

Nationwide HOUSE PRICE INDEX



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April 2015

Annual house price growth edges up in April

- Annual house price growth edged up to 5.2% in April from 5.1% in March
- UK house prices rose by 1% in April

Headlines	Apr-15	Mar-15
Monthly Index*	384.7	380.9
Monthly Change*	1.0%	0.1%
Annual Change	5.2%	5.1%
Average Price (not seasonally adjusted)	£193,048	£189,454

* 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:

"The price of a typical UK home increased by 1% in April - the largest monthly increase since June 2014. As a result, the annual pace of house price growth increased for the first time in seven months, edging up to 5.2% from 5.1% in March.

"The pick-up in price growth has occurred even though the pace of activity in the housing market has remained fairly subdued in recent months. Indeed, the number of mortgage approvals is still well below its long run average and 20% below the levels recorded in early 2014.

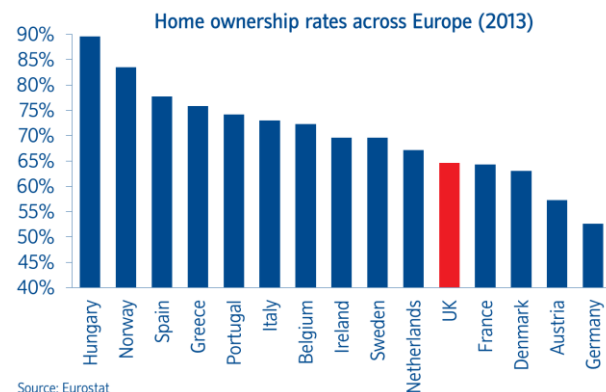
"The strength of the economy and relatively subdued pace of activity in the housing market remains something of an anomaly. It is possible that heightened uncertainty ahead of the election is weighing on activity, though there is no compelling evidence from previous UK elections to suggest a strong impact.

"Healthy labour market conditions and continued low mortgage rates should help underpin housing demand in the quarters ahead.

How does the UK housing market compare to the rest of the EU?

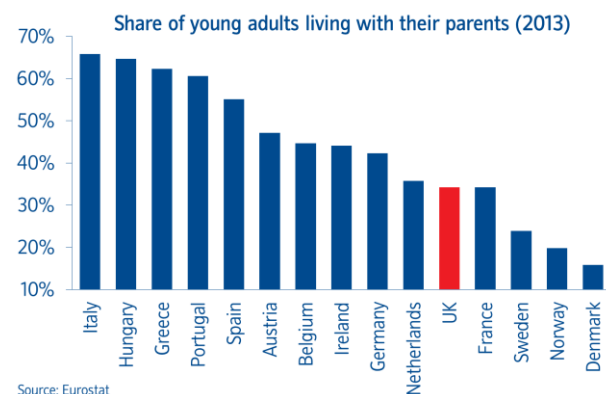
"The UK is often characterised as a nation of home owners, though compared with our European neighbours, the proportion of the population owning their own home (either

outright or with a mortgage) is not particularly high. In fact, it is actually towards the lower end of the range.

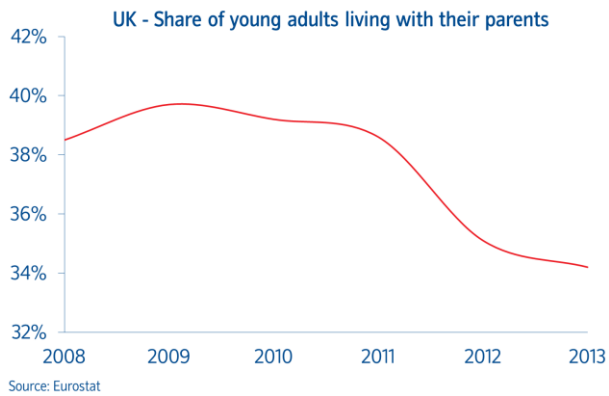


"Although some other European nations have seen declines in their home ownership rates in recent years, the movement in the UK has been more pronounced. That said, even at its all-time high of 73% in 2007, the UK homeownership rate was not particularly high by EU standards. Since then, there has been significant growth in the private rental sector.

"Interestingly, while the UK home ownership rate may not be particularly high, the propensity for young adults (aged 18-34) to live with their parents is relatively low (see chart below), a trend which has become more pronounced over the past five years (see chart overleaf)."



