

Nationwide HOUSE PRICE INDEX



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Q1 2012

Embargoed until 0700 Thur 29 Mar 2012

House price growth slows across most of the UK

- [7 out of 13 UK regions recorded annual price growth in Q1](#)
- [London remains top spot in terms of annual price growth](#)
- [Northern Ireland continues to see largest price falls](#)

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

"Average house prices in the UK were essentially unchanged in the first quarter, after allowing for usual seasonal effects. The annual rate of change moderated from 1.1% to 0.2%.

"The North saw the strongest quarterly growth rate, with prices up 0.6% quarter-on-quarter. This pushed the annual rate of price change up from -1.0% to 0.8%.

"Apart from the North and the Outer South East, all of the [English](#) regions saw their annual rate of house price growth slow during the first quarter.

"House prices increased by 0.5% in [Scotland](#) during the quarter, which resulted in a slight improvement in the annual rate of change from -0.8% to -0.2%.

"[Wales](#) was the worst performing region on a quarterly basis, with a seasonally adjusted 3.1% fall. On an annual basis, prices were down 2.9% compared with Q1 2011.

"[Northern Ireland](#) recorded a third consecutive quarter of price declines. Average prices were down 8.6% year-on-year."

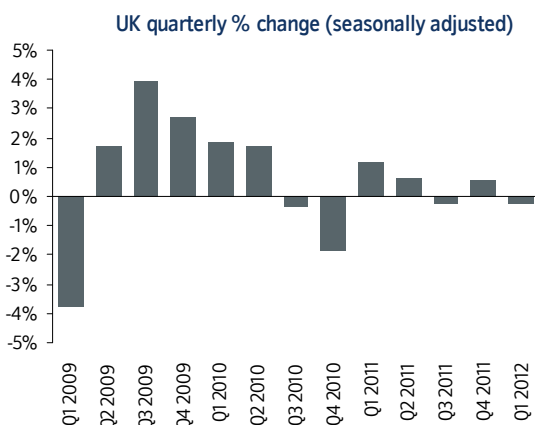
UK Fact File	
Average UK House Price	£162,722
Annual percentage change	0.2%
Quarterly change*	-0.1%
Most expensive region	London
Least expensive region	N Ireland
Strongest annual price change	London
Weakest annual price change	N Ireland

* 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 March, therefore will show a different UK average price and annual percentage change to our *monthly* house price report.

Text in blue indicates hyperlink

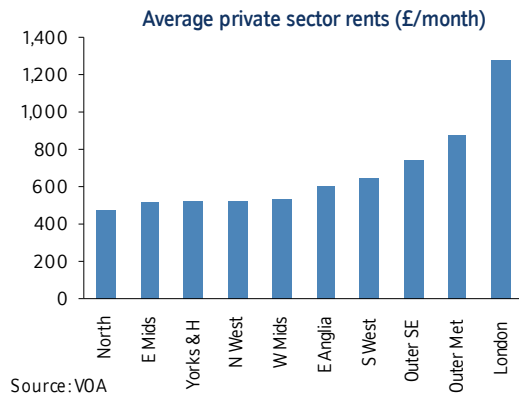


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Comparing rents across the English regions

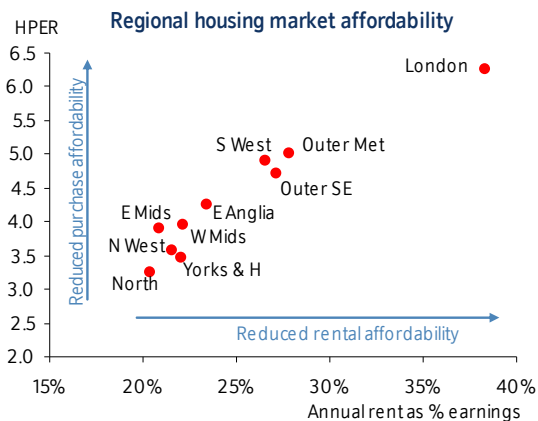
It's a well known fact that UK house prices remain high relative to average incomes. At a national level, house prices are currently 5.1 times average earnings, lower than the peak of 6.4 times, but still above the long-term average of 4.1 times annual earnings. Recently released data from the Valuation Office Agency (VOA) provides a good opportunity to compare rental costs across the English regions.

