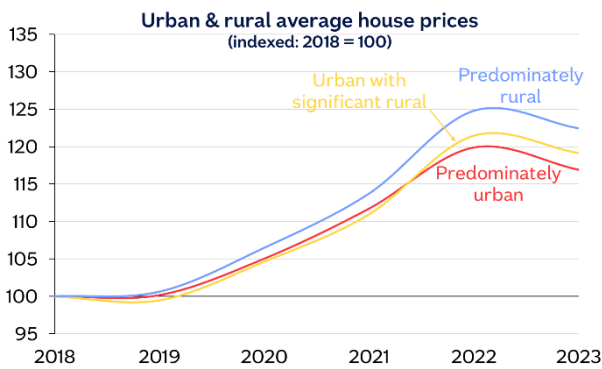


## Rural areas saw strongest house price growth over last five years

- House prices in predominantly rural areas have risen by 22% over the last five years, compared to 17% in predominantly urban areas
- Rural semi-detached properties have seen the strongest rate of price growth, urban flats the weakest

### Commenting on the figures, Andrew Harvey, Nationwide's Senior Economist, said:

“Our latest analysis suggests that average house price growth in local authorities classified as predominantly rural has continued to outpace those of other areas. Between December 2018 and December 2023, average prices in predominantly rural areas increased by 22%, compared with 17% in predominantly urban areas. Local authorities classified as ‘urban with significant rural’ saw price growth of 19% over the same period.



Source: Nationwide analysis of ONS/Land Registry data

“Average house prices across both urban and rural areas declined a little overall during 2023, which reflects the rise in borrowing costs, which have added to affordability pressures.

“Despite rural areas performing better overall, only eight out of the 20 top performing local authorities in 2023 were classed as predominantly rural. Nonetheless, this does include a number of tourist hotspots such as Devon (South Hams and East Devon) and Westmorland & Furness in the Lake District. This suggests some of the demand may be being driven by those buying holiday or second homes. Indeed, ONS data suggests second home ownership is significantly above average in South Hams.

“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.

### Top performing local authorities (2023)

Local Authority	GOR	Type	Average price	% chg
Eilean Siar	Scotland	Rural	158,638	13%
East Renfrewshire	Scotland	Urban	304,160	10%
South Hams	S West	Rural	425,284	6%
Midlothian	Scotland	Urban	236,601	6%
West Lancashire	N West	Urban sig. rural	236,460	5%
East Devon	S West	Rural	357,534	5%
East Dunbartonshire	Scotland	Urban	271,624	4%
Winchester	S East	Rural	490,588	4%
Newcastle upon Tyne	N East	Urban	196,297	4%
Rossendale	N West	Urban	210,065	4%
Mole Valley	S East	Urban sig. rural	585,689	4%
North West Leicestershire	E Mids	Rural	266,301	4%
Dundee	Scotland	Urban	145,119	4%
Rutland	E Mids	Rural	390,970	3%
Chorley	N West	Urban sig. rural	235,612	3%
East Lothian	Scotland	Urban sig. rural	301,780	3%
Manchester	N West	Urban	248,260	3%
Edinburgh	Scotland	Urban	321,061	3%
Scottish Borders	Scotland	Rural	199,997	3%
Westmorland and Furness	N West	Rural	225,657	3%

“Of the 349 local authorities in Great Britain, 212 (61%) are classified as predominantly urban, 89 (26%) as predominantly rural, while the remaining 48 (14%) are classed as urban with significant rural. The South West has the highest proportion of rural local authorities, with over 50% being predominantly rural (14 out of 26), while London unsurprisingly has none.

“The tables on the next page show the top performing local authorities in each region in terms of annual house price growth in 2023 split by rural and urban.

