

**HOUSING PRICES  
IN UK NATIONAL PARKS  
WITH SPECIAL REFERENCE TO SCOTLAND**

**INFORMATION NOTE 1**

**Scottish Campaign for National Parks  
and the  
Association for the Protection of Rural Scotland**

**Revised**

**Graham C Barrow    December 2017**

## 1. Introduction

- 1.1 There is a common perception that the designation of National Parks in the UK contributes to higher housing prices, but an analysis of data does not confirm this to any great degree. This information note analyses house prices inside and outwith the National Parks in the UK and discusses the likely impact of any new National Park designations in Scotland on housing prices in those rural areas.
- 1.2 It is not surprising that on our relatively small island with a growing population, steadily increasing affluence since the 1950s (until very recently) and the trend towards smaller family units, there has been an increase in the demand for houses in most areas of the UK. This pressure has been at its most acute in the south east of England but has been felt to a greater or lesser extent in most parts of the country, including within areas designated as National Parks.
- 1.3 There are a number of specific issues that place pressures on housing in our National Park areas:
  - With a growing number of jobs being 'footloose' and with people being able to work more from home with modern computer technology, it is possible to locate to attractive areas of countryside and coast to live and work. Some of these locations are in National Park areas.
  - Increased affluence has meant that more people have been seeking second homes as a base for their leisure activities and as financial investments. Attractive countryside areas are naturally popular, with richer people being able to outbid locals for the available houses.
  - Some affluent retirees seek out attractive rural areas for retirement houses and these people find the National Park areas attractive to live, especially in small towns and villages with services.
  - The planning policies operating in a National Park to protect the landscape can potentially reduce the opportunity to develop new housing and thus restrict the supply – potentially forcing up the prices.
- 1.4 None of these factors are exclusive to our UK National Parks and there are many attractive areas of countryside and coast that are not designated as National Parks where these factors also apply.
- 1.5 So does designating an area as a National Park in the UK exacerbate the problem by driving up house prices, is it neutral or does it provide a potential solution through the policies that can be adopted by the National Park Authorities?

## 2. Housing Prices in UK National Parks

- 2.1 A survey in 2014 for *This is Money* magazine, using Lloyds Bank and Land Registry data, indicated that houses in the National Parks in England and Wales were on average over £125,000 more expensive than the average price in the rest of their surrounding counties (see Table 1 below). But this headline figure is to be treated with great caution as the price of rural property in attractive accessible countryside in the UK is pretty universally dearer than that in towns. So these data do not prove that National Park areas are different than other areas of attractive countryside and coast.

**Table 1: National Parks Premium to County House Prices, June 2014**

National Park	Average House Price 2014* (£)	Average House Price in County 2014*** (£)	Premium to County %	Premium to County £
New Forest	516,479	257,413	101%	259,066
Peak District	307,573	158,337	94%	149,236
Lake District	311,154	168,661	84%	142,493
South Downs	460,099	269,863	70%	190,236
Pembrokeshire Coast	222,792	153,662	45%	69,130
Exmoor	308,153	215,004	43%	93,148
Dartmoor	287,519	217,079	32%	70,440
Yorkshire Dales	259,408	198,073	31%	61,335
The Broads Authority	248,458	200,900	24%	47,558
Brecon Beacons	206,162	178,585	15%	27,577
North York Moors	238,952	214,736	11%	24,216
Snowdonia	173,779	166,051	5%	7,728
<b>National Parks Average**</b>	<b>342,534</b>	<b>216,739</b>	<b>58%</b>	<b>125,796</b>

Source: Lloyds Bank, Land Registry

Northumberland National Park excluded from the analysis due to insufficient number of sales

