

This is the **Lloyds TSB University Town House Price Review**, tracking house price movements in 70 university towns across the UK. The review is based on the Lloyds Banking Group housing statistics database, along with data from the Higher Education Statistics Agency.

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NEW STUDENTS BOOST HOUSE PRICES IN UNIVERSITY TOWNS

The arrival of A' Level results marks the scramble to fill university places across the UK. While most first year students get ready to settle into halls, some freshers will join their second or third year counterparts in opting for privately owned housing, boosting the local market, according to new analysis from Lloyds TSB.

More than half (60%) of university towns across the UK have seen house price growth outperform the region in the past 5 years, with the biggest increases appearing in towns that have seen a real uplift in the number of students over the same time.

- Aberdeen – home to 29,300 students– saw a house price gain of almost 40%; compared to 14% price growth across Scotland. This is coupled with a 54% increase in the student population.
- The University of Ulster campus is responsible for a 30% growth in student population in Coleraine since 2005 and has recorded a price increase of 34%, ahead of the 24% for Northern Ireland.
- In Winchester, prices rose by 30% in comparison to 2.5% in the South East – as student numbers in the town were boosted by 78%. The average house price of £385,713 is 114% above the UK average of £180,501.

However, it's more of a mixed picture for some of the UK's largest University Towns, despite an increase in student population:

- Edinburgh, having the eighth largest student population in the UK, has seen house prices rise by 11% in the last five years, as student numbers rose by over a third to 55,195.
- London and Glasgow recorded price growth of just 5% since 2005, although the student population rose by 76% and 43% respectively.
- Student numbers have risen by 66% in Birmingham, but house prices are 3% lower than 5 years ago and just over 11% below the West Midlands average.
- Leeds, Manchester and Nottingham have all seen their student population rise by over a third, but only the West Yorkshire city has an average house price above that of the region.

Nitesh Patel, housing economist at Lloyds TSB commented:

"Growing student numbers have had a big impact in boosting house prices in some university towns – where the increase in demand has led to the local market outperforming the rest of the region. However, it's a very mixed picture for some of UK's largest university towns that have seen student population increase significantly without impacting on house prices.

In the past five years population across the university towns in UK has increased by nearly a million students. Naturally, this has boosted demand for property and land to provide suitable accommodation for students."

Note: ¹ includes only full time students enrolled with a higher education institutes for a postgraduate or undergraduate course. Figures are from HESA.

KEY FINDINGS

Largest Price Increases

- Seventeen of the 29 towns with the largest price increase are outside southern England.
- In southern England, the biggest increases were in Winchester (29%), Brighton (19%), Cambridge (17%) and Chelmsford (9%).

House Prices in University Towns and Regions

- At £385,713 the average house price in Winchester is 65% above the South East average of the largest amongst university towns.
- Winchester is followed Cambridge with an average house price of £264,616 (57% above the East Anglia average of £169,050) and Ormskirk (51% above the North West average of £140,120).
- In Portsmouth the average house price of £149,676 is 36% lower than in the rest of the South East. The south coast town is followed by Plymouth (25%) and Hull (23%).

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Table 1: University towns with largest price increases

University Town	Region	Average House Price 2005* (£)	Average House Price 2010* (£)	5 years % change in average house price	5 years % change in average house price in Region	% increase in student population**
Aberdeen	Scotland	123,187	172,007	39.6%	14.1%	54%
Coleraine	Northern Ireland	128,803	172,250	33.7%	23.9%	30%
Winchester	South East	296,742	385,713	30.0%	2.5%	78%
Carmarthen	Wales	153,224	196,917	28.5%	-4.4%	69%
Belfast	Northern Ireland	117,174	147,182	25.6%	23.9%	42%
Stirling	Scotland	140,700	167,376	19.0%	14.1%	50%
Brighton	South East	203,357	241,674	18.8%	2.5%	47%
Dundee	Scotland	108,268	127,663	17.9%	14.1%	40%
Cambridge	East Midlands	227,035	264,616	16.6%	-5.4%	24%
Ceredigion	Wales	166,496	186,781	12.2%	-4.4%	91%

Sources: Lloyds Banking Group

* average price for 12 months to June 2005 and June 2010

** For the period 2004/05 to 2008/09 – HESA.

Table 2: Top University towns with largest student population and house price performance

University Town	Region	Average House Price 2005* (£)	Average House Price 2010* (£)	5 years % change in average house price	Student population*	% increase in student population**
London	Greater London	271,958	286,047	5%	376,870	76%
Birmingham	West Midlands	138,561	135,049	-3%	78,015	66%
Leeds	Yorkshire and the Humber	143,534	141,550	-1%	76,990	34%
Manchester	North West	136,291	126,495	-7%	73,445	34%
Glasgow	Scotland	133,208	139,378	5%	66,480	43%
Sheffield	Yorkshire and the Humber	130,799	131,798	1%	58,545	46%
Nottingham	East Midlands	141,495	126,863	-10%	57,830	37%
Edinburgh	Scotland	177,072	195,850	11%	55,195	34%
Liverpool	North West	133,636	135,504	1%	53,845	49%
Bristol	South West	185,620	189,562	2%	53,365	63%

Sources: Lloyds Banking Group

*average price for 12 months to June 2005 and June 2010

** For the period 2004/05 to 2008/09 – HESA.

Table 3: University towns with house price above the region

University Towns	Region	Average House Price 2010*	% difference in price compared to Region	Full Time Students** 2008/09
Winchester	South East	385,713	65%	5,905
Cambridge	East Anglia	264,616	57%	22,820
Ormskirk	North West	211,521	51%	24,340
Chelmsford	East Anglia	247,194	46%	20,830
Carmarthen	Wales	196,917	46%	2,345
Guildford	South East	334,811	44%	15,755
Farnham	South East	326,037	40%	7,585
Ceredigion	Wales	186,781	38%	n/a
Edinburgh	Scotland	195,850	34%	55,195
Chester	North West	186,689	33%	13,485

Sources: Lloyds Banking Group * 12 months to June 2010

** Full time postgraduates and undergraduates with HE institution HESA 2008/09

House Prices

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 2010. In the past 5 years the number of full time students¹ enrolled with UK universities has risen from 1.374 million in 2004/05 to 2.271 million 2008/09, an increase of 65%. Student population data is for all full time postgraduates and undergraduates enrolled with a higher education institution in the UK from Higher Education Statistics Agency (HESA) – 2004/05 and 2008/09.

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