

Nationwide HOUSE PRICE INDEX



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Q1 2010

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London mini-boom leads UK price growth

- UK house prices increased by 1.6% quarter-on-quarter in Q1
- London saw the strongest growth in the quarter and remains the top performing UK region
- Annual price growth now positive in all regions except Northern Ireland

“Outside of London, the East Midlands, Outer South East and South West saw the strongest quarterly performance within the [English regions](#), each registering a 2.3% rise in prices over the quarter. The Outer South East saw the strongest annual growth out of the three, with the annual rate of price change picking up from 5.5% in the fourth quarter of 2009 to 12.9%.

“Continuing the trend seen in 2009, the northern regions generally saw weaker growth. The North West was the only English region where prices fell in the quarter (on a seasonally adjusted basis), with a 0.4% decline. The North remained the weakest region on an annual basis, although the annual rate of change edged out of negative territory for the first time in two years, with prices up 2.3% on Q1 2009.

“Annual house price growth in [Scotland](#) picked up from 1.0% in Q4 2009 to 5.6%, but remains below the UK average. Quarterly price growth in [Wales](#) was similar to the rest of the UK, with a 1.5% rise in the quarter. Average prices in Wales were up 10.6% year-on-year, reflecting a very weak Q1 2009.

“[Northern Ireland](#) saw an improvement in the quarterly rate of change from -6.3% to -0.1%. On an annual basis, house prices were down 3.0%, a modest improvement from the 6.7% year-on-year fall in the fourth quarter of 2009. Northern Ireland remained the worst performing UK region.

UK Fact File	
Average UK House Price	£162,887
Annual percentage change	8.8%
Quarterly change*	1.6%
Most expensive region	London
Least expensive region	North
Strongest annual price change	London
Weakest annual price change	N Ireland

* Seasonally adjusted

Text in [blue](#) indicates hyperlink

Commenting on the figures Martin Gahbauer, Nationwide's Chief Economist, said:

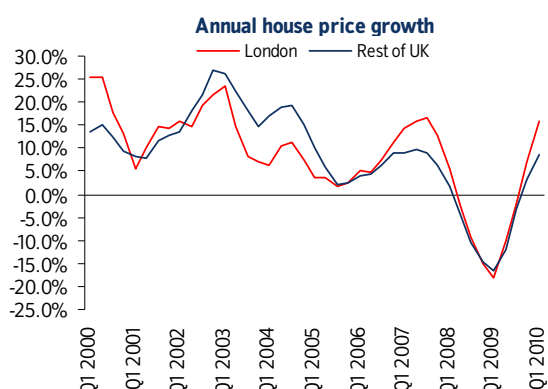
“The first quarter of 2010 saw continued house price growth across most UK regions and all regions saw an improvement in their annual rate of change. For the UK as a whole, prices rose by 1.6% in the quarter, leading to an increase in annual growth rate from 3.4% in the final quarter of 2009 to 8.8%.

“[Greater London](#) maintained its position as the best performing region, with prices up by a seasonally adjusted 2.5% in the quarter. This resulted in a pick up in annual growth from 7.0% to 15.7%.

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London outperforms but at expense of affordability

“London has been the top performing region for the last two consecutive quarters and has seen stronger house price growth than the rest of the UK over the last four quarters. In fact, since 2006, London has generally seen a higher level of annual price growth than the rest of the UK, with an average growth differential of around 3 percentage points. This has resulted in the ratio of London prices to the rest of the country rising from around 1.5 in Q1 2005 to 1.75 now.



“London has more acute supply shortages in housing stock than elsewhere, providing a support to prices. Overseas demand is also more significant in London’s property market than elsewhere in the country and will have benefited from the fall in sterling, which has made investing in UK property more attractive. More recently, the recovery in the financial sector is also likely to have boosted demand for property in the capital.

“Over the past five years, house prices in London have risen by 20%, whilst those in the rest of the UK have risen by just 5% on average. However, as a result of this, affordability has worsened in London whilst it has improved in other parts of the country. London’s house price to earnings ratio rose from 6.9 in 2005 Q1 to 7.1 in 2010 Q1, whilst the UK average fell from 5.8 to 5.3 over the same period.”

