Nationwide

HOUSE PRICE INDEX

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Q2 2010

Embargoed until 0700 Wed 30 June 2010

South West shows strongest regional growth over the quarter

- UK house prices increased by 1.9% quarter-on-quarter in Q2
- Annual growth in the South West reaches double digits
- Northern Ireland the only region to see prices fall this quarter

UK Fact File	
Average UK House Price	£168,719
Annual percentage change	9.5%
Quarterly change*	1.9%
Most expensive region	London
Least expensive region	North
Strongest annual price change	London
Weakest annual price change	N Ireland

* Seasonally adjusted

Text in blue indicates hyperlink

Commenting on the figures Martin Gahbauer, Nationwide's Chief Economist, said:

"The second quarter of 2010 saw continued house price growth across nearly all UK regions. For the UK as a whole, prices rose by 1.9% in the quarter, leading to a slight increase in the annual growth rate from 8.8% in the first quarter to 9.5%.

"The South West of England saw the strongest growth in the quarter, with prices up by a seasonally adjusted 3.0%. This resulted in a pick up in annual growth from 8.9% to 12.5%. Greater London continued to be the best performing region on an annual basis with prices up 13.2% on Q2 2009.

"Similar to the first quarter, the northern and midland regions generally saw weaker growth than the southern regions. The East Midlands saw the weakest growth out of the English regions, with quarterly price growth of 1.2%. Despite a better performance this quarter, the North remained the weakest region on an annual basis, with prices up 6.0% year-on-year. The Outer Metropolitan region retained second place behind London, with annual growth of 12.9%, following a 2.3% increase over the quarter.

"Annual house price growth in Scotland picked up from 5.6% in the first quarter to 7.2%, but remained below the UK average. Quarterly price growth in Wales was similar to the rest of the UK, with a 1.8% rise in the quarter. However, on an annual basis, Wales was the second weakest region with prices up only 4.7% year-on-year.

"Northern Ireland experienced another weak quarter, with the quarterly rate of change falling from -1.0% to -5.7%. On an annual basis, house prices were down 5.2% - a slight deterioration from the 3.0% year-on-year fall in the first quarter. Northern Ireland remained the worst performing UK region.

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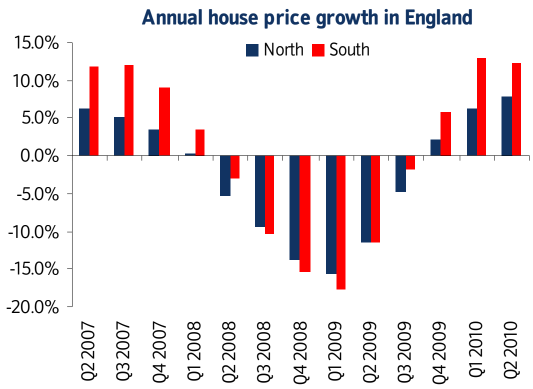
North – South divide persists

"Over the last four quarters, annual house price growth in the South of England (London, Outer South East, Outer Metropolitan, South West and East Anglia) has outpaced that of the North of England. In the second quarter of 2010, house prices in the South were up 12.3% year-on-year, whilst in the North they were up 7.8% year-on-year. The South has seen a stronger recovery in prices since the 2008/09 downturn, with prices now just 6% below their peak in 2007. In the North, average prices remain around 10% below peak.



"The difference in average prices between the North and South has increased significantly over the past decade and reached an all-time high this quarter at £88,780. This quarter also saw a new record in the absolute price difference between the lowest and highest priced regions of £171,192 (the difference between average prices in London and Northern Ireland).

