

Nationwide HOUSE PRICE INDEX



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Q2 2011

Embargoed until 0700 Thurs 30 Jun 2011

House prices lower than one year ago across all regions except London

- Average prices in Q2 were down year-on-year in all regions except London
- London sees strongest growth in the quarter
- Northern Ireland remained the weakest region on an annual basis, despite a bounce back in quarterly growth

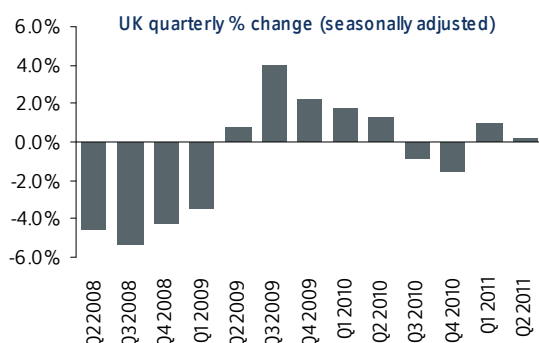
UK Fact File

Average UK House Price	£166,764
Annual percentage change	-1.2%
Quarterly change*	0.2%
Most expensive region	London
Least expensive region	North
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)

Text in blue indicates hyperlink



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

"Across the UK, prices rose by just 0.2% in the second quarter of 2011, resulting in a further deterioration in the annual rate of change to -1.2%.

"Whilst 8 out of 13 regions saw price rises during the quarter, this was not sufficient to keep annual growth positive, with prices down on the same period last year in all regions apart from London.

"Northern Ireland saw a 1.7% quarter-on-quarter rise, leading to an improvement in the annual rate of change from -10.8% to -4.1%.

"The Outer Metropolitan region saw largest quarterly price fall, with prices down -0.9% quarter-on-quarter. However, on an annual basis, it was the second best region, with prices down -0.2% year-on-year.

"Amongst the English regions, the West Midlands saw the largest price falls over the last 12 months, with prices down 2.7% compared with Q2 2010.

"Quarterly price growth in London remained robust, with a seasonally adjusted price increase of 2.6%. London was the only region to see an annual price rise, with prices up 2.9% on the same quarter one year ago.

"Scotland saw a 0.1% quarter-on-quarter fall, resulting in a fall in annual rate of change from -2.0% last quarter to -3.2% this quarter.

"Wales saw the second highest quarterly price rise behind London, with a seasonally adjusted increase of 2.1%. This pushed up the annual rate of change from -2.6% to -0.9%."

Media enquiries to: Robert Gardner, Chief Economist
robert.gardner@nationwide.co.uk
 Paul Beadle, 01793 655189, paul.beadle@nationwide.co.uk or
 Evelyn Turpin, 01793 656215, evelyn.turpin@nationwide.co.uk

Regional economic activity and house prices

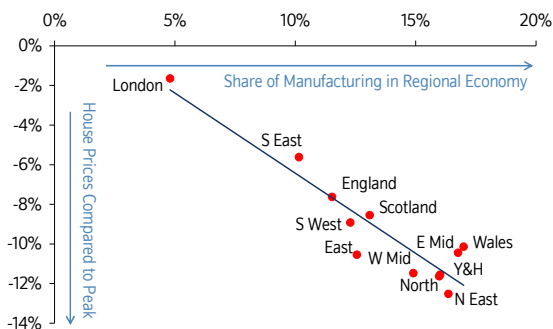
Whilst annual rates of change across the regions have converged somewhat this quarter, there is still significant variation in prices relative to their previous peaks, some of which can be explained by regional economic developments.

London and the surrounding area have seen the strongest performance, with prices now just 2% below their 2007 peak. The rebound in the capital's economy has been surprisingly strong which, together with still healthy interest from foreign buyers, has supported demand. And, with the supply-side of the property market more constrained than the rest of the country (i.e. less scope to build), stronger demand for housing feeds through more quickly to higher house prices.

We expect the UK economy to gradually gain momentum over the next 12 months and beyond, but the pace of the upturn is unlikely to be uniform. This is important for the housing market, as regional economic performance will remain a key determinant of regional property market performance.

