

Nationwide HOUSE PRICE INDEX



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Special Report
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National Parks produce 18% price premium

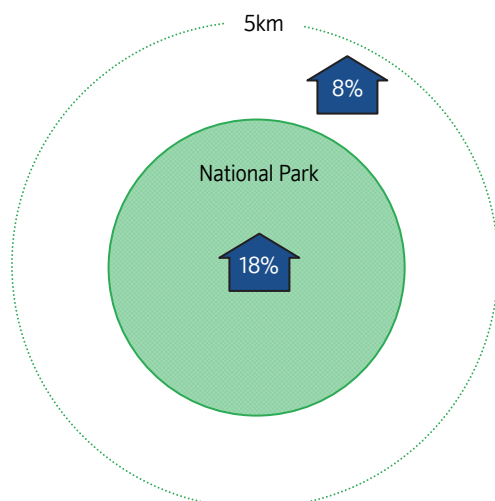
- 18% premium for a property situated within a National Park
- 8% premium for a property within 5km of a National Park

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 an 18% price premium over an otherwise identical property. This is around £31,600 in cash terms based on the current average house price.

"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.

"National Parks are highly desirable areas 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 contains highest number of households, but Peak District serves largest population

"For the main National Parks, we have estimated the population served (defined as those living within the park and within 25km (c15 miles) of its boundaries) and average house price. The table below (ordered by average house price) also shows 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 ²) | Pop. served (mil) | Average house price | Indicative premium |
|-----------------------------|------------------------------|-------------------|---------------------|--------------------|
| New Forest | 570 | 1.3 | £336,000 | £60,500 |
| South Downs | 1,624 | 3.3 | £318,000 | £57,200 |
| Lake District | 2,292 | 0.6 | £253,000 | £45,500 |
| Peak District | 1,437 | 5.9 | £213,000 | £38,300 |
| Dartmoor | 953 | 1.0 | £204,000 | £36,700 |
| Cairngorms | 4,528 | 0.1 | £187,000 | £33,700 |
| N York Moors | 1,434 | 1.0 | £182,000 | £32,800 |
| Brecon Beacons | 1,344 | 1.8 | £179,000 | £32,200 |
| Loch Lomond & the Trossachs | 1,865 | 1.1 | £157,000 | £28,300 |
| Snowdonia | 2,176 | 0.4 | £119,000 | £21,400 |

Sources: Nationwide, ONS, NRS, National Parks UK

"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.

"The South Downs National Park, England's newest National Park, which spans 1,624km² across Hampshire and Sussex, 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 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

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

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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 2,176km². The most populous however is the Brecon Beacons, with 1.8 million living within 25km.”

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 2013.

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

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

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

