

Revealed: The ten towns that will defy the 2008 house price gloom

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The housing market may be cooling across the country but certain towns will buck the trend

As gloom engulfs the housing market, experts have named ten places they believe will buck the trend in 2008.

The majority are in the South East and Scotland, the two regions that saw the most spectacular house price growth this year.

But Liverpool and parts of Wales are also expected to feature among the house price hotspots for the year ahead, according to research from the Halifax.

"Parts of East London, such as Hackney, are likely to be one of the top house price performers in 2008 as regeneration ahead of the 2012 Olympics attracts buyers," the Halifax said.

"House prices are also likely to be boosted in areas close to the planned Crossrail line in London.

"Kent generally is likely to outperform the South East average, partly due to infrastructure improvements. Seaside towns in the county are also relatively affordable, which will tend to stimulate demand from the growing number of people looking to live near the coast.

"Chatham and the other Medway towns in Kent are likely to record significant house price increases as demand is boosted by the planned opening of high-speed commuter services from central London to north and east Kent in 2009.

"Dartford and the surrounding area will also see a boost to property prices as a result of the recent opening to the Ebbsfleet International railway station.

"House prices in Liverpool are predicted to outperform most other areas as demand for property increases as a result of substantial investment in the city in the run-up to Liverpool becoming European Capital of Culture in 2008."

The top four predicted risers for 2008 are all from Scotland - Lochgelly, Paisley, Greenock and Aberdeen.

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Towns which are predicted to be house price hotspots in 2008	Region	Average price
Lochgelly	Scotland	£118,838
Paisley	Scotland	£140,338
Greenock	Scotland	£140,512
Aberdeen	Scotland	£202,755
Hackney	London	£361,179
Chatham	South East	£195,211
Dartford	South East	£217,279
Liverpool	North West	£155,353
Newport	Wales	£146,467
Pontypool	Wales	£148,596

Source: Halifax

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Halifax said: "Lochgelly, Paisley and Greenock are towns with a combination of lower than average house prices and good transport links into Glasgow or Edinburgh.

"Aberdeenshire is likely to see continued property price growth next year, given the strength of the local economy."

The Halifax believes Wales will also see some hotspots.

"Monmouthshire is expected to record above-average price rises as demand is boosted by an increase in second home-buyers who are finding it increasingly difficult to find affordable property in the Cotswolds," it said.

It expects Newport and Pontypool to show "relatively high house price growth."

The Halifax found that last year both the South East and Scotland showed an average rise of 14 per cent.

A combination of a net increase in population, driven by immigration, and rising numbers of people in work fuelled the increases.

Top of the risers was Montrose, on Scotland's east coast, where prices increased by an average of 39 per cent, ahead of Winchester, Hampshire, at 38 per cent.

A smaller study by the Nationwide produced a different list of hotspots for 2007. It listed Belfast as being top of the pile, with a 32 per cent rise, ahead of Aberdeen at 25 per cent and London at 16 per cent.

The Halifax says house prices across the country have risen from an average of £70,000 ten years ago to £195,000 today.

However, a host of recent studies suggest that a significant element of this bricks and mortar wealth could be wiped out over the next two years.

Yesterday warnings of a "sharp correction" in house prices were issued as the Nationwide reported a fall of 0.5 per cent in December.

The country's biggest building society said the fall meant the annual rate of house price growth dropped to 4.8 per cent, which is the lowest figure for 19 months.

City analysts believe the impact of the credit crunch and a collapse in the number of property sales could see significant price falls in both 2008 and 2009.

Economist Howard Archer, of Global Insight, forecast a house price fall of three per cent next year, but warned that a larger correction may be looming.

However, the Nationwide takes a relatively benign view of property prices in 2008. It believes the average will be unchanged over the next 12 months.