

Nationwide HOUSE PRICE INDEX



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June 2020

Annual house price growth grinds to a halt in June as the impact of the pandemic filters through

- Annual price growth grinds to a halt in June with prices down 0.1%
- Annual growth negative for first time since 2012
- Prices fell 1.4% month-on-month, after taking account of seasonal factors
- Regional house price growth rates within narrow range of 0%-5% in Q2

Headlines	Jun-20	May-20
Monthly Index*	428.3	434.6
Monthly Change*	-1.4%	-1.7%
Annual Change	-0.1%	1.8%
Average Price (not seasonally adjusted)	£216,403	£218,902

* 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 fell by 1.4% in the month of June, after taking account of seasonal effects, following a 1.7% fall in May. On a seasonally adjusted basis, house prices in June were 3.2% lower than in April.

"Annual house price growth slowed to -0.1%, from 1.8% in May. This is the first time that annual house price growth has been in negative territory since December 2012.

"It is unsurprising that annual house price growth has stalled, given the magnitude of the shock to the economy as a result of the pandemic. Economic output fell by an unprecedented 25% over the course of March and April – almost four times more than during the entire financial crisis.

"Housing market activity also slowed sharply as a result of lockdown measures implemented to control the spread of the virus. While latest data from HMRC showed a slight pick-up in residential property transactions from April's low, in May they were still 50% lower than the same month in 2019.

"Mortgage activity saw an even more dramatic slowdown – there were only 9,300 approvals for house purchase in May,

down from 73,700 in February and 86% lower than in May 2019. However, our ability to generate the house price index has not been impacted to date, as sample sizes have remained sufficiently large (and representative) to generate robust results.

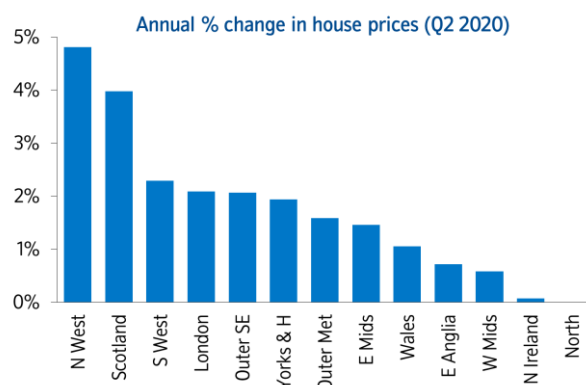
"With lockdown measures due to be eased in the weeks ahead, housing market activity is likely to edge higher in the near term, albeit remaining below pre-pandemic levels. Nevertheless, the medium-term outlook for the housing market remains highly uncertain. Much will depend on the performance of the wider economy, which will in turn be determined by how the pandemic and restrictions on activity evolve (including any behavioural shifts).

"The raft of policies adopted to support the economy, including to protect businesses and jobs, to support peoples' incomes and keep borrowing costs down, should set the stage for a rebound once the shock passes, and help limit long-term damage to the economy.

"These same measures should also help ensure the impact on the housing market will ultimately be less than would normally be associated with an economic shock of this magnitude.

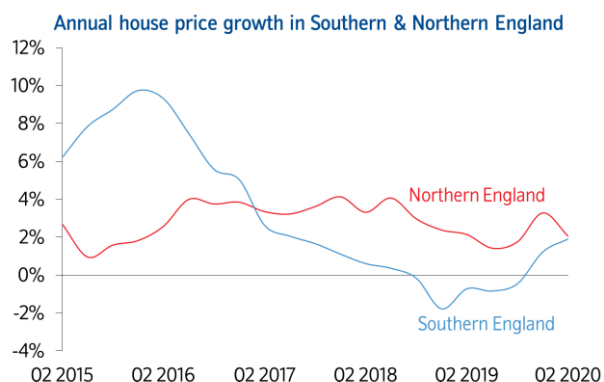
Modest annual price growth across most regions in Q2

"All UK regions saw modest annual price growth of between 0% and 5% in Q2 as a whole (i.e. taking April, May and June together and comparing with the same period of 2019). The North West was the strongest performing region, with annual price growth picking up slightly to 4.8% (see full table of regional house price data on page 4).