The data indicates that there is considerable variation in private sector rents across England (see chart). The North is the least expensive, with an average monthly rent of £475, whilst in London they are almost three times higher, at an average of c.£1,300 per month.



Of course, rents are only one side of the affordability calculation. Average earnings are also important in assessing the relative costs of housing, and these also vary significantly by region.

As the chart below illustrates, the pattern of rental affordability shows a close correlation with house purchase affordability. The chart compares the house price to earnings ratio for first time buyers (HPER) with average rents as a percentage of earnings.



The areas where house prices are high relative to earnings are also areas where rents are high relative to earnings.

London stands out as the least affordable English region, with rent taking up nearly 40% of earnings, and average house prices are more than six times earnings. More generally, households in the South of England spend a greater proportion of their income on housing than those in the North of England.

This is important as it provides further evidence that housing more generally is in short supply, reinforcing the idea that any efforts to reinvigorate the housing market should focus on the demand and the supply side of the market.

Regional Headlines

Prices are calculated on a mix adjusted basis

Regions over the quarter

Region	Average Price	Quarterly % change*
North	£114,828	0.6%
Scotland	£135,242	0.5%
Outer Metropolitan	£243,969	0.0%
North West	£134,550	-0.1%
East Midlands	£139,113	-0.1%
Outer South East	£196,097	-0.1%
South West	£182,272	-0.3%
West Midlands	£144,130	-0.4%
London	£293,375	-0.7%
East Anglia	£164,285	-0.7%
York & Humberside	£132,128	-0.7%
Northern Ireland	£109,562	-2.1%
Wales	£129,682	-3.1%
UK	£162,722	-0.1%

* Seasonally adjusted

Regions over the last 12 months

Region	Average Price	Annual % change
London	£293,375	2.3%
Outer South East	£196,097	1.8%
East Anglia	£164,285	1.2%
Outer Metropolitan	£243,969	1.0%
North	£114,828	0.8%
South West	£182,272	0.4%
East Midlands	£139,113	0.4%
West Midlands	£144,130	-0.1%
Scotland	£135,242	-0.2%
Yorks & Humberside	£132,128	-2.1%
North West	£134,550	-2.2%
Wales	£129,682	-2.9%
Northern Ireland	£109,562	-8.6%
UK	£162,722	0.2%

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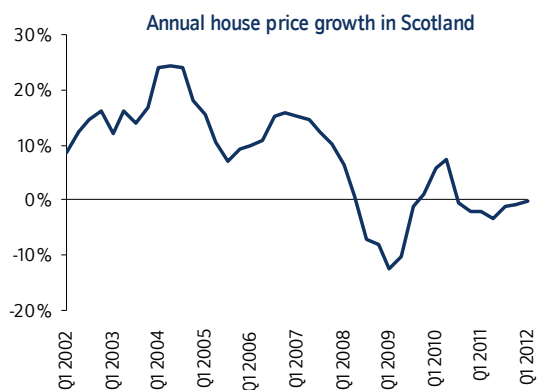
Scotland	
Average house price	£135,242
Annual percentage change	-0.2%
Quarterly change*	0.5%
Most expensive area	Edinburgh
Least expensive area	Fife
Strongest annual price change	Dundee & Angus
Weakest annual price change	Perthshire & Stirling

* Seasonally adjusted

Scotland recorded a 0.5% seasonally adjusted increase in the first quarter, resulting in an improvement in the annual rate of change to -0.2%.

Dundee & Angus was the best performing area, with prices up 1% year-on-year. Perthshire & Stirling was the weakest performing area.

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



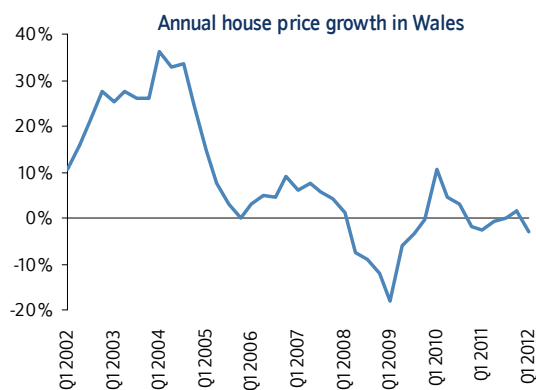
Wales	
Average house price	£129,682
Annual percentage change	-2.9%
Quarterly change*	-3.1%
Most expensive area	Cardiff
Least expensive area	Mid & West Wales
Strongest annual price change	Cardiff
Weakest annual price change	Mid & West Wales

* Seasonally adjusted

Wales was the worst performing UK region in Q1, with a -3.1% seasonally adjusted price decline. Consequently, the annual rate of change fell from +1.5% to -2.9%, making Wales the second weakest region on an annual basis, behind Northern Ireland.