Regional Headlines

Prices calculated on a mix adjusted basis

Region	Average Price	Quarterly % chng	Annual % chng
North	£115,545	0.3%	2.3%
Yorks & Humberside	£136,208	0.6%	6.9%
North West	£136,984	-0.4%	4.9%
East Midlands	£138,974	2.3%	9.7%
West Midlands	£145,181	1.3%	6.6%
East Anglia	£162,041	1.9%	12.5%
Outer South East	£194,621	2.3%	12.9%
Outer Metropolitan	£235,277	2.1%	12.2%
London	£280,791	2.5%	15.7%
South West	£182,343	2.3%	8.9%
Wales	£137,148	1.5%	10.6%
Scotland	£138,352	0.0%	5.6%
Northern Ireland	£134,435	-0.1%	-3.0%
UK	£162,887	1.6%	8.8%

Major Towns and Cities

Best performing regional towns/cities

Rank	Town / City	Annual % chng	Average Price
1	St. Albans	17%	£322,311
2	London	11%	£303,998
3	Oxford	11%	£304,956
4	Northampton Town	11%	£165,204
5	Plymouth	11%	£167,284

Worst performing regional towns/cities

Rank	Town / City	Annual % chng	Average Price
1	Leicester	-1%	£143,985
2	Sunderland	0%	£130,218
3	Glasgow	0%	£156,061
4	Bradford	0%	£142,497
5	Belfast	1%	£194,164

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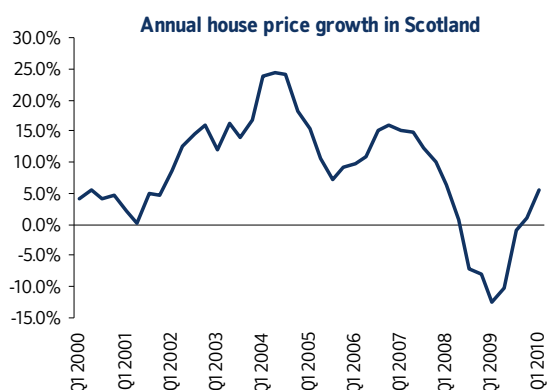
Scotland	
Average house price	£138,352
Annual percentage change	5.6%
Quarterly change*	0.0%
Most expensive area	Edinburgh
Least expensive area	Fife
Strongest annual price change	Perthshire & Stirling
Weakest annual price change	South Lanarkshire

* Seasonally adjusted

House prices in Scotland were static in the first quarter of 2010, on a seasonally adjusted basis, compared with a 1.8% rise in the final quarter of 2009. The annual rate of change picked up to 5.6%, but remains below the UK average.

Perthshire and Stirling saw the strongest price rises, with average prices up around 9% year-on-year. South Lanarkshire and neighbouring Southern Scotland remained the weakest performing areas, with prices down 2% year-on-year.

[Click here for Scotland's sub-regional data](#)



Wales	
Average house price	£137,148
Annual percentage change	10.6%
Quarterly change*	1.5%
Most expensive area	Cardiff
Least expensive area	South Wales (East)
Strongest annual price change	South Wales (West)
Weakest annual price change	North Wales

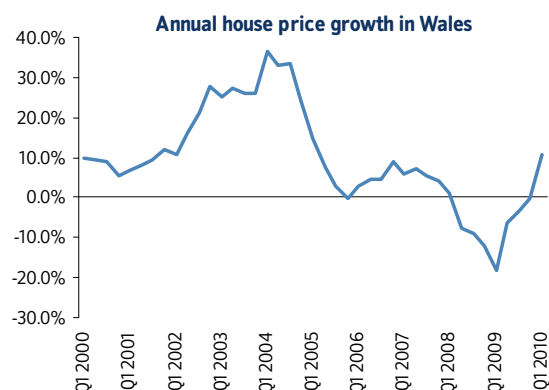
* Seasonally adjusted

Wales saw a 1.5% quarter-on-quarter rise in prices, resulting in a pick up in the annual rate of change from -0.3% to 10.6%.

The South Wales (West) sub-region saw the strongest price rises, driven by particularly strong growth in Rhondda Cynon Taff and the neighbouring Vale of Glamorgan. North Wales remained the weakest performing area. North Wales, in particular the Isle of Anglesey, continues to suffer from above average increases in unemployment.