It's hard to predict what will happen, but the regions most exposed to public sector cuts are likely to lag, at least in the near term. Over the longer-term, the UK economy is expected to gradually rebalance, becoming less reliant on services and more reliant on manufacturing and exports to drive growth. If this is achieved, this could also have an important impact on the regional pattern of house price movements.

Regions that are more reliant on manufacturing, such as Wales, the East Midlands and the North, have been under more pressure, as this was the sector hit hardest by the recession (see chart below). The pattern could reverse, or at least moderate, if manufacturing plays a more important role in driving growth in the years ahead, as policymakers and many analysts expect. However, history suggests that such a shift in the structure of the UK economy is likely to take some time to achieve.



Regional Headlines

Prices calculated on a mix adjusted basis

Best performing regions over the quarter

Region	Average Price	Quarterly % change*
London	£298,729	2.6%
Wales	£139,254	2.1%
Northern Ireland	£123,547	1.7%
North	£117,691	1.2%
North West	£140,682	0.9%
Outer South East	£198,991	0.7%
South West	£186,210	0.5%
East Midlands	£140,537	0.1%
Scotland	£139,447	-0.1%
Yorks & Humberside	£138,228	-0.4%
East Anglia	£164,435	-0.4%
West Midlands	£146,146	-0.6%
Outer Metropolitan	£244,599	-0.9%
UK	£166,764	0.2%

* Seasonally adjusted

Best performing regions over the last year

Region	Average Price	Annual % change
London	£298,729	2.9%
Outer Metropolitan	£244,599	-0.2%
North West	£140,682	-0.7%
Wales	£139,254	-0.9%
East Midlands	£140,537	-1.1%
North	£117,691	-1.1%
Outer South East	£198,991	-1.4%
East Anglia	£164,435	-1.5%
Yorks & Humberside	£138,228	-2.0%
South West	£186,210	-2.1%
West Midlands	£146,146	-2.7%
Scotland	£139,447	-3.2%
Northern Ireland	£123,547	-4.1%
UK	£166,764	-1.2%

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robert.gardner@nationwide.co.uk
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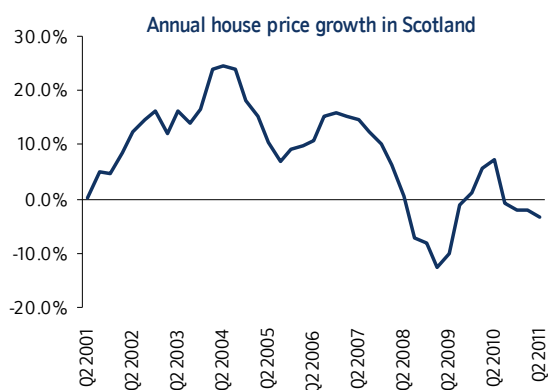
Scotland	
Average house price	£139,447
Annual percentage change	-3.2%
Quarterly change*	-0.1%
Most expensive area	Edinburgh
Least expensive area	South Lanarkshire
Strongest annual price change	Aberdeen
Weakest annual price change	Dundee & Angus

* Seasonally adjusted

Scotland saw a modest 0.1% quarter-on-quarter price fall in the second quarter. The annual rate of change, however, fell from -2.0% to -3.2%, making Scotland the second worst performing region on an annual basis, behind Northern Ireland.

Aberdeen was the strongest performing area, with prices up 1% year-on-year. Dundee & Angus was weakest performing area this quarter, with prices down 11% year-on-year.

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



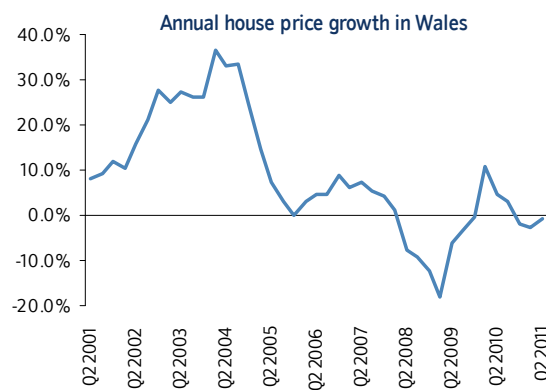
Wales	
Average house price	£139,254
Annual percentage change	-0.9%
Quarterly change*	2.1%
Most expensive area	Cardiff
Least expensive area	South Wales (East)
Strongest annual price change	Cardiff
Weakest annual price change	South Wales (East)

* Seasonally adjusted

Wales was the second best performing region in the quarter, with a 2.1% seasonally adjusted price rise. Whilst the annual rate of change remained negative, it did improve from -2.6% to -0.9%.