"Consumers in London are optimistic on the outlook for house prices according to our consumer confidence survey. 39% of consumers in the capital expect prices to rise in the next six months, the highest of any region. Meanwhile, those in Northern Ireland are the most pessimistic, which is consistent with recent experience in the province."[1]

Regional Headlines

Prices calculated on a mix adjusted basis

Best performing regions over the quarter

Region	Average Price	Quarterly % chng
South West	£190,219	3.0%
North West	£141,716	2.6%
London	£290,249	2.5%
Outer Metropolitan	£245,140	2.3%
West Midlands	£150,266	2.1%
North	£119,057	1.9%
Wales	£140,564	1.8%
Outer South East	£201,847	1.8%
Scotland	£144,101	1.8%
East Anglia	£166,944	1.7%
York & Humberside	£141,093	1.6%
East Midlands	£142,093	1.2%
Northern Ireland	£128,846	-5.7%
UK	£168,719	1.9%

Best performing regions over the last year

Region	Average Price	Annual % chng
London	£290,249	13.2%
Outer Metropolitan	£245,140	12.9%
South West	£190,219	12.5%
Outer South East	£201,847	11.2%
East Anglia	£166,944	8.9%
East Midlands	£142,093	8.8%
West Midlands	£150,266	8.7%
North West	£141,716	7.6%
Scotland	£144,101	7.2%
Yorks & Humberside	£141,093	7.2%
North	£119,057	6.0%
Wales	£140,564	4.7%
Northern Ireland	£128,846	-5.2%
UK	£168,719	9.5%

[1] The Nationwide Consumer Confidence Index is compiled in partnership with TNS-RI, the market research group that conducts the research for the US index.

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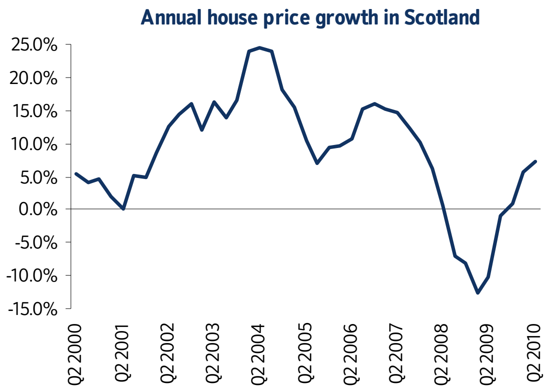
Scotland	
Average house price	£144,101
Annual percentage change	7.2%
Quarterly change*	1.8%
Most expensive area	Edinburgh
Least expensive area	South Lanarkshire
Strongest annual price change	Edinburgh
Weakest annual price change	Lothian & Falkirk

* Seasonally adjusted

Scotland saw a 1.8% rise in prices in the second quarter of 2010. The annual rate of change picked up from 5.6% to 7.2%, but remains below the UK average.

Edinburgh, the country's most expensive area, saw the strongest price rises with average prices up 11% year-on-year. The surrounding Lothian & Falkirk area, however, saw the weakest growth with prices up around 2% year-on-year.

Click here for Scotland's sub-regional data



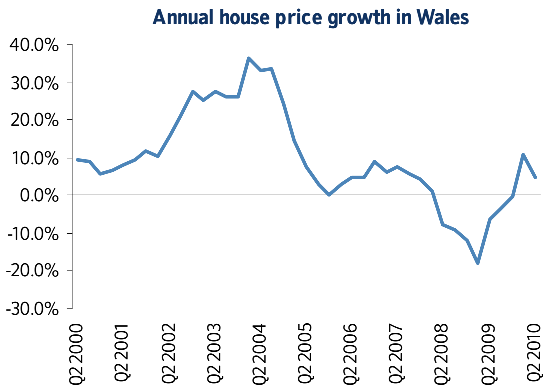
Wales	
Average house price	£140,564
Annual percentage change	4.7%
Quarterly change*	1.8%
Most expensive area	Cardiff
Least expensive area	South Wales (West)
Strongest annual price change	Cardiff
Weakest annual price change	South Wales (West)

* Seasonally adjusted

Wales saw a 1.8% quarter-on-quarter rise in prices, similar to the rest of the UK. The annual rate of change, however, declined from 10.6% to 4.7%.

Cardiff experienced the largest price rises, with 12% year-on-year growth, and average prices here remain well above most other parts of Wales. The South Wales (West) sub-region saw the weakest price rises, in contrast to the first quarter when it was the strongest performing area.

