

## How much would you pay to shorten your daily commute?

Gartoo, a UK property search engine, carried out research into the cost of living close to work in January 2010. It analysed the financial impact of living in London against commuting to it. Factors considered were house prices per residential area with commuting flows to London, travel costs and time and productivity costs. Special attention was paid to detecting geographical differences between relative commuting times and house prices.

Londoners spend 38 minutes travelling from home to the workplace, 10 minutes more than the average UK worker (1). Depending on the use of car, the average may rise to 47 minutes (2). Is the long commuting worth it?

### Distance from Work

Distance from work has often been the deciding factor for purchasing a home. If one resides in London, the closer one lives to work, the more expensive the home. Conversely, the further away from London one lives, the more affordable a home becomes.

Data shows that a mortgage repayment for an average three-bedroom home in Camden, London will cost about £3,630 per month. If one works in St. Pancras, two tube stops away, the tube fare will be about £100 per month, a total of £1,200 a year. The total cost of mortgage repayments and daily travel combined would total about £44,760, annually.

We found by that buying a home outside of London using a property search engine like [Gartoo](#) it is easy to find a middle-of-the-market three-bedroom home in a place like Canterbury from about £150,000. Depending on the number of years required for repayment and the interest rate, the monthly mortgage costs on a £150,000 property will be around £886 per month at 5% over 25 years.

# PROPERTY SEARCH by gartoo.co.uk

**gartoo**

Where is the best value area to live within an hour of London

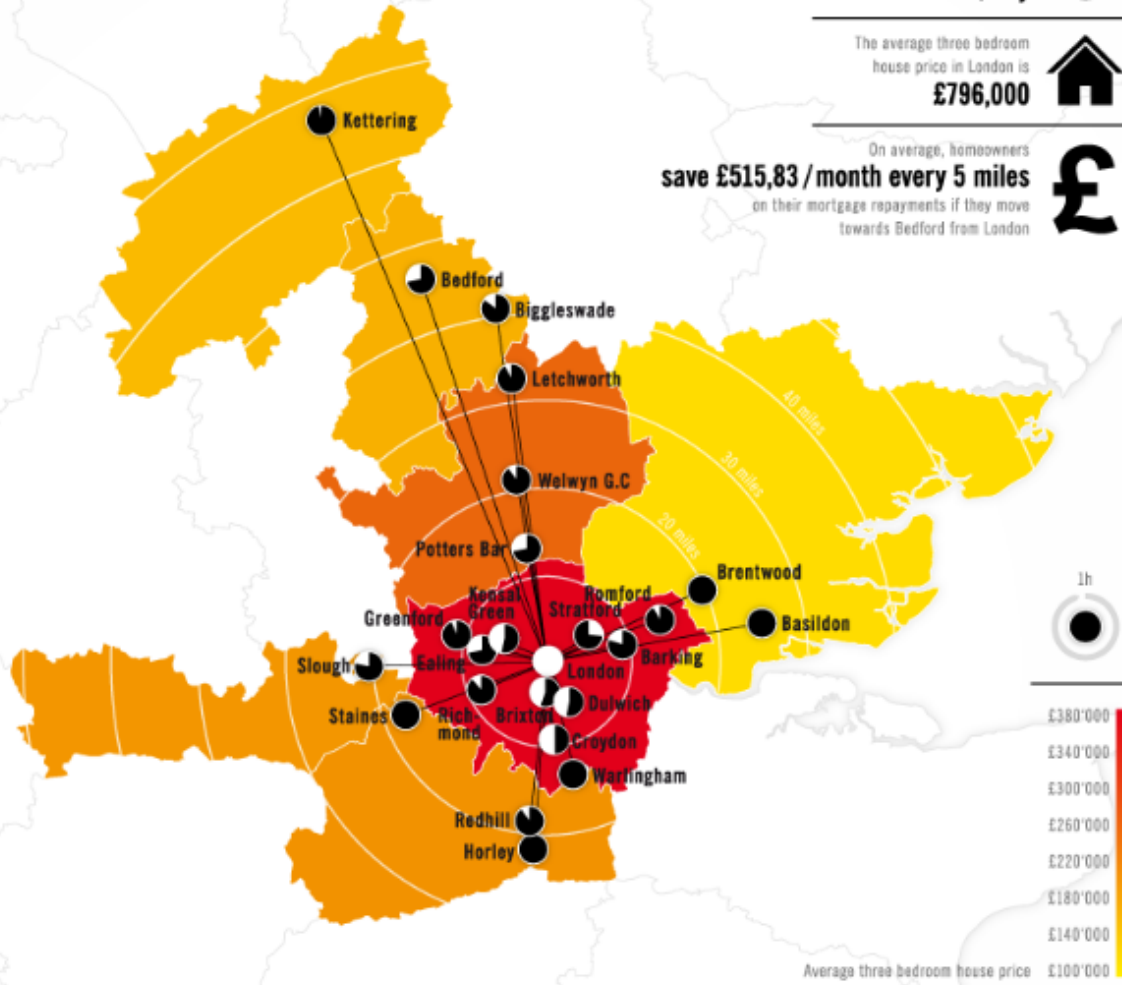
The average commute time in London is **38 minutes/day**