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“Elsewhere in England, house price growth across northern England as a whole (North, North West, Yorkshire & Humberside, East Midlands and West Midlands) converged with that in the south (London, Outer Metropolitan, Outer South East and East Anglia).



“Annual house price growth in London edged higher, with prices up 2.1% in Q2. Average prices in the capital are now just 3% below the all-time highs recorded in Q1 2017 and 55% above their 2007 levels (UK prices remain 19% higher than their 2007 peak).

“The surrounding Outer Metropolitan region also saw a modest pickup in annual price growth to 1.6%, while the neighbouring Outer South East region saw annual price growth edge up to 2.1%.

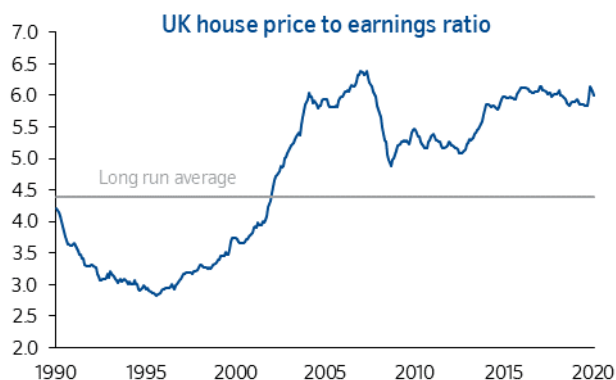
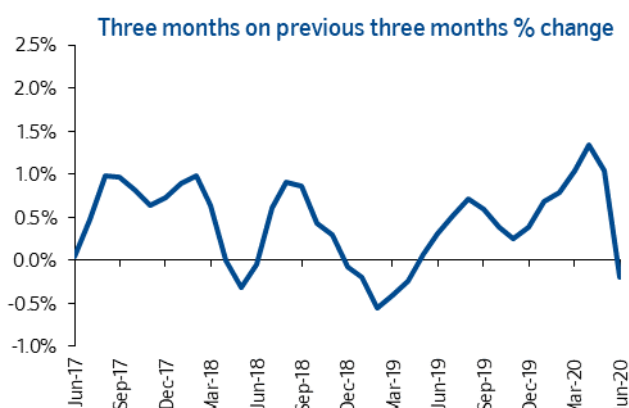
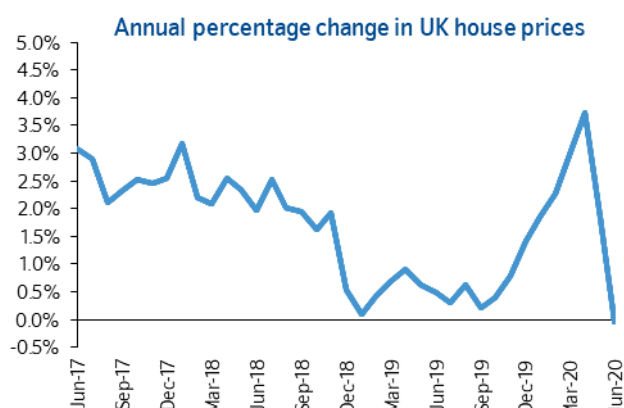
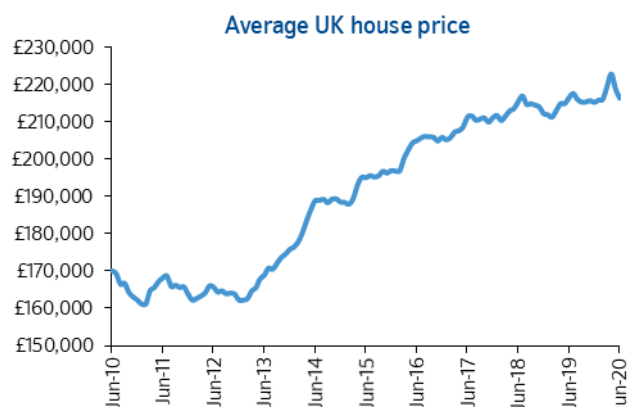
“The North was the weakest performing region, with prices unchanged compared with a year ago.

