

2006 City Movers and Shakers

- One third of major towns and cities saw double-digit house price growth in 2006
- Belfast saw the fastest rate of house price growth in the UK, at 43%
- Nottingham was the only city to see a fall in prices in the year
- St Albans breaks the £300,000 threshold and is the most expensive town in the UK
- Top ten fastest growth cities split equally between North and South

Commenting on the figures Fionnuala Earley, Nationwide's Group Economist, said:

"2006 has been an unexpectedly strong year for UK house price growth, but the national figures disguise movements in different parts of the country. Nationwide's house price survey of 30 major towns and cities in the UK shows the fastest and slowest movers during the year.

House Price Growth in UK Towns and Cities, 2006					
	% change 2006	Price in 2006 Q4	Price in 2005 Q4	£ Change per day	Ranking by price
Belfast	43%	£229,826	£160,896	£189	8
Norwich	17%	£195,953	£167,910	£77	16
Cambridge	15%	£280,079	£243,915	£99	4
Oxford	14%	£297,562	£260,621	£101	2
Brighton	11%	£276,366	£247,933	£78	5
Glasgow	11%	£160,967	£144,989	£44	26
Edinburgh	11%	£231,036	£208,174	£63	7
Greater London	10%	£283,504	£257,245	£72	3
Durham (City)	10%	£156,434	£142,144	£39	28
Sheffield	10%	£178,631	£162,584	£44	21
Bradford	9%	£167,308	£153,328	£38	23
Swindon	9%	£189,037	£173,621	£42	18
York	8%	£210,467	£195,088	£42	12
Reading	8%	£226,578	£210,276	£45	9
Northampton	8%	£182,768	£169,642	£36	19
Southampton	8%	£199,747	£185,454	£39	14
Bristol	7%	£214,654	£199,778	£41	10
Leeds	7%	£189,735	£177,403	£34	17
St Albans	7%	£304,872	£285,914	£52	1
Bath	5%	£252,561	£240,303	£34	6
Leicester	4%	£159,685	£153,630	£17	27
Coventry	4%	£163,538	£157,488	£17	25
Cardiff	3%	£200,343	£194,178	£17	13
Newcastle	3%	£182,411	£177,199	£14	20
Manchester	3%	£197,391	£192,017	£15	15
Plymouth	3%	£166,560	£162,048	£12	24
Canterbury	3%	£214,165	£208,394	£16	11
Birmingham	3%	£175,977	£171,370	£13	22
Liverpool	3%	£152,578	£148,584	£11	29
Nottingham	-2%	£149,706	£153,088	-£9	30

Source: Nationwide

"Belfast saw the fastest rate of house price growth in 2006. Prices increased by 43%, up to an average price of £229,826. This is the equivalent of an increase of £189 per day and brings Belfast up to number eight in the ranking of most expensive towns and cities in our sample - up from number 23 this time last year.

"St Albans is the most expensive town to buy a house. The average price in St Albans breached the £300,000 mark in the third quarter of this year and reached £304,872 by the end of the year. Prices increased by a relatively modest 7% in St Albans during the year, this is equivalent to a daily increase of £52. Given the higher house prices in St Albans, the daily rate is one and a half times more than Leeds which experienced the same annual rate of growth.

"Oxford and Cambridge are neck and neck in the house price growth stakes, but unlike this year's boat race, Oxford was narrowly beaten by Cambridge. Oxford saw the fourth fastest rate of growth during 2006, 1% slower than the 15% experienced by Cambridge. However Oxford beat Cambridge in the rankings of most expensive town or city to buy a house. Oxford came in at number two compared with Cambridge at number four.

"Nottingham was the only city in our sample where house prices fell. Prices fell by 2% in the year to bring the average price to just under £150,000, making it the cheapest of the towns and cities in our sample.

"After experiencing the fastest rate of house price growth of our cities in 2005 at 13%, Manchester slipped down the rankings in 2006. Prices increased by only 3% during the year the sixth slowest of the towns and cities in our sample. Belfast is likely to see a similar decline in its house price growth ranking next year as a 43% rate of growth is not sustainable when earnings are only growing at around 5%.

"Both the 10 fastest and 10 slowest growing towns and cities were split equally between the North and South which confirms that relative movements in house prices are not simply about whether a property is in the North or the South of the UK, but depends on other factors too. However the exceptional performance of Scottish and Northern Irish housing markets this year is clearly reflected in the price increases in their major cities."

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Broadcast interviews with Nationwide's Group Economist will be available from Tuesday 2nd January 2007

Notes:

1. The methodology for towns and cities differs from the main Nationwide House Price Index. Prices of towns and cities are based on the average price per square foot in each of the cities grossed up by the average square footage to arrive at an average house price. Unlike Nationwide's main index, this methodology does not take into account the different mix of properties transacted and is therefore a simplification.
2. Annual house price growth is based on prices in the last two quarters compared with the same period in earlier years
3. The towns and cities included in our sample were: Bath, Belfast, Birmingham, Bradford, Brighton, Bristol, Cambridge, Canterbury, Cardiff, Coventry, Durham (City), Edinburgh, Glasgow, Greater London, Leeds, Leicester, Liverpool, Manchester, Newcastle, Northampton Town, Norwich, Nottingham, Oxford, Plymouth, Reading, Sheffield, Southampton, St Albans, Swindon, York.