\*January to June

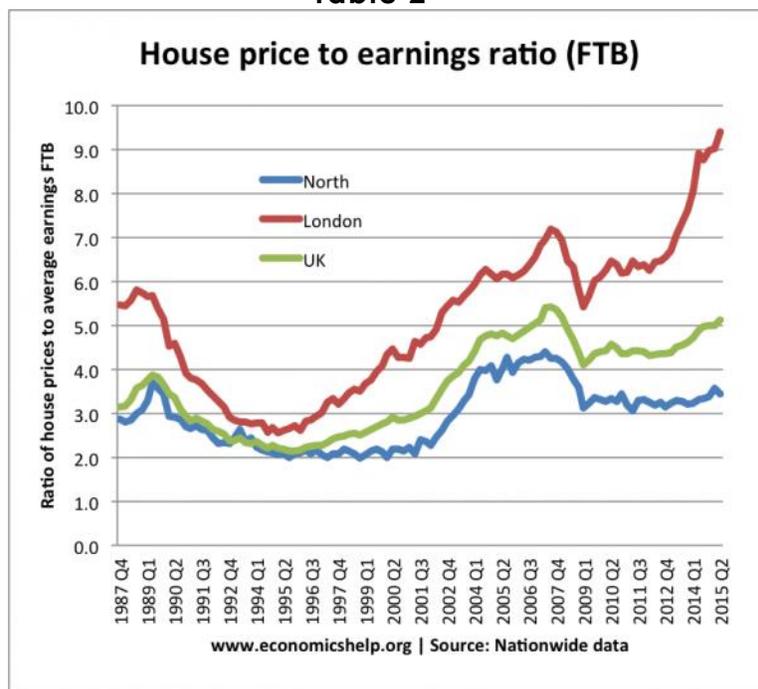
\*\* Weighted average by transactions.

\*\*\* Where more than one county is involved, a weighted average of relevant counties is used.

- 2.2 Data analysing the house prices in the English and Welsh Areas of Outstanding Natural Beauty (AONBs) by *City AM* in 2015 shows an even larger disparity between the prices within the designated AONB areas and the rest of their adjacent counties than exists with the National Parks. So the label 'National Park' in England and Wales is not in itself the reason for the high disparity in house prices. This is likely to be more influenced by the quality of the landscape, the accessibility and the contrast in the housing environment between the designated area and the nearby towns and cities.

- 2.3 In Scotland the average house value in the Cairngorms National Park in September 2017 is estimated by Zoopla to be £209,578 compared with the Scottish national average of £184,819 – about 13.4% higher – but this Scottish national average includes many smaller and cheaper properties in the central belt and particularly in the Greater Glasgow area. The November 2015 average house price in the whole of Aberdeenshire is estimated by Zoopla at £221,266 (5.6% higher than within the Cairngorms National Park) and £238,232 in Perthshire (13.7% higher). The property in the Cairngorms National Park is not, on average, more expensive than attractive areas of surrounding countryside and in some nearby towns.
- 2.4 Table 2 shows the trends in the affordability of all housing in the UK from 1987 to 2015. This illustrates that the cost of housing rose from about 3 times average earnings in 1987 to 5 times in 2015, although London house price rises were far greater than this average and distort the national figures.

**Table 2**



- 2.5 Possibly of more significance is the following table (Table 3) from the same *This is Money Magazine* report which shows the change to the affordability of houses in the English and Welsh National Parks between 2004 and 2014 – a period when the affordability of much of the housing stock in the UK had decreased significantly. This shows that the average worsening in affordability from 10.3 times average earnings to 11.3 (a 9.7% increase over 10 years) is not excessive. There has been a very wide variation between the different National Parks, with six of the National Parks showing no appreciable change in the

affordability of housing over that 10 year period and with the North York Moors and Yorkshire Dales National Parks actually showing the housing becoming slightly more affordable. All the house prices are nevertheless very expensive compared with average earnings – a UK national issue.

