

Nationwide HOUSE PRICE INDEX



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Q3 2014

London and the South of England lead price growth

- All UK regions saw annual price rises in Q3 2014
- London remains strongest performing region, with prices up 21% year-on-year
- North weakest performing region, with prices up 4.3% compared to Q3 2013

| UK Fact File | |
|-------------------------------|-----------|
| Average UK House Price | £188,810 |
| Annual percentage change | 10.5% |
| Quarterly change* | 1.5% |
| Most expensive region | London |
| Least expensive region | N Ireland |
| Strongest annual price change | London |
| Weakest annual price change | North |

* Seasonally adjusted

(Note that quarterly % changes are revised when seasonal adjustment factors are re-estimated)

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 report.

Text in blue indicates hyperlink

Regions over the quarter

| Region | Average Price | Quarterly % change* |
|--------------------|---------------|---------------------|
| East Anglia | £194,680 | 3.0% |
| Northern Ireland | £119,782 | 2.9% |
| West Midlands | £164,067 | 2.0% |
| East Midlands | £157,293 | 2.0% |
| Outer South East | £234,370 | 1.6% |
| Scotland | £142,288 | 1.3% |
| North West | £146,760 | 1.2% |
| Yorks & Humberside | £145,265 | 1.1% |
| Outer Metropolitan | £298,558 | 1.0% |
| South West | £209,121 | 1.0% |
| London | £401,072 | 0.9% |
| Wales | £144,096 | -0.8% |
| North | £121,990 | -2.1% |
| UK | £188,810 | 1.5% |

Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said:

"The price of a typical UK house rose by 1.5% in the third quarter, after allowing for seasonal effects. Prices were up 10.5% compared with the same quarter of 2013.

"London did see a slight softening in the annual pace of price growth - from 25.8% in Q2 to 21%. Prices in the capital are now 31% above their 2007 peak, with the price of a typical London property just above £400,000.

"Annual price growth in Wales slowed from 9.3% to 5.0%. Annual price growth in Scotland was similar to last quarter at 5.2%. Northern Ireland saw a 10.2% increase in prices, although they are still nearly 50% below their 2007 peak.

"Amongst the English regions, the South continued to outperform, with double digit annual growth rates recorded in London, Outer Metropolitan, Outer South East and East Anglia. The North was the weakest English region, with prices up 4.3% over the year."

Regions over the last 12 months

| Region | Average Price | Annual % change |
|--------------------|---------------|-----------------|
| London | £401,072 | 21.0% |
| Outer Metropolitan | £298,558 | 14.4% |
| Outer South East | £234,370 | 13.2% |
| East Anglia | £194,680 | 11.0% |
| Northern Ireland | £119,782 | 10.2% |
| South West | £209,121 | 9.2% |
| West Midlands | £164,067 | 8.6% |
| East Midlands | £157,293 | 7.8% |
| North West | £146,760 | 6.1% |
| Yorks & Humberside | £145,265 | 5.5% |
| Scotland | £142,288 | 5.2% |
| Wales | £144,096 | 5.0% |
| North | £121,990 | 4.3% |
| UK | £188,810 | 10.5% |

Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
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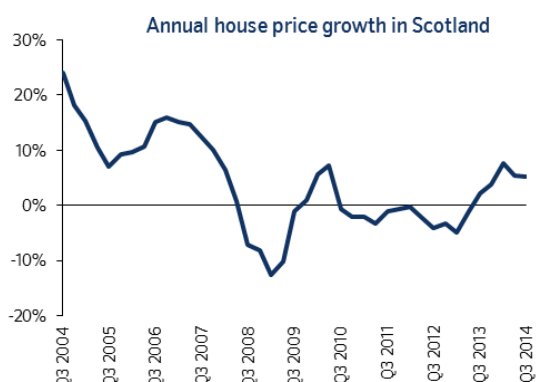
| Scotland | |
|-------------------------------|-------------------|
| Average house price | £142,288 |
| Annual percentage change | 5.2% |
| Quarterly change* | 1.3% |
| Most expensive area | Aberdeen City |
| Least expensive area | South Lanarkshire |
| Strongest annual price change | Aberdeen City |
| Weakest annual price change | South Lanarkshire |

* Seasonally adjusted

Annual price growth in Scotland remained relatively stable at 5.2%.