## Top performing rural local authorities (2023)

GOR	Local authority	Average price	% chg
Scotland	Eilean Siar	158,638	13%
S West	South Hams	425,284	6%
S East	Winchester	490,588	4%
East Mids	N West Leicestershire	266,301	4%
N West	Westmorland & Furness	225,657	3%
East	East Cambridgeshire	336,715	2%
W Mids	Wychavon	343,058	2%
N East	Northumberland	197,937	1%
Yorkshire	East Riding of Yorkshire	223,571	0%
Wales	Gwynedd	212,754	0%

Note: No rural local authorities in London

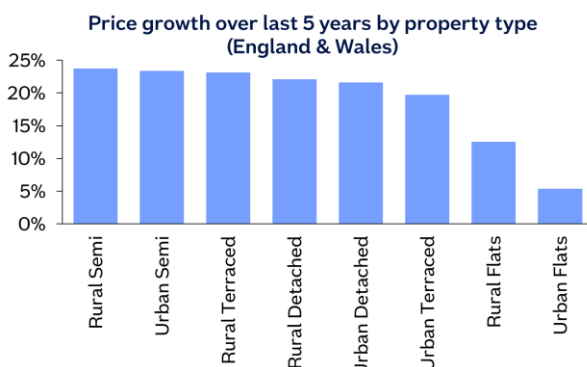
## Top performing urban local authorities (2023)

GOR	Local authority	Average price	% chg
Scotland	East Renfrewshire	304,160	10%
N East	Newcastle upon Tyne	196,297	4%
N West	Rossendale	210,065	4%
E Mids	Amber Valley	234,654	3%
Yorkshire	Calderdale	191,965	3%
W Mids	Bromsgrove	357,013	2%
S East	Worthing	350,822	2%
London	Richmond upon Thames	745,641	1%
Wales	Vale of Glamorgan	297,425	1%
S West	Bristol	355,199	0%
East	Basildon	375,622	-1%