Click here for Wales' sub-regional data



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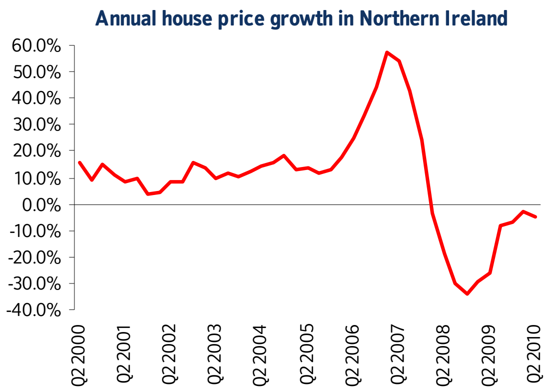
Northern Ireland	
Average house price	£128,846
Annual percentage change	-5.2%
Quarterly change*	-5.7%
Most expensive area	City of Belfast
Least expensive area	Northern Ireland (West)
Strongest annual price change	City of Belfast
Weakest annual price change	Northern Ireland (West)

* Seasonally adjusted

The quarterly change in house prices in Northern Ireland deteriorated from -1.0% in the first quarter to -5.7% this quarter. Northern Ireland was the only region to see a fall in prices this quarter. We also saw the tenth consecutive quarter of annual price falls, with prices down 5.2% on Q2 2009. Unemployment has continued to rise in the province and is the joint highest across our house price regions.

Belfast remains the country's most expensive area and also saw the best performance this quarter, with prices down only 1% year-on-year. The Western part of the county saw the weakest house price performance.

Click here for Northern Ireland's sub region data



London	
Average house price	£290,249
Annual percentage change	13.2%
Quarterly change*	2.5%
Most expensive area	Westminster
Least expensive area	Barking & Dagenham
Strongest annual price change	Hammersmith & Fulham
Weakest annual price change	Hackney

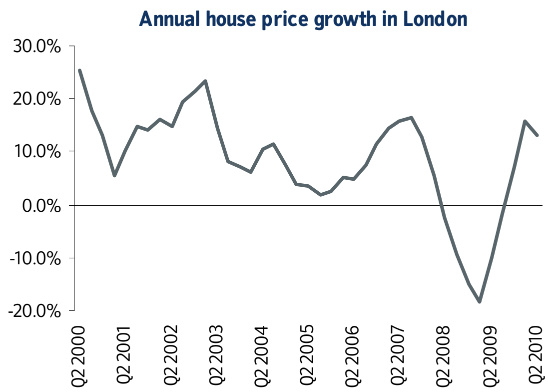
* Seasonally adjusted

House prices in London increased by 2.5% in the second quarter of 2010, slightly weaker than the 2.7% rise last quarter. The annual rate of price growth moderated slightly to 13.2%, although London remained the top performing region (in terms of annual house price inflation).

Hammersmith and Fulham again saw the strongest price growth with a 28% year-on-year increase, and average prices have now broken through the half a million pound barrier. The borough has benefited from a decrease in unemployment over the past year. The borough of Merton, home to the Wimbledon Tennis Championships, also saw a strong performance this quarter with a 24% year-on-year increase.

Hackney was the weakest performing borough, with prices up 2% year-on-year. The borough suffers from the highest unemployment rate in the capital.

Click here for London borough data



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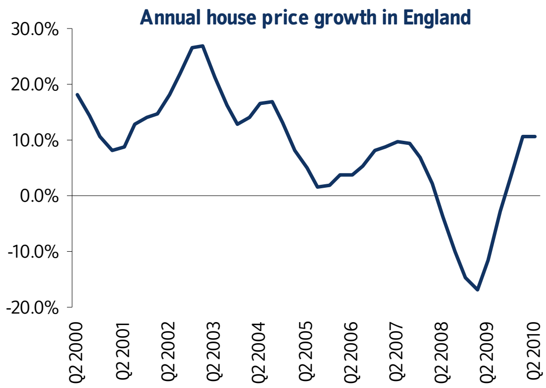
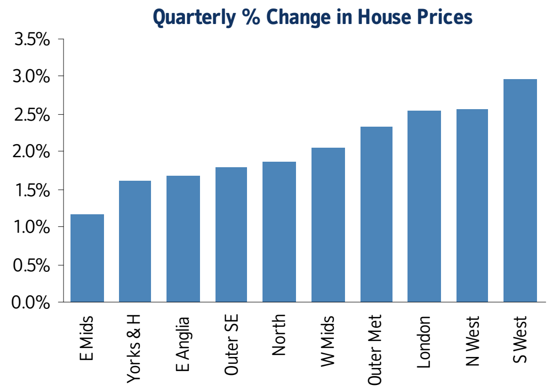
England	
Average house price	£187,659
Annual percentage change	10.7%
Quarterly change*	2.2%
Most expensive region	London
Least expensive region	North
Strongest annual price change	London
Weakest annual price change	North

