

Nationwide HOUSE PRICE INDEX



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September 2018

Annual house price growth steady in September

- UK annual house price growth steady at 2%
- Prices up 0.3% during the month, after taking account of seasonal factors
- North was the weakest performing region in Q3, with prices down 1.7% year on year

Headlines	Sep-18	Aug-18
Monthly Index*	427.9	426.9
Monthly Change*	0.3%	-0.5%
Annual Change	2.0%	2.0%
Average Price (not seasonally adjusted)	£214,922	£214,745

* 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:

"Annual house price growth was stable in September at 2%.

"Indeed, annual house price growth has been confined to a fairly narrow range of c2-3% 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 housing market activity and house price growth this year, though borrowing costs are likely to remain low.

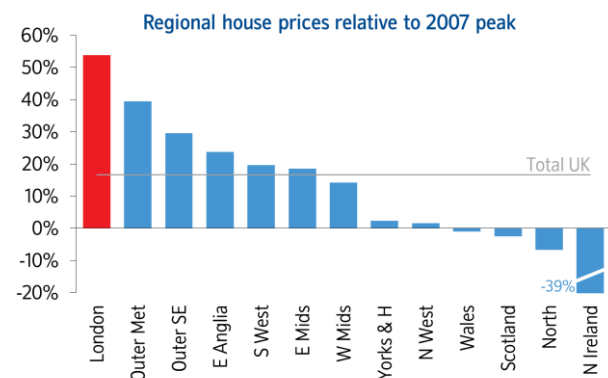
"Overall, we continue to expect house prices to rise by around 1% over the course of 2018.

Mixed picture across the regions

"Overall, UK house price growth remained broadly stable, but regional house price developments were more varied.

"For the fifth quarter in a row London prices fell in annual terms, though the decline remained modest at just -0.7%. Indeed, prices in the capital are only c3% below the all time

high recorded in Q1 2017 and are still more than 50% above their 2007 levels (see chart below).

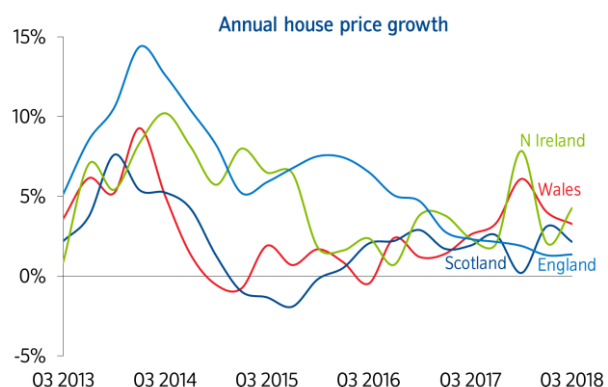


"The Outer Metropolitan region also saw a slight year-on-year fall, with prices down 0.3% in Q3. The weakest performing region was the North, where prices were down 1.7% year on year.

"Yorkshire and Humberside was the strongest performing region in England, and also the UK, with prices up 5.8% year on year. The East Midlands continued to see relatively strong growth, with prices up 4.8% year-on-year.

"Northern Ireland saw a pick up in annual price growth to 4.3% and was the best performing amongst the home nations. Wales saw a slight softening in growth, with prices up 3.3% year on year. Price growth also slowed in Scotland, from 3.1% in Q2 to 2.1%.

"England was again the weakest performing nation, with prices up 1.4% year on year."



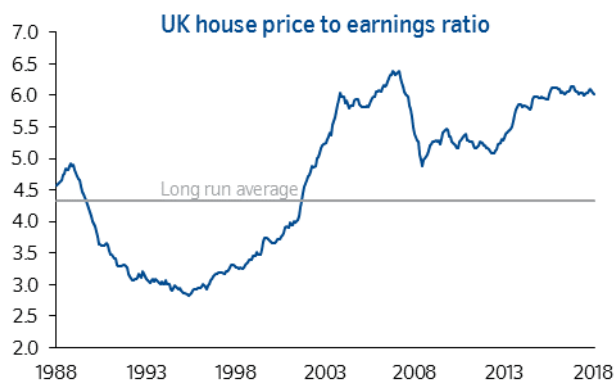
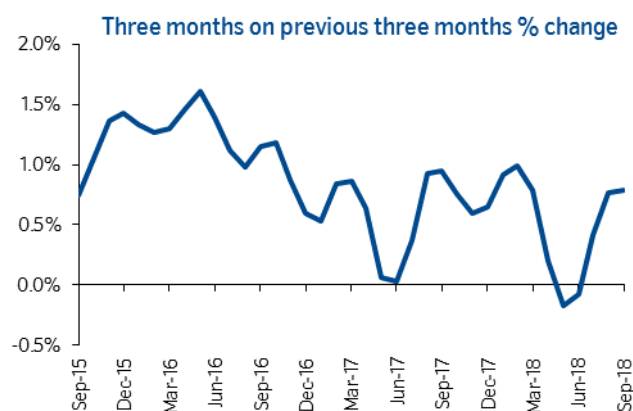
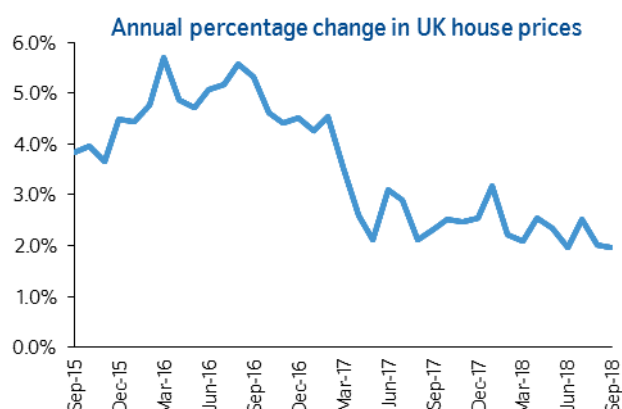
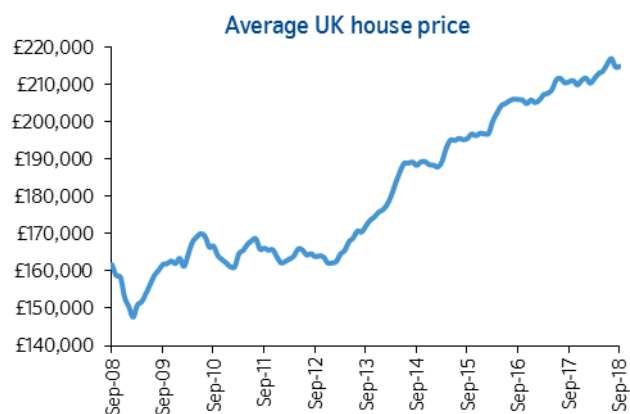
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Building Society