Cardiff, the most expensive area in Wales, was also the strongest performing over the year. Mid & West Wales, which comprises Carmarthenshire, Ceredigion, Pembrokeshire and Powys, is the least expensive part of Wales and continued to see prices fall over the past twelve months.

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



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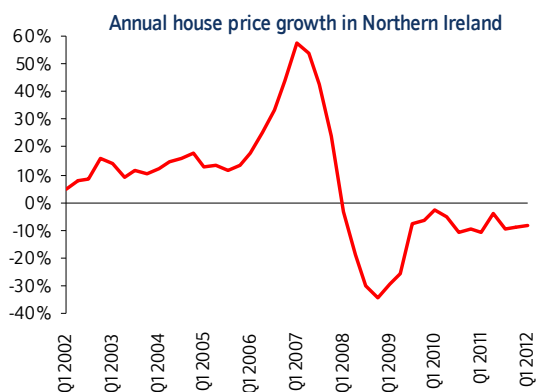
Northern Ireland	
Average house price	£109,562
Annual percentage change	-8.6%
Quarterly change*	-2.1%
Most expensive area	City of Belfast
Least expensive area	Northern Ireland (West)
Strongest annual price change	Northern Ireland (South East)
Weakest annual price change	City of Belfast

* Seasonally adjusted

House prices continue to fall in Northern Ireland, with prices in the first quarter of 2012 down 8.6% year-on-year. Average prices have fallen more than 50% from their peak in 2007, and are now similar to the levels prevailing in early 2005.

All areas saw price falls over the year, the largest being the City of Belfast, which saw a 15% year-on-year decline.

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



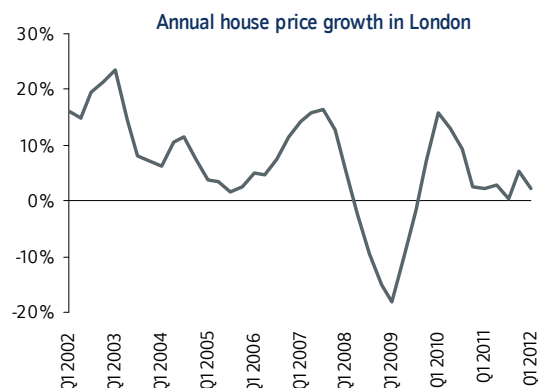
London	
Average house price	£293,375
Annual percentage change	2.3%
Quarterly change*	-0.7%
Most expensive area	Westminster
Least expensive area	Barking & Dagenham
Strongest annual price change	Hackney
Weakest annual price change	Brent

* Seasonally adjusted

Annual house price growth in London moderated to 2.3% (from 5.4% in Q4 2011), although it remained the best performing UK region.

Hackney saw the strongest growth, with prices up 12% compared with last year. Brent was the weakest performing borough, with a 1% fall in average prices.

[Click here for London borough data](#)



