

## Halifax reports House Prices up £110,000 over 10 years in areas with the best performing economies

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Homeowners in locations with the biggest rises in economic activity have seen the value of their property rise by almost £110,000 over a decade, according to new research by Halifax. Between 1999 and 2009 (latest available), the value of the typical home in the ten local areas that recorded the biggest increases in economic activity rose by 145% (£109,269), from an average of £75,222 in 1999 to £184,491 in 2009. This is equivalent to a weekly increase of £228.

The £109,269 increase in house prices in the ten top performing economic locations was almost a third higher (31%) than the £83,501 increase in the [average house price](#) in the ten areas with the smallest rises in economic activity between 1999 and 2009.

The average house price in the ten locations with the highest levels of growth in economic activity between 1999 and 2009 is 25% higher than the average house price in the ten worst performing locations (£148,133). The premium of £36,358 is nearly three and a half times the average premium of £10,589 ten years earlier

The two areas recording the largest house price gains between 1999 and 2009 were also amongst the best performing areas in terms of increases in economic activity per person. Brighton and Hove, which recorded the largest rise in house prices (206%), also saw the fourth biggest increase in the value of economic activity (63%). Cornwall and the Isles of Scilly, which recorded the second biggest rise in house prices (198%), was the sixth fastest growing area in terms of economic activity (60%).

House prices have fared better in the best performing economic locations since 2007. House prices have proved more resilient in those locations that have performed relatively well economically<sup>1</sup>. Since 2007, the ten local areas with the largest falls in economic activity - as indicated by the largest percentage point rises in unemployment - have seen house prices fall, on average, by over a quarter (27%). This is more than double the average 12% decline in house prices in the ten areas that have recorded the best performance in unemployment over the period.

Martin Ellis, housing economist at [Halifax](#), said:

"The marked differences in local economic performance across the UK appear to have had a significant impact on the housing market over the past decade. House price growth has generally been stronger in the areas that have seen the biggest increases in economic activity. The best performing areas have also been the most resilient in terms of house prices during the downturn since 2007.

"Looking forward, the pace at which the UK economy recovers will be a key determinant of the outlook for the UK housing market. Similarly, those areas that perform best in economic terms are likely to fare best in terms of house price movements."

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