

19/05/2018

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Price of flats climbs £1,250 a month

- **£75,074 rise in price of flats over last five years**
- **Terraced homes trending with first-time buyers**
- **Average London flat price is £393,235 versus UK average £232,135**

The average price of a flat in the UK has risen by £75,074 over the last five years, equivalent to £1,251 per month, according to new research from Halifax.

Despite their popularity dipping, the average price of a flat has grown from £157,061 in 2013 to £232,135 in 2018. Flats now account for 15% of all home sales. **(See Table 1)**

Although six in every 10 property sales last year were either terraced or semi-detached properties, flats have increased in value by 48%, compared to 39% for all property types over the same period.

Meanwhile, terraced homes have seen average prices rise by £60,482 (41%, the second largest increase in percentage terms) since 2013, while detached homes recorded an increase of £73,638, although this is the smallest increase in percentage terms at 27%.

Terraces tops for first-time buyers

Terraced properties remain the most popular property type among first-time buyers. However, the proportion of sales has cooled slightly over the past five years from 40% to 37%, whilst the popularity of detached properties has increased from 6% to 8%. **(Table 2)**

Terraced homes remain the most affordable property type in the UK with an average price of £208,311, followed by semi-detached (£225,123) and flats (£232,135). It's a different story outside London, as flats are the most affordable properties (£166,386), followed by terraces (£184,529).

However, only buyers in the North can snap up a terraced home for less than £125,000 – below the lowest stamp duty threshold – with terraces in the region costing £116,740. Five years ago, seven regions had the average price for a terraced home below £125,000.

Russell Galley, Managing Director, Halifax, said: “Although flats have recorded greater price gains over the past five years than any other property type, semi-detached and terraced homes have remained the most popular choices for homebuyers.

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“More than a third of first-time buyers are still choosing terraced homes as their first step on to the property ladder, but we’re starting to see more of them choose detached houses, as the number has crept up in recent years.”

Flat prices in London have more than doubled over the last five years, contributing significantly to the national increase. The average price of a flat in the capital now stands at £393,235 – £276,377 more than flats in Wales (£116,858). **(Table 3)**

Despite a rise in value, the popularity of flats appears to be waning across the regions. They are the best performing property in only two out of 11 regions – North West (51%) and the South East (50%, joint top with terraced homes).

Terraced homes perform best in six regions: East Anglia (62%), Greater London (56% equal with bungalows), South East (50% same as flats), West Midlands (40% same as semi-detached), Yorkshire and the Humber (35% equal with semi-detached) and Wales (30%). The South West is the only region where detached properties achieve the best price performance. **(Table 4)**

Table 1: Average house price (£) by property type, 2013-2018

| Property Type | Q1 2013 | Q1 2017 | Q1 2018 | 1 year % Change | 5 year % Change |
|-----------------------|----------------|----------------|----------------|-----------------|-----------------|
| Terraced | 147,829 | 215,034 | 208,311 | -3% | 41% |
| Bungalows | 183,712 | 245,109 | 254,313 | 4% | 38% |
| Semi-Detached | 162,141 | 223,074 | 225,123 | 1% | 39% |
| Detached | 274,404 | 341,565 | 348,042 | 2% | 27% |
| Flats | 157,061 | 239,390 | 232,135 | -3% | 48% |
| All Properties | 174,791 | 245,858 | 243,051 | -1% | 39% |

Source: Halifax

Table 2: Property sales by buyer and property type, 2013-2018

| Property Type | Buyer Type | 12 months to March 2013 | 12 months to March 2017 | 12 months to March 2018 |
|---------------|-------------------|-------------------------|-------------------------|-------------------------|
| Terraced | First Time Buyer | 40% | 37% | 37% |
| | Home Mover | 26% | 23% | 23% |
| | All Buyers | 33% | 30% | 30% |
| Semi Detached | First Time Buyer | 29% | 30% | 29% |
| | Home Mover | 30% | 30% | 30% |

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|------------------|-------------------|------------|------------|------------|
| | All Buyers | 30% | 30% | 30% |
| Flats | First Time Buyer | 21% | 21% | 22% |
| | Home Mover | 11% | 9% | 9% |
| | All Buyers | 16% | 15% | 15% |
| Detached | First Time Buyer | 6% | 8% | 8% |
| | Home Mover | 23% | 29% | 29% |
| | All Buyers | 15% | 19% | 19% |
| Bungalows | First Time Buyer | 3% | 3% | 3% |
| | Home Mover | 10% | 9% | 9% |
| | All Buyers | 7% | 6% | 6% |

Source: Halifax

Table 3: Average house price (£) by property type and region, 2018

| Region | Terraced | Semi-Detached | Detached | Bungalows | Flats | All Properties |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| North | 116,740 | 156,816 | 258,959 | 181,320 | 117,485 | 159,462 |
| North West | 127,926 | 177,819 | 285,938 | 210,971 | 151,835 | 176,482 |
| Yorkshire & the Humber | 136,994 | 162,820 | 277,490 | 203,803 | 117,644 | 173,914 |
| West Midlands | 162,141 | 193,834 | 316,128 | 250,373 | 134,154 | 205,487 |
| East Midlands | 153,566 | 177,030 | 296,371 | 222,530 | 122,585 | 200,555 |
| East Anglia | 207,178 | 230,202 | 367,281 | 243,761 | 189,219 | 251,973 |
| Greater London | 471,119 | 537,299 | 723,832 | 458,550 | 393,235 | 449,646 |
| South East | 285,566 | 349,879 | 532,931 | 366,815 | 214,214 | 329,169 |
| South West | 211,194 | 244,942 | 405,806 | 284,125 | 184,423 | 253,468 |
| Wales | 130,504 | 160,422 | 268,236 | 176,705 | 116,858 | 174,949 |
| Scotland | 136,677 | 172,423 | 265,814 | 195,289 | 132,386 | 171,813 |
| UK (excl GL) | 184,529 | 209,625 | 341,323 | 247,594 | 166,386 | 222,188 |
| UK | 208,311 | 225,123 | 348,042 | 254,313 | 232,135 | 243,051 |

Source: Halifax

Table 4: Average house price by property type and region, % change 2013-2018

| Region | Terraced | Semi-Detached | Detached | Bungalows | Flats | All Properties |
|------------------------|----------|---------------|----------|-----------|-------|----------------|
| North | 16% | 33% | 26% | 39% | 35% | 30% |
| North West | 29% | 32% | 16% | 37% | 51% | 33% |
| Yorkshire & the Humber | 35% | 35% | 27% | 28% | 25% | 35% |

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| West Midlands | 40% | 40% | 28% | 39% | 38% | 38% |
| East Midlands | 45% | 41% | 40% | 54% | 39% | 44% |
| East Anglia | 62% | 51% | 50% | 40% | - | 51% |
| Greater London | 56% | 51% | 32% | 56% | 54% | 50% |
| South East | 50% | 46% | 28% | 46% | 50% | 41% |
| South West | 32% | 32% | 39% | 33% | 36% | 33% |
| Wales | 30% | 28% | 14% | 11% | - | 29% |
| Scotland | 25% | 32% | 19% | 16% | 26% | 26% |
| UK (excl GL) | 44% | 39% | 28% | 37% | 44% | 39% |
| UK | 41% | 39% | 27% | 38% | 48% | 39% |

Source: Halifax

ENDS

Editors' Notes:

All property prices are based on the crude average prices from the Halifax House Price database in quarter one 2013, and quarter one 2018.

All data is from the Halifax House Price database.

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