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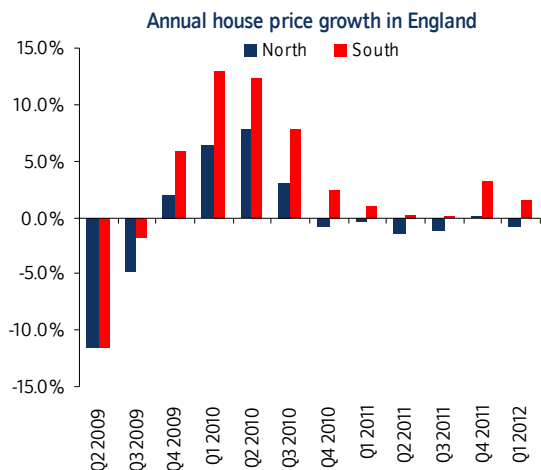
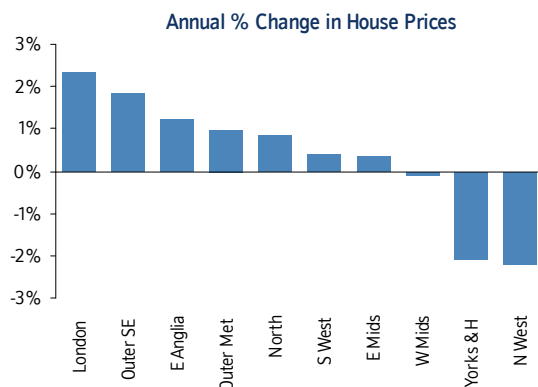
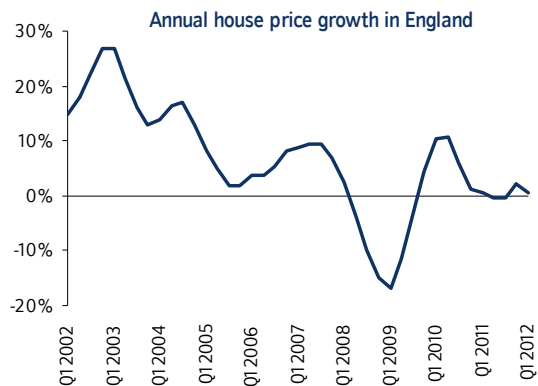
England	
Average house price	£183,392
Annual percentage change	0.7%
Quarterly change*	-0.2%
Most expensive region	London
Least expensive region	North
Strongest annual price change	London
Weakest annual price change	North West

* Seasonally adjusted

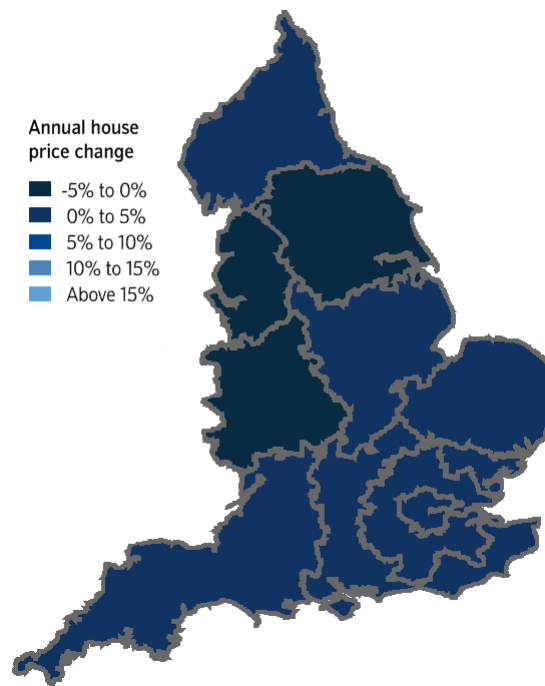
Average house prices in England fell slightly during the first quarter of the year, although they were still up 0.7% compared with the same period in 2011.

London remained the best performing region, with a 2.3% annual increase. The majority of English regions have experienced small price rises over the past twelve months, with the exception of the West Midlands, Yorkshire & Humberside and the North West. The North West continues to be the worst performing English region, with prices down 2.2% compared with Q1 2011.

A north/south divide continues to persist, with annual price growth in southern England (South West, Outer South East, Outer Metropolitan, London and East Anglia) outpacing that of northern England (West Midlands, East Midlands, Yorkshire & Humberside, North West and North) for the twelfth consecutive quarter.



Amongst England's major towns and cities, Cambridge has seen the strongest price growth over the last twelve months, with prices up 13%. Carlisle remained the worst performing city, with prices falling 5% over the same period.



