

# PRESS RELEASE



23/09/2017

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## Bricks and mortar boards: house prices in university towns grow by average of 22% over course of a degree

- Average three-year increase in value of university town is over £39k
- Bedfordshire saw the biggest % increase over three years (42%)
- Guildford is most expensive town where house prices average £512k

In the same time it takes to undertake the average degree course<sup>1</sup>, university towns across the UK recorded an increase in average house price of 22.5% (£38,666), according to new research from Halifax.

Across 65 university towns, the average house price has grown from £172,179 to £210,845 in three years – an increase of £38,666, equivalent to a rise of £1,074 per month or 22.5% since 2014.

### Top of the class

The top 10 university towns with the largest price growth are all located in southern England. The largest price growth was in Guildford, home to the University of Surrey, which increased in value by £105,362 and also doubles up as the most expensive university town, with an average house price of £511,673.

This is nearly two and a half times higher than the average for all universities. The next most expensive is Winchester with an average house price of £458,228, followed up by Uxbridge where Brunel University is located, (£441,273), Oxford (£424,258) and Cambridge (£397,170).

The greatest percentage increase was in Bedfordshire, where house prices increased by 42% from £200,086 to £284,707 in the last three years. This is followed by Coventry, where the average price has grown from £154,573 to £207,974 – an increase of 35%.

The least expensive student town is Paisley which has the University of the West of Scotland with an average price of £122,681 – about quarter of average price in Guildford. Others include Bradford (£127,643), Hull (£134,938), Sunderland (£138,548) and Middlesbrough (£142,412).

**Russell Galley, Managing Director, Halifax Community Bank, said:** “While it is well documented that the student housing market can be lucrative for private landlords receiving monthly rental incomes, this research also indicates the potential earnings from bricks and mortar alone. Over the last three years, parents who bought a property for their child to live in while undertaking their studies, could have seen an average gain of 22% on the value of the property. They may also have benefitted from rental income from housemates or flat-sharers.”

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## Five-year investment

Over five years, the growth in house price value has been even more significant, averaging £57,883 (38%) across the 65 university towns and peaking as high as £169,038 or 74% in Hatfield, where the average house price is £394,487. Since 2012, another eight university towns have seen at least a £100,000 increase in average house price including Cambridge, where the average price increased from £244,509 to £397,170, a rise of £152,662, Uxbridge (£141,171), Oxford (£138,705) and Reading (£137,626). (See Table 2).

**Table 1 - Top 10 best performing university towns by house price growth since 2014**

University Town	Average House Price 2014*	Average House Price 2017*	3 Year % Change	3 Year £ Change
Guildford	£406,310	£511,673	26%	£105,362
Uxbridge	£339,213	£441,273	30%	£102,061
Hatfield	£305,658	£394,487	29%	£88,829
Bath	£297,216	£384,386	29%	£87,169
Bedfordshire	£200,086	£284,707	42%	£84,621
Cambridge	£314,492	£397,170	26%	£82,678
Reading	£306,865	£385,338	26%	£78,473
Oxford	£348,003	£424,258	22%	£76,255
Brighton	£286,814	£362,618	26%	£75,804
Chelmsford	£260,291	£334,808	29%	£74,517
<b>University Towns Average</b>	<b>£172,179</b>	<b>£210,845</b>	<b>22%</b>	<b>£38,666</b>

Source: Halifax, 12 months to July

**Table 2 - Top 10 best performing university towns by house price growth since 2012**

University Town	Average House Price 2012 *	Average House Price 2017 *	5 Year % Change	5 Year £ Change
Hatfield	£226,449	£394,487	74%	£168,038
Cambridge	£244,509	£397,170	62%	£152,662
Uxbridge	£300,102	£441,273	47%	£141,171
Oxford	£285,553	£424,258	49%	£138,705
Reading	£247,712	£385,338	56%	£137,626

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Winchester	£335,129	£458,228	37%	£123,100
Guildford	£396,359	£511,673	29%	£115,314
Brighton	£251,134	£362,618	44%	£111,484
Bedfordshire	£180,145	£284,707	58%	£104,562
Bath	£287,992	£384,386	33%	£96,394
<b>University Towns Average</b>	<b>£152,962</b>	<b>£210,845</b>	<b>38%</b>	<b>£57,883</b>

Source: Halifax, 12 months to July

**Table 3 – Top 10 most expensive university towns – 2017**

University Town	Average House Price 2017*
Guildford	£511,673
Winchester	£458,228
Uxbridge	£441,273
Oxford	£424,258
Cambridge	£397,170
Hatfield	£394,487
Reading	£385,338
Bath	£384,386
Brighton	£362,618
Chichester	£357,989
<b>University Towns Average</b>	<b>£210,845</b>

Source: Halifax, 12 months to July

**Table 4 – Top 10 least expensive university towns - 2017**

University Town	Average House Price 2017*
Paisley	£122,861
Bradford	£127,643
Hull	£134,938
Sunderland	£138,548
Middlesbrough	£142,412
Carlisle	£144,805
Durham	£146,455

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Pontypridd	£146,726
Belfast	£147,969
Dundee	£151,987
<b>University Towns Average</b>	<b>£210,845</b>

Source: Halifax, 12 months to July

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## EDITORS' NOTES:

<sup>1</sup> Assumed to be duration of three years

London has been excluded from this survey due to (a) most students are dispersed across the capital and (2) as a global city the drivers of the housing market are significantly different to those in other cities and towns in the UK.

## DATA SOURCES:

This research is based on data from the Halifax's own extensive housing statistics database.

## House Prices

The prices used in this research are simple arithmetic ('crude') averages for 12 months to July each year. These prices are not standardised and therefore can be affected by changes in the sample from period to period.

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