

Nationwide HOUSE PRICE INDEX



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November 2015

Slight softening in house price growth in November

- House prices increased by 0.1% in November
- Annual house price growth softened to 3.7%

| Headlines | Nov-15 | Oct-15 |
|--|----------|----------|
| Monthly Index* | 392.1 | 391.6 |
| Monthly Change* | 0.1% | 0.5% |
| Annual Change | 3.7% | 3.9% |
| Average Price (not seasonally adjusted) | £196,305 | £196,807 |

* Seasonally adjusted figure (note that monthly % changes are revised when seasonal adjustment factors are re-estimated)

Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said:

"UK house prices edged up by 0.1% in November, though the annual pace of price growth slowed a little, to 3.7% from 3.9% the previous month.

"The annual rate of house price growth has fluctuated in a fairly narrow range between 3% and 4% over the past six months, which is broadly consistent with earnings growth over the longer term.

"While this bodes well for a sustainable increase in housing market activity in the period ahead, much will depend on whether building activity can keep pace with increasing demand.

"Surveyors have continued to report a dearth of properties on the market in recent months, with the number of available homes reportedly at the lowest level since the late 1970s.

"Therefore it is positive that policymakers are focusing on the need to increase home building, with the Chancellor announcing a range of measures aimed at boosting housing supply in his Autumn Statement.

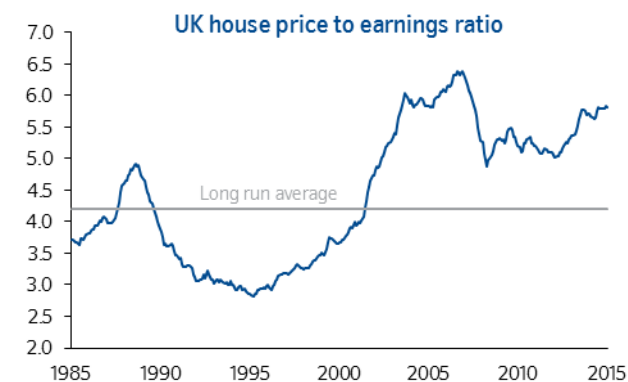
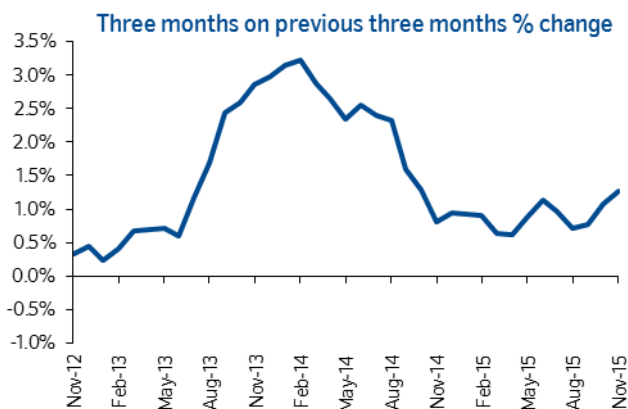
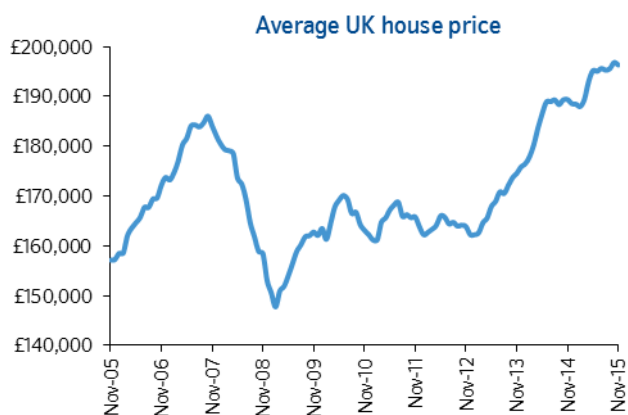
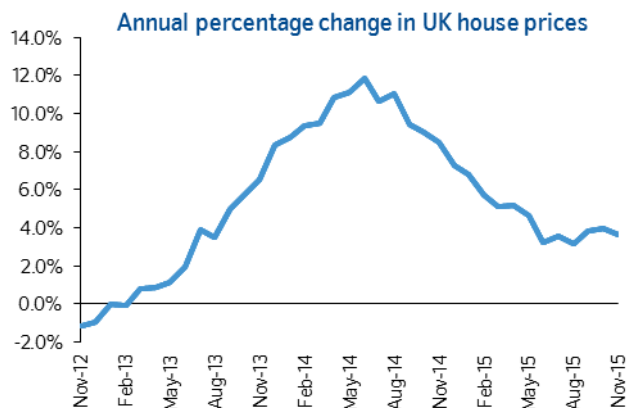
"The current rate of construction activity is well below the projected rate of household formation. Only 135,000 new homes were built in England in the twelve months to September 2015, well below the c220,000 new households that are projected to form each year over the next decade."

