

Nationwide HOUSE PRICE INDEX



www.nationwide.co.uk/hpi

Special Report
August 2014

Tram & rail links in Greater Manchester attract premium amongst homebuyers

- £8,300 premium for a property 500m from nearest station, compared with a similar property 1,500m (1.5km) away
- 69% of properties in Greater Manchester are within 1.5km of a Metrolink or railway station

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

"Greater Manchester is served by an extensive network of railway and tram lines. There are now 77 tram stops following the recent expansion of the Metrolink system, and a further 90 National Rail stations. Metrolink saw a 17% year-on-year increase in passenger journeys in 2013/14, the strongest growth amongst England's light rail and tram systems¹.

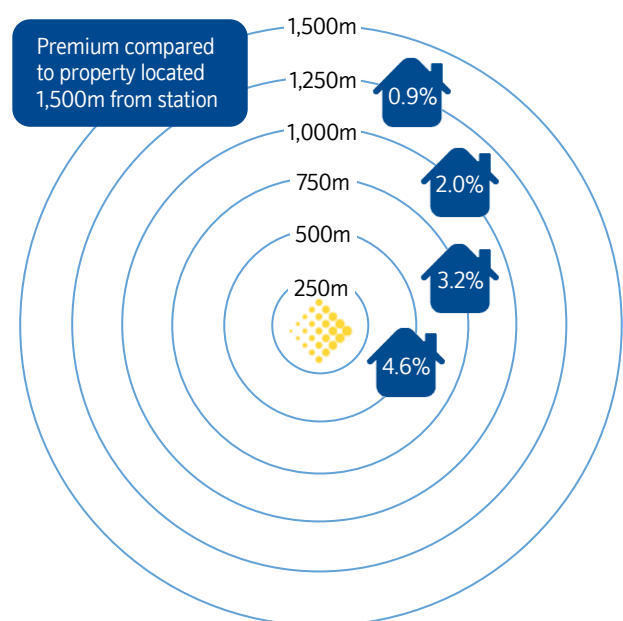
"We examined how the proximity to a Metrolink or railway station impacted property prices in Greater Manchester after taking account of other property characteristics, such as property type, size and local neighbourhood type.

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

"A property located 500m from a station attracts a 4.6% price premium (approximately £8,300 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 Metrolink or railway 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 2.0% premium, at 750m this increases to 3.2% and for a property 500m from the station the premium is 4.6%.

"In Greater Manchester, 69% of properties are within 1,500m of a station. The areas best served by the network include the City of Manchester, Trafford and Tameside, where over half the properties have a station within 1,000m.

Metrolink extensions have improved accessibility

"Recent Metrolink developments have helped to improve transport accessibility within the Greater Manchester area. For example, the East Manchester line running from Piccadilly to Ashton-under-Lyne via Droylsden, which opened in October 2013, has improved Tameside's transport links.

¹ Department for Transport, Light rail & tram statistics 2013-14
<https://www.gov.uk/government/statistics/light-rail-and-tram-statistics-2013-to-2014> Table LRT0101

Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
Mike Pitcher, 01793 657225, mike.pitcher@nationwide.co.uk

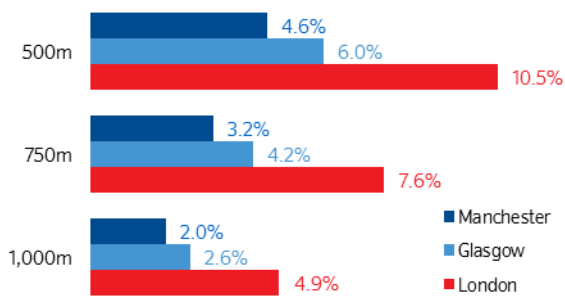
 **Nationwide**
On your side

“The extension of the South Manchester line from St Werburgh’s Road to East Didsbury means that nearly 75% of properties in the City of Manchester are now within 1km of a Metrolink stop.

How Greater Manchester station premiums compare with London & Glasgow

“As the chart below illustrates, homebuyers in Greater Manchester pay a much lower premium to live near a station than those in Greater London. This probably reflects the greater reliance on public transport in the capital, with residents less likely to drive. Manchester premiums are also a little lower than those in Glasgow.

Premium compared to property located 1,500m from station



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

Links:

- [London Transport Special Report](#)
- [Glasgow 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 Manchester Metrolink) 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 Manchester. However, Denton and Reddish South stations were excluded due to the exceptionally limited service provided. 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 Greater Manchester in the four quarters to Q2 2014. The sample only includes properties located within the Greater Manchester metropolitan boroughs (Manchester, Bolton, Bury, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford & Wigan).

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>

Legal Information

The Nationwide House Price Indices are prepared from information that we believe is collated with care, but no representation is made as to their accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue the indices at any time, for regulatory or other reasons.

Persons seeking to place reliance on the Indices for any purpose whatsoever do so at their own risk and should be aware that various factors, including external factors beyond Nationwide Building Society’s control might necessitate material changes to the Indices.

The Nationwide House Price Indices may not be used for commercial purposes including as a reference for: 1) determining the interest payable, or other sums due, under loan agreements or other contracts relating to investments 2) determining the price at which investments may be bought or sold or the value of investments or 3) measuring the performance of investments.

Nationwide Building Society is the owner of the trade mark “Nationwide” and all copyright and other rights in the Nationwide House Price Indices.

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.

Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
Mike Pitcher, 01793 657225, mike.pitcher@nationwide.co.uk