“Scotland was the strongest performing nation in Q2, with annual price growth picking up to 4.0%. Conditions remained subdued in Wales and Northern Ireland¹, which saw annual price growth of 1.0% and 0.1%, respectively.”

¹ Northern Ireland figure is based on a relatively low sample size, but additional analysis has been undertaken to confirm the validity of the result

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Jun-18	0.5	0.0	2.0	215,444
Jul-18	0.6	0.6	2.5	217,010
Aug-18	-0.3	0.9	2.0	214,745
Sep-18	0.3	0.9	2.0	214,922
Oct-18	0.0	0.4	1.6	214,534
Nov-18	0.1	0.3	1.9	214,044
Dec-18	-0.6	-0.1	0.5	212,281
Jan-19	0.1	-0.2	0.1	211,966
Feb-19	-0.2	-0.6	0.4	211,304
Mar-19	0.0	-0.4	0.7	213,102
Apr-19	0.2	-0.2	0.9	214,920
May-19	0.0	0.1	0.6	214,946
Jun-19	0.4	0.3	0.5	216,515
Jul-19	0.3	0.5	0.3	217,663
Aug-19	0.1	0.7	0.6	216,096
Sep-19	-0.2	0.6	0.2	215,352
Oct-19	0.1	0.4	0.4	215,368
Nov-19	0.5	0.3	0.8	215,734
Dec-19	0.1	0.4	1.4	215,282
Jan-20	0.4	0.7	1.9	215,897
Feb-20	0.2	0.8	2.3	216,092
Mar-20	0.7	1.0	3.0	219,583
Apr-20	0.9	1.3	3.7	222,915
May-20	-1.7	1.0	1.8	218,902
Jun-20	-1.4	-0.2	-0.1	216,403



Source: Nationwide, ONS

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Quarterly Regional House Price Statistics

Q2 2020

Please note that these figures are for the three months to June, 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 (Q2 2020)	Annual % change this quarter	Annual % change last quarter
North West	£170,216	4.8%	4.1%
Scotland	£154,695	4.0%	0.8%
South West	£251,392	2.3%	1.5%
London	£475,448	2.1%	1.0%
Outer S East	£282,936	2.1%	1.7%
Yorks & H'side	£162,870	1.9%	4.3%
Outer Met	£364,529	1.6%	0.8%
East Midlands	£187,812	1.5%	3.6%
Wales	£162,089	1.0%	6.4%
East Anglia	£230,652	0.7%	1.3%
West Midlands	£194,577	0.6%	2.5%
N Ireland**	£143,437	0.1%	0.7%
North	£129,505	0.0%	-0.3%
UK	£220,133	2.0%	2.5%

** Northern Ireland figure is based on low sample size, but additional analysis has been undertaken to confirm the validity of the result

