

Nationwide HOUSE PRICE INDEX



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June 2013

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Pick up in house price growth continued in June

- UK house prices increased by 0.3% in June and were 1.9% higher than June 2012
- The typical UK home is now worth £168,941
- Southern regions of England, especially London, continued to record stronger rates of house price growth

Headlines	Jun-13	May-13
Monthly Index*	332.0	331.1
Monthly Change*	0.3%	0.4%
Annual Change	1.9%	1.1%
Average Price (not seasonally adjusted)	£168,941	£167,912

* 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 price growth continued to gather momentum in June, rising by 0.3% over the month. Indeed, the annual rate of house price growth increased to 1.9% in June - the fastest pace since September 2010.

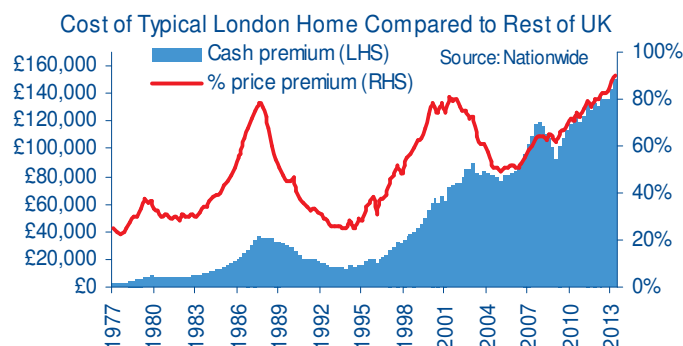
"A number of factors are likely to be contributing to the recent acceleration. Demand for homes has been supported by further modest gains in employment, as well as an improvement in the availability and a reduction in the cost of credit, partly as a result of policy measures, such as the Funding for Lending Scheme. Signs of a modest improvement in wider economic conditions may also be playing a role in boosting buyer sentiment.

"At the same time, there are few signs that the supply of housing is improving significantly. Indeed, construction data point to a further decline in building activity in recent quarters from already depressed levels. For example, in Q1 2013 housing completions in England were down 8% compared to the same period of 2012 and around 40% below the average number of quarterly completions in 2007".

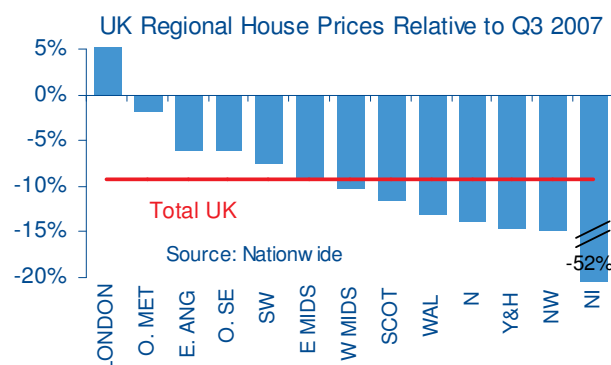
Prices still rising faster in the south of England

The gradual pick up in house price growth at the national level masks significant regional variation. The strongest performing regions are in the south of England - especially London. Indeed, house prices in the south of England were up 3% year on year in Q2, more than twice the 1.4% pace recorded across the UK as a whole in the three months to June.

Moreover, in London prices were up by 5.2% year on year, taking the price of a typical home in the capital to an all time high of £318,214 - almost twice the level prevailing in the rest of the UK when London is excluded. Indeed, the gap between house prices in London and the rest of the UK is the widest it's ever been, both in cash and percentage terms, as shown in the chart below:



This divergence in house price performance across the regions has been evident for some time, and, as a result, prices in the south of England are now closer to their pre-crisis level than most other parts of the UK (see chart).



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In the UK as a whole, house prices are still around 9% below their pre-crisis peak. By contrast, London house prices reached a new all time high, 5% above their pre-crisis level.

Amongst the home nations, England has been outperforming for some time. House prices in England are currently 5% lower than their 2007 peak, while they are 13% lower in Wales, 12% Scotland and 53% lower in Northern Ireland.”

For more information on regional house prices, please access our [Quarterly Regional House Price Report](#).

