

Nationwide HOUSE PRICE INDEX



www.nationwide.co.uk/hpi

March 2014

Embargoed until 0700 2 April 2014

House price growth moderates in March

- UK house prices increased by 0.4% in March and were 9.5% higher than March 2013
- Prices are around 3% below 2007 peak

Headlines	Mar-14	Feb-14
Monthly Index*	360.5	358.9
Monthly Change*	0.4%	0.7%
Annual Change	9.5%	9.4%
Average Price (not seasonally adjusted)	£180,264	£177,846

* 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:

"There is little doubt that the recovery in the housing market is now firmly established, with activity levels picking up and house prices recording their fifteenth successive monthly increase in March.

"There are some tentative signs of moderation, with the monthly pace of price growth slowing to 0.4% in March down from 0.7% in February and 0.8% in January. Nevertheless, viewed in annual terms, price growth is continuing to run at a robust pace, with the price of a typical home 9.5% higher than in March 2013.

"Record low mortgage rates, improved availability of credit and the brighter economic outlook are all leading to increased demand for housing. However, the upturn in the supply side of the market continues to lag far behind, with the number of new homes being built in England still around 40% below pre-crisis levels (and this was already insufficient to keep up with the increase in the number of households being formed).

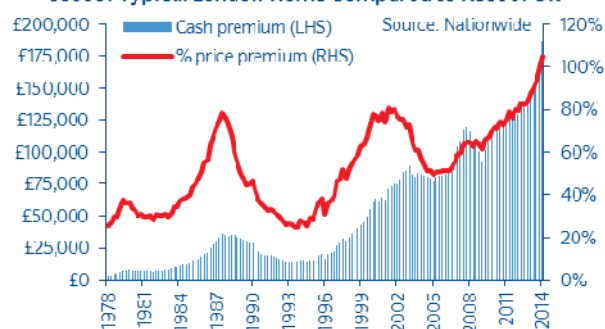
London house prices now more than double the level prevailing in the rest of the UK

"There is further evidence that the upturn in the housing market is gaining momentum across the UK. For the third quarter in a row all thirteen regions saw annual house price

growth in Q1 2014. However, the pattern of the southern regions recording the most rapid price gains, especially London, remained very much in evidence.

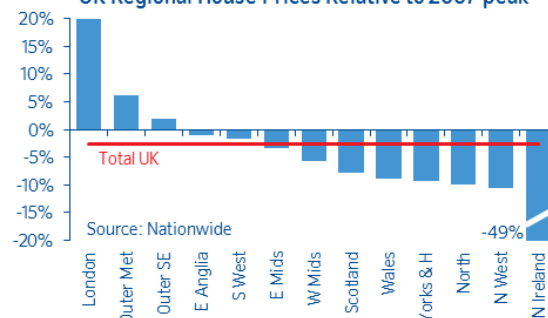
"London house prices were up 18% year on year in Q1, taking the price of a typical home in the capital to £362,699 – more than twice the level prevailing in the rest of the UK when London is excluded. Indeed, the gap between house prices in London and the rest of the UK is the widest it's ever been, both in cash and percentage terms, as shown below.

Cost of Typical London Home Compared to Rest of UK



"Overall, the southern regions have been outperforming for some time, with the result that house prices in London, the Outer Metropolitan and Outer South East have now surpassed their pre-crisis peaks. Similarly, East Anglia and the South West are less than 5% below their 2007 highs. By contrast, the North of England, Wales, Scotland and Northern Ireland still have more ground left to recover, as shown in the chart below."

UK Regional House Prices Relative to 2007 peak



[For more detail on regional house price developments please see our regional house price report.](#)

Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
Mike Pitcher, 01793 657225, mike.pitcher@nationwide.co.uk



Monthly UK House Price Statistics

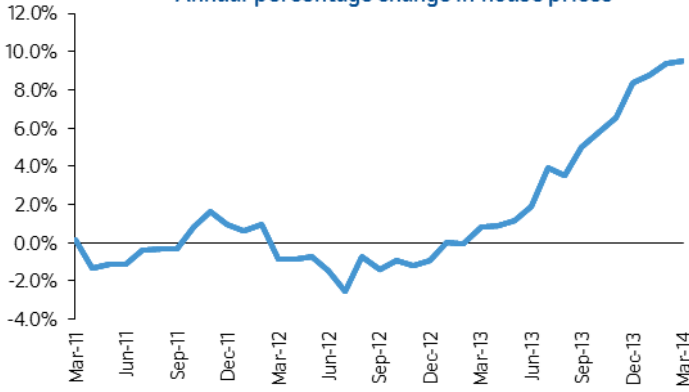
	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Jul-12	-0.8	-0.5	-2.6	164,389
Aug-12	1.1	-0.4	-0.7	164,729
Sep-12	-0.5	-0.4	-1.4	163,964
Oct-12	0.4	0.3	-0.9	164,153
Nov-12	0.0	0.3	-1.2	163,853
Dec-12	-0.3	0.4	-1.0	162,262
Jan-13	0.4	0.1	0.0	162,245
Feb-13	0.1	0.2	0.0	162,638
Mar-13	0.2	0.4	0.8	164,630
Apr-13	0.2	0.6	0.9	165,586
May-13	0.6	0.8	1.1	167,912
Jun-13	0.4	0.9	1.9	168,941
Jul-13	1.1	1.4	3.9	170,825
Aug-13	0.7	1.9	3.5	170,514
Sep-13	1.0	2.4	5.0	172,127
Oct-13	1.1	2.6	5.8	173,678
Nov-13	0.7	2.8	6.5	174,566
Dec-13	1.4	3.0	8.4	175,826
Jan-14	0.8	3.0	8.8	176,491
Feb-14	0.7	3.0	9.4	177,846
Mar-14	0.4	2.6	9.5	180,264