Monthly UK House Price Statistics

| | Monthly % Change Seasonally Adjusted | 3 Month on 3 Month % Change | Annual % Change | Average Price |
|--------|---|-----------------------------------|--------------------|------------------|
| Nov-13 | 0.8 | 2.9 | 6.5 | 174,566 |
| Dec-13 | 1.5 | 3.0 | 8.4 | 175,826 |
| Jan-14 | 0.8 | 3.2 | 8.8 | 176,491 |
| Feb-14 | 0.9 | 3.2 | 9.4 | 177,846 |
| Mar-14 | 0.5 | 2.9 | 9.5 | 180,264 |
| Apr-14 | 1.0 | 2.6 | 10.9 | 183,577 |
| May-14 | 0.7 | 2.3 | 11.1 | 186,512 |
| Jun-14 | 1.2 | 2.6 | 11.8 | 188,903 |
| Jul-14 | 0.1 | 2.4 | 10.6 | 188,949 |
| Aug-14 | 0.8 | 2.3 | 11.0 | 189,306 |
| Sep-14 | -0.2 | 1.6 | 9.4 | 188,374 |
| Oct-14 | 0.5 | 1.3 | 9.0 | 189,333 |
| Nov-14 | 0.4 | 0.8 | 8.5 | 189,388 |
| Dec-14 | 0.3 | 0.9 | 7.2 | 188,559 |
| Jan-15 | 0.4 | 0.9 | 6.8 | 188,446 |
| Feb-15 | -0.1 | 0.9 | 5.7 | 187,964 |
| Mar-15 | 0.1 | 0.6 | 5.1 | 189,454 |
| Apr-15 | 1.0 | 0.6 | 5.2 | 193,048 |
| May-15 | 0.3 | 0.9 | 4.6 | 195,166 |
| Jun-15 | -0.2 | 1.1 | 3.3 | 195,055 |
| Jul-15 | 0.4 | 1.0 | 3.5 | 195,621 |
| Aug-15 | 0.4 | 0.7 | 3.2 | 195,279 |
| Sep-15 | 0.5 | 0.8 | 3.8 | 195,585 |
| Oct-15 | 0.5 | 1.1 | 3.9 | 196,807 |
| Nov-15 | 0.1 | 1.3 | 3.7 | 196,305 |

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Charts



Source: Nationwide, ONS

Notes

Indices and average prices are produced using Nationwide's updated mix adjusted House Price Methodology, which was introduced with effect from the first quarter of 1995. The data is drawn from Nationwide's house purchase mortgage lending at the post survey approvals stage. Price indices are seasonally adjusted using the US Bureau of the Census X12 method. Currently the calculations are based on a monthly data series starting from January 1991. Figures are recalculated each month which may result in revisions to historical data.

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

Historical figures including index levels can be viewed using the following link: <http://www.nationwide.co.uk/about/house-price-index/download-data>

Photographs of our economist are available at: <http://www.nationwide.co.uk/about/media-centre-and-specialist-areas/media-centre/photo-library>

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