Cardiff, the most expensive area in the region, was the best performing area over the quarter. The South Wales (East) sub-region, which includes Blaenau Gwent, Caerphilly, Merthyr Tydfil, Monmouthshire, Newport and Torfaen, was again the weakest performing area.

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



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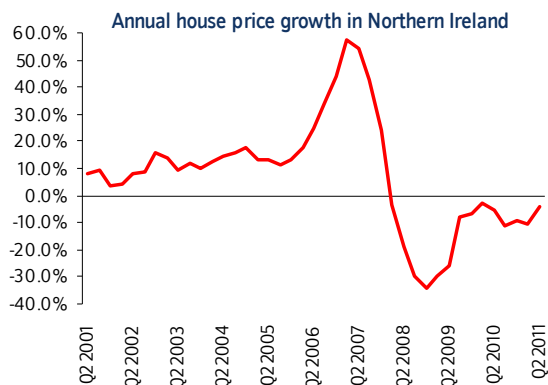
Northern Ireland	
Average house price	£123,547
Annual percentage change	-4.1%
Quarterly change*	1.7%
Most expensive area	City of Belfast
Least expensive area	Northern Ireland (West)
Strongest annual price change	Northern Ireland (West)
Weakest annual price change	City of Belfast

* Seasonally adjusted

The second quarter saw an improvement in Northern Ireland's house price performance, with prices rising 1.7%, following falls in the past two quarters. This resulted in an improvement in the annual rate of change from -10.8% to -4.1%.

Belfast was the weakest performing location for the second consecutive quarter. The West, currently the least expensive area, saw price gains this quarter.

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



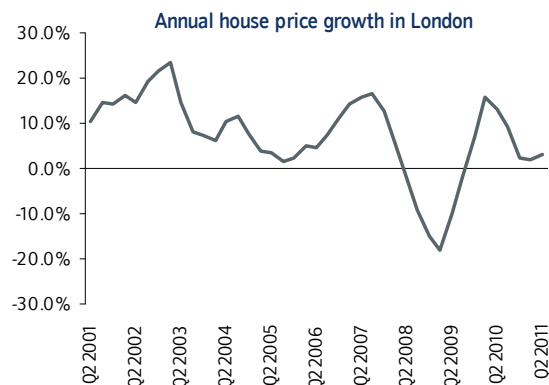
London	
Average house price	£298,729
Annual percentage change	2.9%
Quarterly change*	2.6%
Most expensive area	Westminster
Least expensive area	Barking & Dagenham
Strongest annual price change	Brent
Weakest annual price change	Waltham Forest

* Seasonally adjusted

London was the top performing region this quarter, with a 2.6% seasonally adjusted increase. It was also the best performing region on an annual basis, with price growth picking up from 2.1% to 2.9%.

The borough of Brent again saw the strongest price growth with prices up 15% year-on-year. Waltham Forest was the weakest performing borough, with an 8% year-on-year fall.

[Click here for London borough data](#)



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 robert.gardner@nationwide.co.uk
 Paul Beadle, 01793 655189, paul.beadle@nationwide.co.uk or
 Evelyn Turpin, 01793 656215, evelyn.turpin@nationwide.co.uk

England	
Average house price	£186,837
Annual percentage change	-0.4%
Quarterly change*	0.5%
Most expensive region	London
Least expensive region	North
Strongest annual price change	London
Weakest annual price change	West Midlands

