

Nationwide HOUSE PRICE INDEX



www.nationwide.co.uk/hpi

September 2014

Annual house price growth slows in September

- UK house prices fell by 0.2% in September
- Annual house price growth slowed to 9.4%
- All regions saw annual price gains in Q3, but significant regional variation remains

Headlines	Sep-14	Aug-14
Monthly Index*	374.9	375.5
Monthly Change*	-0.2%	0.8%
Annual Change	9.4%	11.0%
Average Price (not seasonally adjusted)	£188,374	£189,306

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

Please note that these figures relate only to the month of September, therefore will show a different UK average price and annual percentage change to our quarterly house price report.

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

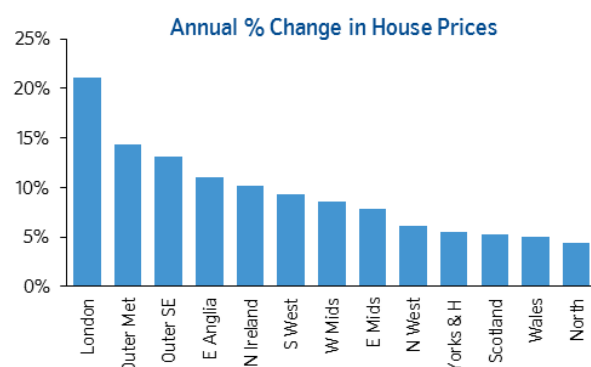
"UK house prices declined by 0.2% in September, following sixteen consecutive monthly price rises. As a result, the annual pace of house price growth moderated to 9.4% from 11% in August.

"While September saw a slowing in house price growth, the picture on a quarterly basis (July, August and September combined) was still relatively strong, with all thirteen UK regions recording annual price gains. There remains significant regional variation however, with the South of England still seeing the strongest rates of growth (see chart opposite).

"Annual house price growth in London slowed somewhat, from 25.8% in Q2 to 21% in Q3. Nevertheless, at £401,072, average prices in the capital reached a record high, 31% above their 2007 peak. In the UK as a whole, prices are around 2% above their pre-crisis peak (excluding London they are less than 1% above their 2007 peak).

"Price growth may soften further in the final quarter of the year, given the high base for comparison from Q4 2013. However, the outlook remains uncertain. There have been tentative signs from surveyors and estate agents that buyer

demand may be starting to moderate, but the low level of interest rates and strong labour market suggest that underlying demand is likely to remain robust."



[For more information on regional house price developments, please read our Quarterly House Price Report](#)

Monthly UK House Price Statistics

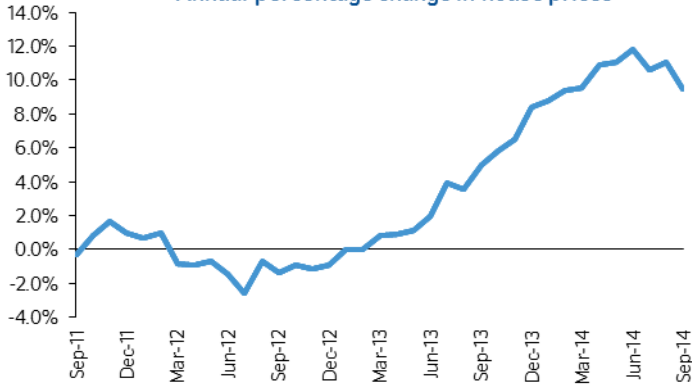
	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Sep-13	1.2	2.3	5.0	172,127
Oct-13	1.2	2.6	5.8	173,678
Nov-13	0.7	3.0	6.5	174,566
Dec-13	1.4	3.1	8.4	175,826
Jan-14	0.9	3.2	8.8	176,491
Feb-14	0.7	3.2	9.4	177,846
Mar-14	0.5	2.8	9.5	180,264
Apr-14	1.2	2.6	10.9	183,577
May-14	0.7	2.4	11.1	186,512
Jun-14	1.0	2.6	11.8	188,903
Jul-14	0.1	2.4	10.6	188,949
Aug-14	0.8	2.2	11.0	189,306
Sep-14	-0.2	1.5	9.4	188,374

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

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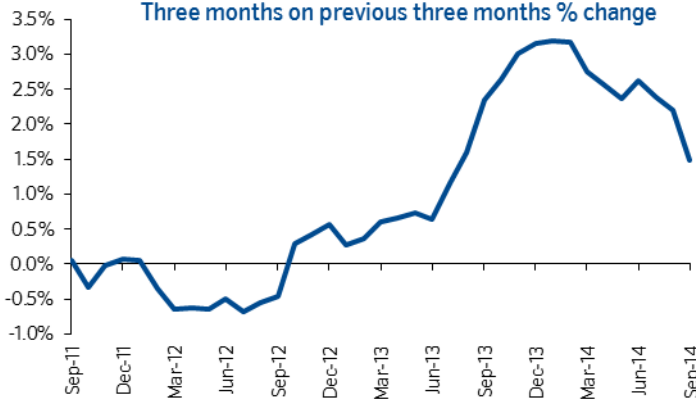
Annual percentage change in house prices



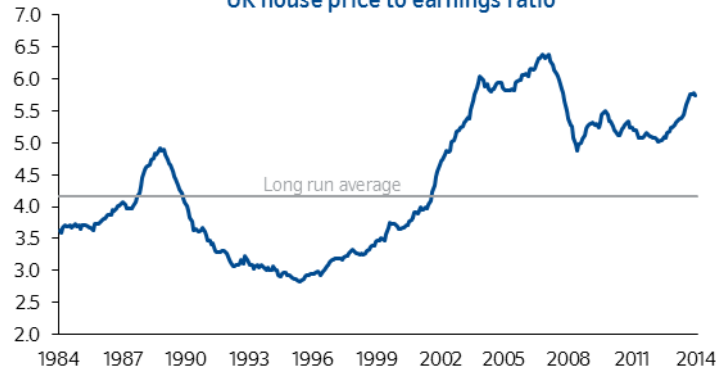
Average UK house price



Three months on previous three months % change



UK house price to earnings ratio



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/>

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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The application of the IOSCO Principles on financial benchmarks to the NHPI is more fully set out in our [statement regarding IOSCO Principles](#). Nationwide considers that its arrangements for administration of the NHPI comply with the IOSCO Principles in a proportionate manner having regard to the nature of the index.

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