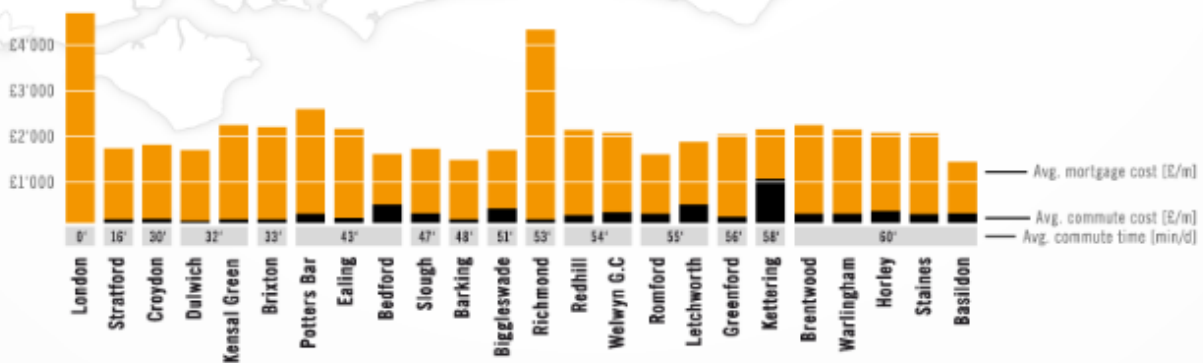
The average three bedroom house price in London is **£796,000**



On average, homeowners **save £515,83/month every 5 miles** on their mortgage repayments if they move towards Bedford from London



## Mortgage & Commute Cost vs. Commute Time



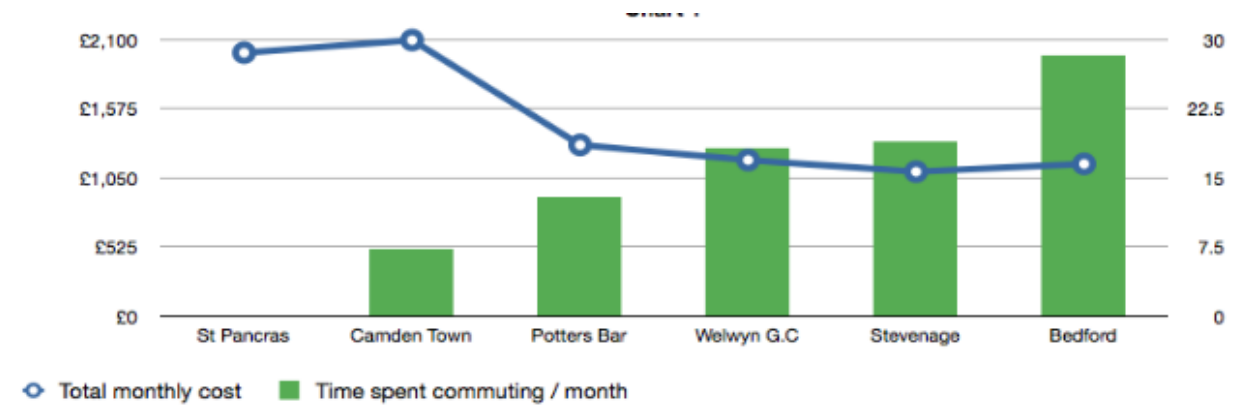
## Travel Costs and Time

The annual train ticket for travel from Canterbury to London, a journey of about 80 minutes, is £300 per month. So the savings on living outside London, in terms of mortgage repayments and travel costs combined, total around £2,544 per month. Below is a table comparing the average monthly mortgage repayment cost of a three-bedroom house with commute time and cost for a person working at St. Pancras in Camden.

