

Nationwide SPECIAL REPORT

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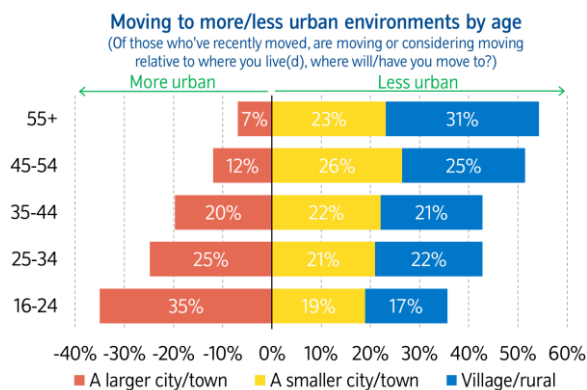
May 2022

Rural areas have seen biggest rises in house prices

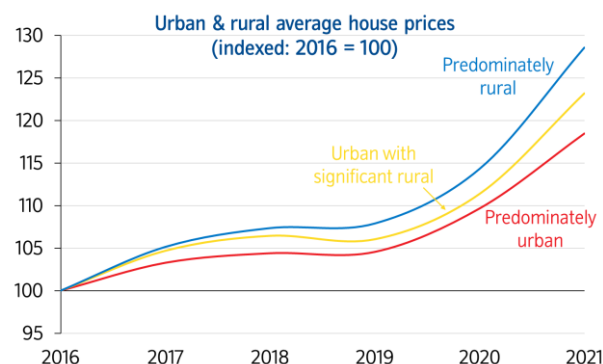
- House prices in predominantly rural areas have risen by 29% over last five years, compared to 18% in predominantly urban areas
- Rural detached properties have seen strongest rates of price growth, urban flats the weakest
- 13 of the top 20 local authorities for house price growth in 2021 classed as rural

Commenting on the figures, Andrew Harvey, Senior Economist, said:

“According to our latest housing market survey, 28% of those who had recently moved, were moving or considering a move, were looking to move to a different area¹. The majority of people are looking to move to less urban areas, with this preference more pronounced for older age cohorts, as shown in the chart below.



“Our latest analysis suggests that average house price growth in local authorities classified as predominantly rural has outpaced that of other areas, particularly in the last couple of years. Between December 2016 and December 2021, average prices in predominantly rural areas increased by 29%, compared with 18% in predominantly urban areas. Local authorities classified as ‘urban with significant rural’ saw price growth of 23% over the same period.



Source: Nationwide analysis of ONS/Land Registry data

“Average house prices in predominantly rural areas rose by more than 12% in 2021, double that seen in 2020. 13 of the 20 top performing local authorities were classified as rural, with North Devon recording the strongest growth – average house prices up 24% year-on-year. Meanwhile, Camden in London was the top performing urban authority, with a 20% increase over the year. See full table on next page.

“It is notable that the list features a number of areas closely associated with tourism, including parts of Devon, South Wales, the Cotswolds and the Broads. This suggests some of the demand may be being driven by those buying holiday or second homes. Indeed, ONS data suggests that the rate of second home ownership is significantly above average in areas such as South Hams, Pembrokeshire and Ceredigion, areas which are amongst those seeing the fastest rates of growth.

“We’ve used the ONS’ broad rural urban classification, which looks at the proportion of the population in local authorities living in different area types. In local authorities classed as ‘predominantly rural’, more than half of the population live either in rural settlements or market towns. In authorities classed as ‘urban with significant rural’, between 26% and 49% of the population live in either rural villages or market towns. In ‘predominantly urban’ local authorities, 75% or more of the population are either in towns or cities.

¹ Research conducted online by Censuswide, 6-7 April 2022, with a nationally representative 3,003 general consumers aged 16+ across the UK.

Top performing local authorities (2021)				
Local Authority	GOR	Rural urban classification	Avg price (Dec-21)	% chg
North Devon	S West	Rural	326,848	24%
South Hams	S West	Rural	420,851	22%
Rushcliffe	E Mids	Rural	355,398	22%
Ceredigion	Wales	Rural	244,619	21%
Camden	London	Urban	947,511	20%
Hastings	S East	Urban	271,432	19%
Pembrokeshire	Wales	Rural	231,355	19%
South Norfolk	East	Rural	330,003	19%
Cotswold	S West	Rural	481,402	19%
Eilean Siar	Scot	Rural	144,755	19%
Torridge	S West	Rural	293,098	18%
Vale of Glamorgan	Wales	Urban	287,199	18%
Mid Devon	S West	Rural	287,337	18%
Eastleigh	S East	Urban	339,946	18%
Broadland	East	Urban with sig. rural	319,182	18%
Hyndburn	N West	Urban	120,038	17%
Somerset West & Taunton	S West	Rural	286,910	17%
Maldon	East	Rural	399,937	17%
East Hampshire	S East	Rural	451,320	17%
Wyre Forest	W Mids	Urban with sig. rural	241,109	17%

“Of the 362 local authorities in Great Britain, 212 (59%) are classified as predominately urban, 98 (27%) as predominately rural, while the remaining 52 (14%) are classed as urban with significant rural. The South West has the highest proportion of rural local authorities, with nearly 60% being predominately rural (17 out of 29), while London unsurprisingly has none.

