

Nationwide HOUSE PRICE INDEX



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April 2011

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House prices fall by 0.2% in April

- House prices fell by 0.2% in April
- Price of a typical home in April is 1.3% lower than one year ago

Headlines	Apr 11	Mar 11
Monthly Index*	329.1	329.9
Monthly Change*	-0.2%	0.5%
Annual Change	-1.3%	0.1%
Average Price	£165,609	£164,751

* 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 house fell by 0.2% in April, which left prices 1.3% lower than the same period of 2010. The three month on three month measure of house prices, a better measure of the underlying trend, showed a modest rise of 0.6%.

“Since November 2010 house prices have increased in three months and fallen in three months. However, it is not unusual to see a pattern of modest monthly increases and decreases when the market is fairly static, as has been the case since last summer.

“There is still little evidence to suggest that price declines will accelerate in the months ahead. While the UK economy only managed a modest bounce-back at the start of the year, after the weather-induced contraction in late 2010, the economic recovery is expected to gather momentum.

“Household budgets remain under pressure, but labour market conditions have shown a modest improvement in recent months. The unemployment rate edged down 0.1 percentage points to 7.8% in the three months to February and employment increased by 143,000 over the same period, driven by a rise in full time employment.

“Together with continued low interest rates, a gradual improvement in the labour market should help to provide support for housing demand, while limiting the number of forced sales. Nevertheless, a strong rebound in the market remains unlikely as the recovery is still expected to remain modest by historic standards. In our view, the most likely outcome is that house prices will continue to move sideways or drift modestly lower through 2011.”

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 month on 3 month % change	Annual % Change	Average Price
Apr-09	-0.2	-2.8	-15.0	151,861
May-09	1.1	-0.5	-11.3	154,016
Jun-09	1.0	0.9	-9.3	156,442
Jul-09	1.5	2.4	-6.2	158,871
Aug-09	1.7	3.3	-2.7	160,224
Sep-09	0.9	4.0	0.0	161,816
Oct-09	0.8	3.9	2.0	162,038
Nov-09	0.7	3.3	2.7	162,764
Dec-09	0.4	2.6	5.9	162,103
Jan-10	1.4	2.3	8.6	163,481
Feb-10	-1.0	1.8	9.2	161,320
Mar-10	0.4	1.4	9.0	164,519
Apr-10	1.2	0.7	10.5	167,802
May-10	0.4	1.1	9.8	169,162
Jun-10	0.0	1.4	8.7	170,111
Jul-10	-0.5	1.1	6.6	169,347
Aug-10	-0.9	0.0	3.9	166,507
Sep-10	0.0	-1.0	3.1	166,757
Oct-10	-0.7	-1.5	1.4	164,279
Nov-10	-0.3	-1.3	0.2	163,133
Dec-10	0.3	-1.1	0.1	162,249
Jan-11	-0.1	-0.7	-1.4	161,211
Feb-11	0.4	-0.1	-0.1	161,183
Mar-11	0.5	0.4	0.1	164,751
Apr-11	-0.2	0.6	-1.3	165,609

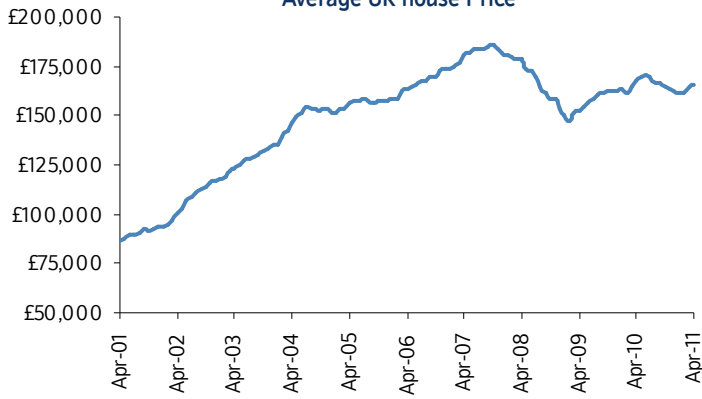
Note: Historical figures including index levels can be viewed using the following link:

