



## London homebuyers willing to pay a substantial premium to live near a tube or train station

- £42,000 premium for a property 500m from nearest station, compared with a similar property 1,500m (1.5km) away
- Premiums have increased since 2012
- On average, London houses closest to Circle line stations are the most expensive, those nearest the Metropolitan line are cheapest

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

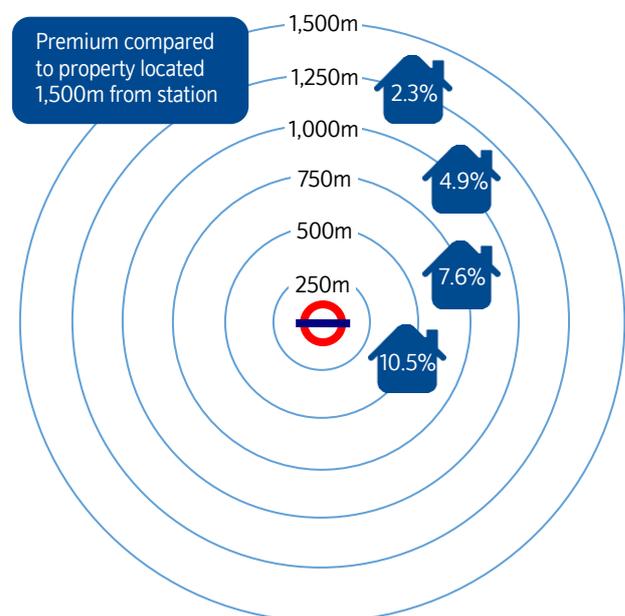
"We examined how the proximity to a tube or railway station impacted property prices in Greater London after taking account of other property characteristics, such as property type, size and local neighbourhood type.

"Our research illustrates that people are willing to pay a significant premium to be close to a station, and suggests that this premium has increased relative to two years ago when we last explored the issue.

"A property located 500m from a station attracts a 10.5% price premium (approximately £42,000 on a typical London home) over an otherwise identical property 1,500m from a station. This price premium has increased since our last research in 2012, where the data suggested a 9.1% premium.

### Impact on house prices is greatest close to stations

"The diagram shows the price premium for similar properties at various distances from a tube 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 4.9% premium, whilst at 750m this increases to 7.6% and 10.5% for a home 500m from a station.



"Interestingly, just 6% of properties in London are more than 1,500m away from a station, and the vast majority of these are in outer suburban areas, where stations tend to be more spread out serving larger catchments.

### Best connected boroughs

"Excluding the City of London, Camden is the borough best served by the tube and rail network, with 85% of properties within 500m of a station. Whilst Camden has always benefited from a high density of tube stations, it has also recently seen improved rail services thanks to London Overground. However, it is also one of the most expensive areas of the capital, with average prices currently around £843,000.

"Havering, Bexley and Barking & Dagenham are amongst the least connected 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.

“Amongst the outer boroughs, Brent stands out as having good transport connections, with more than 50% of properties within 500m of a station. Brent benefits from access to a number of tube lines, with the Metropolitan, Jubilee, Piccadilly and Bakerloo all passing through.

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

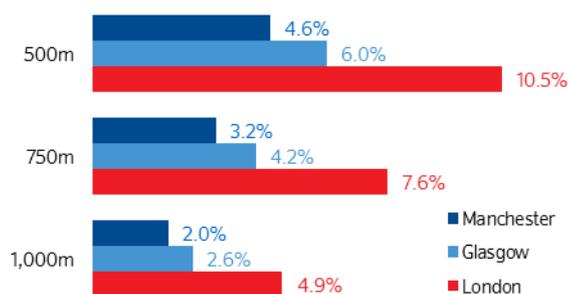
“The Circle line serves the capital’s most expensive areas taking in much of central London and also parts of west London. Average house prices are over £800,000 in areas where the nearest station is on the Circle line. Average house prices are least expensive where the nearest station is on the Metropolitan line. This probably reflects that the line stretches towards the outer suburbs, with only a short section in central London.

Line (nearest station)	Average Price
Circle	£802,601
Bakerloo	£550,762
Northern	£530,506
Victoria	£518,512
Jubilee	£503,689
Overground	£484,630
Hammersmith & City	£478,624
District	£461,683
Piccadilly	£442,594
Docklands Light Railway	£440,704
Central	£373,950
Metropolitan	£369,417

### How does London compare with other cities?

“We have conducted similar research for Manchester and Glasgow, looking at the impact of rail links on local property prices. London homebuyers appear willing to pay a far 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.

#### 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 Greater Glasgow and 69% in Greater Manchester.”

#### Links:

- [Glasgow 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 (London Underground, Docklands Light Railway, London Overground or National Rail) 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 London.

The data was drawn from Nationwide’s house purchase mortgage lending at the post survey approvals stage in the Greater London region in 4 quarters to Q2 2014. The sample only includes properties located within London boroughs, so excludes some of the furthest extremes of the London Underground network (for example Metropolitan line stations in Hertfordshire).

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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