



NOT FOR BROADCAST OR PUBLICATION BEFORE 00.01 HRS MONDAY MAY 29<sup>TH</sup> 2017

## Homes close to a national supermarket ring up a price premium of £22,000

- House prices near a Waitrose typically cost £36,480 more than in the wider area
- Properties near a Lidl now at an average premium of £6,416; compared to a discount -£4,719 in 2014
- House prices close to an Aldi, Lidl, Morrisons or Asda have grown by an average £21,400 or 11% since 2014<sup>1</sup>

**New research from Lloyds Bank has found that homes within easy reach of a local supermarket are, on average, £21,512 higher than in nearby areas.**

Properties in areas with a Waitrose, Marks and Spencer, Sainsbury's or Iceland are most likely to command a higher house price premium when compared to the wider town average. And prices near upmarket supermarket brands can be particularly high. For example, the average price for properties within easy reach of a Waitrose is typically £36,480 higher than the wider town average (£429,118 versus £392,939).

Those living close to a Marks and Spencer have the second highest premium, with properties worth an average of £29,992 more than homes further away, followed by Sainsbury's (£26,081) and even discount chains like Iceland (£22,767) command a strong premium. Homes within easy reach of all four supermarket chains are trading at an average premium of 9%. (See Table 1)

### **Areas close to budget supermarkets have seen biggest house price rises, with growth of 11% in 3 years**

House prices close to an Aldi, Lidl, Morrisons or Asda have grown by an average of 11%, or £21,400, since 2014. This is a faster increase than for all supermarkets (9%) and marginally higher than for all areas in England and Wales (10%). In postal districts with an Aldi, the average house price has grown from £178,809 in 2014 to £198,810 in 2017 – an increase of £20,000. In addition, areas with a Lidl have seen average price grow of £23,722 (from £216,258 to £239,981). However, in cash terms the largest price increases remain in postal districts with a Waitrose - £33,015 (from £396,104 to £429,118) or 8%. (See Table 4)

The average house price in an area with a Waitrose store is £429,118 – the most expensive of all the chains - and more than double compared to areas with an Aldi store (£198,810), which is the least expensive. The next most expensive are areas with a Marks and Spencer (£350,263) and Sainsbury's (£314,154).

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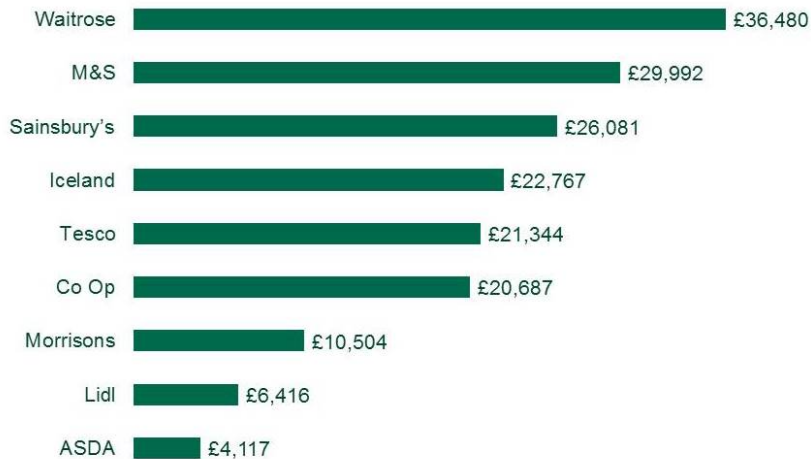
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## How much is living near a supermarket worth?



### Andy Mason Lloyds Bank mortgages director, commented:

“With homes in areas close to major supermarkets commanding a premium of £22,000, the convenience of doing weekly shopping within easy reach may well be a pull for many homebuyers looking for good access to local amenities.

“The ‘Waitrose Effect’ is clear; having a premium brand on your doorstep means buyers typically need to pay top prices. But the research also shows that areas with ‘budget’ stores have, on average, seen the most rapid house price growth in recent years.

“There has been some suggestion that the likes of Lidl and Aldi are increasingly locating in more affluent areas where prices are already relatively high. Indeed, in 2014 house prices in areas with a Lidl were, on average, £4,700 lower than in neighbouring areas; today they are £6,400 higher.”

### The ‘Waitrose Effect’: Waitrose dominates in eight out of ten regions with largest price premiums

In eight out of ten regions across England and Wales, properties command a premium price compared to other areas in the same town where there is a Waitrose. The greatest house price premium, in cash terms, that can be aligned to a supermarket presence is in the North West. Areas with a local Waitrose store in the region command an average price that is £80,272 (38%) more than the surrounding town. This is followed by the same supermarket brand in the West Midlands (£76,812 or 40%) and Yorkshire and the Humber (£53,924 or 30%). (See Table 2)

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## Large price premiums to have a supermarket on your door step

This review also looked at locations with the highest area to town house price premium, with, Ponteland in Newcastle and Chiswick in Hounslow commanding the greatest average property prices when compared with the surrounding town or local authority borough average.

The average house price in Ponteland, which has a Waitrose, Sainsbury's and Co-Op, and Chiswick, which offers residents a Waitrose, Sainsbury's and Marks and Spencer, is 104% and 89% higher respectively than in surrounding areas. In cash terms the premium to live in Ponteland is £200,856 higher than in Newcastle as a whole (£393,502 v.£192,646); whilst in Chiswick this figure is more than double at £444,011 when compared to the average price for the borough of Hounslow (£940,218 v. £496,207).