www.nationwide.co.uk/hpi/downloads/Monthly.xls

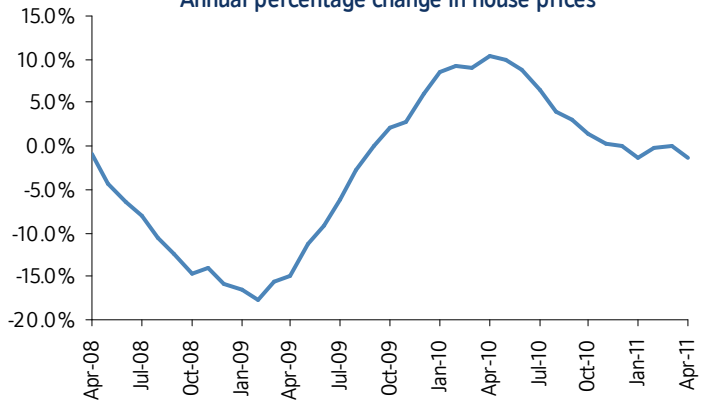
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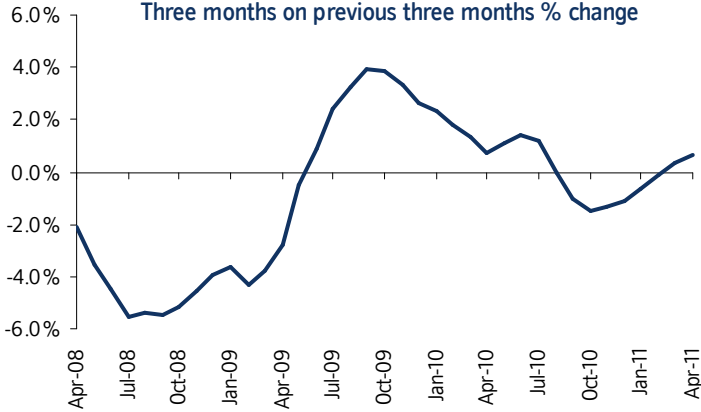
Average UK house Price



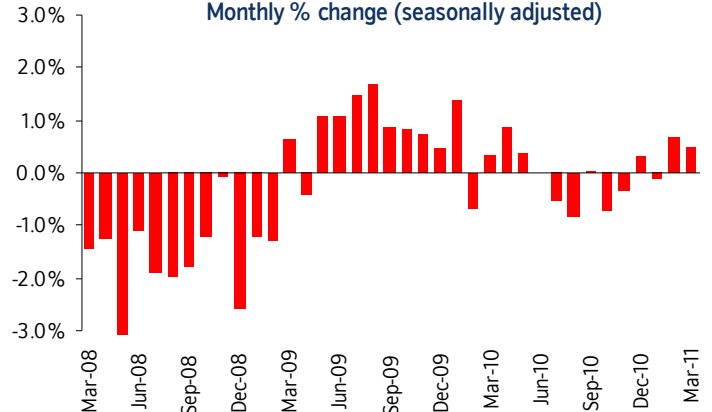
Annual percentage change in house prices



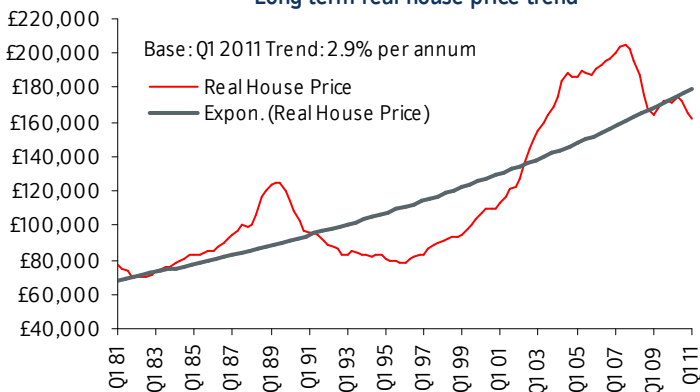
Three months on previous three months % change



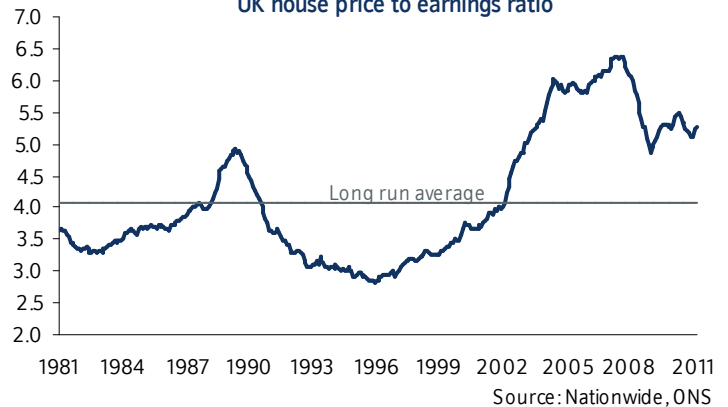
Monthly % change (seasonally adjusted)



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 are 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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