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Major Towns and Cities

Best performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	Cambridge	13%	£319,884
2	Liverpool	10%	£158,500
3	London*	9%	£340,439
4	Oxford	9%	£338,063
5	St. Albans	8%	£362,424

Worst performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	Belfast	-15%	£150,738
2	Edinburgh	-6%	£234,091
3	Carlisle	-5%	£135,460
4	Glasgow	-4%	£155,340
5	Leicester	-3%	£144,401

* 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 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Aberdeen City	£222,868	140%	-3%	1%
Aberdeenshire & Moray	£158,040	125%	-7%	-6%
Dunbartonshire & North Lanarkshire	£142,654	88%	-3%	-6%
Dundee & Angus	£147,949	120%	0%	1%
Edinburgh City	£234,091	81%	-6%	-6%
Fife	£127,045	85%	0%	-2%
Glasgow City	£155,340	74%	-3%	-4%
Highlands & Islands	£144,177	108%	-6%	-5%
Lothian & Falkirk	£154,959	100%	-3%	-1%
Perthshire & Stirling	£151,949	88%	-1%	-8%
Renfrewshire & Inverclyde	£157,127	96%	-3%	-2%
South Lanarkshire	£133,984	87%	-2%	-1%
Southern Scotland	£127,869	95%	-4%	-4%

Yorkshire & Humberside

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Nationwide Sub Regions	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bradford	£147,415	102%	10%	2%
East Yorkshire	£148,785	100%	3%	5%
Leeds	£178,230	76%	-1%	-1%
North Lincolnshire	£125,192	102%	-4%	-1%
North Yorkshire	£188,783	88%	3%	1%
Sheffield	£168,303	101%	1%	2%
South Yorkshire	£133,726	98%	4%	1%
West Yorkshire	£140,853	85%	-2%	-4%
York	£203,546	66%	2%	-2%

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Northern Ireland

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Nationwide Sub Regions	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
City of Belfast	£150,738	39%	-19%	-15%
Northern Ireland (North East)	£122,504	48%	-11%	-13%
Northern Ireland (South East)	£139,550	44%	-16%	-12%
Northern Ireland (West)	£111,377	54%	-12%	-12%

Wales

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Nationwide Sub Regions	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cardiff	£201,077	72%	1%	1%
Mid & West Wales	£143,661	105%	-1%	-6%
North Wales	£153,027	91%	-1%	-5%
South Wales (East)	£146,506	90%	5%	0%
South Wales (West)	£152,893	105%	0%	0%

South West

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bath	£248,691	73%	5%	5%
Bournemouth	£239,202	61%	7%	8%
Bristol	£221,883	79%	4%	3%
Cheltenham	£225,280	55%	1%	-1%
Cornwall and Isles of Scilly	£198,757	84%	-1%	1%
Dorset	£234,908	69%	3%	4%
Gloucestershire	£197,240	60%	2%	3%
North Devon	£188,936	68%	-2%	-2%
Plymouth	£172,529	88%	4%	2%
Poole	£246,197	58%	5%	1%
Somerset	£191,885	67%	0%	2%
South Devon	£210,988	78%	-2%	0%
South Gloucestershire	£209,573	58%	-1%	0%
Swindon	£177,462	32%	2%	3%
Wiltshire	£208,458	50%	4%	-1%

North West

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cheshire	£179,464	77%	-2%	2%
City of Manchester	£189,354	80%	-3%	0%
Greater Manchester	£157,954	79%	0%	-1%
Lancashire	£143,609	83%	-2%	-3%
Merseyside	£150,099	89%	-1%	1%
Warrington & Halton	£162,898	83%	1%	0%

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West Midlands

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Nationwide Sub Regions	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Birmingham	£166,304	67%	1%	1%
Coventry	£154,051	71%	0%	-3%
Greater Birmingham	£161,900	69%	0%	-1%
Herefordshire	£178,714	65%	-2%	-1%
Shropshire	£162,260	64%	-4%	-5%
Staffordshire	£156,440	74%	1%	3%
Warwickshire	£196,023	73%	4%	6%
Worcestershire	£184,007	63%	0%	-1%

East Midlands

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Nationwide Sub Regions	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Derby	£153,854	82%	0%	-1%
Derbyshire	£162,552	88%	-1%	4%
Leicestershire	£167,568	68%	0%	-1%
Mid Lincolnshire	£145,460	88%	-2%	1%
Northampton Town	£164,939	47%	0%	-2%
Northamptonshire	£170,183	63%	2%	2%
Nottingham	£148,358	72%	-1%	8%
Nottinghamshire	£150,390	78%	2%	-3%
South Lincolnshire	£148,676	69%	7%	5%