Aberdeen City was the best performing area, with prices up 12% on the previous year. South Lanarkshire, Scotland's least expensive area, saw the weakest growth at 4%.

[Click here for Scotland's sub-regional data](#)



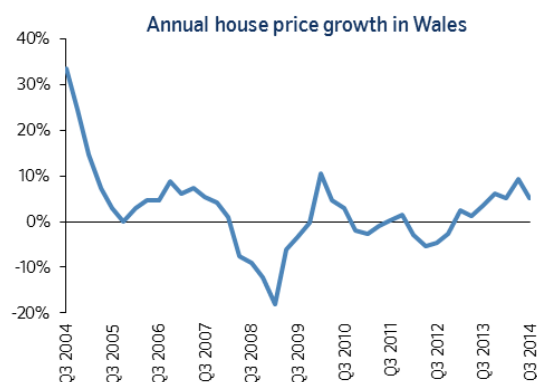
| Wales | |
|-------------------------------|--------------------|
| Average house price | £144,096 |
| Annual percentage change | 5.0% |
| Quarterly change* | -0.8% |
| Most expensive area | Cardiff |
| Least expensive area | Mid & West Wales |
| Strongest annual price change | South Wales (West) |
| Weakest annual price change | Cardiff |

* Seasonally adjusted

Wales was one of only two regions to see a quarter-on-quarter fall in house prices in Q3, with a 0.8% seasonally adjusted decline. The annual rate of growth softened to 5.0%.

South Wales (West), which includes The Vale of Glamorgan, Bridgend and Swansea, was the best performing area, with prices up 11% year-on-year.

[Click here for Wales' sub-regional data](#)



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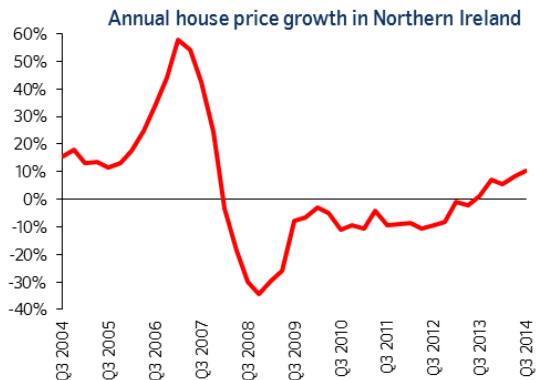
| Northern Ireland | |
|-------------------------------|-------------------------------|
| Average house price | £119,782 |
| Annual percentage change | 10.2% |
| Quarterly change* | 2.9% |
| Most expensive area | City of Belfast |
| Least expensive area | Northern Ireland (West) |
| Strongest annual price change | City of Belfast |
| Weakest annual price change | Northern Ireland (North East) |

* Seasonally adjusted

House prices in Northern Ireland were up 10.2% compared with Q3 2013. However, average prices are still nearly 50% below their 2007 peak.

Belfast remains the most expensive area, and was also the strongest performer over the last twelve months, recording a 21% increase.