“The tables below show the top performing local authorities in terms of annual house price growth in 2021 split by rural & urban.

Top performing rural local authorities			
Govt Office Region	Local authority	Avg price (Dec-21)	% chg
South West	North Devon	326,848	24%
East Midlands	Rushcliffe	355,398	22%
Wales	Ceredigion	244,619	21%
East of England	South Norfolk	330,003	19%
Scotland	Eilean Siar	144,755	19%
South East	East Hampshire	451,320	17%
Yorkshire*	Ryedale	311,112	17%
North West	Ribble Valley	255,116	16%
West Midlands	Wychavon	326,259	14%
North East	County Durham	119,566	9%

* Refers to Yorkshire and The Humber.
Note: No rural local authorities in London.

Top performing urban local authorities			
Govt Office Region	Local authority	Avg price (Dec-21)	% chg
London	Camden	947,511	20%
South East	Hastings	271,432	19%
Wales	Vale of Glamorgan	287,199	18%
North West	Hyndburn	120,038	17%
Scotland	Fife	166,870	16%
South West	Torbay	243,433	16%
West Midlands	Nuneaton & Bedworth	216,966	15%
East Midlands	Blaby	279,412	15%
North East	Sunderland	137,274	13%
East of England	Harlow	308,609	12%
Yorkshire*	York	303,795	12%

* Refers to Yorkshire and The Humber.

Rural detached properties have seen strongest growth over past 5 years

“Increased demand for properties in rural areas in recent years has been part of the ‘race for space’ seen since the start of the pandemic. However, this shift in preferences is also reflected in price trends by property type. Between December 2016 and December 2021, rural detached properties saw the strongest price growth, with average prices increasing by 32%. (Note that due to data availability, these figures exclude Scottish local authorities.)

“Rural semi-detached houses increased by 29% over the same period, while urban detached properties and rural terraced houses both saw average prices increase by 27%. Flats saw considerably weaker price growth, particularly those in predominately urban areas, which increased by just 6% over the last five years.



