

# Nationwide HOUSE PRICE INDEX



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Special Report  
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## House price premium in National Parks rises to 21%

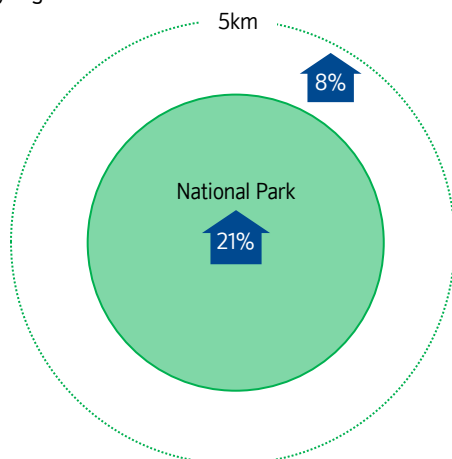
- Premium for property within a National Park has increased from 18% to 21%
- 8% premium for a property within 5km of a National Park

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

"Around 190,000 households in Great Britain are located within the boundaries of National Parks, and our research suggests that this factor alone attracts a significant price premium. Indeed, a property located within a National Park attracts a 21% price premium over an otherwise identical property. This is around £39,000 in cash terms based on the current average house price (£188,810 in Q3). The price premium for being within a National Park has increased slightly from 18% a year ago, when we last conducted this research.

"Moreover, the premium is not limited entirely to properties located within the boundaries of the National Park. There is also evidence of a 'fringe benefit' for properties located just outside the boundaries of National Parks. Properties within 5km (c3 miles) of a National Park command an 8% premium to those outside of this range (unchanged from last year).

"National Parks are highly desirable areas in which to live thanks to the beautiful countryside. Development is also strictly controlled, with very little in the way of new housing construction, which also helps to explain why prices are relatively high.



### South Downs overtakes New Forest as most expensive National Park to buy property within

"For the main National Parks, we have estimated an average house price and percentage change over the last 12 months as shown in the table below. We have also calculated an indicative premium for each park (note, this is based on the overall premium as it is not possible to estimate an individual premium for each park).

National Park	Land Area (km <sup>2</sup> )	Average house price	Indicative premium	Annual price change
South Downs	1,624	£351,000	£73,700	10%
New Forest	570	£346,000	£72,700	3%
Lake District	2,292	£251,000	£52,700	-1%
Peak District	1,437	£237,000	£49,800	11%
Dartmoor	953	£214,000	£44,900	5%
Brecon Beacons	1,344	£200,000	£42,000	12%
Cairngorms	4,528	£190,000	£39,900	2%
Loch Lomond & the Trossachs	1,865	£171,000	£35,900	9%
Snowdonia	2,176	£138,000	£29,000	16%

Sources: Nationwide, National Parks UK

"The South Downs National Park is now the most expensive National Park in which to purchase property, overtaking the New Forest due to stronger price growth over the last year. It is England's newest National Park, spanning 1,624km<sup>2</sup> across Hampshire and Sussex, and contains the highest number of households (around 47,000). The park includes a number of towns situated in the western Weald, including Petersfield, Liss, Midhurst and Petworth.

"The Peak District serves the highest number of people, with around 5.9 million living within 25km of its boundary. Its central location makes it accessible from major population centres such as Derby, Sheffield and Manchester. It is also a desirable place to live and average prices within the park have increased by 11% over the past year.

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“The Cairngorms is the largest National Park by land area, but is located within a very sparsely populated part of Scotland. Loch Lomond and the Trossachs are closest to major cities such as Glasgow and Edinburgh, with 1.1 million people within 25km.

“National Parks cover 20% of the land area in Wales, the highest proportion of the home nations. The largest of these is Snowdonia, covering 2,176km<sup>2</sup>. Snowdonia remains the least expensive National Park to live within, although did see the strongest growth over the last year.”

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), with additional variables for being in a National Park and within 5km (as measured on a straight line distance).

The data was drawn from Nationwide’s house purchase mortgage lending at the post survey approvals stage in Great Britain in the 12 months to September 2014.

Land area data for National Parks sourced from: <http://www.nationalparks.gov.uk/learningabout/whatisanationalpark/factsandfigures>

Household and population data estimated using Census 2011 data from Office for National Statistics & National Records of Scotland.

The Nationwide House Price Index is prepared from information which we believe is collated with care, but no representation is made as to its accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue the whole or any part of the Index at any time, for regulatory or other reasons. Persons seeking to place reliance on the Index for their own or third party commercial purposes do so entirely at their own risk. All changes are nominal and do not allow for inflation.

More information on the house price index methodology along with time series data and archives of housing research can be found at [www.nationwide.co.uk/hpi](http://www.nationwide.co.uk/hpi)

Photographs of our economist are available at: <http://www.nationwide.co.uk/mediacentre/photolibrary/economists.htm>

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