Please see page 5 for definitions of English regions

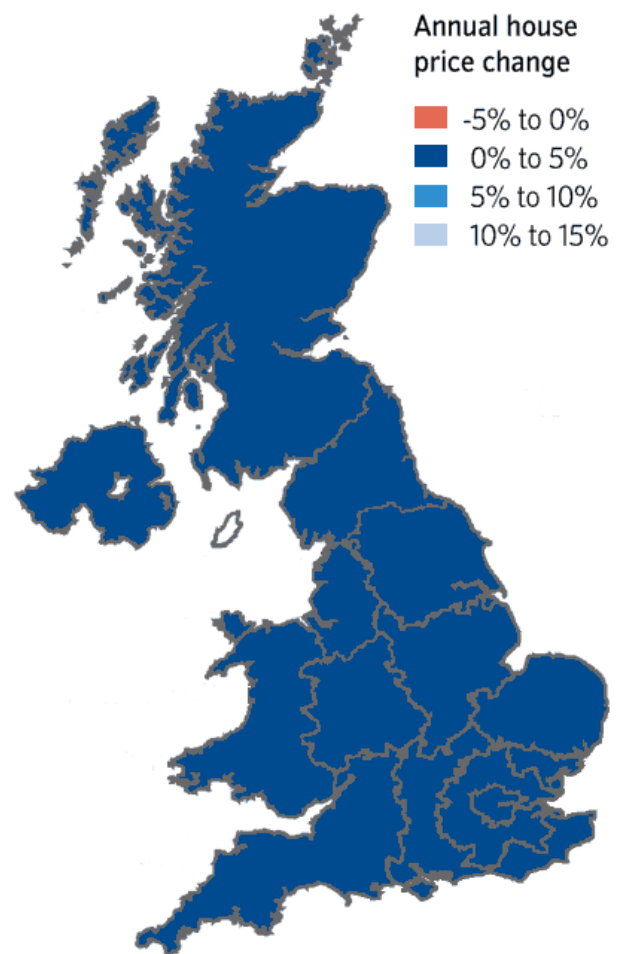
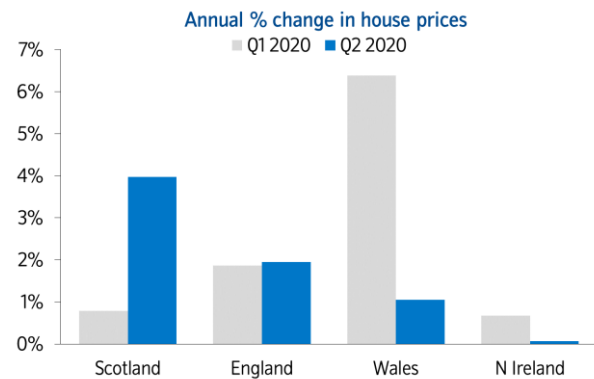
UK Fact File (Q2 2020)	
Quarterly average UK house price	£220,133
Annual percentage change	2.0%
Quarterly change*	-0.1%
Most expensive region	London
Least expensive region	North
Strongest annual price change	North West
Weakest annual price change	North

* Seasonally adjusted

Nations – annual & quarterly price change

Nation	Average Price (Q2 2020)	Annual % change this quarter	Quarterly % change*
Scotland	£154,695	4.0%	2.5%
England	£258,178	1.9%	0.4%
Wales	£162,089	1.0%	-2.2%
N Ireland	£143,437	0.1%	-0.5%

* Seasonally adjusted



English Region Definitions

East Anglia: Cambridgeshire (Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, South Cambridgeshire), Norfolk (Breckland, Broadland, Great Yarmouth, King's Lynn & West Norfolk, North Norfolk, Norwich, South Norfolk), Peterborough, Suffolk (Babergh, East Suffolk, Ipswich, Mid Suffolk, West Suffolk)

East Midlands: Derby, Derbyshire (Amber Valley, Bolsover, Chesterfield, Derbyshire Dales, Erewash, High Peak, North East Derbyshire, South Derbyshire), Leicester, Leicestershire (Blaby, Charnwood, Harborough, Hinckley & Bosworth, Melton, North West Leicestershire, Oadby & Wigston), Lincolnshire (Boston, East Lindsey, Lincoln, North Kesteven, South Holland, South Kesteven, West Lindsey), Northamptonshire (Corby, Daventry, East Northamptonshire, Kettering, Northampton, South Northamptonshire, Wellingborough), Nottinghamshire (Ashfield, Bassetlaw, Broxtowe, Gedling, Mansfield, Newark & Sherwood, Rushcliffe), Rutland

London: Barking & Dagenham, Barnet, Bexley, Brent, Bromley, Camden, City of London, Croydon, Ealing, Enfield, Greenwich, Hackney, Hammersmith & Fulham, Haringey, Harrow, Havering, Hillingdon, Hounslow, Islington, Kensington & Chelsea, Kingston upon Thames, Lambeth, Lewisham, Merton, Newham, Redbridge, Richmond upon Thames, Southwark, Sutton, Tower Hamlets, Waltham Forest, Wandsworth, Westminster

