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Pricey Market Towns Push Homeownership Further Out of Reach

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A recent Lloyds Bank report shows first-time buyers paying over £400k in the South, while Midlands towns remain affordable under £200k.

Buying a first home in one of England and Wales' charming market towns is becoming increasingly difficult for young buyers, with new research highlighting how wide the gap between regions has grown. According to Lloyds Bank, first-time buyers now pay an average of £280,582 for a property in these towns, a 2% increase over the past year and a significant 26% rise since 2020.

The data, compiled using figures from Halifax, paints a clear picture: while some towns in the Midlands and North remain relatively affordable, many of the country's most desirable market towns, especially in the South East and East of England, are simply out of reach for most new buyers.

Southern Price Pressures

Hitchin in Hertfordshire is leading the list of the most expensive market towns for first-time buyers, where the average property now costs £410,366. With strong rail connections to London and a sought-after high street atmosphere, Hitchin's appeal has translated directly into rising prices. It's a familiar story across other commuter belt towns, where demand far outpaces supply.

Altrincham in Greater Manchester follows closely, averaging £404,864, while West Malling in Kent isn't far behind at £396,925. Hertford, also in Hertfordshire, continues the trend with an average of £392,310 for a first-time buyer home. These towns are attractive not just for their historic charm, but also for their transport links, schools, and quality of life, factors that come at a growing premium.

Rounding out the top ten are Saffron Walden (£363,960), Wimborne (£361,591), Market Harborough (£353,250), Chipping Norton (£353,077), Didcot (£352,919), and Thatcham (£349,602). For first-time buyers, these figures often push borrowing capacity to the limit, especially as mortgage rates remain elevated.

Andrew Asaam, homes director at Lloyds, noted that these areas continue to command high prices due to their broad appeal. "That 'best of both worlds' feeling has led to house prices in these areas holding up. In fact, the priciest market towns are amongst the most expensive locations, outside of Greater London, to settle into a home," he said.

Additionally, some areas have seen significant price increases for all buyers over the past five years, with Crook in County Durham nearly doubling in value and Helston and Chipping Norton also experiencing substantial growth.