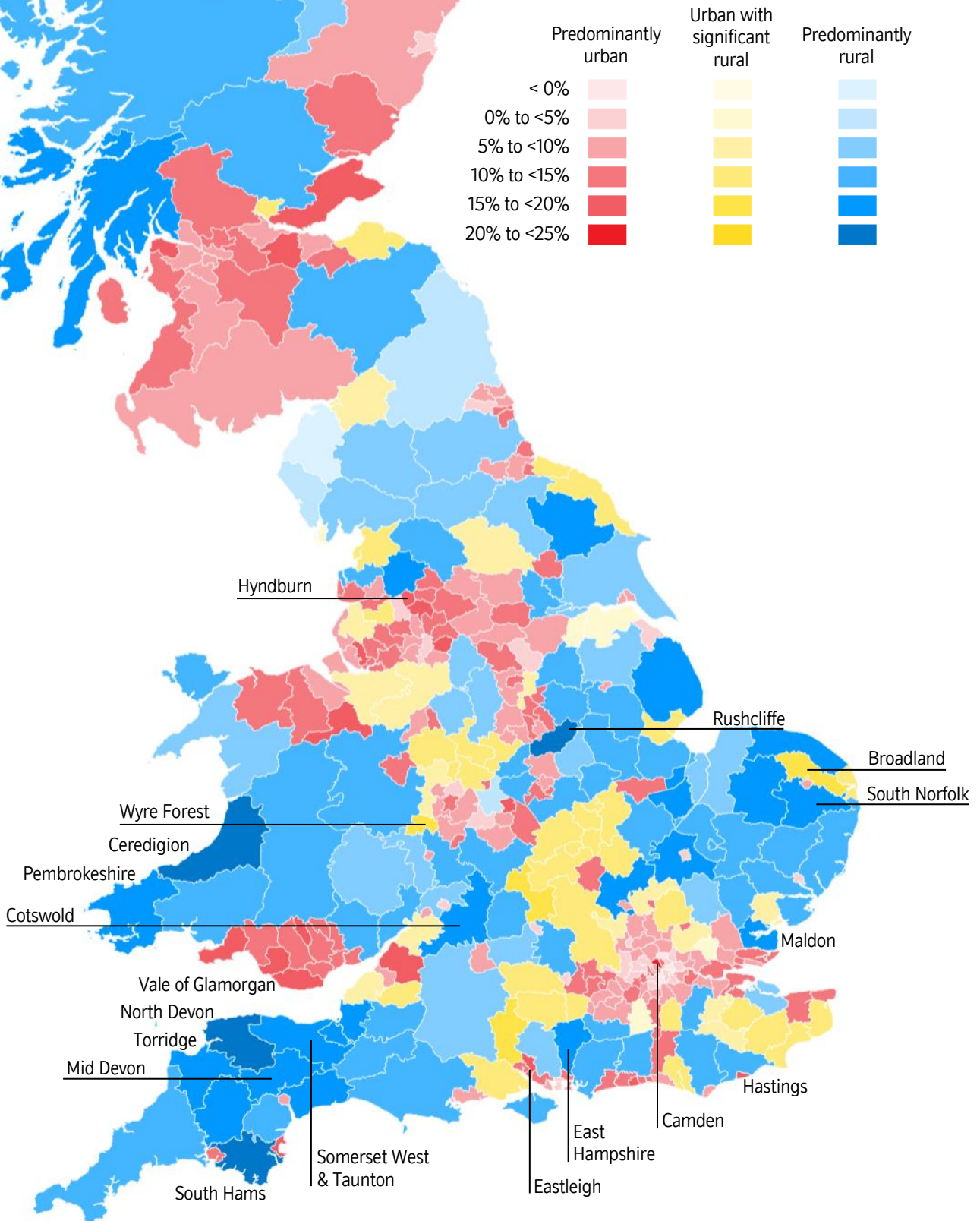
Source: Nationwide analysis of ONS/Land Registry data

“Despite this, the average price of a detached property in predominantly rural areas is still nearly 10% lower compared with the average for predominately urban areas. This may be because detached properties attract a particular premium in urban areas, making up a smaller proportion of the housing stock. For example, in local authorities classified as predominately urban, only 12% of the total stock is detached, compared with 26% in predominately rural areas.”

Local authority annual house price growth (2021)

Top 20 locations labelled

Eilean Siar



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Local authorities in each Government Office Region

East Midlands: Amber Valley, Ashfield, Bassetlaw, Blaby, Bolsover, Boston, Broxtowe, Charnwood, Chesterfield, Corby, Daventry, Derby, Derbyshire Dales, East Lindsey, Erewash, Gedling, Harborough, High Peak, Hinckley and Bosworth, Leicester, Lincoln, Mansfield, Melton, Newark & Sherwood, North East Derbyshire, North Kesteven, North Northamptonshire, North West Leicestershire, Nottingham, Oadby & Wigston, Rushcliffe, Rutland, South Derbyshire, South Holland, South Kesteven, West Lindsey, West Northamptonshire

East of England: Babergh, Basildon, Bedford, Braintree, Breckland, Brentwood, Broadland, Broxbourne, Cambridge, Castle Point, Central Bedfordshire, Chelmsford, Colchester, Dacorum, East Cambridgeshire, East Hertfordshire, East Suffolk, Epping Forest, Fenland, Great Yarmouth, Harlow, Hertsmere, Huntingdonshire, Ipswich, King's Lynn & West Norfolk, Luton, Maldon, Mid Suffolk, North Hertfordshire, North Norfolk, Norwich, Peterborough, Rochford, South Cambridgeshire, South Norfolk, Southend-on-Sea, St Albans, Stevenage, Tendring, Three Rivers, Thurrock, Uttlesford, Watford, Welwyn Hatfield, West Suffolk

London: Barking & Dagenham, Barnet, Bexley, Brent, Bromley, Camden, City of London, Croydon, Ealing, Enfield, Greenwich, Hackney, Hammersmith & Fulham, Haringey, Harrow, Havering, Hillingdon, Hounslow, Islington, Kensington & Chelsea, Kingston upon Thames, Lambeth, Lewisham, Merton, Newham, Redbridge, Richmond upon Thames, Southwark, Sutton, Tower Hamlets, Waltham Forest, Wandsworth, Westminster

North East: County Durham, Darlington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar & Cleveland, South Tyneside, Stockton-on-Tees, Sunderland