Cardiff continues to be the most expensive sub-region within Wales, with average prices currently around £194,000.

[Click here for Wales' sub-regional data](#)



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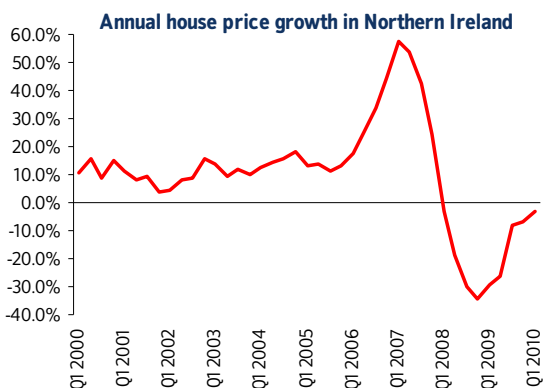
Northern Ireland	
Average house price	£134,435
Annual percentage change	-3.0%
Quarterly change*	-0.1%
Most expensive area	City of Belfast
Least expensive area	Northern Ireland (West)
Strongest annual price change	City of Belfast
Weakest annual price change	Northern Ireland (South East)

* Seasonally adjusted

The quarterly change in house prices in Northern Ireland improved from -6.3% in Q4 2009 to -0.1% in Q1 2010. The annual rate of change also improved this quarter, although prices were still down 3% year-on-year. Northern Ireland was the only UK region where average prices were lower than the same quarter one year ago. Unemployment has risen more sharply in Northern Ireland than in other regions, which is likely to be hindering the recovery in its housing market.

Belfast was the strongest performing area, with prices up 1% year-on-year, and remains the most expensive area. The South Eastern part of the country saw the weakest house price performance, with particularly large falls in the Ards borough and Armagh.

[Click here for Northern Ireland's sub region data](#)



London	
Average house price	£280,791
Annual percentage change	15.7%
Quarterly change*	2.5%
Most expensive area	Westminster
Least expensive area	Barking & Dagenham
Strongest annual price change	Hammersmith & Fulham
Weakest annual price change	Barking & Dagenham

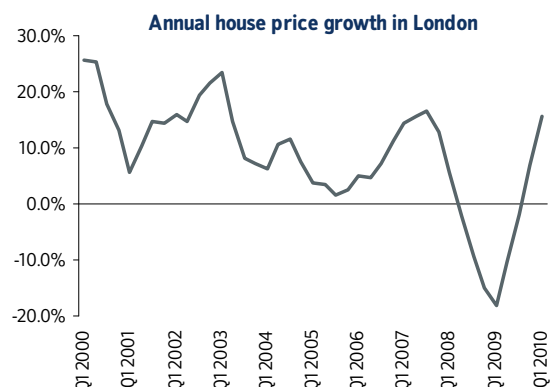
* Seasonally adjusted

House prices in London rose by 2.5% in the first quarter of 2010, slightly weaker than the 3.5% rise seen last quarter. The annual rate of price growth picked up to 15.7%, making London the top performing region for the second consecutive quarter.

Hammersmith and Fulham saw the strongest price growth, with a 22% year-on-year increase. It is the third most expensive borough in the capital, with average prices just shy of half a million pounds. The borough has benefited from a below average increase in unemployment over the past year.

Barking and Dagenham remained the weakest performing borough, with prices down 5% year-on-year. The borough continues to see elevated levels of unemployment.

[Click here for London borough data](#)



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England	
Average house price	£181,169
Annual percentage change	10.5%
Quarterly change*	1.8%
Most expensive region	London
Least expensive region	North
Strongest annual price change	London
Weakest annual price change	North