Note: Historical figures including index levels can be viewed using the following link: www.nationwide.co.uk/hpi/datadownload

Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
Mike Pitcher, 01793 657225, mike.pitcher@nationwide.co.uk



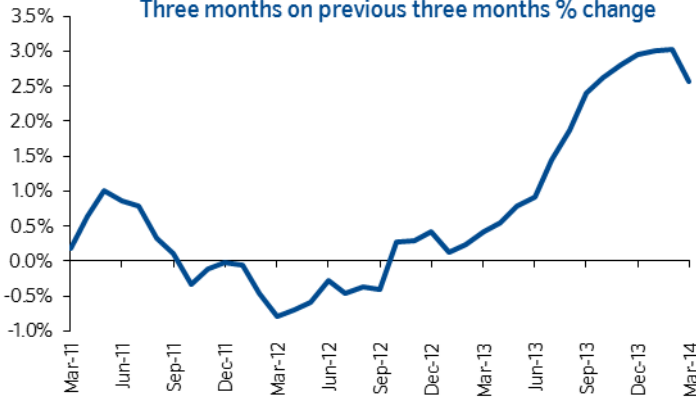
Annual percentage change in house prices



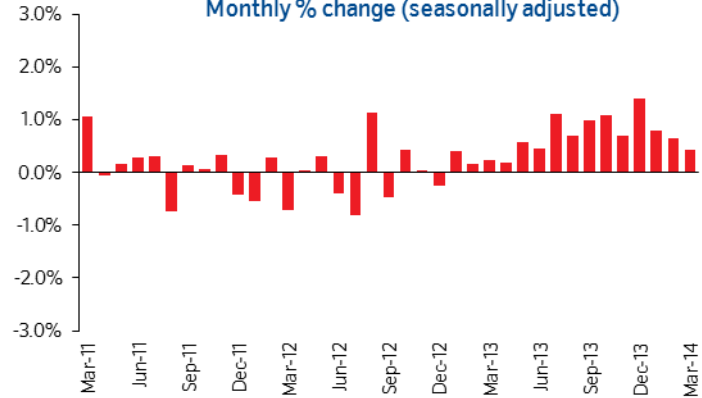
Average UK house price



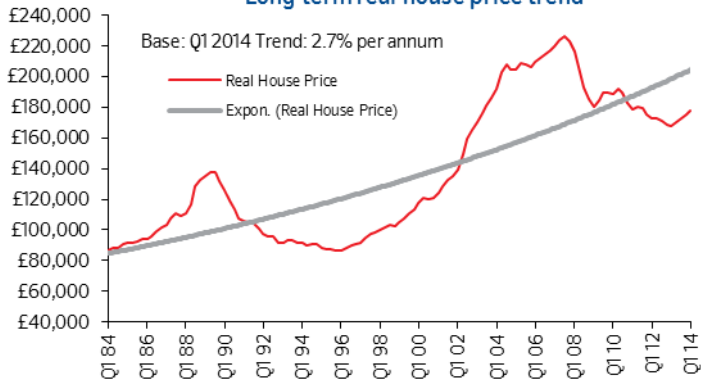
Three months on previous three months % change



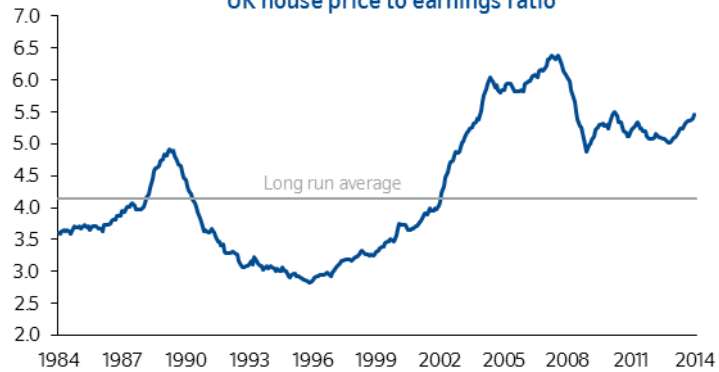
Monthly % change (seasonally adjusted)



Long term real house price trend



UK house price to earnings ratio



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.

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

Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
Mike Pitcher, 01793 657225, mike.pitcher@nationwide.co.uk