## Rural semi-detached properties have seen strongest price growth over last five years

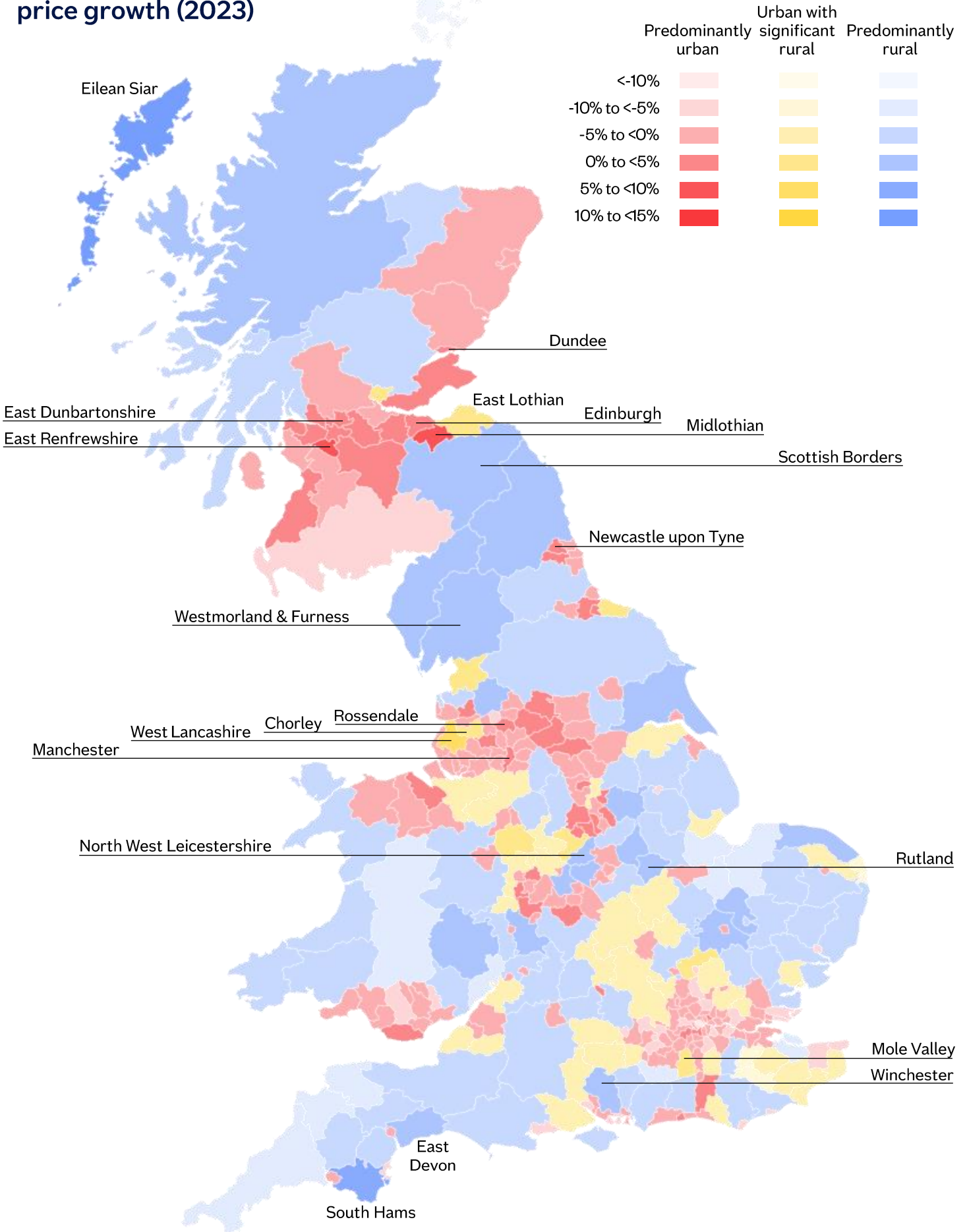
“Increased demand for properties in rural areas over recent years has been part of the ‘race for space’ seen during the pandemic. However, it is actually rural semi-detached properties that have seen the strongest price growth between December 2018 and December 2023, with average prices increasing by 24%. (Note that due to data availability, these figures exclude Scottish local authorities).”

“Rural terraces increased by 23% over the same period, as did urban semis, while rural detached properties increased by 22%. Flats saw considerably weaker price growth, particularly those in predominately urban areas, which increased by just 5% over the last five years.”



Source: Nationwide analysis of ONS/Land Registry data

**Local authority annual house price growth (2023)**



## Notes

House price data is sourced from the UK House Price Index (UK HPI) dataset. Data covers the period December 2018 to December 2023. 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 2024. 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.

## Legal Information

The Nationwide House Price Indices are prepared from information that we believe is collated with care, but no representation is made as to their accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue the indices at any time, for regulatory or other reasons.

**Persons seeking to place reliance on the Indices for any purpose whatsoever do so at their own risk and should be aware that various factors, including external factors beyond Nationwide Building Society's control might necessitate material changes to the Indices.**

The Nationwide House Price Indices may not be used for commercial purposes including as a reference for: 1) determining the interest payable, or other sums due, under loan agreements or other contracts relating to investments 2) determining the price at which investments may be bought or sold or the value of investments or 3) measuring the performance of investments.

Nationwide Building Society is the owner of the trade mark "Nationwide" and all copyright and other rights in the Nationwide House Price Indices.

The application of the IOSCO Principles on financial benchmarks to the NHPI is more fully set out in our **statement regarding IOSCO Principles**. Nationwide considers that its arrangements for administration of the NHPI comply with the IOSCO Principles in a proportionate manner having regard to the nature of the index.

Commentary and other materials posted on our website are not intended to amount to advice on which reliance should be placed or an offer to sell or solicit the purchase by you of any products or services that we provide. We therefore do not accept any liability or responsibility arising from any reliance placed on such materials by any visitor to our website, or by anyone who may be informed of any of its contents.