**Table 3: National Parks ranked by home affordability, 2004- 2014**

National Park	Price to Earnings ratio, 2004	Price to Earnings ratio, 2014
New Forest	12.9	14.0
South Downs	11.2	12.3
Exmoor	8.9	10.7
Dartmoor	9.7	10.3
Lake District	9.9	10.2
Peak District	9.9	10.1
Pembrokeshire Coast	8.2	8.4
The Broads Authority	8.3	8.4
Yorkshire Dales	8.7	8.3
Brecon Beacons	7.6	8.1
North York Moors	7.6	7.4
Snowdonia	6.4	6.5
<b>National Parks Average*</b>	<b>10.3</b>	<b>11.3</b>

Source: Lloyds Bank, Land Registry, ONS

Northumberland National Park excluded from the analysis due to insufficient number of sales

\* Weighted average by transactions

- 2.6 Rightmove has a valuable data set which shows the average sold property prices by month in all postcode areas in the UK since 2002. This allows an analysis to investigate whether the establishment of the two new national parks in Scotland in 2002 and 2003 had an immediate impact on house prices. This is illustrated in the table below:

Table 4

<b>Property sale price averages for postcode areas within and outwith the two new Scottish National Parks 2002/3 and 2006/7</b>				
<b>Postcode</b>	<b>2002 and 2003 average sale price (1)</b>	<b>2006 and 2007 average sale price (1)</b>	<b>Increase</b>	<b>Increase per annum 2002/3 to 2006/7</b>
<b>Cairngorms National Park</b>				
PH21 Kingussie	£99,184	£198,078	+ 99%	+ 24.8% pa
PH26 Grantown on Spey	£88,744	£185,461	+ 114%	+ 28.5% pa
PH22 Aviemore	£74,240	£145,629	+ 96%	+ 24.0% pa
AB35 Ballater and Braemar	£121,313	£205,348	+ 69%	+ 17.3% pa
AB37 Tomintoul and Glenlivet	£65,996	£140,052*	+ 112%	+ 28.0% pa
<b>Averages from 5 postcode areas in CNP</b>	<b>£89,895</b>	<b>£177,736</b>	<b>+ 98%</b>	<b>+ 24.4% pa</b>
<b>Loch Lomond and The Trossachs National Park</b>				
FK19 Lochearnhead and Balquider	£144,616	£243,375	+ 68%	+ 17.1% pa
FK17 Callander and Trossachs	£108,637	£185,575	+ 71%	+ 17.7% pa
PA24 Lochgoilhead area	£ 85,526	£169,107**	+ 98 %	+ 24.4% pa
G83 Arrochar, Balloch and Alexandria***	£ 63,050	£104,145	+ 65%	+ 16.3% pa
<b>Averages from 4 postcode areas in LLNP</b>	<b>£ 92,957</b>	<b>£175,550</b>	<b>+ 89%</b>	<b>+ 22.2% pa</b>
<b>5 attractive areas outwith National Parks</b>				
TD6 Melrose	£109,736	£199,602	+ 82%	+ 20.5% pa
KY10 Fife coastal villages and inland	£ 86,739	£175,172	+ 102%	+ 25.5% pa
PA34 Oban and Locahline areas	£ 71,092	£131,269	+ 85%	+ 21.2% pa
DG6 Kirkudbright area, Galloway	£ 84,258	£136,047	+ 62%	+ 15.4% pa
PH7 Crieff area, Perthshire	£ 92,307	£148,322	+ 61%	+ 15.2% pa
<b>Averages from 5 rural postcode areas</b>	<b>£88,826</b>	<b>£158,082</b>	<b>+78%</b>	<b>+ 19.5% pa</b>
<b>All Scotland Sold House Prices</b>	<b>£65,000</b>	<b>£113,000</b>	<b>+ 74%</b>	<b>+ 18.5% pa</b>

