

Nationwide HOUSE PRICE INDEX



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Special Report
August 2014

Homebuyers value Glasgow rail links

- £9,400 premium for a property 500m from nearest station, compared with a similar property 1,500m (1.5km) away
- 72% of properties in Greater Glasgow are within 1.5km of a railway or subway station

Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said:

"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 175 railway stations with a further 15 subway stations in Glasgow city centre. In 2012/13, around 113 million passenger journeys were made by rail in the Strathclyde area¹.

"We examined how the proximity to a railway or subway station impacted property prices in the SPT area after taking account of other property characteristics, such as property type, size and local neighbourhood type.

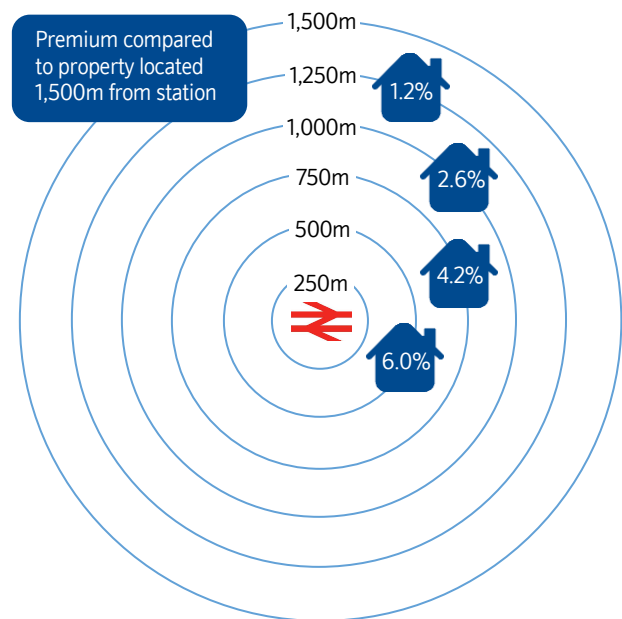
"Our research suggests that people are willing to pay a modest premium to be close to a station.

"A property located 500m from a station attracts a 6.0% price premium (approximately £9,400 based on average prices in the area) over an otherwise identical property 1,500m from a station.

Impact on house prices is greatest close to stations

"The diagram shows the price premium for similar properties at various distances from a railway or subway station relative to a property 1,500m from the nearest station. As you would expect, the premium that buyers are willing to pay increases as you move closer to a station. A property located 1,000m from a station commands a 2.6% premium, at 750m this increases to 4.2% and for a property 500m from the station the premium is 6.0%.

¹ Office of Rail Regulation data portal



"In the Greater Glasgow area, 72% of properties are within 1,500m of a station. The districts best served by the network include Glasgow City, Inverclyde and West Dunbartonshire, where over 80% of properties are within 1,500m of a station. In the case of the latter two locations, the main railway line skirts the River Clyde, serving the main population centres. Glasgow city proper is extremely well served, with around 60% of properties no more than 500m from a subway or railway station.

How do Strathclyde station premiums compare with London and Manchester?

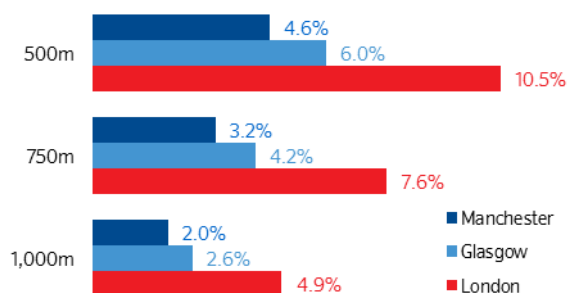
"While those living in and around Glasgow clearly place a value on proximity to rail links, the evidence suggests that they aren't willing to pay as much extra to be near them as those in those London.

"As the chart below illustrates, London homebuyers pay a much greater premium for being close to a station compared with those in Strathclyde and also those in Greater Manchester. In the capital, this probably reflects a greater

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reliance on public transport, with residents less likely to drive to and from work.

Premium compared to property located 1,500m from station



“London also has the densest network of stations and services, with 94% of properties within 1.5km of a station, compared with 72% in Strathclyde and 69% in Greater Manchester.”

Links:

[London Transport Special Report](#)

[Manchester Transport Special Report](#)

Notes

The methodology correlates the price paid for a property against the set of property characteristics (including the property type, age, number of bedrooms, number of bathrooms, floor area and parking/garages), locality (local neighbourhood as described by ACORN) and distance from the nearest station. For each case in the sample, the straight line distance to the nearest station (National Rail or SPT subway) was calculated. Our research is based on the proximity to a station and does not take account of the service provision or indeed the typical travel time to central Glasgow. 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 the Strathclyde Partnership for Transport area in the 4 quarters to 2014 Q2. The sample only includes properties located within the following areas: Glasgow City, Inverclyde, West Dunbartonshire, East Dunbartonshire, East Renfrewshire, Renfrewshire, North Ayrshire, East Ayrshire, South Ayrshire, South Lanarkshire, North Lanarkshire and Helensburgh & Lomond.

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/>

Photographs of our economist are available at: <http://www.nationwide.co.uk/about/media-centre-and-specialist-areas/media-centre/photo-library>

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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.

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