[Click here for Northern Ireland's sub region data](#)



| London | |
|-------------------------------|----------------------|
| Average house price | £401,072 |
| Annual percentage change | 21.0% |
| Quarterly change* | 0.9% |
| Most expensive area | Westminster |
| Least expensive area | Barking and Dagenham |
| Strongest annual price change | Camden |
| Weakest annual price change | Brent |

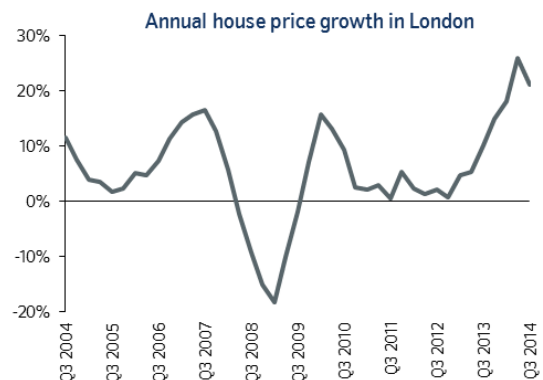
* Seasonally adjusted

London saw a softening in annual price growth from 25.8% in Q2 to 21.0% in Q3. Average prices remain in excess of £400,000 and are now 31% above their 2007 peak.

The annual pace of growth in the capital will probably continue to slow in the quarters ahead, given the high base for comparison in the next few quarters and also anecdotal evidence from surveyors and estate agents that activity may be starting to moderate.

Amongst London's boroughs, Camden saw the strongest growth, with a remarkable 42% year-on-year increase in average prices.

[Click here for London borough data](#)

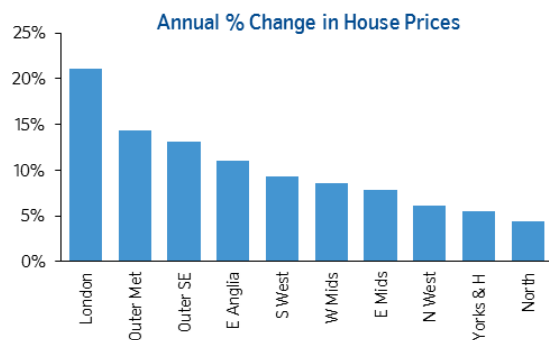
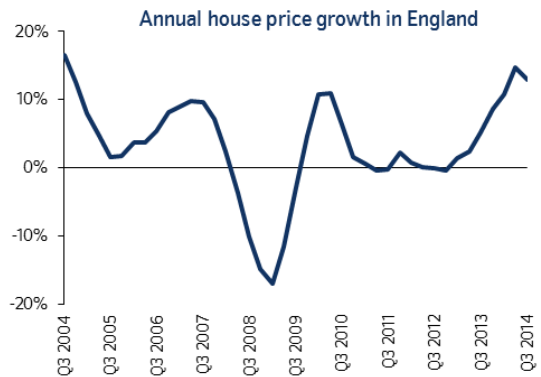


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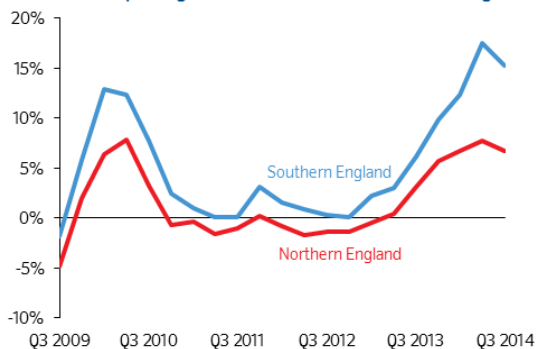
| England | |
|-------------------------------|----------|
| Average house price | £225,768 |
| Annual percentage change | 12.8% |
| Quarterly change* | 1.2% |
| Most expensive region | London |
| Least expensive region | North |
| Strongest annual price change | London |
| Weakest annual price change | North |

* Seasonally adjusted

Average house prices in England increased by 1.2% in the third quarter of 2014, and were up 12.8% year-on-year. Most regions saw a slowing in their annual rate of house price growth; however the gap between the North and South persisted. Prices in the South of England (South West, Outer South East, Outer Metropolitan, London and East Anglia) were up 15.3% year-on-year, whilst in the North (West Midlands, East Midlands, Yorkshire & Humberside, North West and North) prices rose by 6.7%. Price growth in the South has exceeded that in the North for 22 consecutive quarters.