(1) Calculated from the average of the monthly sale price averages

\* Adjusted to ignore one property sold for £380,000 in June 2007

\*\* Adjusted to ignore one property sold for £600,000 in March 2006

\*\*\* Alexandria part of postcode area just outside the National Park boundary

- 2.7 Table 4 above indicates that the establishment of the two new National Parks in Scotland did have a small positive impact on house prices compared with other attractive rural areas around the time of their establishment. Some points to note from these data are:
- Between 2002/3 and 2006/7 sold house prices rose by an average of about 23% p.a. in the two new National Parks compared with about 19.5% p.a. in other attractive rural areas in Scotland. These sound like very big increases but the average rise in all Scottish property in those four years was about 18.5% pa.
  - The increase in the Cairngorms National Park was the largest of the two national parks with an average increase of 24.4% p.a. whilst in Loch Lomond and the Trossachs it was a little lower at 22.2% p.a.
  - There are other rural areas in Scotland that experienced similar house price increases at that time and of the 5 area postcodes analysed the Fife Coastal villages increased by 25.5% p.a. and the Oban area by 21.2% p.a. which are increases which are on a par with the National Park postcode areas investigated.
  - The uplift in the sold house prices within the National Parks compared with other attractive rural areas in Scotland varies from almost nothing to about 19% more (i.e. an increase of 3.8% more over the 19.5% increase in the rural areas outwith the National Parks). If a halfway figure is taken then the impact of National Park status could have resulted in an average uplift in the house prices a little under 10% p.a. more than the average increases elsewhere for four years after park establishment.
  - The sold house prices in the National Park postcode areas had increased by about £20,000 more in the 4 year period after the parks were established than the average of the five areas researched that were outwith the parks – i.e. about £5,000 p.a. more. But this was a time of very rapid price increase all over Scotland.
  - If a more normal average annual property value increase of say 5% pa is applied to the average price of a rural house in Scotland of say £200,000, i.e. adding about 20% or £40,000 over 4 years, then the impact of National Park designation on an area could be to increase the average house price by about 10% pa more i.e. £2,000 p.a. or £8,000 over 4 years. There would be large variations to this figure to reflect local circumstances and individual properties.
  - An overall conclusion to this analysis is that the postcodes area investigated indicate a very small but discernible impact on house prices as a result of National Park designation, but this is not long lived once the park has been in existence for a few years (see below).
- 2.8 Table 5 below illustrates that the increase in the price of housing in the two National Parks in recent years has not been exceptional. The table compares house prices in four main settlements in the two Scottish National Parks over the past decade after the parks were established, with the house prices in other areas of attractive Scottish countryside

that have been suggested by SCNP/APRS (2013) in their “Unfinished Business” Report as possible National Parks in the future.

- 2.9 This data indicates a very slightly lower increase in house prices in small towns within the two Scottish National Parks (11% over 10 years) compared with increases in attractive rural areas elsewhere (13% increase).

