

# Nationwide HOUSE PRICE INDEX



[www.nationwide.co.uk/hpi](http://www.nationwide.co.uk/hpi)

August 2018

## Slowing in annual house price growth in August

- Annual house price growth softens to 2.0%
- Prices decline 0.5% month-on-month, biggest monthly fall since July 2012

Headlines	Aug-18	Jul-18
Monthly Index*	426.7	428.7
Monthly Change*	-0.5%	0.7%
Annual Change	2.0%	2.5%
Average Price (not seasonally adjusted)	£214,745	£217,010

\* 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:

"August saw a slight softening in annual house price growth to 2.0%, from 2.5% in July. Nonetheless, annual house price growth remains within the fairly narrow range of c2-3% which has prevailed over the past 12 months, suggesting little change in the balance between demand and supply in the market.

"Looking further ahead, much will depend on how broader economic conditions evolve, especially in the labour market, but also with respect to interest rates.

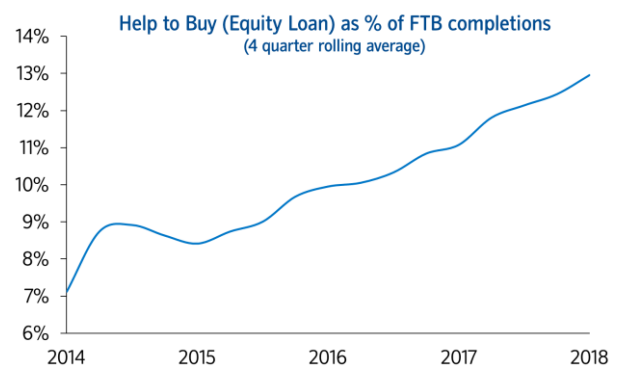
"Subdued economic activity and ongoing pressure on household budgets is likely to continue to exert a modest drag on house price growth and market activity this year, though borrowing costs are likely to remain low.

"Overall, we continue to expect house prices to rise by around 1% over the course of 2018.

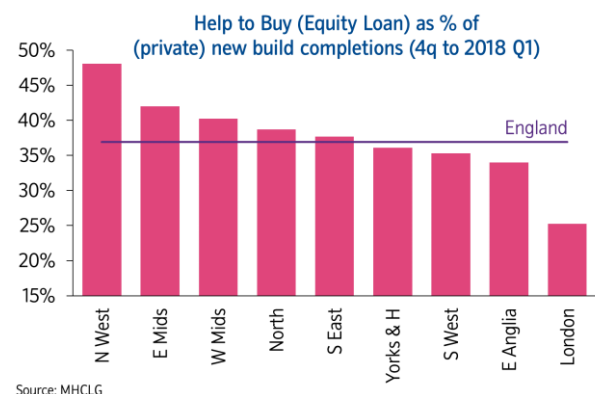
### How much is Help to Buy impacting activity in England?

"There were around 48,000 Help to Buy (HTB) Equity Loan completions in England in the 12 months to March 2018, up 21% on the same period last year. The scheme accounted for c8% of total house purchase mortgages in England in the period, though it continues to account for a higher share of activity in the North (10%) and the East Midlands (9%).

"The vast majority (c80%) of HTB loans were to first time buyers and while its share of FTB activity has continued to trend upwards, it remains relatively modest at 13% of transactions.



"It is unclear how much HTB activity represents additional demand and how much has simply replaced activity that would already have taken place. The scheme has, however, been a key source of demand for newly built homes in recent years. Indeed, HTB has accounted for more than a third (37% in the last 12 months) of new build completions in England. This is even higher in some regions, such as the North West, where HTB accounted for nearly half of new build purchases (see chart below).