* Seasonally adjusted



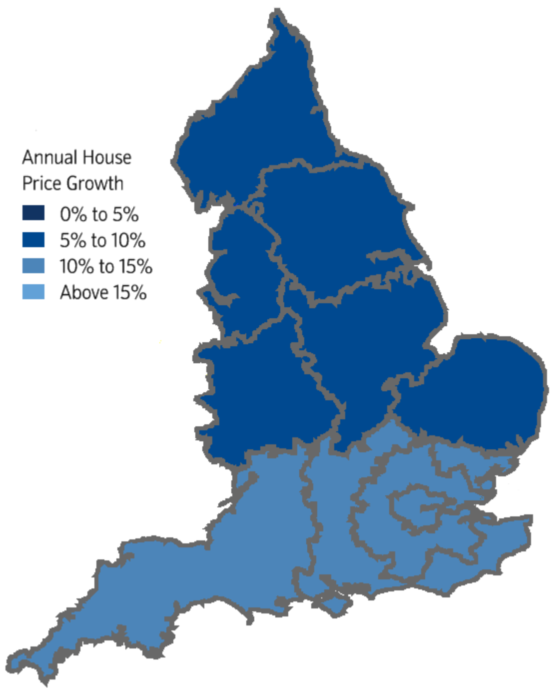
House prices rose by a seasonally adjusted 2.2% in England in the second quarter of 2010. Annual price growth edged up from 10.5% in Q1 to 10.7%.

All English regions saw prices rise in the quarter on a seasonally adjusted basis. The eastern side of the country saw the weakest growth, with the East Midlands recording a 1.2% quarter-on-quarter rise. The North saw the weakest annual growth, with prices up 6.0% on Q2 2009.



London was the top performing region for the third consecutive quarter, with prices up 13.2% over the past year. The Outer Metropolitan region continued to perform well with annual price growth of 12.9%, whilst annual growth in the South West picked up from 8.9% in the first quarter to 12.5% this quarter. The South West has also experienced a better labour market performance than other regions and currently has the lowest unemployment rate of our house price regions.

Amongst England's major towns and cities, St. Albans was the top performer for the second consecutive quarter, with prices up 28% year-on-year. Sheffield was the worst performing area, with prices down 3% year on year. Close behind was Carlisle, which is now the least expensive of the major towns and cities.



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Major Towns and Cities

Best performing regional towns / cities

Rank	Town / City	Annual % chng	Average Price
1	St. Albans	28%	£348,289
2	Cambridge	26%	£290,502
3	Oxford	18%	£331,499
4	London	16%	£313,294
5	Brighton	15%	£294,155

Worst performing regional towns / cities

Rank	Town / City	Annual % chng	Average Price
1	Sheffield	-3%	£158,196
2	Carlisle	-3%	£132,955
3	Belfast	-1%	£191,536
4	Liverpool	0%	£141,206
5	Norwich	0%	£166,762

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 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Aberdeen City	£215,306	147%	8%	9%
Aberdeenshire & Moray	£165,491	166%	8%	7%
Dunbartonshire & North Lanarkshire	£150,185	104%	5%	8%
Dundee & Angus	£153,314	147%	2%	4%
Edinburgh City	£243,760	116%	6%	11%
Fife	£141,703	123%	4%	9%
Glasgow City	£159,111	107%	0%	8%
Highlands & Islands	£150,337	127%	7%	11%
Lothian & Falkirk	£156,171	104%	7%	2%
Perthshire & Stirling	£163,191	118%	9%	7%
Renfrewshire & Inverclyde	£163,371	134%	7%	5%
South Lanarkshire	£134,543	99%	-2%	5%
Southern Scotland	£135,894	127%	-2%	4%