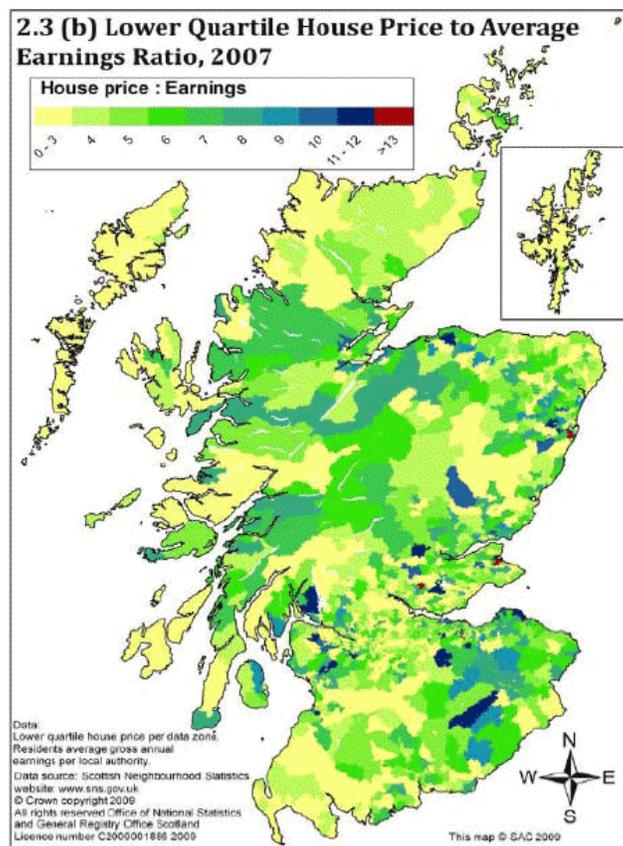
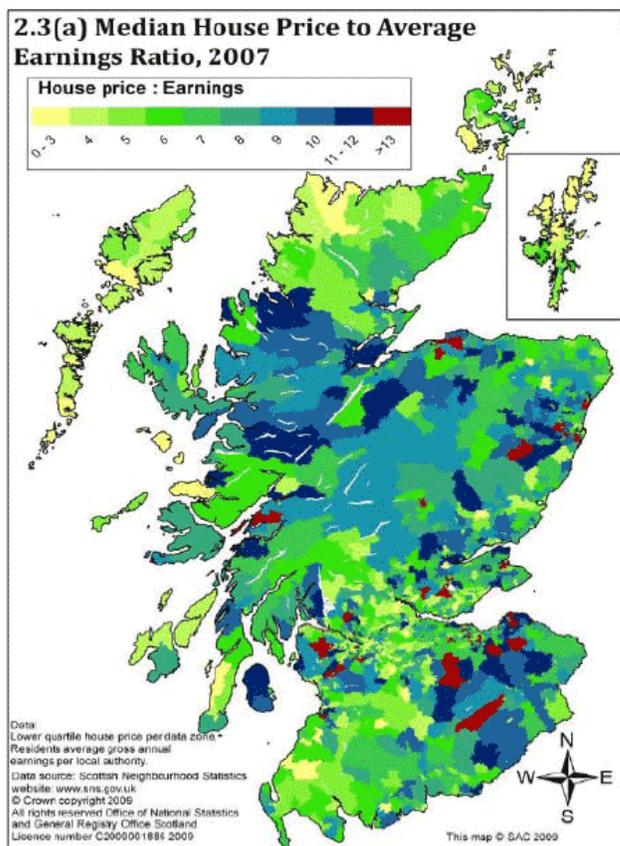
**Table 5**  
**House price rises in the past 10 years inside and outwith**  
**National Parks in Scotland (Source Zoopla)**

Town	£ Increase	% Increase
<b>Cairngorms NP</b>		
Newtonmore	+ £20,024	+ 11%
Grantown on Spey	+ £20,454	+ 11%
<b>Loch Lomond and T NP</b>		
Callander	+ £29,840	+ 15%
Drymen	+ £24,623	+ 8%
<b>Average in the two NPs</b>		<b>+ 11%</b>
<b>Galloway</b>		
Kirkudbright	+ £20,863	+ 13%
Newton Stewart	+ £16,701	+ 13%
<b>Borders</b>		
Jedburgh	+ £20,536	+ 13%
Kelso	+ £22,671	+ 13%
<b>Isle of Harris</b>		
	+ £11,297	+ 12%
<b>Isle of Mull</b>		
	+ £24,109	+ 13%
<b>Average outside NPs</b>		<b>+ 13%</b>

- 2.10 In 2009 the Scottish Government published the findings of research on rural housing and stated:

*“Many of Scotland's rural areas lack affordable housing, which is exacerbated by the level of vacant and second homes in some areas. This, coupled with demand from retirees, commuters and incomers, has caused house prices to rise rapidly in many rural areas, forcing numerous rural first time buyers out of the market. Maps 2.3 (see below) highlights house purchase affordability across Scotland by examining the many times average incomes house prices are. The median house price affordability map reveals the extent of the housing affordability problem encountered in some areas where average earners are faced with average (median) house prices in excess of nine times an individual's earnings. Whilst the median house price values are affected by the larger amount of detached, high*

value homes (in comparison to urban areas) the lower quartile house price affordability map (Map 2.3b below) reveals there are many areas where even the lowest priced houses remain relatively unaffordable for an average earner in the region. The lack of affordable housing options has significant implications for young people in many rural areas and, as a result, some who cannot enter the housing market in their locale choose to relocate to more affordable areas in order to get a foothold on the property ladder. If they cannot do that they are restricted to rented accommodation which may also be scarce."