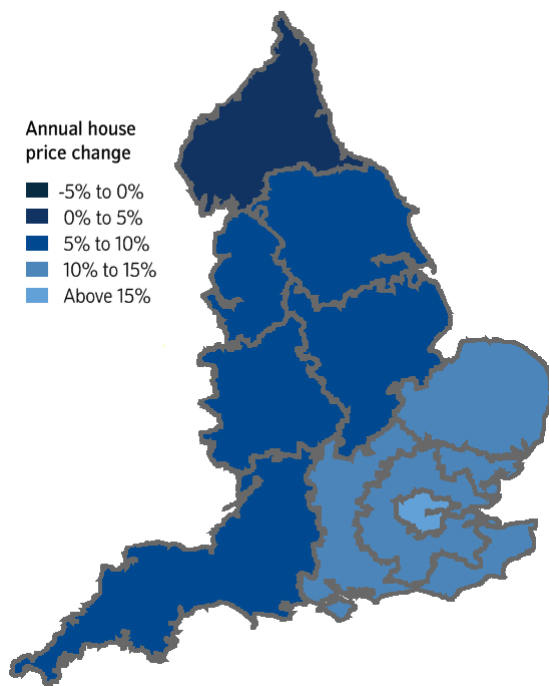


Annual house price growth in Southern & Northern England



London was once again the best performing region (when viewed in annual terms), with prices up 21.0% year-on-year. The Outer Metropolitan was the best performing region outside of the capital, with annual price growth of 14.4%, closely followed by the Outer South East at 13.2%. The North was the weakest performing English region, with annual growth of 4.3%.

Amongst England's other major towns and cities, St. Albans was the top performer, with prices up 24% year-on-year. Newcastle was the worst performing city, with a 4% increase.



Major Towns and Cities

Best performing regional towns / cities

| Rank | Town / City | Annual % change | Average Price |
|------|-------------|-----------------|---------------|
| 1 | St. Albans | 24% | £479,497 |
| 2 | London | 22%* | £447,812* |
| 3 | Cambridge | 21% | £423,904 |
| 4 | Belfast | 21% | £188,240 |
| 5 | Reading | 18% | £310,705 |

Worst performing regional towns / cities

| Rank | Town / City | Annual % change | Average Price |
|------|-------------|-----------------|---------------|
| 1 | Newcastle | 4% | £182,506 |
| 2 | Coventry | 5% | £175,528 |
| 3 | Leicester | 6% | £173,688 |
| 4 | Cardiff | 7% | £228,720 |
| 5 | Manchester | 7% | £209,196 |

* This figure is on a different basis to the London regional index to enable a direct comparison with other towns and cities

Sub Regional Analysis

Just as the national data disguises differences in house prices throughout the UK, looking at the regions disguises movements in local house prices. To look at these developments more closely the areas can be divided into sub-regions.

Scotland

[click here to return to commentary](#)

| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|------------------------------------|------------------|------------------------|------------------------------|------------------------------|
| Aberdeen City | £269,948 | 81% | 13% | 12% |
| Aberdeenshire & Moray | £193,670 | 87% | 8% | 7% |
| Dunbartonshire & North Lanarkshire | £155,318 | 20% | 4% | 5% |
| Dundee & Angus | £154,508 | 50% | 7% | 5% |
| Edinburgh City | £257,156 | 22% | 6% | 8% |
| Fife | £143,703 | 17% | 3% | 6% |
| Glasgow City | £173,837 | 15% | 11% | 11% |
| Highlands & Islands | £158,527 | 39% | 4% | 5% |
| Lothian & Falkirk | £169,107 | 23% | 9% | 10% |
| Perthshire & Stirling | £166,755 | 32% | 5% | 7% |
| Renfrewshire & Inverclyde | £171,931 | 23% | 12% | 9% |
| South Lanarkshire | £138,078 | 13% | 3% | 4% |
| Southern Scotland | £139,725 | 24% | 14% | 12% |