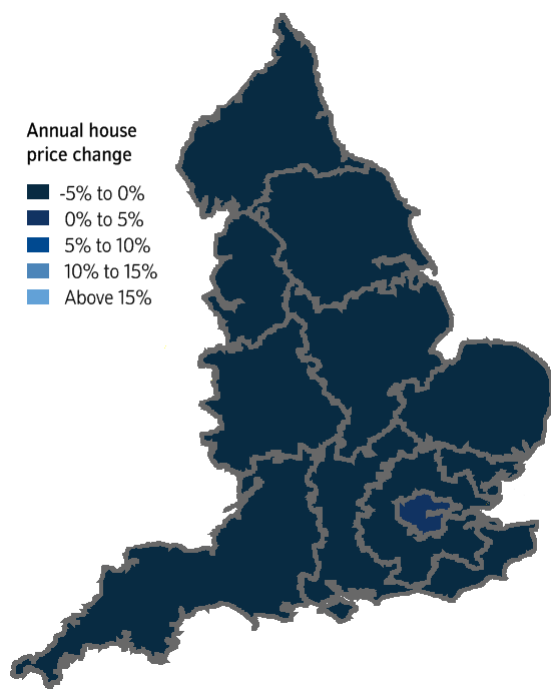
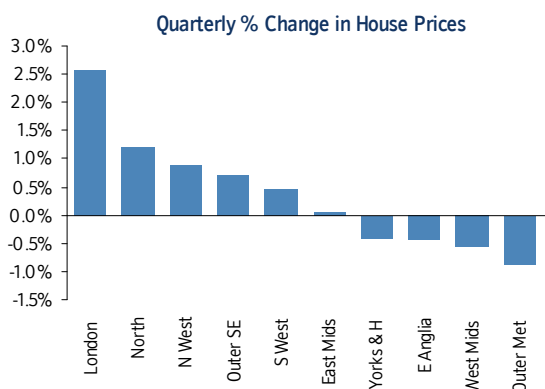
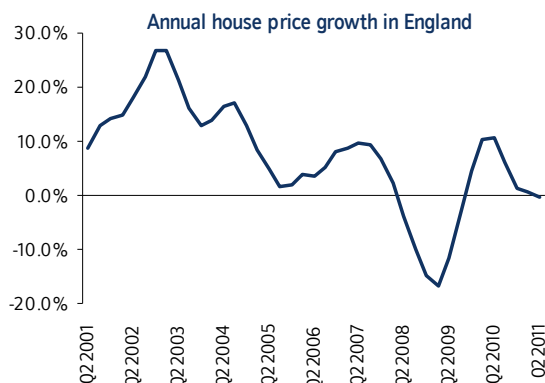
* Seasonally adjusted

House prices increased by a seasonally adjusted 0.5% in England in the second quarter. The annual rate of change fell from 0.6% to -0.4%.

London saw the largest quarterly price rise, with a 2.6% increase. The Outer Metropolitan region experienced the largest quarterly decline, with a 0.9% fall. East Anglia suffered a second consecutive quarter of price falls, the only region to do so.

The annual rate of change slowed across most English regions, but London and the North bucked the trend. Average prices were down year-on-year in nine out of the ten English regions, with only London continuing to see annual price growth.

Amongst England's major towns and cities, Carlisle was the top performer for the second consecutive quarter, with prices up 13% year-on-year. Oxford was the worst performing city, with prices falling 6% over the past 12 months.



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Major Towns and Cities

Best performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	Carlisle	13%	£151,476
2	Manchester	10%	£198,343
3	Bath	10%	£255,476
4	Cambridge	6%	£311,679
5	London	4%	£330,031

Worst performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	Belfast	-14%	£167,672
2	Oxford	-6%	£314,907
3	Sunderland	-4%	£132,029
4	Brighton	-4%	£286,955
5	Swindon	-4%	£172,517