- 2.11 What these maps also indicate is that in 2007 very high house prices were found in many rural areas of Scotland particularly near Edinburgh and Aberdeen. In a number of the areas being proposed by SCNP/APRS as potential future National Parks the housing prices are at the lower end of the affordability range (e.g. Galloway and Harris) whilst some other areas are at the middle or higher end of the affordability (e.g. Cheviots, Glen Affric)
- 2.12 In two of the areas proposed by SCNP/APRS as suitable for future National Parks the existing average house prices are noticeably below the Scottish national average and these are in Galloway and in the Isle of Harris. In both these cases the relatively low house prices relate to the poor economic performance of these areas, with a problem of holding their populations and creating employment for young people in particular. The creation of National Parks in these areas will

potentially be of assistance to the economy and to tourism in particular and there could be some modest (but possibly welcome) increase in house prices as a result.

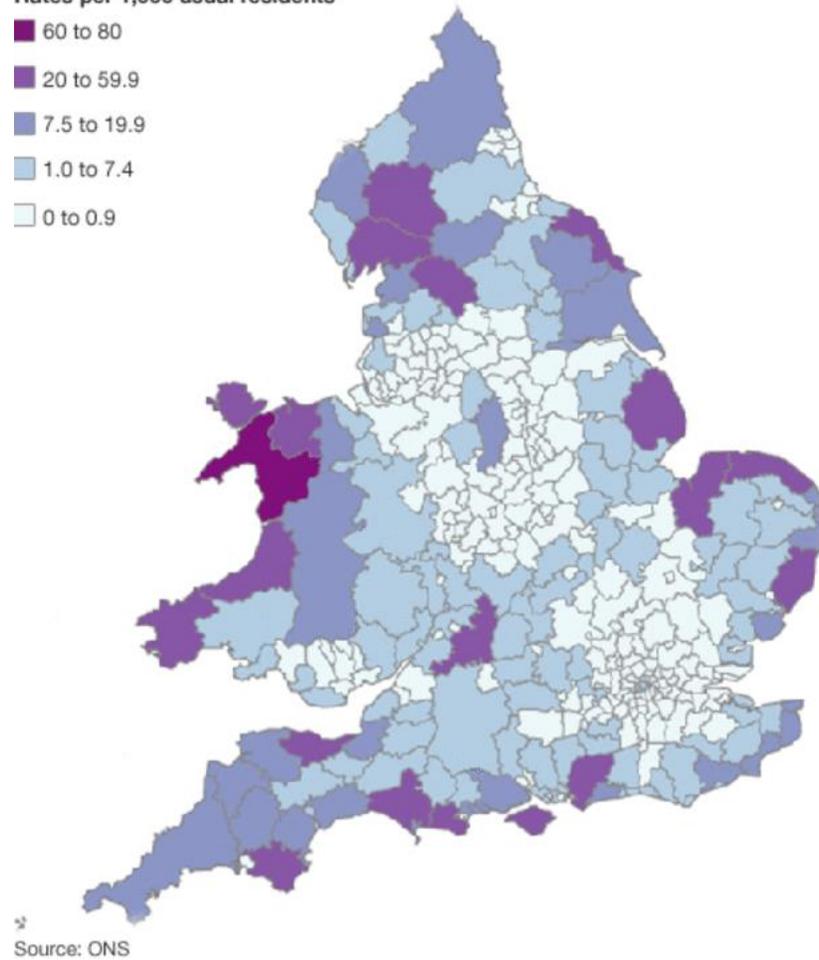
- 2.13 The conclusion is that whilst house prices in National Parks in the UK, including Scotland, are generally high compared with national averages, there are many other areas of attractive countryside and coast where the prices are every bit as high if not higher. National Park designation in itself does not seem to cause a significant increase in house prices and the affordability of houses in the existing National Parks has not significantly worsened over the past decade.
- 2.14 This does not negate the point that the high prices and limited availability of property in National Parks can cause problems for younger local people to enter the housing market or for workers moving to the areas for employment in land based industries to find affordable housing.