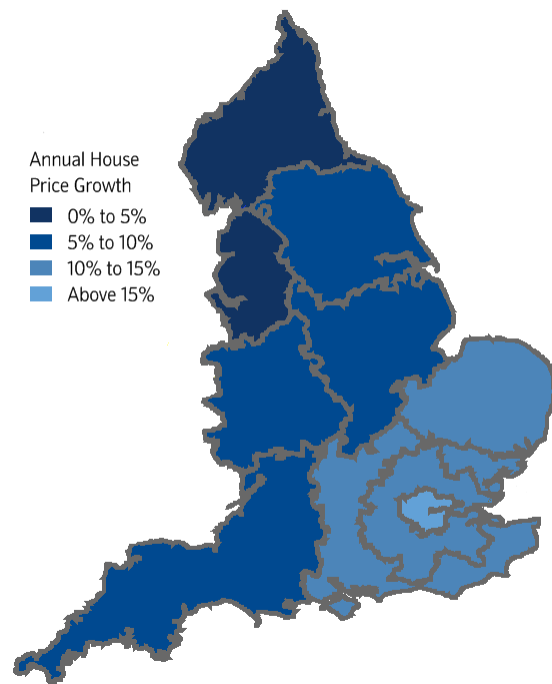
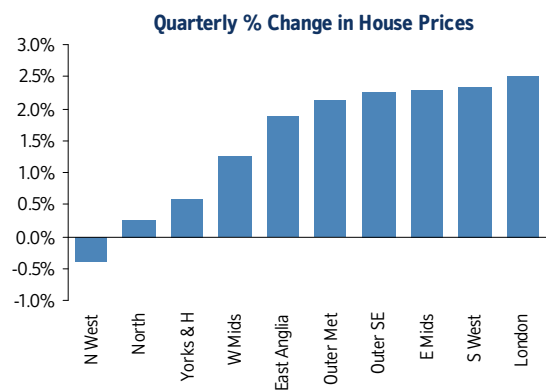
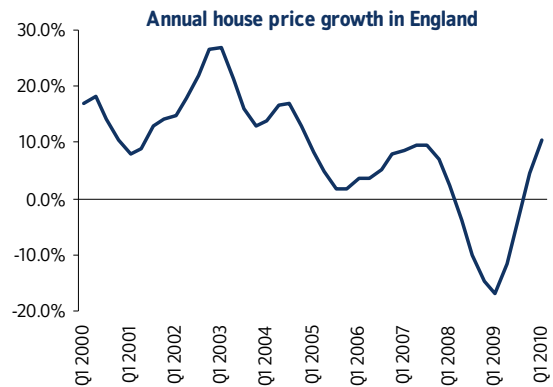
* Seasonally adjusted

House prices rose by a seasonally adjusted 1.8% in England in the first quarter of 2010. Annual price growth picked up from 4.5% at the end of 2009 to 10.5%.

All English regions except the North West saw a quarter-on-quarter rise (on a seasonally adjusted basis). The other northern regions of England also continued to see weaker price growth, with a modest 0.3% quarter-on-quarter rise in the North and a 0.6% rise in Yorkshire and Humberside. The North remains the cheapest English region - with an average price of £115,545 - and also saw the weakest annual growth in Q1 2010.

London was again the top performing region, with prices up 15.7% over the past year. The Outer South East and Outer Metropolitan regions continue to outperform other English regions, with annual price growth of 12.9% and 12.2% respectively. East Anglia also posted a relatively strong performance in Q1, with the annual rate of change picking up from 4.5% to 12.5%.

Amongst England's major towns and cities, St. Albans was the top performer, with prices up 17% year-on-year, and is also the most expensive area outside of the London boroughs. Leicester was the worst performing area for the second consecutive quarter, with prices down 1% year on year. Close behind was Sunderland, which also featured in the last quarter's bottom five, and is the least expensive of the major towns and cities.



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Sub Regional Analysis

Just as the national data disguises differences in house prices throughout the UK, looking at the regions disguises movements in local house prices. To look at these developments more closely the areas can be divided into sub-regions.

Scotland

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Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Aberdeen City	£213,596	153%	0%	8%
Aberdeenshire & Moray	£163,364	182%	5%	8%
Dunbartonshire & North Lanarkshire	£145,196	106%	7%	5%
Dundee & Angus	£148,454	139%	5%	2%
Edinburgh City	£243,656	116%	1%	6%
Fife	£131,931	113%	-2%	4%
Glasgow City	£156,061	108%	0%	0%
Highlands & Islands	£148,852	143%	4%	7%
Lothian & Falkirk	£155,678	105%	4%	7%
Perthshire & Stirling	£160,702	116%	5%	9%
Renfrewshire & Inverclyde	£162,193	133%	10%	7%
South Lanarkshire	£133,545	106%	-4%	-2%
Southern Scotland	£132,462	130%	-2%	-2%

