

# Nationwide HOUSE PRICE INDEX



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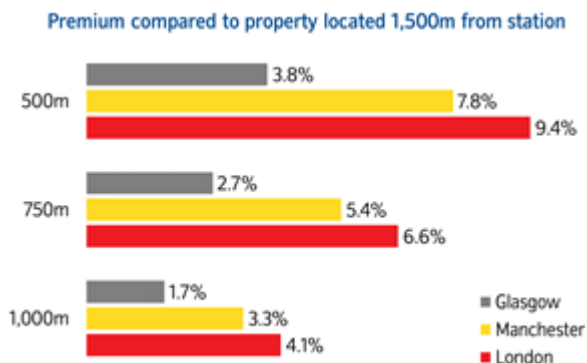
Special Report – June 2019

## Londoners pay highest premium to live near a station, but tram/rail links also attractive to homebuyers in Manchester

- £42,900 premium in London for property 500m from nearest station, compared with a similar property 1,500m (1.5km) away
- £12,600 premium in Greater Manchester and £5,700 premium in Glasgow and surrounding area on comparable basis

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

"We've updated our research on how the proximity to either a metro or railway station impacted property prices in London, Manchester and Glasgow, after taking account of other property characteristics, such as property type, number of bedrooms and local neighbourhood type. This report is an update of the features we published in 2014 (available to view [online](#)).



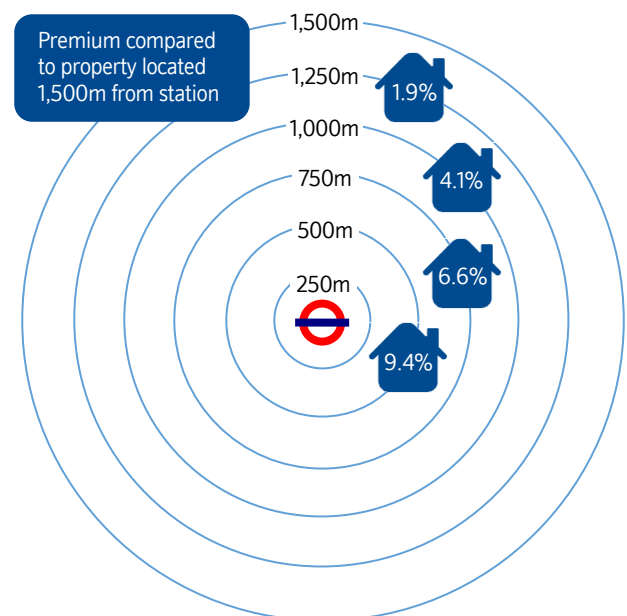
"London homebuyers appear willing to pay a greater premium for being close to a station compared with those in Greater Manchester and Glasgow. This probably reflects the greater reliance on public transport in the capital, with residents less likely to drive.

"London also has the densest network of stations and services, with 94% of properties within 1.5km of a station, compared with 72% in Glasgow (Strathclyde Partnership for Transport area) and 70% in Greater Manchester.

## Londoners pay a significant premium to live near a tube or train station

"Our research indicates that homebuyers in the capital continue to pay a significant premium to be close to a station. A property located 500m from a station attracts a 9.4% price premium (approximately £42,900 based on average prices in the region) over an otherwise identical property 1,500m from a station.

"The illustration below shows the price premium for similar properties at various distances from a tube or railway station (relative to a property 1,500m from a station). As you might expect, the premium buyers are willing to pay increases as you move closer towards a station. A property located 1,000m from a station commands a 4.1% premium, at 750m this increases to 6.6%, while a property 500m from a station attracts a 9.4% premium.



"Just 6% of properties in London are more than 1,500m away from a tube or railway station, and these are predominately in outer suburban areas, where stations tend to be more spread out serving larger catchments.

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## Best connected boroughs

“Excluding the City of London, Camden, Tower Hamlets and Kensington & Chelsea are amongst the best connected boroughs, with around 75% of properties within 500m of a station.

“Havering, Bexley and Barking & Dagenham remain the least accessible boroughs, with fewer than 20% of properties within 500m of a station. Average house prices tend to be lower in these areas, but this also reflects that they are further away from central London.