Yorkshire & Humberside

[click here to return to commentary](#)

| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|------------------------|------------------|------------------------|------------------------------|------------------------------|
| Bradford | £168,036 | 15% | 13% | 14% |
| East Yorkshire | £156,897 | 10% | 2% | 5% |
| Leeds | £207,235 | 19% | 13% | 14% |
| North Lincolnshire | £133,558 | 4% | 5% | 3% |
| North Yorkshire | £203,277 | 8% | 5% | 6% |
| Sheffield | £186,422 | 11% | 7% | 8% |
| South Yorkshire | £144,856 | 5% | 9% | 7% |
| West Yorkshire | £161,877 | 9% | 14% | 10% |
| York | £243,993 | 22% | 6% | 10% |

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Northern Ireland

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| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|-------------------------------|------------------|------------------------|------------------------------|------------------------------|
| City of Belfast | £188,240 | 16% | 14% | 21% |
| Northern Ireland (North East) | £126,250 | 4% | 4% | 6% |
| Northern Ireland (South East) | £143,268 | 8% | 11% | 10% |
| Northern Ireland (West) | £116,266 | 3% | 2% | 7% |

Wales

[click here to return to commentary](#)

| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|------------------------|------------------|------------------------|------------------------------|------------------------------|
| Cardiff | £228,720 | 15% | 6% | 7% |
| Mid & West Wales | £158,750 | 8% | 10% | 8% |
| North Wales | £168,246 | 8% | 5% | 9% |
| South Wales (East) | £171,852 | 11% | 11% | 9% |
| South Wales (West) | £169,665 | 11% | 12% | 11% |

South West

[click here to return to commentary](#)

| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|------------------------------|------------------|------------------------|------------------------------|------------------------------|
| Bath | £278,206 | 23% | 11% | 9% |
| Bournemouth | £271,233 | 19% | 6% | 8% |
| Bristol | £269,730 | 35% | 12% | 13% |
| Cheltenham | £263,935 | 25% | 4% | 3% |
| Cornwall and Isles of Scilly | £215,158 | 9% | 3% | 6% |
| Dorset | £266,790 | 18% | 7% | 11% |
| Gloucestershire | £226,572 | 16% | 8% | 12% |
| North Devon | £199,716 | 6% | 2% | 0% |
| Plymouth | £188,777 | 12% | 10% | 11% |
| Poole | £272,483 | 14% | 6% | 7% |
| Somerset | £213,854 | 13% | 9% | 8% |
| South Devon | £236,372 | 18% | 7% | 7% |
| South Gloucestershire | £251,554 | 27% | 9% | 12% |
| Swindon | £207,862 | 16% | 10% | 11% |
| Wiltshire | £236,303 | 16% | 10% | 11% |

North West

[click here to return to commentary](#)

| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|------------------------|------------------|------------------------|------------------------------|------------------------------|
| Cheshire | £198,410 | 12% | 8% | 8% |
| City of Manchester | £209,196 | 19% | 11% | 7% |
| Greater Manchester | £182,261 | 13% | 11% | 11% |
| Lancashire | £161,577 | 12% | 7% | 8% |
| Merseyside | £165,473 | 12% | 11% | 9% |
| Warrington & Halton | £184,151 | 10% | 6% | 9% |

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West Midlands

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| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|------------------------|------------------|------------------------|------------------------------|------------------------------|
| Birmingham | £194,339 | 9% | 10% | 9% |
| Coventry | £175,528 | 11% | 3% | 5% |
| Greater Birmingham | £193,224 | 15% | 10% | 14% |
| Herefordshire | £199,387 | 12% | 2% | 7% |
| Shropshire | £183,508 | 8% | 5% | 4% |
| Staffordshire | £174,930 | 9% | 7% | 7% |
| Warwickshire | £224,462 | 19% | 10% | 9% |
| Worcestershire | £219,321 | 18% | 11% | 12% |