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
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	0.2	0.5	4.3	205,240
Feb-17	0.6	0.8	4.5	205,846
Mar-17	-0.1	0.9	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	0.8	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	0.8	2.0	214,745
Sep-18	0.3	0.8	2.0	214,922



Source: Nationwide, ONS

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Quarterly Regional House Price Statistics

Q3 2018

Please note that these figures are for the three months to September, therefore will show a different UK average price and annual percentage change to our *monthly* house price statistics.

Regions over the last 12 months

Region	Average Price (Q3 2018)	Annual % change this quarter	Annual % change last quarter
Yorks & H'side	£160,263	5.8%	2.1%
East Midlands	£186,414	4.8%	4.4%
N Ireland	£139,374	4.3%	2.1%
West Midlands	£190,607	4.1%	4.3%
North West	£162,596	4.1%	3.0%
Wales	£154,881	3.3%	4.0%
East Anglia	£228,690	3.0%	2.5%
Scotland	£149,161	2.1%	3.1%
South West	£245,434	1.9%	2.4%
Outer SE	£279,858	0.8%	2.5%
Outer Met	£364,309	-0.3%	0.9%
London	£468,544	-0.7%	-1.9%
North	£125,085	-1.7%	1.6%
UK	£216,103	2.1%	2.2%

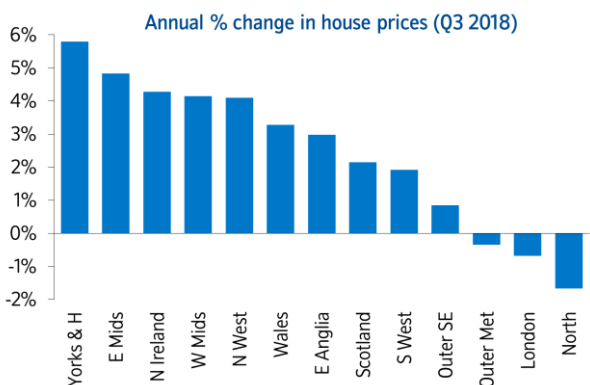
Yorkshire & Humberside top performing region

Regional house price growth was slightly more varied this quarter, though it remained the case that the regions of Southern England continued to see more subdued rates of growth.

Yorkshire and Humberside was the top performing region for the first time since 2005, with the annual price growth picking up to 5.8%.

Northern Ireland saw annual price growth strengthen to 4.3%. Wales saw a slight softening in growth, with prices up 3.3% year on year. Price growth also slowed in Scotland, from 3.1% in Q2 to 2.1% in Q3.

The Outer Metropolitan, London and North all saw small year-on-year price falls, with the North the weakest performing region with prices down 1.7% year on year.



England: Softer price growth in South

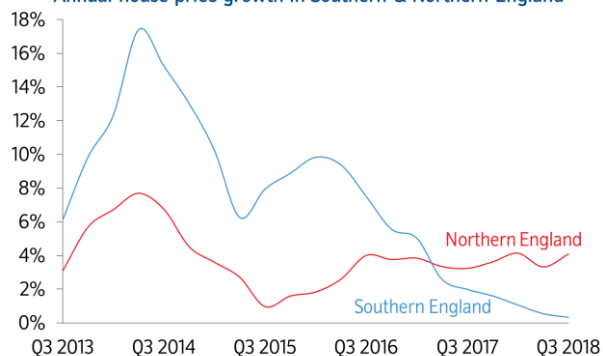
England (Q3 2018)	
Average house price	£260,481
Annual percentage change	1.4%
Quarterly change*	0.6%
Most expensive region	London
Least expensive region	North
Strongest annual price change	Yorks & H'side
Weakest annual price change	North

* Seasonally adjusted

England saw a 0.6% quarter-on-quarter rise in Q3, with average prices up 1.4% compared with a year ago.