## Which line is associated with the highest house prices?

“The Circle line serves the capital’s most expensive areas taking in much of central London and also parts of west London. Average house prices are around £800,000 in areas where the nearest station is on the Circle line.

“Of the London Underground lines, average house prices are least expensive where the nearest station is on the Metropolitan line. This probably reflects that the line stretches towards the outer suburbs, with only a short section in central London.

“The lowest average house prices amongst TfL served routes are currently found where the nearest station is operated by TfL Rail, ahead of the introduction of Crossrail services. This presently comprises two branches; a service from Liverpool Street to Harold Wood (and onward to Shenfield in Essex) and from Paddington to Heathrow Airport (via Ealing).

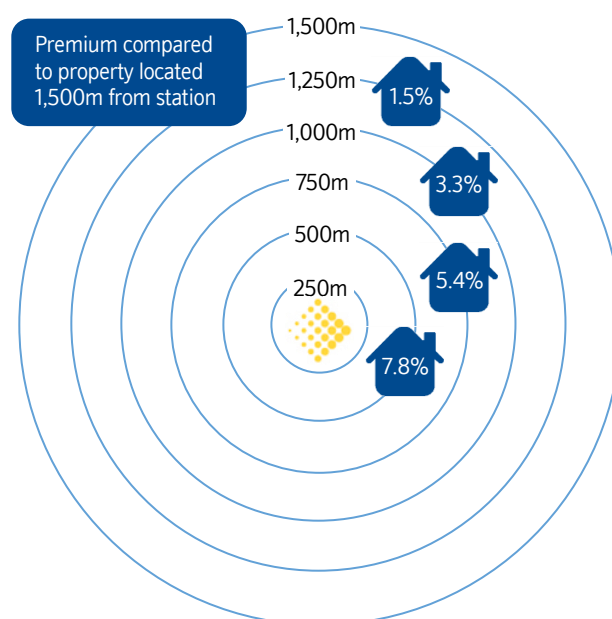
“The lower prices for TfL Rail may reflect that most of these stations are outside of central London and that delivery of the Crossrail project is behind schedule.

Line (nearest station)	Average Price
Circle	£801,000
Bakerloo	£624,000
Victoria	£573,000
Northern	£563,000
Jubilee	£553,000
Hammersmith & City	£542,000
Docklands Light Railway	£505,000
Overground	£490,000
Piccadilly	£485,000
District	£478,000
Central	£450,000
Metropolitan	£439,000
TfL Rail	£359,000

## Tram & rail links in Greater Manchester attract premium amongst homebuyers

“Greater Manchester is served by an extensive network of railway and tram lines. Recent years have seen a further expansion of the Metrolink network to Manchester Airport and the opening of the ‘Second City Crossing’. Metrolink saw a 9% increase in passenger journeys in 2017/18, the strongest growth amongst England’s light rail and tram systems<sup>1</sup>.

“Our research suggests that homebuyers are willing to pay a noticeable premium to be close to either a Metrolink or railway station. A property located 500m from a station attracts a 7.8% price premium (approximately £12,600 based on average prices in the region) over an otherwise identical property 1,500m from a station.



## Expansion of network has improved accessibility

“In Greater Manchester, 70% of properties are now within 1,500m of a station. Since our previous research, the Metrolink network has expanded further into South Manchester, with a new line running to Manchester Airport via the suburb of Wythenshawe. We’ve also seen the opening of the Ordsall chord, linking Manchester Victoria and Manchester Piccadilly by rail.