Yorkshire & Humberside

click here to return to commentary

Nationwide Sub Regions	Price in 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Bradford	£145,364	120%	0%	12%
East Yorkshire	£144,966	130%	-1%	2%
Leeds	£177,154	102%	11%	10%
North Lincolnshire	£126,472	141%	3%	5%
North Yorkshire	£189,375	133%	5%	8%
Sheffield	£158,196	114%	7%	-3%
South Yorkshire	£138,117	142%	-1%	7%
West Yorkshire	£146,336	107%	2%	11%
York	£214,868	146%	8%	11%

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Northern Ireland

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Nationwide Sub Regions	Price in 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
City of Belfast	£191,536	94%	1%	-1%
Northern Ireland (North East)	£145,905	106%	-6%	-7%
Northern Ireland (South East)	£160,423	93%	-7%	-7%
Northern Ireland (West)	£114,592	75%	-3%	-10%

Wales

click here to return to commentary

Nationwide Sub Regions	Price in 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Cardiff	£196,305	109%	7%	12%
Mid & West Wales	£156,371	166%	4%	4%
North Wales	£157,874	129%	3%	5%
South Wales (East)	£155,851	121%	4%	9%
South Wales (West)	£155,297	131%	9%	3%

South West

click here to return to commentary

Nationwide Sub Regions	Price in 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Bath	£229,802	79%	2%	12%
Bournemouth	£231,417	98%	3%	3%
Bristol	£217,426	116%	6%	12%
Cheltenham	£219,243	85%	10%	9%
Cornwall and Isles of Scilly	£211,929	155%	2%	12%
Dorset	£228,522	103%	5%	8%
Gloucestershire	£199,980	89%	2%	9%
North Devon	£192,563	128%	10%	13%
Plymouth	£165,046	146%	11%	4%
Poole	£249,622	97%	5%	14%
Somerset	£188,701	98%	3%	5%
South Devon	£217,715	142%	1%	9%
South Gloucestershire	£216,278	107%	13%	13%
Swindon	£176,747	55%	5%	11%
Wiltshire	£206,012	74%	8%	8%

North West

click here to return to commentary

Nationwide Sub Regions	Price in 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Cheshire	£176,172	103%	0%	6%
City of Manchester	£177,754	92%	6%	2%
Greater Manchester	£164,220	116%	5%	9%
Lancashire	£144,419	112%	4%	10%
Merseyside	£145,683	112%	4%	4%
Warrington & Halton	£159,320	101%	6%	7%

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West Midlands

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Nationwide Sub Regions	Price in 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Birmingham	£164,954	108%	3%	8%
Coventry	£153,651	114%	10%	10%
Greater Birmingham	£163,907	108%	3%	6%
Herefordshire	£177,156	93%	0%	6%
Shropshire	£170,264	117%	4%	10%
Staffordshire	£158,410	106%	-3%	7%
Warwickshire	£187,314	94%	6%	7%
Worcestershire	£178,194	91%	2%	4%

East Midlands

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Nationwide Sub Regions	Price in 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Derby	£155,238	114%	-3%	10%
Derbyshire	£161,773	124%	5%	12%
Leicestershire	£170,689	113%	6%	10%
Mid Lincolnshire	£135,933	119%	3%	-2%
Northampton Town	£169,021	89%	11%	13%
Northamptonshire	£168,886	96%	7%	9%
Nottingham	£134,162	77%	3%	9%
Nottinghamshire	£151,012	115%	8%	8%
South Lincolnshire	£146,900	111%	5%	12%