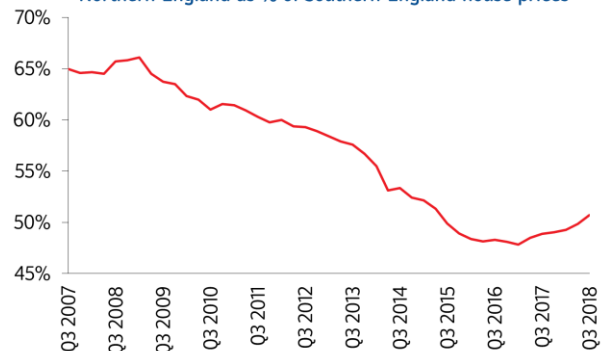
For the sixth successive quarter, price growth in Northern England exceeded that in Southern England. While the North saw price falls, other regions such as Yorkshire and Humberside and the North West saw price growth accelerate, meaning that overall prices in Northern England were up 4.1% year on year.

Annual house price growth in Southern & Northern England



Meanwhile, in Southern England both London and the Outer Metropolitan regions saw prices decline year on year, leading to overall price growth in the South slowing to just 0.3%. However, looking at price levels, there is still a significant gap, with average prices in the Southern England around twice those in Northern England.

Northern England as % of Southern England house prices



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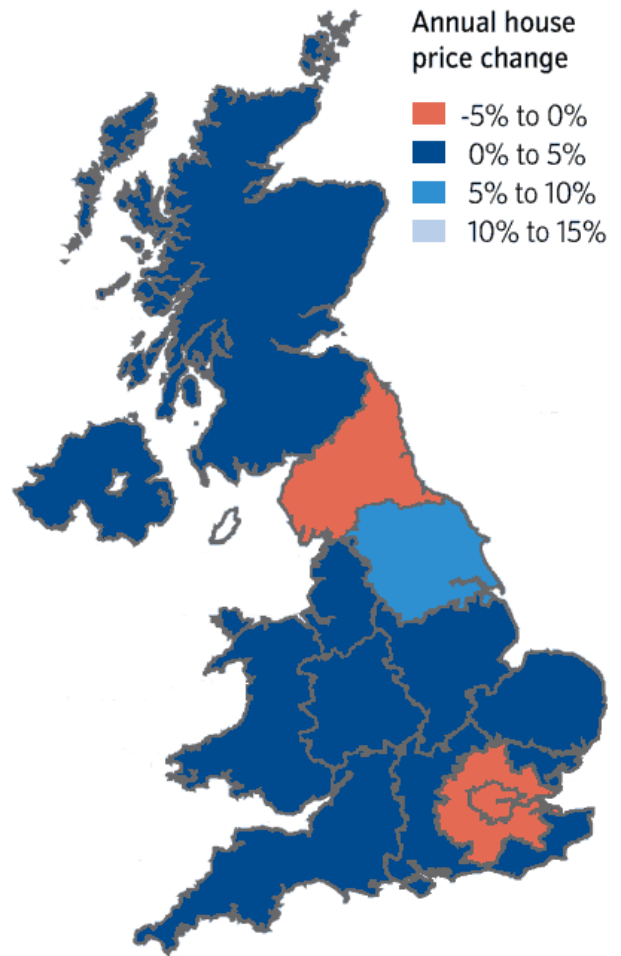
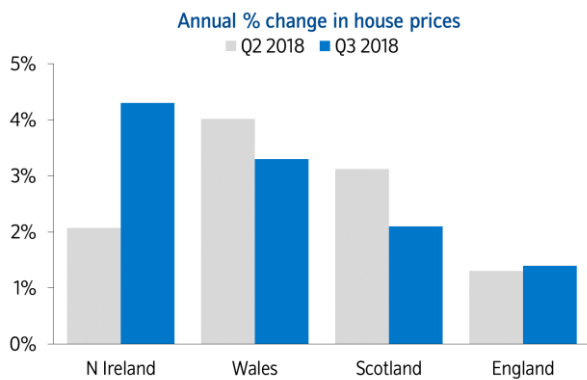
UK Fact File (Q3 2018)	
Quarterly average UK house price	£216,103
Annual percentage change	2.1%
Quarterly change*	0.7%
Most expensive region	London
Least expensive region	North
Strongest annual price change	Yorks & H'side
Weakest annual price change	North

* Seasonally adjusted

Nations – annual & quarterly price change

Nation	Average Price (Q3 2018)	Annual % change this quarter	Quarterly % change*
N Ireland	£139,374	4.3%	2.3%
Wales	£154,881	3.3%	0.6%
Scotland	£149,161	2.1%	0.3%
England	£260,481	1.4%	0.6%

* Seasonally adjusted



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>

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