North: County Durham, Cumbria (Allerdale, Barrow-in-Furness, Carlisle, Copeland, Eden, South Lakeland), Darlington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar & Cleveland, South Tyneside, Stockton-on-Tees, Sunderland

North West: Blackburn with Darwen, Blackpool, Bolton, Bury, Cheshire East, Chester West & Chester, Halton, Knowsley, Lancashire (Burnley, Chorley, Fylde, Hyndburn, Lancaster, Pendle, Preston, Ribble Valley, Rossendale, South Ribble, West Lancashire, Wyre), Liverpool, Manchester, Oldham, Rochdale, Salford, Sefton, St. Helens, Stockport, Tameside, Trafford, Warrington, Wigan, Wirral

Outer Metropolitan: Basildon, Bracknell Forest, Brentwood, Castle Point, Chelmsford, Chiltern, Crawley, Dartford, Epping Forest, Gravesham, Harlow, Hart, Hertfordshire (Broxbourne, Dacorum, East Hertfordshire, Hertsmere, North Hertfordshire, St Albans, Stevenage, Three Rivers, Watford, Welwyn Hatfield), Horsham, Luton, Maidstone, Medway, Mid Sussex, Reading, Rochford, Rushmoor, Sevenoaks, Slough, South Bucks, Southend-on-Sea, Surrey (Elmbridge, Epsom & Ewell, Guildford, Mole Valley, Reigate & Banstead, Runnymede, Spelthorne, Surrey Heath, Tandridge, Waverley, Woking), Thurrock, Tonbridge & Malling, Tunbridge Wells, Windsor & Maidenhead, Wokingham, Wycombe

Outer South East: Adur, Arun, Ashford, Aylesbury Vale, Basingstoke & Deane, Bedford, Braintree, Brighton & Hove, Canterbury, Central Bedfordshire, Chichester, Colchester, Dover, East Hampshire, Eastleigh, East Sussex (Eastbourne, Hastings, Lewes, Rother, Wealden), Fareham, Folkestone & Hythe, Gosport, Havant, Isle of Wight, Maldon, Milton Keynes, New Forest, Oxfordshire (Cherwell, Oxford, South Oxfordshire, Vale of White Horse, West Oxfordshire), Portsmouth, Southampton, Swale, Tendring, Test Valley, Thanet, Uttlesford, West Berkshire, West Oxfordshire, Winchester, Worthing

South West: Bath & North East Somerset, Bournemouth, Christchurch & Poole, Bristol, Cornwall, Dorset, Devon (East Devon, Exeter, Mid Devon, North Devon, South Hams, Teignbridge, Torridge, West Devon), Gloucestershire (Cheltenham, Cotswold, Forest of Dean, Gloucester, Stroud, Tewkesbury), Isles of Scilly, North Somerset, Plymouth, Somerset (Mendip, Sedgemoor, Somerset West & Taunton, South Somerset), South Gloucestershire, Swindon, Torbay, Wiltshire

West Midlands: Birmingham, Coventry, Dudley, Herefordshire, Sandwell, Shropshire, Solihull, Staffordshire (Cannock Chase, East Staffordshire, Lichfield, Newcastle-under-Lyme, South Staffordshire, Stafford, Staffordshire Moorlands, Tamworth), Stoke-on-Trent, Telford & Wrekin, Walsall, Warwickshire (North Warwickshire, Nuneaton & Bedworth, Rugby, Stratford-on-Avon, Warwick), Wolverhampton, Worcestershire (Bromsgrove, Malvern Hills, Redditch, Worcester, Wychavon, Wyre Forest)

Yorkshire & Humberside: Barnsley, Bradford, Calderdale, Doncaster, East Riding of Yorkshire, Kingston upon Hull, Kirklees, Leeds, North East Lincolnshire, North Lincolnshire, North Yorkshire (Craven, Hambleton, Harrogate, Richmondshire, Ryedale, Scarborough, Selby), Rotherham, Sheffield, Wakefield, York

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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