### **3. Second Homes**

- 3.1 One of the often debated issues concerning house prices in National Parks in the UK is the issue of the demand for second homes. The Map below using Office of National Statistics data shows the rate per 1,000 local residents of second (holiday) homes in England and Wales – where there have been National Parks in existence for over 60 years. This shows that some of the National Park areas such as Snowdonia and the Lake District have some of the highest proportions of holiday homes in England and Wales, but so do areas that are not designated as National Parks such as the North Norfolk Coast, the Isle of Wight, Dorset, South Devon and Gloucestershire.

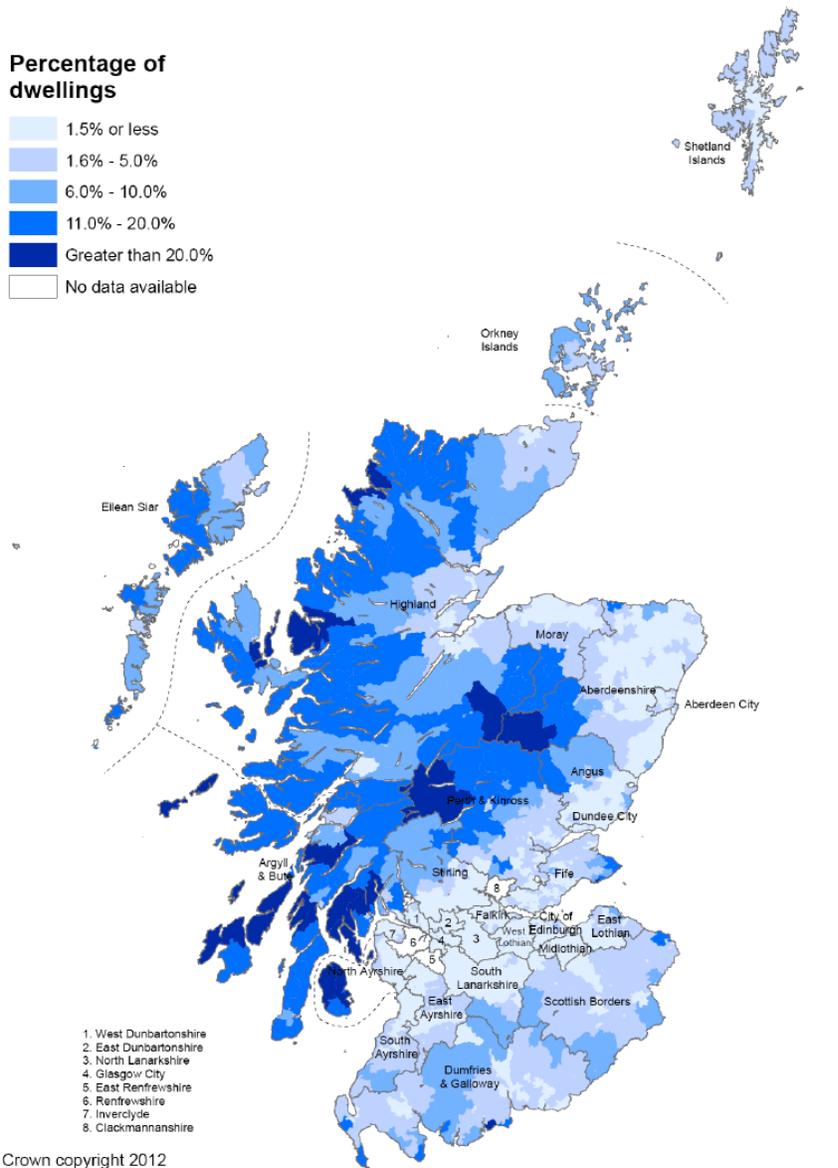
### Holiday homes mapped

Rates per 1,000 usual residents



- 3.2. The two National Parks in Scotland have been in operation for about 14 years, so their influence (or lack of it) on second home ownership patterns will have had less time to appear, but the map below again indicates that whilst second home ownership is proportionately high in the Cairngorms and in the Loch Lomond and The Trossachs National Parks, it is also just as high in parts of Argyll, on the Isle of Arran, in the far north west of mainland Scotland and even in small coastal pockets in Dumfries and Galloway. There would appear to be no direct correlation between the second home ownership levels and the existence of the “National Park” label in Scotland.