East Midlands

[click here to return to commentary](#)

| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|------------------------|------------------|------------------------|------------------------------|------------------------------|
| Derby | £181,679 | 13% | 9% | 8% |
| Derbyshire | £181,689 | 12% | 10% | 9% |
| Leicestershire | £192,779 | 9% | 5% | 8% |
| Mid Lincolnshire | £162,001 | 5% | 3% | 7% |
| Northampton Town | £191,980 | 8% | 9% | 8% |
| Northamptonshire | £196,810 | 12% | 10% | 13% |
| Nottingham | £175,781 | 13% | 5% | 17% |
| Nottinghamshire | £179,564 | 15% | 6% | 11% |
| South Lincolnshire | £167,268 | 10% | 10% | 9% |

Outer Metropolitan

[click here to return to commentary](#)

| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|-----------------------------------|------------------|------------------------|------------------------------|------------------------------|
| Bracknell Forest | £318,288 | 38% | 14% | 14% |
| Central Kent | £282,979 | 23% | 14% | 12% |
| East Surrey | £384,847 | 43% | 12% | 16% |
| Hart & Rushmoor | £300,760 | 28% | 12% | 12% |
| Hertfordshire | £349,271 | 43% | 17% | 20% |
| Luton | £216,632 | 13% | 13% | 11% |
| Medway | £220,389 | 16% | 12% | 13% |
| North Surrey | £403,490 | 48% | 15% | 18% |
| Reading | £310,705 | 40% | 13% | 18% |
| Slough | £316,976 | 31% | 11% | 16% |
| South Buckinghamshire & Chilterns | £345,396 | 34% | 11% | 9% |
| South Essex | £284,489 | 27% | 11% | 14% |
| St Albans | £479,497 | 60% | 18% | 24% |
| West Kent | £292,320 | 29% | 11% | 13% |
| West Surrey | £390,588 | 45% | 13% | 17% |
| West Sussex (North) | £311,716 | 30% | 13% | 13% |
| Windsor & Maidenhead | £410,038 | 50% | 14% | 17% |
| Wokingham | £339,456 | 39% | 12% | 13% |

London

[click here to return to commentary](#)

| London Boroughs | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|------------------------|------------------|------------------------|------------------------------|------------------------------|
| Barking and Dagenham | £239,348 | 33% | 15% | 18% |
| Barnet | £449,100 | 65% | 17% | 22% |
| Bexley | £290,964 | 43% | 19% | 19% |
| Brent | £489,973 | 85% | 23% | 12% |
| Bromley | £364,616 | 61% | 20% | 24% |
| Camden | £884,103 | 148% | 36% | 42% |
| Croydon | £312,973 | 49% | 20% | 24% |
| Ealing | £483,490 | 64% | 18% | 23% |
| Enfield | £367,345 | 56% | 16% | 20% |
| Greenwich | £389,349 | 76% | 23% | 26% |
| Hackney | £615,069 | 128% | 27% | 25% |
| Hammersmith and Fulham | £762,806 | 104% | 27% | 19% |
| Haringey | £538,076 | 94% | 32% | 31% |
| Harrow | £383,072 | 51% | 19% | 21% |
| Havering | £269,287 | 35% | 14% | 17% |
| Hillingdon | £353,461 | 48% | 14% | 15% |
| Hounslow | £392,625 | 39% | 21% | 20% |
| Islington | £731,812 | 125% | 23% | 26% |
| Kingston upon Thames | £453,600 | 65% | 21% | 27% |
| Lambeth | £576,230 | 105% | 37% | 33% |
| Lewisham | £430,933 | 93% | 28% | 30% |
| Merton | £467,097 | 69% | 26% | 22% |
| Newham | £347,490 | 63% | 22% | 27% |
| Redbridge | £344,887 | 48% | 19% | 20% |
| Richmond upon Thames | £571,155 | 80% | 23% | 23% |
| Southwark | £578,694 | 110% | 29% | 28% |
| Sutton | £339,542 | 50% | 14% | 23% |
| Tower Hamlets | £579,928 | 106% | 32% | 30% |
| Waltham Forest | £393,474 | 77% | 28% | 30% |
| Wandsworth | £629,016 | 94% | 27% | 19% |
| Westminster | £984,075 | 132% | 24% | 26% |