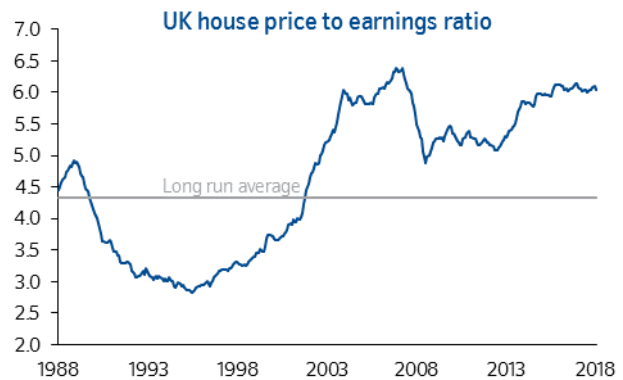
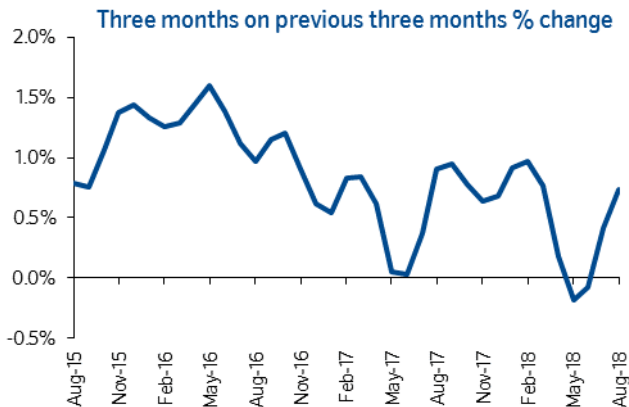
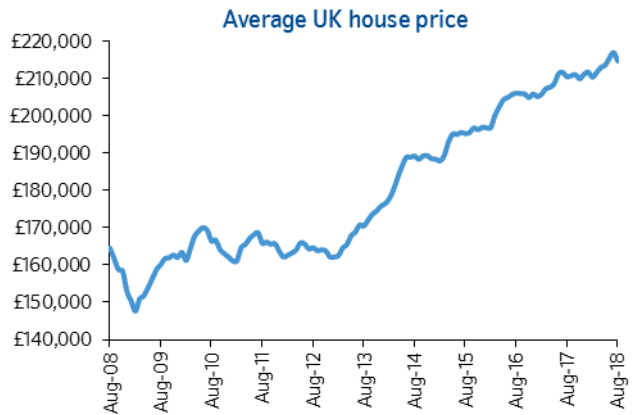
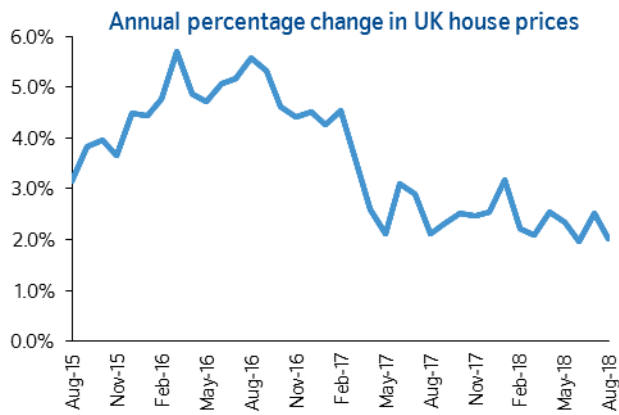
"It is unclear whether or not the scheme will be extended (or amended) beyond April 2021, when it is due to expire. However, given the long lead time on many housing developments and the political consensus on the need to increase housing supply, it suggests that the scheme will not come to an abrupt end."

Media enquiries to: Robert Gardner, Chief Economist, [robert.gardner@nationwide.co.uk](mailto:robert.gardner@nationwide.co.uk)  
Mike Pitcher, Media Relations Manager, [mike.pitcher@nationwide.co.uk](mailto:mike.pitcher@nationwide.co.uk)

## Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Aug-16	0.7	1.0	5.6	206,145
Sep-16	0.2	1.1	5.3	206,015
Oct-16	0.0	1.2	4.6	205,904
Nov-16	0.1	0.9	4.4	204,947
Dec-16	0.5	0.6	4.5	205,898
Jan-17	0.1	0.5	4.3	205,240
Feb-17	0.5	0.8	4.5	205,846
Mar-17	-0.1	0.8	3.5	207,308
Apr-17	-0.4	0.6	2.6	207,699
May-17	0.0	0.1	2.1	208,711
Jun-17	0.9	0.0	3.1	211,301
Jul-17	0.2	0.4	2.9	211,671
Aug-17	0.0	0.9	2.1	210,495
Sep-17	0.4	0.9	2.3	210,801
Oct-17	0.2	0.8	2.5	211,085
Nov-17	0.1	0.6	2.5	209,988
Dec-17	0.5	0.7	2.6	211,156
Jan-18	0.7	0.9	3.2	211,756
Feb-18	-0.4	1.0	2.2	210,402
Mar-18	-0.2	0.8	2.1	211,625
Apr-18	0.2	0.2	2.6	213,000
May-18	-0.2	-0.2	2.4	213,618
Jun-18	0.5	-0.1	2.0	215,444
Jul-18	0.7	0.4	2.5	217,010
Aug-18	-0.5	0.7	2.0	214,745

Media enquiries to: Robert Gardner, Chief Economist, [robert.gardner@nationwide.co.uk](mailto:robert.gardner@nationwide.co.uk)  
Mike Pitcher, Media Relations Manager, [mike.pitcher@nationwide.co.uk](mailto:mike.pitcher@nationwide.co.uk)



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/headlines>

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>

## Legal Information

The Nationwide House Price Indices are prepared from information that we believe is collated with care, but no representation is made as to their accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue the indices at any time, for regulatory or other reasons.

**Persons seeking to place reliance on the Indices for any purpose whatsoever do so at their own risk and should be aware that various factors, including external factors beyond Nationwide Building Society's control might necessitate material changes to the Indices.**

The Nationwide House Price Indices may not be used for commercial purposes including as a reference for: 1) determining the interest payable, or other sums due, under loan agreements or other contracts relating to investments 2) determining the price at which investments may be bought or sold or the value of investments or 3) measuring the performance of investments.

Nationwide Building Society is the owner of the trade mark "Nationwide" and all copyright and other rights in the Nationwide House Price Indices.

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.

Commentary and other materials posted on our website are not intended to amount to advice on which reliance should be placed or an offer to sell or solicit the purchase by you of any products or services that we provide. We therefore do not accept any liability or responsibility arising from any reliance placed on such materials by any visitor to our website, or by anyone who may be informed of any of its contents.

Media enquiries to: Robert Gardner, Chief Economist, [robert.gardner@nationwide.co.uk](mailto:robert.gardner@nationwide.co.uk)  
Mike Pitcher, Media Relations Manager, [mike.pitcher@nationwide.co.uk](mailto:mike.pitcher@nationwide.co.uk)



Building Society