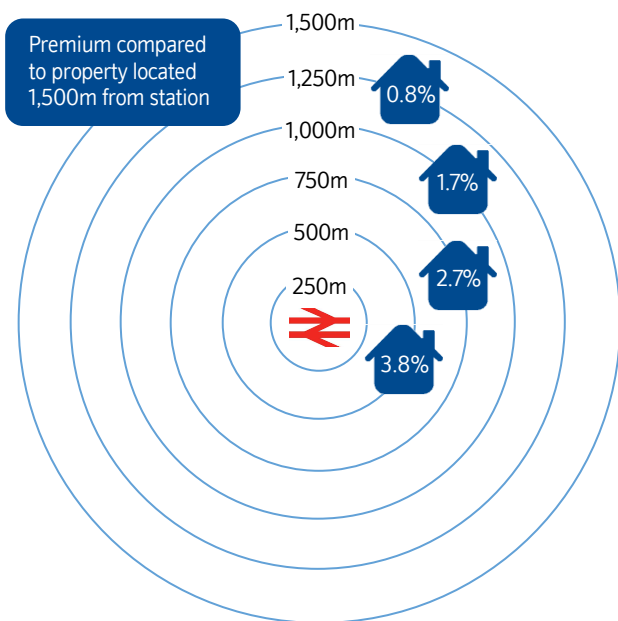
“As a result, around 80% of properties in the City of Manchester are now within 1km of a station. Elsewhere, Tameside and Trafford are amongst the best served areas, with the latter set to benefit further from the Trafford Park tram link currently under construction.

<sup>1</sup> Department for Transport, Light rail & tram statistics 2017-18, <https://www.gov.uk/government/statistics/light-rail-and-tram-statistics-england-year-ending-march-2018>, Table LRT0101

## Modest premium for rail links in Glasgow

“Glasgow has the largest network of suburban railway lines in the UK outside of London. The area covered by the Strathclyde Partnership for Transport (SPT) includes around 185 railway stations with a further 15 subway stations in Glasgow city centre. In 2016/17 there were 61 million rail passenger journeys within the SPT area and 11.4 million journeys using the Glasgow subway<sup>2</sup>.

“It appears that homebuyers are willing to pay a modest premium to be close to a railway or subway station. A property located 500m from a station attracts a 3.8% price premium (approximately £5,700 based on average prices in the region) over an otherwise identical property 1,500m from a station.



“In the SPT area, 72% of properties are within 1.5km of a station. The districts best served by the network include Glasgow City, Inverclyde and West Dunbartonshire, where over 80% of properties are within 1.5km of a station. Both the latter contain many of Glasgow’s commuter towns and villages and are well connected by the main railway lines skirting the River Clyde. Glasgow city proper is extremely well served by public transport, with around 60% of properties within 500m of a subway or railway station.”

<sup>2</sup> Scottish Transport Statistics  
<https://www.transport.gov.scot/publication/scottish-transport-statistics-no-37-2018-edition/sct01193326941-10/>

## Notes

The methodology correlates the price paid for a property against the set of property characteristics (including the property type, age, number of bedrooms and floor area), locality (local neighbourhood as described by ACORN) and the distance from the nearest station. For each case in the sample, the straight line distance to the nearest station. Our research is based on the proximity to the station and does not take account of the service provision or indeed the typical travel time to city centre. Only properties within 5km of a station were included.

The data was drawn from Nationwide's house purchase mortgage lending at the post survey approvals stage in 2018.

For London, the sample only includes properties located within the London boroughs, so excludes some of the outer extremes of the London Underground network (for example Metropolitan line stations in Hertfordshire). We include London Underground, Docklands Light Railway, London Overground and National Rail stations.

In Manchester, the sample covers properties located within the Greater Manchester metropolitan boroughs (Manchester, Bolton, Bury, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford & Wigan). We include Manchester Metrolink stops and National Rail stations within Greater Manchester, except Denton and Reddish South stations due to the exceptionally limited service provided.

In Glasgow, we use the Strathclyde Partnership for Transport area which covers Glasgow City, Inverclyde, West Dunbartonshire, East Dunbartonshire, East Renfrewshire, Renfrewshire, North Ayrshire, East Ayrshire, South Ayrshire, South Lanarkshire, North Lanarkshire and Helensburgh & Lomond. We include Glasgow Subway and National Rail stations within the SPT area.

More information on the house price index methodology along with time series data and archives of housing research can be found at <http://www.nationwide.co.uk/about/house-price-index/headlines>

Historical figures including index levels can be viewed using the following link: <http://www.nationwide.co.uk/about/house-price-index/download-data>

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