Monthly UK House Price Statistics

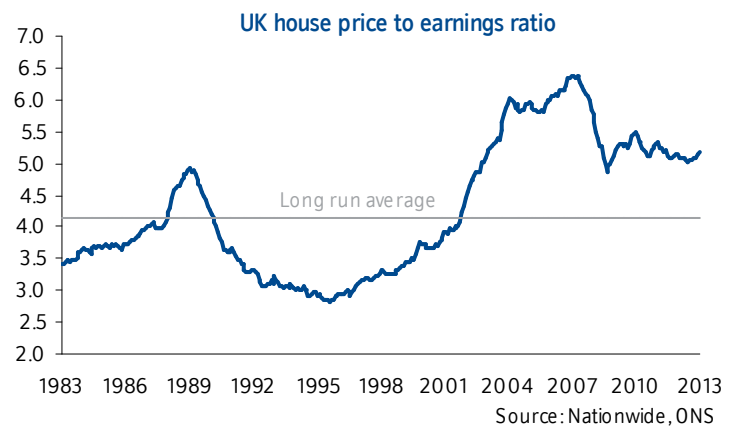
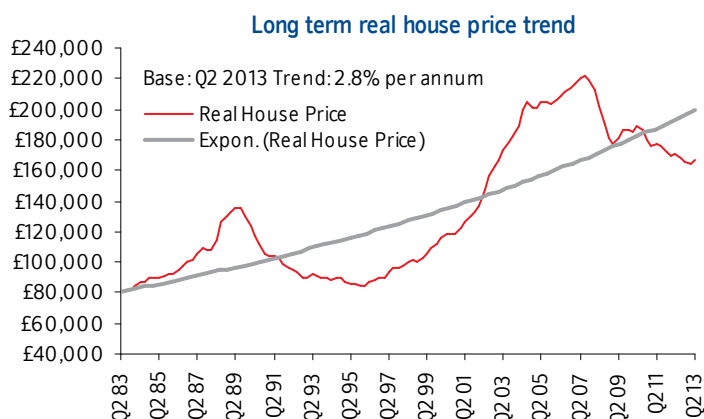
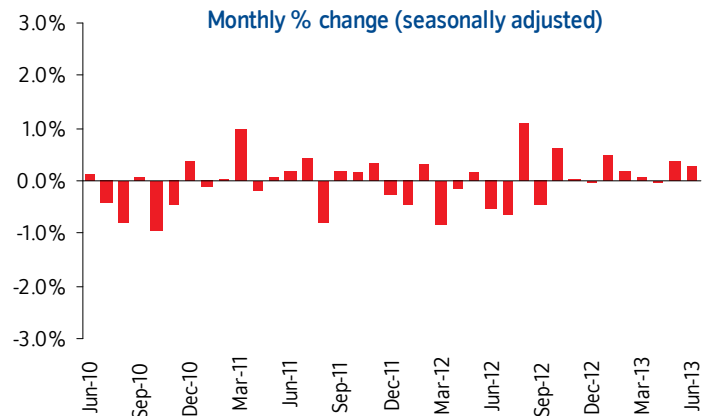
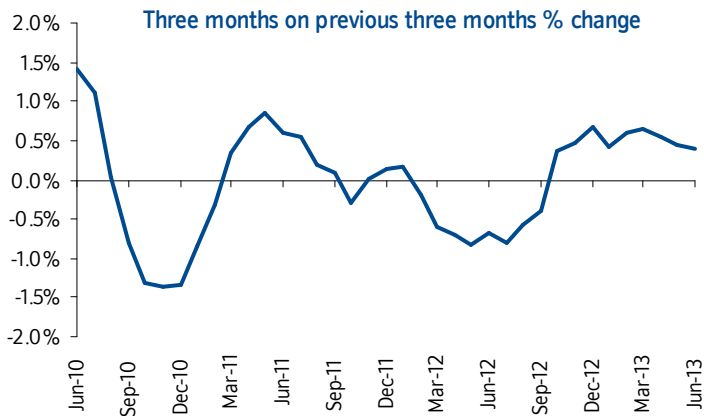
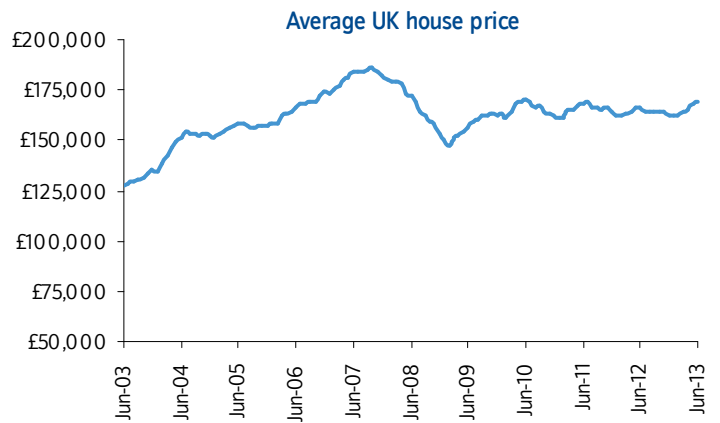
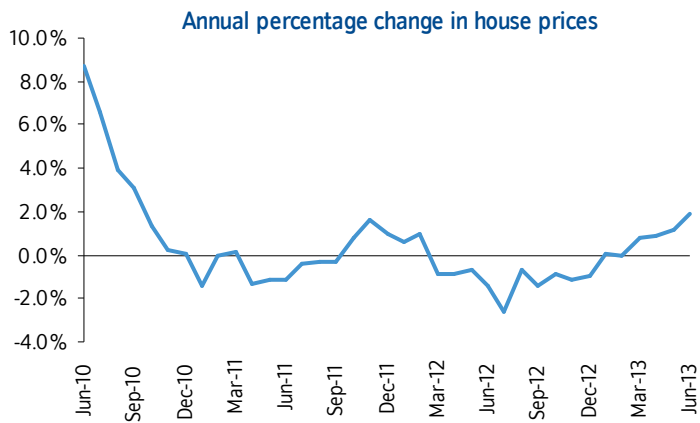
	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Jun-11	0.2	0.6	-1.1	168,205
Jul-11	0.4	0.5	-0.4	168,731
Aug-11	-0.8	0.2	-0.4	165,914
Sep-11	0.2	0.1	-0.3	166,256
Oct-11	0.2	-0.3	0.8	165,650
Nov-11	0.3	0.0	1.6	165,798
Dec-11	-0.3	0.1	1.0	163,822
Jan-12	-0.5	0.2	0.6	162,228
Feb-12	0.3	-0.2	0.9	162,712
Mar-12	-0.8	-0.6	-0.9	163,327
Apr-12	-0.1	-0.7	-0.9	164,134
May-12	0.2	-0.8	-0.7	166,022
Jun-12	-0.5	-0.7	-1.5	165,738
Jul-12	-0.7	-0.8	-2.6	164,389
Aug-12	1.1	-0.6	-0.7	164,729
Sep-12	-0.4	-0.4	-1.4	163,964
Oct-12	0.6	0.4	-0.9	164,153
Nov-12	0.0	0.5	-1.2	163,853
Dec-12	0.0	0.7	-1.0	162,262
Jan-13	0.5	0.4	0.0	162,245
Feb-13	0.2	0.6	0.0	162,638
Mar-13	0.1	0.6	0.8	164,630
Apr-13	0.0	0.5	0.9	165,586
May-13	0.4	0.4	1.1	167,912
Jun-13	0.3	0.4	1.9	168,941

Note: Historical figures including index levels can be viewed using the following link:

www.nationwide.co.uk/hpi/datadownload

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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.

The Nationwide Monthly House Price Index is prepared from information which we believe is collated with care, but no representation is made as to its accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue the whole or any part of the Index at any time, for regulatory or other reasons. Persons seeking to place reliance on the Index for their own or third party commercial purposes do so entirely at their own risk. All changes are nominal and do not allow for inflation.

More information on the house price index methodology along with time series data and archives of housing research can be found at www.nationwide.co.uk/hpi

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