Northern Ireland

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
City of Belfast	£194,164	107%	-4%	1%
Northern Ireland (North East)	£143,773	120%	-7%	-6%
Northern Ireland (South East)	£161,539	115%	-2%	-7%
Northern Ireland (West)	£130,227	113%	-14%	-3%

Wales

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Cardiff	£194,231	112%	5%	7%
Mid & West Wales	£152,503	157%	2%	4%
North Wales	£155,831	127%	-4%	3%
South Wales (East)	£148,179	111%	8%	4%
South Wales (West)	£152,816	128%	7%	9%

North

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
County Durham	£129,651	105%	0%	2%
Cumbria	£157,221	145%	4%	12%
Northumberland	£152,812	114%	0%	-3%
Teeside	£133,923	127%	-1%	-3%
Tyne and Wear	£146,182	123%	-4%	2%

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North West

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Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Cheshire	£170,934	103%	-1%	0%
City of Manchester	£178,398	93%	-1%	6%
Greater Manchester	£157,866	111%	1%	5%
Lancashire	£142,347	115%	2%	4%
Merseyside	£146,027	131%	3%	4%
Warrington & Halton	£154,416	115%	2%	6%

Yorkshire & Humberside

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Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Bradford	£142,497	111%	-1%	0%
East Yorkshire	£139,749	134%	-2%	-1%
Leeds	£174,456	104%	6%	11%
North Lincolnshire	£125,195	136%	-1%	3%
North Yorkshire	£184,064	131%	-2%	5%
Sheffield	£161,250	131%	6%	7%
South Yorkshire	£131,455	130%	-7%	-1%
West Yorkshire	£142,875	116%	-2%	2%
York	£204,354	155%	4%	8%

East Anglia

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Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Cambridgeshire	£194,263	96%	1%	9%
Norfolk	£167,467	122%	-1%	8%
Peterborough	£144,790	105%	-3%	-3%
Suffolk	£175,558	109%	3%	8%

East Midlands

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Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Derby	£153,743	117%	-6%	-3%
Derbyshire	£154,150	123%	-1%	5%
Leicestershire	£165,432	111%	0%	6%
Mid Lincolnshire	£134,504	125%	0%	3%
Northampton Town	£165,204	96%	3%	11%
Northamptonshire	£163,864	102%	-2%	7%
Nottingham	£131,174	91%	-6%	3%
Nottinghamshire	£149,782	124%	1%	8%
South Lincolnshire	£139,123	114%	-6%	5%

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Outer South East

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Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Basingstoke & Deane	£223,195	77%	2%	8%
Bedford	£173,150	98%	-4%	-1%
Brighton & Hove	£284,647	121%	3%	9%
Central Bedfordshire	£207,013	95%	-1%	6%
East Kent	£188,185	123%	1%	7%
East Sussex	£210,467	115%	2%	10%
Isle of Wight	£191,562	138%	4%	12%
Mid Hampshire	£257,212	102%	1%	6%
Milton Keynes & Aylesbury	£211,032	94%	1%	9%
New Forest	£245,944	102%	3%	13%
North Essex	£199,096	105%	0%	8%
Oxfordshire	£255,144	92%	1%	11%
Portsmouth Area	£185,312	104%	5%	10%
Southampton Area	£211,902	104%	3%	10%
West Berkshire	£244,464	64%	5%	11%
West Sussex (South)	£228,169	106%	2%	9%

Outer Metropolitan

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Bracknell Forest	£244,544	66%	6%	13%
Central Kent	£223,145	90%	1%	7%
East Surrey	£284,463	86%	2%	11%
Hart & Rushmoor	£246,012	74%	6%	10%
Hertfordshire	£252,229	93%	1%	9%
Luton	£178,437	102%	-3%	8%
Medway	£173,326	103%	-2%	4%
North Surrey	£290,275	74%	2%	7%
Reading	£233,227	77%	0%	4%
Slough	£236,734	82%	-6%	10%
South Buckinghamshire & Chilterns	£286,407	78%	1%	4%
South Essex	£224,014	106%	0%	7%
St Albans	£322,311	87%	4%	17%
West Kent	£226,577	91%	1%	6%
West Surrey	£295,482	83%	3%	7%
West Sussex (North)	£250,303	92%	4%	7%
Windsor & Maidenhead	£299,141	75%	0%	12%
Wokingham	£254,387	64%	2%	7%