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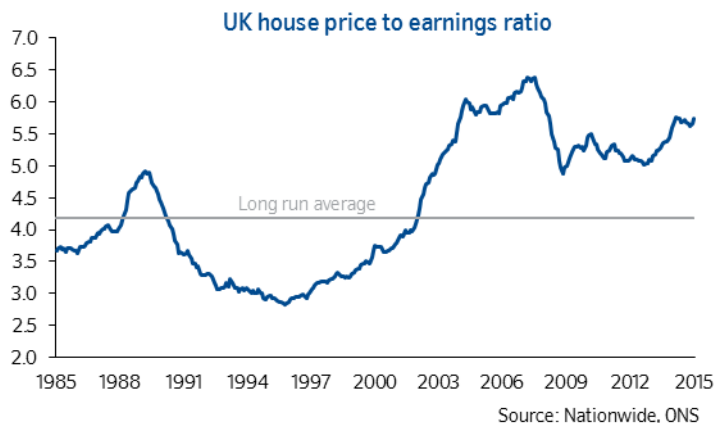
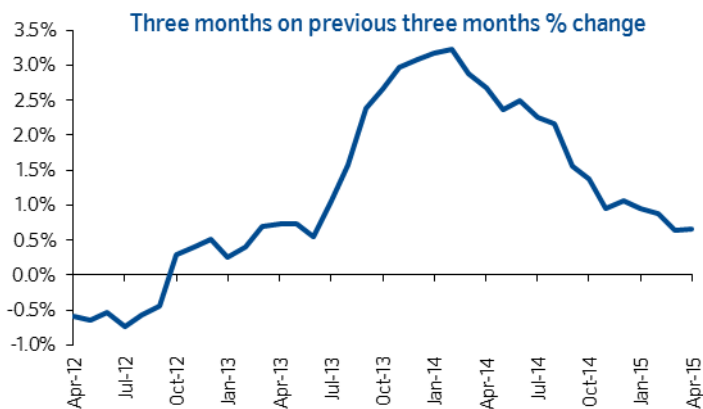
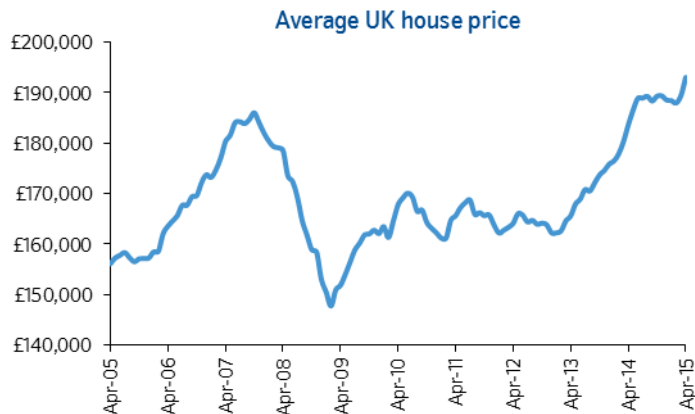
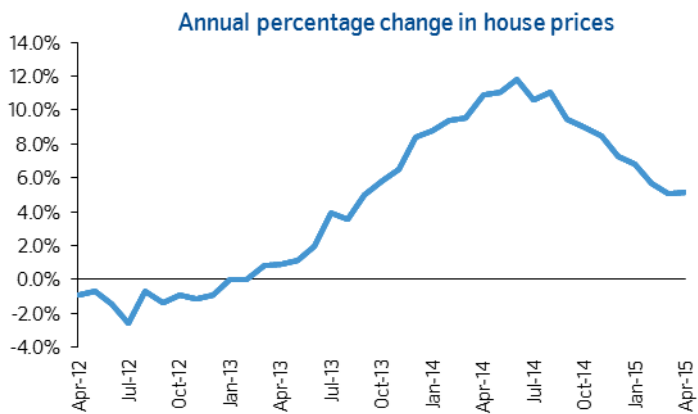
Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Apr-13	-0.2	0.7	0.9	165,586
May-13	0.5	0.7	1.1	167,912
Jun-13	0.3	0.6	1.9	168,941
Jul-13	1.2	1.1	3.9	170,825
Aug-13	0.6	1.6	3.5	170,514
Sep-13	1.2	2.4	5.0	172,127
Oct-13	1.0	2.7	5.8	173,678
Nov-13	0.8	3.0	6.5	174,566
Dec-13	1.5	3.1	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	0.6	2.9	9.5	180,264
Apr-14	1.0	2.7	10.9	183,577
May-14	0.7	2.4	11.1	186,512
Jun-14	1.0	2.5	11.8	188,903
Jul-14	0.1	2.3	10.6	188,949
Aug-14	0.8	2.2	11.0	189,306
Sep-14	-0.1	1.6	9.4	188,374
Oct-14	0.6	1.4	9.0	189,333
Nov-14	0.3	1.0	8.5	189,388
Dec-14	0.3	1.1	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	0.7	5.2	193,048

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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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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