Outer Metropolitan

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bracknell Forest	£260,228	49%	-2%	5%
Central Kent	£231,986	56%	1%	1%
East Surrey	£304,269	53%	2%	3%
Hart & Rushmoor	£252,074	49%	-1%	0%
Hertfordshire	£278,396	65%	7%	6%
Luton	£179,921	52%	2%	0%
Medway	£181,365	56%	1%	4%
North Surrey	£319,241	51%	1%	5%
Reading	£248,653	40%	4%	6%
Slough	£242,726	39%	0%	-4%
South Buckinghamshire & Chilterns	£304,240	59%	5%	4%
South Essex	£240,106	69%	2%	4%
St Albans	£362,424	65%	4%	8%
West Kent	£242,434	55%	6%	3%
West Surrey	£310,618	49%	1%	0%
West Sussex (North)	£259,206	53%	1%	1%
Windsor & Maidenhead	£309,006	47%	0%	1%
Wokingham	£267,655	37%	1%	0%

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London

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London Boroughs	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Barking and Dagenham	£188,186	54%	5%	3%
Barnet	£351,753	74%	8%	7%
Bexley	£231,873	64%	2%	5%
Brent	£349,418	85%	-1%	-1%
Bromley	£265,061	60%	0%	1%
Camden	£573,581	108%	4%	5%
Croydon	£237,241	50%	2%	4%
Ealing	£349,850	69%	7%	9%
Enfield	£284,076	60%	3%	6%
Greenwich	£284,550	77%	14%	11%
Hackney	£424,968	113%	11%	12%
Hammersmith and Fulham	£528,407	79%	12%	7%
Haringey	£371,990	72%	3%	5%
Harrow	£300,881	58%	9%	6%
Havering	£220,250	58%	1%	2%
Hillingdon	£280,732	56%	3%	4%
Hounslow	£322,060	68%	8%	10%
Islington	£514,938	99%	15%	11%
Kingston upon Thames	£345,990	73%	5%	5%
Lambeth	£357,921	77%	5%	6%
Lewisham	£288,426	79%	9%	9%
Merton	£338,928	71%	5%	9%
Newham	£234,009	69%	-3%	-1%
Redbridge	£274,379	67%	6%	4%
Richmond upon Thames	£407,999	72%	3%	2%
Southwark	£370,201	76%	3%	4%
Sutton	£252,395	50%	2%	1%
Tower Hamlets	£419,740	84%	-2%	2%
Waltham Forest	£255,522	61%	2%	4%
Wandsworth	£453,526	76%	3%	9%
Westminster	£666,553	90%	12%	11%

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

East Anglia

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Nationwide Sub Regions	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cambridgeshire	£215,660	61%	6%	8%
Norfolk	£174,967	65%	2%	2%
Peterborough	£158,813	69%	4%	8%
Suffolk	£186,923	69%	3%	3%

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Outer South East

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Nationwide Sub Regions	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Basingstoke & Deane	£237,960	42%	1%	3%
Bedford	£188,241	60%	3%	7%
Brighton & Hove	£308,233	70%	3%	7%
Central Bedfordshire	£208,908	52%	0%	0%
East Kent	£190,885	65%	-2%	0%
East Sussex	£217,007	73%	1%	1%
Isle of Wight	£192,051	63%	0%	-1%
Mid Hampshire	£270,121	57%	-1%	1%
Milton Keynes & Aylesbury	£226,156	53%	4%	5%
New Forest	£261,854	73%	-5%	3%
North Essex	£208,856	65%	3%	3%
Oxfordshire	£274,541	54%	1%	4%
Portsmouth Area	£196,685	58%	2%	4%
Southampton Area	£218,269	49%	1%	0%
West Berkshire	£255,276	39%	1%	1%
West Sussex (South)	£238,521	57%	4%	4%

North

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2012 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
County Durham	£130,754	96%	-3%	0%
Cumbria	£153,574	110%	-3%	-6%
Northumberland	£143,577	95%	-11%	-6%
Teeside	£140,180	99%	1%	2%
Tyne and Wear	£146,143	81%	0%	-1%

Notes

- 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/hpi/>
- 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.
- 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.
- 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.
- The Nationwide 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.

Photographs of our economist are available at: <http://www.nationwide.co.uk/mediacentre/photolibary/economists.htm>

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