In the 10 locations with the highest premiums, eight feature Waitrose, Sainsbury's and Marks and Spencer. The remaining two areas are Chorlton and neighbouring Didsbury in Manchester with a house premium of 74% or £125,945 and 58% (£98,043) respectively. These areas are dominated by Morrisons, Co-Op, Aldi and Tesco. (See Table 3)

Table 1 - Supermarket locations with largest house price premium – February 2017

Supermarket	Average Price in Postal District February 2017	Average Price in Post Town February 2017	Postal District to Post Town premium/discount % February 2017	Postal District to Post Town premium/discount £ February 2017
Waitrose	429,118	392,639	9.3%	36,480
Marks & Spencer	350,263	320,271	9.4%	29,992
Sainsbury's	314,154	288,074	9.1%	26,081
Iceland	267,076	244,309	9.3%	22,767
Tesco	273,569	252,226	8.5%	21,344
Co-Op	246,700	226,013	9.2%	20,687
Morrisons	225,521	215,017	4.9%	10,504
Lidl	239,981	233,565	2.7%	6,416
Asda	209,283	205,166	2.0%	4,117
Aldi	198,810	201,713	-1.4%	-2,902
<b>Supermarket Average</b>	<b>268,685</b>	<b>247,173</b>	<b>8.7%</b>	<b>21,512</b>

Note: Average house price in 12 months to February 2017 in postal district of supermarket location compared to postal town. Source Land Registry for house prices and CACI Ltd for supermarket locations

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**Table 2 – Regional house price premium/discount – February 2017**

Region	Supermarket	Postal District to Post Town premium/discount £ February 2017	Postal District to Post Town premium/discount % February 2017
North West	Waitrose	80,272	38.0%
West Midlands	Waitrose	76,812	40.0%
Yorkshire and the Humber	Waitrose	53,924	26.9%
South East	Waitrose	29,880	8.1%
South West	Waitrose	19,712	6.7%
Wales	Waitrose	24,844	11.5%
East Midlands	Waitrose	27,361	13.4%
Greater London	Waitrose	17,294	2.2%
East Anglia	Waitrose	-958	-0.4%
North	Marks & Spencer	-2	0.0%

Note: Average house price in 12 months to 2017 in postal district of supermarket location compared to postal town in region. Source Land Registry for house prices and CACI Ltd for supermarket locations

**Table 3 - Top 10 Supermarket locations with largest house price premium – February 2017**

Supermarket	Locality	Post town	Postal Distict	Region	Postal District Average House Price February 2017 £	Post Town Average Price 12 months to February 2017 £	House Price Premium £ February 2017
Waitrose, Sainsbury's and Co-Op	Ponteland	Newcastle	NE20	North	393,502	104%	200,856
Waitrose, Sainsbury's and Marks and Spencer	Chiswick	Hounslow	W4	London	940,218	104%	444,011
Marks & Spencer, Waitrose, Iceland and Tesco	Formby	Liverpool	L37	North West	284,122	86%	131,776
Morrisons and Co-Op	Chorlton	Manchester	M21	North West	295,353	74%	125,945
Co-Op and Waitrose	Henleaze	Bristol	BS9	South West	491,335	67%	197,903
Waitrose, Sainsbury's and Co-Op	Clifton	Bristol	BS8	South West	483,887	65%	190,455
Waitrose,	Golders	Barnet	NW11	London	985,007	63%	380,864

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Sainsbury's and Marks and Spencer	Green						
Marks & Spencer, Waitrose and Iceland	Harborne	Birmingham	B17	West Midlands	285,525	62%	109,274
Aldi, Co-Op and Tesco	Didsbury	Manchester	M20	North West	267,451	58%	98,043
Marks and Spencers, Sainsbury's and Co-Op	Moortown	Leeds	LS17	Yorkshire and the Humber	302,145	58%	110,747

Note: Average house price in 12 months to February 2017 in postal district of supermarket location compared to postal town. Source Land Registry for house prices and CACI Ltd for supermarket locations

**Table 4 – Supermarkets and House Price Change - 2014 to 2017**

Supermarket	Average Price in Postal District November 2014	Average Price in Postal District February 2017	% Change	£ Change
Aldi	178,809	198,810	11%	20,001
Lidl	216,258	239,981	11%	23,722
Morrisons	203,756	225,521	11%	21,765
Asda	189,196	209,283	11%	20,088
Iceland	242,002	267,076	10%	25,074
Co-Op	224,679	246,700	10%	22,021
Sainsbury's	286,890	314,154	10%	27,264
Tesco	250,575	273,569	9%	22,995
Waitrose	396,104	429,118	8%	33,015
Marks & Spencer	323,854	350,263	8%	26,409
<b>Supermarket Average</b>	<b>246,894</b>	<b>268,685</b>	<b>9%</b>	<b>21,791</b>
<b>National Average*</b>	<b>236,743</b>	<b>260,714</b>	<b>10%</b>	<b>23,972</b>

Note: Average house price in 12 months to February 2017 in postal district of supermarket location compared to postal town. Source Land Registry for house prices and CACI Ltd for supermarket locations

\* For all areas of England and Wales

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**Notes:**

<sup>1</sup> 2014 is the first year for which Lloyds Bank has supermarket location data.

**DATA SOURCES:**

**1. Supermarket locations**

Supermarket locations has been supplied by CACI Ltd, February 2017. A supermarket is defined as where the store selling space is greater than 3,000 sqft.

**2. House Prices**

House prices for 12 months to February 2017 from Land Registry. The prices used in this research are simple arithmetic ('crude') averages. These prices are not standardised and therefore can be affected by changes in the sample from period to period.

By comparing average prices in postal districts (e.g. OX2), which have a national supermarket, to the wider post town (e.g. Oxford), it has been possible to identify the average house price premium or discount associated with the proximity to the UK's largest grocery retailers.

**For further information**

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