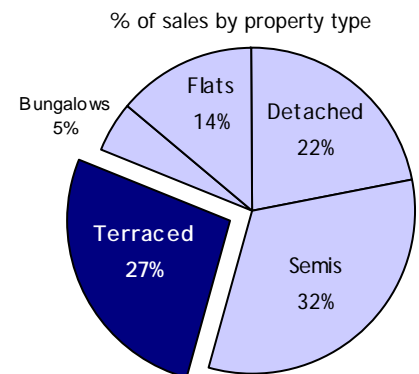


Special Feature 3: Terraced Properties

- Just over one quarter (27%) of homes purchased are terraced
- Terraces are the most popular property type amongst first-time buyers, with 38% opting for them
- New build terraces are nearly 200 sq ft (19m²) larger than existing terraces and twice as likely to have four or more bedrooms
- Terraced property prices have increased by 51% over the past five years, the fastest rate of price growth of all property types.



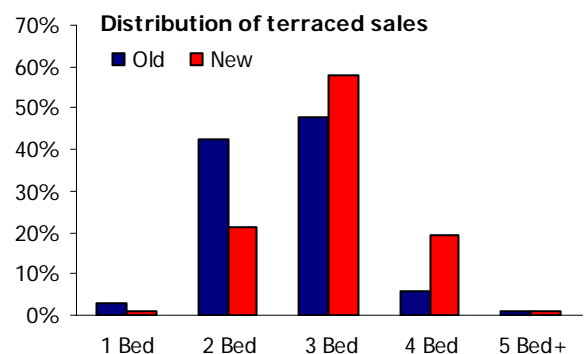
In addition to reporting average UK property prices, Nationwide publishes figures for the four main property types; detached, semi-detached, terraced and flats. This report, the third in a series of four, outlines the typical characteristics of terraced properties, based on Nationwide's survey of properties bought, and how this style of house has changed over time.

Terraced Houses

Proportion of total UK sales: 27%
Proportion of housing stock¹: 28%
Average floor area: 1,035 sq ft (96m²)
Average number of bedrooms: 2.6
Region with highest proportion: Yorkshire & Humberside (31% of sales)
Region with lowest proportion: Scotland (15% of sales)
UK typical price (Q1 2008): £149,668
Increase over last year: 2.2%
Increase over last five years: 51.4%

Terraced houses tend to be around 100 sq ft (9m²) smaller than semi-detached houses with an average floor area of 1,035 sq ft (96m²), but nearly 300 sq ft (27m²) larger than flats. 41% of terraced houses have two bedrooms whilst 48% have three. Terraces tend to be older than other property types with over half having been built pre-World War II. Reflecting this, most terraces only have one bathroom.

Similar to semi-detached houses, around 20% of new-build terraces have four or more bedrooms, significantly more than other terraces. Three quarters (75%) of new-build terraces have two or more bathrooms. These differences may reflect the 'town house' style development of new terraces (often three storeys) in contrast to the older style smaller terraces found in many town and city centres. This is likely to reflect higher housing densities, with research by the House Builders Federation showing that the average number of dwellings per hectare has risen sharply from 25 in 2001 to 41 in 2006. Although they have the same average number of bedrooms, terraces built pre-World War II tend to have 130 sq ft (120m²) extra floor space compared to those built later.



¹ For England only. Source: Communities & Local Government (Survey of English Housing)

*** Date issued Thursday 15th May 2008 ***

Terraced houses by age group

Old (pre WWII)

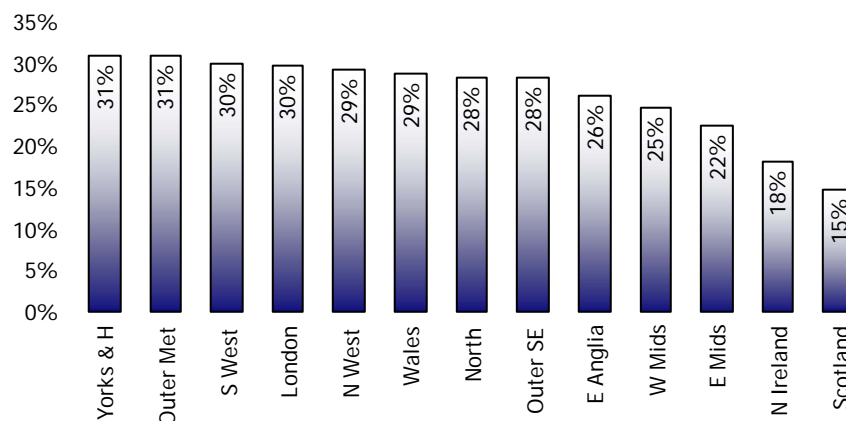
Modern (post WWII)

New-build

% of sales ⁱ	52%	42%	6%
Average floor area	1,084 sq ft (101m ²)	951 sq ft (88m ²)	1,208 sq ft (112m ²)
Average number of bedrooms	2.6	2.6	3.0
% with four bedrooms or more	9%	5%	20%
Average number of bathrooms	1.3	1.4	1.9

Terraces account for around 27% of UK (mortgaged) transactions, similar to their representation in the stock in England & Wales. Scotland and Northern Ireland both have significantly lower proportions of sales compared to other regions at 15% and 18% respectively.

Terraced properties as a proportion of sales in each region



Given their smaller size and generally lower prices relative to other property types, terraces are the most popular choice amongst first-time buyers, with 38% opting for them. Unsurprisingly, terraces purchased by first-time buyers are more likely to have two bedrooms compared to those bought by 'existing owner occupiers' and consequently tend to be around 175 sq ft (16m²) smaller.

Terraced properties currently cost around 17% less than the UK average price for all properties (£179,363) at £149,668 (Q1 2008). Prices of terraces have increased faster than any other property type at 51% over the last five years, although this is similar to that of flats and semi-detached properties at 49% and 50% respectively.

Terraced properties in London, the most expensive region, cost nearly twice the UK average at £294,543 (Q1 2008). Terraces in the North, the cheapest region, currently cost £112,206; 25% lower than the UK average price of a terrace.

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Notes:

- i. Our analysis is based on data from Nationwide's mortgage offers over a four year period (2003 to 2006).
- ii. To remove any regional bias, we also use data from external sources (such as the Council of Mortgage Lenders and Land Registry) to derive regional weights.
- iii. Sq ft can be converted to m² by dividing by 10.76.
- iv. Data sources:
 - Nationwide Building Society
 - Council of Mortgage Lenders – Regulated Mortgage Survey
 - Land Registry
 - Registers of Scotland
 - HM Revenue & Customs
 - CACI ACORN
 - Department for Communities and Local Government

The Nationwide Quarterly House Price Index is prepared from information which we believe is collated with care, but no representation is made as to its accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue the whole or any part of the Index at any time, for regulatory or other reasons. Persons seeking to place reliance on the Index for their own or third party commercial purposes do so entirely at their own risk. All changes are nominal and do not allow for inflation.

More information on the house price index methodology along with time series data and archives of housing research can be found at www.nationwide.co.uk/hpi