North West: Allerdale, Barrow-in-Furness, Blackburn with Darwen, Blackpool, Bolton, Burnley, Bury, Carlisle, Cheshire East, Cheshire West & Chester, Chorley, Copeland, Eden, Fylde, Halton, Hyndburn, Knowsley, Lancaster, Liverpool, Manchester, Oldham, Pendle, Preston, Ribble Valley, Rochdale, Rossendale, Salford, Sefton, South Lakeland, South Ribble, St. Helens, Stockport, Tameside, Trafford, Warrington, West Lancashire, Wigan, Wirral, Wyre

Scotland: Aberdeen City, Aberdeenshire, Angus, Argyll & Bute, City of Edinburgh, City of Glasgow, Clackmannanshire, Dumfries & Galloway, Dundee City, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, Eilean Siar, Falkirk, Fife, Highland, Inverclyde, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Renfrewshire, Scottish Borders, Shetland Islands, South Ayrshire, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian

South East: Adur, Arun, Ashford, Basingstoke & Deane, Bracknell Forest, Brighton & Hove, Buckinghamshire, Canterbury, Cherwell, Chichester, Crawley, Dartford, Dover, East Hampshire, Eastbourne, Eastleigh, Elmbridge, Epsom & Ewell, Fareham, Gosport, Gravesham, Guildford, Hart, Hastings, Havant, Horsham, Isle of Wight, Lewes, Maidstone, Medway, Mid Sussex, Milton Keynes, Mole Valley, New Forest, Oxford, Portsmouth, Reading, Reigate & Banstead, Rother, Runnymede, Rushmoor, Sevenoaks, Shepway, Slough, South Oxfordshire, Southampton, Spelthorne, Surrey Heath, Swale, Tandridge, Test Valley, Thanet, Tonbridge & Malling, Tunbridge Wells, Vale of White Horse, Waverley, Wealden, West Berkshire, West Oxfordshire, Winchester, Windsor & Maidenhead, Woking, Wokingham, Worthing

South West: Bath & North East Somerset, Bournemouth Christchurch & Poole, Bristol, Cheltenham, Cornwall, Cotswold, Dorset, East Devon, Exeter, Forest of Dean, Gloucester, Mendip, Mid Devon, North Devon, North Somerset, Plymouth, Sedgemoor, Somerset West & Taunton, South Gloucestershire, South Hams, South Somerset, Stroud, Swindon, Teignbridge, Tewkesbury, Torbay, Torridge, West Devon, Wiltshire

Wales: Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Carmathenshire, Ceredigion, Conwy, Denbighshire, Flintshire, Gwynedd, Isle of Anglesey, Merthyr Tydfil, Monmouthshire, Neath Port Talbot, Newport, Pembrokeshire, Powys, Rhondda Cynon Taf, Swansea, Torfaen, Vale of Glamorgan, Wrexham

West Midlands: Birmingham, Bromsgrove, Cannock Chase, Coventry, Dudley, East Staffordshire, Herefordshire, Lichfield, Malvern Hills, Newcastle-under-Lyme, North Warwickshire, Nuneaton & Bedworth, Redditch, Rugby, Sandwell, Shropshire, Solihull, South Staffordshire, Stafford, Staffordshire Moorlands, Stoke-on-Trent, Stratford-on-Avon, Tamworth, Telford & Wrekin, Walsall, Warwick, Wolverhampton, Worcester, Wychavon, Wyre Forest

Yorkshire and The Humber: Barnsley, Bradford, Calderdale, Craven, Doncaster, East Riding of Yorkshire, Hambleton, Harrogate, Kingston upon Hull, Kirklees, Leeds, North East Lincolnshire, North Lincolnshire, Richmondshire, Rotherham, Ryedale, Scarborough, Selby, Sheffield, Wakefield, York

Notes

House price data is sourced from the UK House Price Index (UK HPI) dataset. Data covers the period December 2016 to December 2021. The UK HPI is a joint production by HM Land Registry, Land and Property Services Northern Ireland, Office for National Statistics and Registers of Scotland. Contains HM Land Registry data © Crown copyright and database right 2021. This data is licensed under the Open Government Licence v3.0.

Rural/urban classification uses RUC2011 from the Office for National Statistics (for England & Wales) and Scottish Government Urban Rural Classification (2016).

To derive average house price for each broad classification group (i.e. predominantly urban, urban with significant rural and predominantly rural), we calculated a weighted average of the local authorities within each group. Weights used based on the stock of dwellings in each local authority. For property type (i.e. detached, semi-detached, terraced & flats), we weighted by the stock of the relevant type within each local authority.

Dwellings stock data sourced from Valuation Office Agency (for England & Wales) and Scottish Government.

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