Note: City of London and Kensington & Chelsea excluded due to low sample size

East Anglia

[click here to return to commentary](#)

| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|------------------------|------------------|------------------------|------------------------------|------------------------------|
| Cambridgeshire | £252,809 | 30% | 9% | 12% |
| Norfolk | £201,739 | 17% | 6% | 9% |
| Peterborough | £170,403 | 9% | 11% | 7% |
| Suffolk | £216,773 | 21% | 10% | 10% |

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Outer South East

[click here to return to commentary](#)

| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|---------------------------|------------------|------------------------|------------------------------|------------------------------|
| Basingstoke & Deane | £283,682 | 31% | 13% | 14% |
| Bedford | £223,375 | 23% | 9% | 13% |
| Brighton & Hove | £380,662 | 44% | 13% | 13% |
| Central Bedfordshire | £256,346 | 24% | 11% | 14% |
| East Kent | £227,393 | 19% | 11% | 11% |
| East Sussex | £261,108 | 26% | 12% | 14% |
| Isle of Wight | £213,279 | 15% | 15% | 19% |
| Mid Hampshire | £309,135 | 30% | 11% | 12% |
| Milton Keynes & Aylesbury | £270,101 | 25% | 14% | 15% |
| New Forest | £288,627 | 19% | 8% | 7% |
| North Essex | £246,680 | 24% | 8% | 12% |
| Oxfordshire | £319,527 | 37% | 11% | 12% |
| Portsmouth Area | £219,152 | 18% | 11% | 14% |
| Southampton Area | £254,043 | 21% | 12% | 13% |
| West Berkshire | £305,470 | 27% | 13% | 12% |
| West Sussex (South) | £282,191 | 25% | 11% | 11% |

North

[click here to return to commentary](#)

| Nationwide Sub Regions | Price in 2014 Q3 | % change over 10 years | Annual % change last quarter | Annual % change this quarter |
|------------------------|------------------|------------------------|------------------------------|------------------------------|
| County Durham | £149,864 | 10% | 11% | 12% |
| Cumbria | £171,635 | 19% | 16% | 10% |
| Northumberland | £168,968 | 3% | 5% | 8% |
| Teeside | £155,315 | 7% | 7% | 6% |
| Tyne and Wear | £171,874 | 8% | 6% | 8% |

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1. Indices and average prices for the UK and the regions are produced using Nationwide's updated mix adjusted House Price Methodology which was introduced with effect from the first quarter of 1995. All changes are nominal and do not allow for inflation. The methodology can be found on our website: <http://www.nationwide.co.uk/~media/MainSite/documents/about/house-price-index/nationwide-hpi-methodology.pdf>

2. Price indices are seasonally adjusted using the US Bureau of the Census X12 method. Quarterly series are seasonally adjusted using data since 1973. The seasonal adjustment is recalculated quarterly and may lead to revisions.

3. The price changes in the sub regional, local authority and major towns and cities tables are based on the price per unit area of the properties in the sample rather than the mix-adjusted methodology used for the 13 regions. The average price per square foot in each of the sub-regions is grossed up by the average square footage in a particular region to arrive at an average house price. Unlike Nationwide's main index, this methodology does not take into account the different mix of properties transacted and is therefore a simplification.

4. Sub-regional figures are therefore not directly comparable with regional prices. Samples are substantially smaller than at a regional level and figures should not be relied upon for any critical application. Due to greater volatility, sub-regional prices are smoothed over two quarters.

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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