Area	Average monthly house repayment	Commute cost / day	Commute cost month	Total /monthly cost	Time spent commuting / day	Time spent commuting / month (hours)
St. Pancras	£4,600	£0	£0	£4,600	0 minutes	0
Richmond	£4,156	£4.00	£80	£4,236	53 minutes	21.2
Camden	£3,630	£4.80	£96	£3,724	22 minutes	7.3
Kensal Green	£2,660	£4.00	£80	£2,740	32 minutes	12.8
Royal Tunbridge Wells	£1744	£19.20	£768	£2512	2 hours 38	49.3
Potters Bar	£2,290	£10	£200	£2,490	39 minutes	13
Brentwood	£1,939	£10	£200	£2,139	1 hour	40
Brixton	£2,016	£4	£80	£2,096	33 minutes	13.2
Ealing	£1,963	£5.10	£102	£2,065	43 minutes	17.2
Kettering	£1,099	£48	£960	£2,059	58 minutes	23.2
Warlingham	£1,844	£10	£200	£2,044	1 hour	40
Redhill	£1,874	£8.40	£168	£2,042	54 minutes	21.6
Horley	£1,714	£12.70	£254	£1,968	1 hour	40
Staines	£1,767	£9.60	£192	£1,959	1 hour	40
Welwyn G.C	£1,732	£11.75	£235	£1,957	55 minutes	18.3
Greenford	£1,809	£5.60	£112	£1,921	56 minutes	22.4
Medway	£1,194	£16.90	£676	£1870	1 hour 22 minutes	29.3
Romford	£1,549	£10	£200	£1,749	55 minutes	22
Croydon	£1,625	£4.40	£88	£1,713	30 minutes	12
Stratford	£1,549	£4	£80	£1,629	16 minutes	6.4
Slough	£1,407	£10.40	£208	£1,615	47 minutes	19.1
Dulwich	£1,543	£2.40	£48	£1,591	32 minutes	12.8
Stevenage	£1,324	£12.35	£247	£1,571	57 minutes	19

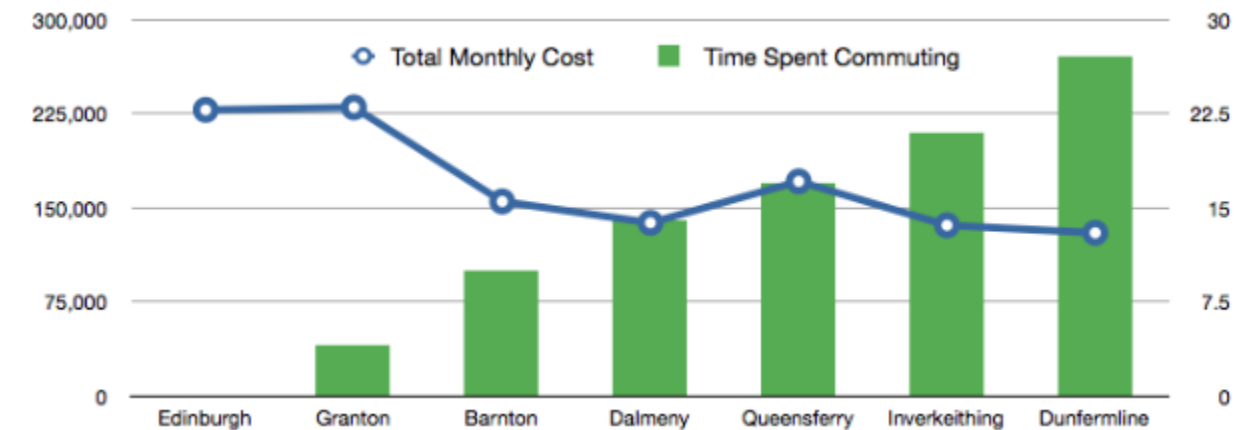
Bedford	£1,099	£20.30	£406	£1,505	1 hour 25 minutes	28.3
Barking	£1,300	£4	£80	£1,380	48 minutes	19.2
Basildon	£1,129	£10.50	£210	£1,339	1 hour	40

