

Country Homes Cost More Than Urban Homes in the UK

A report has shown that property prices for homes in rural areas are on average 16 per cent higher than for properties in urban areas.

October 11, 2011 (FPRC) -- The annual report, produced by Halifax Rural Housing Review, says that prices for rural properties have increased by 35 per cent since 2001. Average rural property prices are on average £27,000 higher than urban property prices.

However, since the property market downturn started in 2007, property prices in the countryside have fallen by a total of 22 per cent and in urban areas by 23 per cent which has narrowed the gap between rural and urban housing values.

Average property prices in rural areas have increased more than urban areas in monetary terms over the past 10 years. Rural property prices rose on average from £127,146 in 2001 to £196,316 in 2011. Urban areas saw an average increase of £62,223 from £107,130 to £169,353. House prices in urban areas, however, have risen across the urban areas of the UK by 58% and in countryside areas by 54%.

Compared to house price measured to earnings ratio, properties least affordable in the rural areas are West Dorset, South Lakeland in Cumbria and Ceredigion in Wales with an average property price that is 8.0 times multiplied by the local gross annual average salary.

Those looking for new homes for sale in Lincolnshire will find rural areas the most affordable as well as new homes in Scotland, East Ayrshire which is the least expensive rural region to live in the UK.

Uttlesford in Essex is the most expensive rural local authority district in Great Britain with their local new houses in Essex valued 57% above the national rural property price average, with an average house price of £307,507.

Fifteen rural areas have seen average property prices double since 2001. The largest increases during the decade were new homes in Scotland with the largest in Moray at 162% per cent, followed by Aberdeenshire with 150% and the Highlands at 143%.

Rural areas in southern England, however, have seen a lesser increase in property values, although they remain at a higher level in the UK. Property values in the rural areas of the South East grew by 40% over the decade, including new houses in Kent, and by 63% in the South West.

The increase in rural property values has resulted in housing becoming less affordable for local rural buyers on average and below average incomes.

Nitesh Patel, housing economist at Halifax, said: 'Living in the countryside is an aspiration for many homeowners, attracted by the prospect of a better quality of life, open space and a cleaner environment. The side effect of rising property values is that housing affordability has become an increasing concern in many rural areas, particularly in the south where in all areas those on average incomes will find it difficult to enter the market. This, in turn, is having an adverse impact on the numbers of first-time buyers in these areas.'

Notes to Editors:

What House? is a leading property website that features thousands of new houses for sale in Bristol, as well as Scotland and rest of the UK. It also provides the latest property news, valuation of homes and property and mortgage advice. Over the last 30 years, What House? has held their annual What House? Awards, which are the longest established New Homes awards in the UK recognising UK house builders and developers across 23 categories.

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