**Percentage of dwellings**



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## 4. National Park Authorities and House Prices

4.1 National Park Authorities are not housing authorities but are often the planning authority in their area. The issue of the lack of housing for local people is normally tackled through the provision of what is termed "Affordable Housing" which is available to a defined group of purchasers at less than market value.

4.2 There are three main mechanisms that can be used to provide affordable housing in the UK National Parks (and by all Local Authorities) and these are:

- **Using Section 106 (Section 75 in Scotland) agreements for mixed development sites**

The provision of some affordable houses can be a component of a Section 75 agreement for a mixed development

- **Applying the "Rural Exception Scheme"**

All local planning authorities in England and Wales that have rural areas should include a rural exception site policy in the relevant development plan document. A rural exception site policy enables the authority to allocate or release small sites within and adjoining existing small rural communities, which may be subject to policies of restraint, such as National Park, and which would not otherwise be released for housing, but only in order to provide affordable housing to meet local needs in perpetuity (Planning Policy Guidance Note 3, Housing Update).

The Scottish Executive Social Research paper (2007) concluded ... *There may be scope to introduce rural exceptions policies more widely, particularly in conjunction with rural housing enablers, altruistic landowners and the inclusion of mid-rent private properties within the definition of 'affordable housing'. However, this would need to be considered in relation to existing policies relating to housing in the countryside, and would not be appropriate in all rural areas. It is also only ever likely to provide small scale delivery.*

- **Through a Community Land Trust approach**

Community Land Trusts (CLTs) are charitable organisations set up and run by local people to develop and manage homes as well as other assets important to that community, like community enterprises, food growing or workspaces. The CLT's main task is to make sure these homes are genuinely affordable, based on what people actually earn in their area, not just for now but for every future occupier. (see the Community Land Trust web site).

The Scottish Executive Land Reform Act (2003) enables rural communities in Scotland with a population of less than 10,000 to establish a community body and register an interest in land or buildings, thereby providing the option to buy when the land/buildings come up for sale. The Scottish Land Fund has been

established to assist communities to own and develop land, with funds designated for preparatory costs, acquisition, and development.

- 4.3 This information note does not explore the detail of the mechanisms used by the National Park Authorities to provide affordable housing for local people, but a future research paper may investigate this matter.

## **5. Conclusions**

- 5.1 This short information note has reviewed the influence of National Park designations on house prices in the UK and particularly in Scotland. It indicates that designating a new National Park may have a small influence on house prices initially but does not necessarily cause any significant increases in house prices over the longer term. The problem of high house prices and the availability of houses that local people can afford is an issue found in many attractive rural areas in the UK.
- 5.2 The creation of the two new National Parks in Scotland, some 10 years ago, has not resulted in significant increases in the house prices inside the parks compared with the increases in prices in other attractive countryside areas in Scotland.
- 5.3 There are a number of mechanisms that can be used by National Park Authorities to encourage the building of affordable houses; working with local housing associations, with new land trusts and through the careful application of planning conditions. These mechanisms can be used to help provide some affordable houses for local people in any new National Parks in Scotland.
- 5.4 The designation of any new National Parks in Scotland is not likely to have a major impact on house prices in the areas concerned. It may cause a minor increase compared with other attractive rural areas and each area has its own particular housing market conditions.

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**December 2017**

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Community Land Trusts – [www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk)

Zoopla web site - [www.zoopla.co.uk](http://www.zoopla.co.uk)

*This is Money* web site – [www.thisismoney.co.uk](http://www.thisismoney.co.uk)

Rightmove web site – [www.rightmove.co.uk](http://www.rightmove.co.uk)