4.7
Belfast	Northern Ireland	5.0
Aberdeen	Scotland	5.0
Perth	Scotland	5.1
Hereford	West Midlands	5.1
Sunderland	North	5.2
Carlisle	North	5.3
Liverpool	North West	5.4
Dundee	Scotland	5.4
Swansea	Wales	5.5
Glasgow	Scotland	5.5
Stoke On Trent	West Midlands	5.5
Durham	North	5.5
Hull	Yorkshire and Humberside	5.6
Inverness	Scotland	5.8
Derby	East Midlands	5.9
UK cities average		7.2
UK average		7.2

Source: Lloyds Bank, ONS
*Economic Planning Region

Table 3: Top 20 Least Affordable UK Cities, 2018

UK cities	Region*	Price to Earnings ratio
Oxford	South East	12.6
Chichester	South East	11.5
Winchester	South East	11.3
Truro	South West	11.1
Greater London	Greater London	10.3
Bath	South West	10.3
Cambridge	East Anglia	10.3
Southampton	South East	9.7
Brighton And Hove	South East	9.6
Chelmsford	South East	9.3
Bristol	South West	9.1

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Exeter	South West	9.1
Leicester	East Midlands	8.6
Salisbury	South West	8.3
Norwich	East Anglia	8.2
York	Yorkshire and Humberside	8.0
Ely	East Anglia	7.9
Canterbury	South East	7.8
St Albans	South East	7.8
Worcester	West Midlands	7.7
UK cities average		7.2
UK average		7.2

Source: Lloyds Bank, ONS

*Economic Planning Region

Table 4: Top 10 UK cities with Highest House Price Growth, 2008-2018

City	Region*	Average House Price 2008 (£)	Average House Price 2018 (£)	10 year % change
Winchester	South East	281,224	541,891	93%
Chichester	South East	255,416	450,023	76%
Greater London	Greater London	297,364	502,505	69%
Cambridge	East Anglia	270,949	448,583	66%
St Albans	South East	317,825	521,116	64%
Oxford	South East	289,860	460,184	59%
Bath	South West	263,402	415,010	58%
Ely	East Anglia	192,458	298,357	55%
Lichfield	West Midlands	210,342	324,594	54%
Cardiff	Wales	158,355	243,309	54%
UK Cities Average		182,602	246,484	35%
UK Average		190,751	265,405	39%

Source: Lloyds Bank, 12 months to December

Table 5: Top 10 UK cities with Highest House Price Growth, 2013-2018

City	Region*	Average House Price 2013 (£)	Average House Price 2018 (£)	5 year % change
Chichester	South East	277,654	450,023	62%

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Cambridge	East Anglia	278,433	448,583	61%
Newcastle upon Tyne	North	142,960	223,549	56%
Ely	East Anglia	193,226	298,357	54%
Lichfield	West Midlands	214,248	324,594	52%
Bristol	South West	202,098	306,170	51%
Lisburn	Northern Ireland	122,183	184,987	51%
Birmingham	West Midlands	138,602	207,751	50%
Manchester	North West	132,189	196,259	48%
Sheffield	Yorkshire and Humberside	131,874	195,351	48%
UK Cities Average		179,386	246,484	37%
UK Average		194,314	265,405	37%

Source: Lloyds Bank, 12 months to December

*Economic Planning Region

This is the annual **Lloyds Bank Affordable Cities Review** and tracks housing affordability in 62 cities (including Greater London) across the UK. The review is based on Lloyds Banking Group's own housing statistics database and the Office for National Statistics (ONS). Earnings figures used are for the relevant local authority district of each city (see editor's notes).

Notes to Editors:

1 Defined as comprising Greater London, the South East, the South West and East Anglia

- 62 cities surveyed.
- Wells, Armagh, Ripon, St Davids, St Asaph and Bangor have been excluded from the analysis due to an insufficient sample size.
- Westminster and City of London are included as part of Greater London and have not been identified separately.

A city is typically defined as 'a large town' or 'any town in the UK which has a cathedral'. However, there are notable exceptions to this including towns that were awarded city status to mark special occasions. For example, Chelmsford, Perth and St Asaph were awarded city status as part of Golden Jubilee celebrations. For more information please visit: <http://www.ukcities.co.uk/>

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 data used in the release largely refers to the 12 months to December.

The regions are based on Economic Planning Regions (EPR):

- Northern consists of the North East, North West, Yorkshire & the Humber, East Midlands, West Midlands, Scotland, Wales and Northern Ireland.
- Southern consists of Greater London, South East, South West and East of England.

Data sources:

MEDIA CONTACTS

Kimberley Hamilton kimberley.hamilton@lloydsbanking.com 07557 257 258
Olwen Morris-Jones olwen.morris-jones@lloydsbanking.com 07741 291 601

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This research is based on data from the Lloyds Banking Group's own housing statistics database and ONS data on average earnings.

1. 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 data used in the release largely refers to the 12 months to December. Source: Halifax House Price database.

2. Average Earnings

Average earnings figures are estimated from the ONS's "Annual Survey of Hours and Earnings" (ASHE) and refer to the means for full-time employees.

At a city level, figures for the relevant local authority (residence based) are used in the majority of cases. Where this has not been possible due to data unavailability, the nearest local authority average has been used.

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MEDIA CONTACTS

Olwen Morris-Jones
Kimberley Hamilton

olwen.morris-jones@lloydsbanking.com 07741 291 601
kimberley.hamilton@lloydsbanking.com 07557 257 298