### London Total Monthly Cost vs. Time Spent Commuting

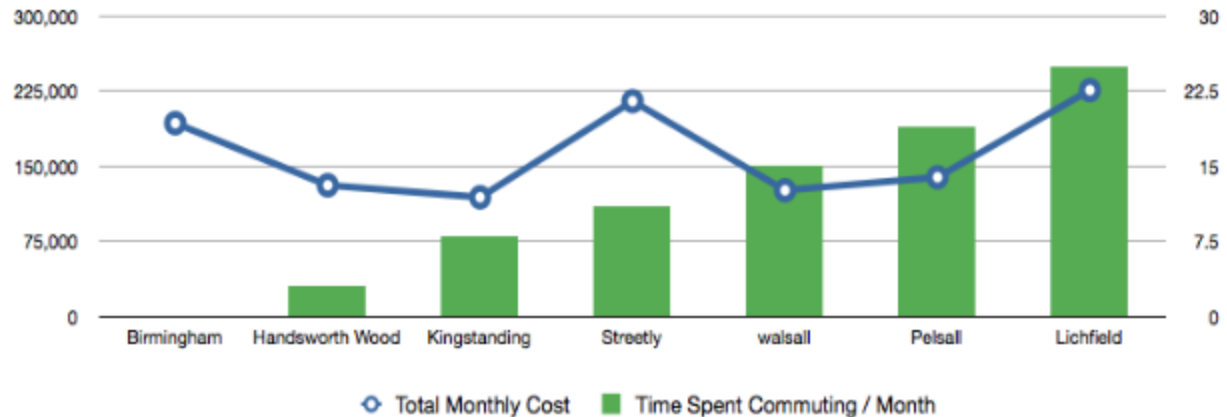


\*Data collected using [www.where-can-i-live.com/londonproperty](http://www.where-can-i-live.com/londonproperty). National rail train costs are for 8am departure and 6pm return on a weekday for an adult. Monthly commuting costs are based on commuting 20 days a month including rail card discount.

### Edinburgh Total Monthly Cost vs. Time Spent Commuting



### Birmingham Total Monthly Cost vs. Time Spent Commuting



### A Vast Choice of Geographical Locations!

Not everybody is keen to make a million in the city. For some quality of life matters more, and there are things besides work that are important, like time with family or exploring other places. There are many different affordable and interesting places to live across the UK!

#### Dover

An apartment in Dover, where a £25 return ferry trip for a day's shopping in Calais, France, adds a dash to life. Apartments available for sale in this area can start from about £40,000. Again, with a repayment of £171 per month it's very affordable, and there might be no better time to buy than now!

#### Yorkshire

In northern England, one can purchase a house from £25,000 (3). Yorkshire has much to offer. Those who are attracted to outdoor activities, for example, would enjoy this county particularly. The Pennines protect this area from too much rain, which means Yorkshire benefits from a drier, sunnier climate than some other counties.

#### Shropshire

Towards western England, three-bedroom homes with gardens can be purchased in the charming county of Shropshire at great prices! Quaint, medieval market towns like Shrewsbury offer apartments for just £30,000 (4). Castles abound in the area and Ludlow, in south Shropshire, offers equally tempting surprises in the home market. The repayment on a mortgage of £30,000 over a period of 20 years at a 5% interest rate would cost £200 per month.

#### Surrey & Berkshire

Whilst not the cheapest areas in which to purchase homes, there are still some bargains to be found in Surrey and Berkshire. From Croydon through to Meadowlands, homes can be purchased from around £50,000 (5). In Berkshire, one-bedroom apartments change hands for about £60,000.

#### Compared to London...

For those working in London, there is a trade-off between accommodation and daily travel. Many are choosing to move to locations they had previously not considered and found that the joys of big city life are not lost entirely when moving to less populated areas. There are good schools, great restaurants and pubs, and sophisticated shopping malls to be found all around the UK.

### **Productivity Costs**

Productivity losses from delays in public transport and stress from traffic add to the costs of commuting. On the other hand, lower crime rates and access to better schools in the suburbs may partially offset the costs. Although employees with higher qualification levels are likely to travel further to work than those with lower qualifications (6).