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London

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London Boroughs	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Barking and Dagenham	£178,235	104%	-12%	-5%
Barnet	£312,830	104%	3%	9%
Bexley	£218,513	99%	1%	4%
Brent	£321,711	110%	4%	8%
Bromley	£254,744	100%	1%	8%
Camden	£526,274	124%	13%	16%
Croydon	£220,814	92%	0%	8%
Ealing	£313,156	84%	-5%	9%
Enfield	£258,148	93%	-6%	2%
Greenwich	£249,564	114%	2%	11%
Hackney	£357,009	129%	0%	-2%
Hammersmith and Fulham	£497,746	96%	7%	22%
Haringey	£339,911	113%	3%	22%
Harrow	£278,802	94%	-1%	8%
Havering	£218,819	116%	-3%	6%
Hillingdon	£274,222	99%	1%	11%
Hounslow	£283,703	87%	-2%	3%
Islington	£450,976	121%	0%	3%
Kingston upon Thames	£314,451	93%	5%	13%
Lambeth	£327,165	96%	5%	16%
Lewisham	£251,513	106%	-1%	8%
Merton	£312,136	90%	-3%	13%
Newham	£231,825	151%	8%	6%
Redbridge	£255,128	117%	4%	13%
Richmond upon Thames	£387,769	86%	9%	20%
Southwark	£347,900	112%	-6%	4%
Sutton	£243,796	81%	5%	14%
Tower Hamlets	£406,355	137%	14%	16%
Waltham Forest	£257,153	131%	2%	18%
Wandsworth	£409,607	99%	3%	12%
Westminster	£608,142	128%	8%	19%

Note: City of London and Kensington & Chelsea excluded due to low sample size

West Midlands

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Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Birmingham	£160,428	110%	-5%	3%
Coventry	£156,380	117%	-1%	10%
Greater Birmingham	£159,358	121%	-1%	3%
Herefordshire	£181,115	128%	-2%	0%
Shropshire	£164,754	123%	1%	4%
Staffordshire	£150,301	107%	-5%	-3%
Warwickshire	£182,920	102%	0%	6%
Worcestershire	£178,801	102%	-5%	2%

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South West

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Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Bath	£226,640	91%	-1%	2%
Bournemouth	£218,792	105%	1%	3%
Bristol	£213,235	115%	4%	6%
Cheltenham	£221,830	90%	5%	10%
Cornwall and Isles of Scilly	£200,069	150%	-1%	2%
Dorset	£220,793	109%	3%	5%
Gloucestershire	£188,760	90%	0%	2%
North Devon	£187,889	147%	3%	10%
Plymouth	£167,284	161%	3%	11%
Poole	£236,428	101%	4%	5%
Somerset	£182,054	106%	0%	3%
South Devon	£209,054	144%	-4%	1%
South Gloucestershire	£210,341	108%	7%	13%
Swindon	£171,586	63%	1%	5%
Wiltshire	£201,403	85%	3%	8%

Notes

- Indices and average prices for the UK and the regions are produced using Nationwide's updated mix adjusted House Price Methodology which was introduced with effect from the first quarter of 1995. All changes are nominal and do not allow for inflation. The methodology can be found on our website: <http://www.nationwide.co.uk/hpi/>
- Price indices are seasonally adjusted using the US Bureau of the Census X12 method. Quarterly series are seasonally adjusted using data since 1973. The seasonal adjustment is recalculated quarterly and may lead to revisions.
- The price changes in the sub regional, local authority and major towns and cities tables are based on the price per unit area of the properties in the sample rather than the mix-adjusted methodology used for the 13 regions. The average price per square foot in each of the sub-regions is grossed up by the average square footage in a particular region to arrive at an average house price. Unlike Nationwide's main index, this methodology does not take into account the different mix of properties transacted and is therefore a simplification.
- Sub-regional figures are therefore not directly comparable with regional prices. Samples are substantially smaller than at a regional level and figures should not be relied upon for any critical application. Due to greater volatility, sub-regional prices are smoothed over two quarters.
- The Nationwide 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.

Photographs of our economist are available at: www.nationwide.co.uk/mediacentre/economist.asp

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