Outer Metropolitan

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Nationwide Sub Regions	Price in 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Bracknell Forest	£254,502	66%	13%	15%
Central Kent	£225,974	75%	7%	9%
East Surrey	£282,095	71%	11%	9%
Hart & Rushmoor	£245,762	60%	10%	11%
Hertfordshire	£264,361	88%	9%	13%
Luton	£190,599	102%	8%	16%
Medway	£182,326	99%	4%	12%
North Surrey	£299,553	72%	7%	7%
Reading	£243,487	77%	4%	11%
Slough	£243,812	72%	10%	9%
South Buckinghamshire & Chilterns	£299,370	75%	4%	13%
South Essex	£229,545	96%	7%	11%
St Albans	£348,289	88%	17%	28%
West Kent	£235,977	84%	6%	7%
West Surrey	£306,950	71%	7%	15%
West Sussex (North)	£258,878	84%	7%	14%
Windsor & Maidenhead	£308,771	67%	12%	15%
Wokingham	£268,317	62%	7%	8%

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London

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London Boroughs	Price in 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Barking and Dagenham	£186,820	93%	-5%	8%
Barnet	£331,623	97%	9%	16%
Bexley	£215,729	81%	4%	10%
Brent	£317,490	89%	8%	4%
Bromley	£258,255	82%	8%	13%
Camden	£557,764	122%	16%	23%
Croydon	£225,236	77%	8%	8%
Ealing	£349,280	89%	9%	20%
Enfield	£276,573	95%	2%	14%
Greenwich	£260,473	113%	11%	8%
Hackney	£379,030	135%	-2%	2%
Hammersmith and Fulham	£510,665	82%	22%	28%
Haringey	£334,416	90%	22%	7%
Harrow	£297,842	93%	8%	22%
Havering	£225,267	97%	6%	13%
Hillingdon	£275,660	85%	11%	9%
Hounslow	£306,053	89%	3%	11%
Islington	£466,155	107%	3%	11%
Kingston upon Thames	£318,023	79%	13%	16%
Lambeth	£329,675	84%	16%	22%
Lewisham	£255,063	92%	8%	10%
Merton	£338,132	91%	13%	24%
Newham	£222,832	116%	6%	7%
Redbridge	£266,149	115%	13%	19%
Richmond upon Thames	£390,226	74%	20%	9%
Southwark	£388,171	132%	4%	19%
Sutton	£244,019	75%	14%	11%
Tower Hamlets	£379,110	99%	16%	7%
Waltham Forest	£261,194	116%	18%	23%
Wandsworth	£406,871	88%	12%	17%
Westminster	£641,679	121%	19%	16%

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

East Anglia

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Nationwide Sub Regions	Price in 2010 Q1	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Cambridgeshire	£200,854	89%	9%	14%
Norfolk	£172,543	114%	8%	8%
Peterborough	£145,909	93%	-3%	1%
Suffolk	£180,925	100%	8%	7%

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Outer South East

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Nationwide Sub Regions	Price in 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Basingstoke & Deane	£227,766	69%	8%	6%
Bedford	£185,545	90%	-1%	11%
Brighton & Hove	£294,155	111%	9%	15%
Central Bedfordshire	£209,409	88%	6%	10%
East Kent	£192,083	109%	7%	10%
East Sussex	£220,150	108%	10%	10%
Isle of Wight	£182,114	115%	12%	5%
Mid Hampshire	£258,558	90%	6%	11%
Milton Keynes & Aylesbury	£219,715	89%	9%	8%
New Forest	£254,323	97%	13%	9%
North Essex	£203,334	95%	8%	11%
Oxfordshire	£260,072	79%	11%	12%
Portsmouth Area	£195,768	109%	10%	15%
Southampton Area	£217,557	90%	10%	11%
West Berkshire	£252,074	63%	11%	13%
West Sussex (South)	£246,970	110%	9%	17%

North

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Nationwide Sub Regions	Price in 2010 Q2	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
County Durham	£128,589	106%	2%	4%
Cumbria	£158,698	139%	12%	5%
Northumberland	£154,168	111%	-3%	8%
Teeside	£137,430	123%	-3%	1%
Tyne and Wear	£149,498	118%	2%	6%

Notes

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/hpi/

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.

5. 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: www.nationwide.co.uk/mediacentre/economist.asp

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