### **Conclusions:**

Commuters do not behave rationally when deciding where to buy a house. The differences of value for money of commuting areas cannot be sufficiently explained by house prices, commuting effort and even environmental quality. There is clustering effect (8) here by which areas that hold historical 'High class' or 'Low class' residential status, perpetuate it even when conditions change over time. Richmond for instance is allegedly the worst value area near London because the average three-bedroom house price is £703,000 and a commute into Central London takes 53 minutes, but also the noise pollution in some areas of the borough are "can damage people's health" (9). Wealthier families tended to live much further away but a rational home hunter working in Central London would nowadays buy a house in Stratford because the area is the best value spot: the average three-bedroom house price is £262,000 and a commute into Central London takes 16 minutes. Stratford is arguably the paradigm of the regeneration of a few areas in London: the impact of the Olympics, the new transport links and its strategic location in the future expansion area of London will almost certainly gentrify the area beyond recognition in a decade.

Whilst it can be still financially sensible to commute long distances to London, the trend of accelerating travel costs above inflation and the increasing travel times are quickly closing the gap to the cost of living in London. We identified Bedford and Stratford as the two best value areas in terms of the relative cost of housing versus travel time, where the average three-bedroom house costs £256,000 (Stratford) and £186,000 (Bedford).

Commuting to Central London takes just 16 minutes from Stratford and 43 minutes from Bedford. We also identified Richmond as the worst value area, where the average three-bedroom house price is £703,000 and a commute into Central London takes 56 minutes.

In Edinburgh we identified the town of Nidrie as being the best value area in terms of travel time and housing cost, here an average three-bedroom house four miles from Edinburgh costs just £122,000. We also identified Morningside as being the worst value

area, despite being just 2 miles from Edinburgh the average three-bedroom house price is £400,000, which is almost double the cost of a similar house in Edinburgh city centre. In Birmingham we identified the town of Bordesley Green as being the best value area in terms of travel time and housing cost, here an average three-bedroom house two miles from Birmingham costs just £125,000. We also identified Portway as being the worst value area, where the average three-bedroom house located 10 miles from Birmingham city centre costs £402,000.

### Data set - Edinburgh

Area	Avg. house price*	Miles from Edinburgh	Monthly Mortgage Repayment
Edinburgh	228,000	0	1348
Granton	230,000	2	1359
Barnton	155,000	4	916
Dalmeny	138,000	6	815
Queensferry	171,000	8	1011
Inverkeithing	136,000	10	804
Dunfermline	130,000	12	768
Duddingston	130,000	2	768
Nidrie	122,000	4	721
Musselburgh	173,000	6	1022
Wallyford	161,000	8	951
Tranent	188,000	10	1111
Morningside	400,000	2	2365
Straiton	176,000	4	1040
Roslin	184,000	6	1087
Penicuik	177,000	8	1046
Howgate	195,000	10	1152
Drylaw	220,000	2	1300
Barnton	208,000	4	1229
Gogar	198,000	6	1170
Newbridge	125,000	8	739
Broxburn	154,000	10	910

### Data set - Birmingham

Area	Avg. house price*	Miles from Birmingham	Monthly Mortgage Repayment
Birmingham	193,000	0	1141
Handsworth Wood	131,000	2	774
Kingstanding	119,000	4	703

<b>Streetly</b>	215,000	6	1271
<b>walsall</b>	126,000	8	745
<b>Pelsall</b>	139,000	10	821
<b>Lichfield</b>	226,000	12	1336
<b>Bordesley Green</b>	125,000	2	739
<b>Lea Hall</b>	123,000	4	727
<b>Kingshurst</b>	124,000	6	733
<b>Chelmsley Wood</b>	135,000	8	798
<b>Shustoke</b>	292,000	10	1726
<b>Balsall Heath</b>	157,000	2	928
<b>Stirchley</b>	150,000	4	886
<b>Maypole</b>	177,000	6	1046
<b>Wythall</b>	243,000	8	1436
<b>Portway</b>	402,000	10	2376
<b>Smethwick</b>	140,000	2	827
<b>Oldbury</b>	132,000	4	780
<b>Rowley Regis</b>	132,000	6	780
<b>Netherton</b>	116,000	8	685

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### Sources

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