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 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Aberdeen City	£221,395	145%	1%	1%
Aberdeenshire & Moray	£168,953	178%	0%	1%
Dunbartonshire & North Lanarkshire	£150,736	100%	1%	-1%
Dundee & Angus	£138,508	122%	-4%	-11%
Edinburgh City	£241,547	101%	-1%	-2%
Fife	£132,505	107%	-4%	-8%
Glasgow City	£159,635	99%	1%	-1%
Highlands & Islands	£143,023	116%	-1%	-6%
Lothian & Falkirk	£151,065	105%	-2%	-5%
Perthshire & Stirling	£158,955	104%	0%	-4%
Renfrewshire & Inverclyde	£152,856	110%	-4%	-8%
South Lanarkshire	£130,847	101%	-1%	-4%
Southern Scotland	£131,462	119%	-2%	-5%

Yorkshire & Humberside

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bradford	£148,775	114%	-1%	1%
East Yorkshire	£142,253	109%	-1%	-3%
Leeds	£176,269	95%	0%	-2%
North Lincolnshire	£127,660	112%	-1%	0%
North Yorkshire	£190,048	104%	-1%	-1%
Sheffield	£164,182	118%	0%	3%
South Yorkshire	£132,659	110%	-1%	-5%
West Yorkshire	£147,786	112%	1%	0%
York	£213,895	104%	-1%	-2%

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 Evelyn Turpin, 01793 656215, evelyn.turpin@nationwide.co.uk

Northern Ireland

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Nationwide Sub Regions	Price in 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
City of Belfast	£167,672	52%	-11%	-14%
Northern Ireland (North East)	£132,014	74%	-5%	-11%
Northern Ireland (South East)	£143,865	52%	-5%	-11%
Northern Ireland (West)	£121,790	84%	-5%	5%

Wales

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cardiff	£198,826	95%	1%	0%
Mid & West Wales	£149,029	118%	-2%	-6%
North Wales	£158,910	113%	1%	0%
South Wales (East)	£148,280	89%	-3%	-6%
South Wales (West)	£150,879	117%	-2%	-4%

South West

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Nationwide Sub Regions	Price in 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bath	£255,476	85%	2%	10%
Bournemouth	£226,492	77%	-2%	-3%
Bristol	£217,253	92%	-2%	-1%
Cheltenham	£220,512	73%	-1%	-1%
Cornwall and Isles of Scilly	£198,564	113%	-4%	-7%
Dorset	£231,329	84%	-1%	0%
Gloucestershire	£188,769	68%	-1%	-7%
North Devon	£197,412	115%	0%	1%
Plymouth	£165,144	116%	-2%	-1%
Poole	£250,810	94%	1%	-1%
Somerset	£193,858	94%	1%	1%
South Devon	£206,250	101%	-2%	-6%
South Gloucestershire	£207,076	83%	-3%	-5%
Swindon	£172,517	41%	-2%	-4%
Wiltshire	£216,251	71%	2%	4%

North West

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cheshire	£177,378	84%	0%	0%
City of Manchester	£198,343	92%	3%	10%
Greater Manchester	£160,442	102%	-1%	-3%
Lancashire	£148,135	113%	1%	1%
Merseyside	£146,852	112%	-1%	0%
Warrington & Halton	£164,166	103%	2%	2%

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West Midlands

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Nationwide Sub Regions	Price in 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Birmingham	£164,368	88%	0%	-2%
Coventry	£154,956	81%	-2%	0%
Greater Birmingham	£167,106	91%	-1%	1%
Herefordshire	£170,774	75%	-3%	-5%
Shropshire	£166,187	88%	0%	-4%
Staffordshire	£154,970	95%	-1%	-3%
Warwickshire	£186,267	85%	-1%	-2%
Worcestershire	£186,283	80%	1%	3%

East Midlands

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Derby	£153,489	102%	-1%	-2%
Derbyshire	£156,739	107%	-1%	-4%
Leicestershire	£170,873	94%	-1%	-1%
Mid Lincolnshire	£143,640	113%	4%	4%
Northampton Town	£168,157	73%	-1%	-2%
Northamptonshire	£170,253	88%	-1%	0%
Nottingham	£135,588	71%	2%	0%
Nottinghamshire	£155,901	106%	1%	2%
South Lincolnshire	£147,578	97%	-1%	-1%

Outer Metropolitan

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bracknell Forest	£244,885	48%	-2%	-5%
Central Kent	£234,750	71%	0%	2%
East Surrey	£302,919	66%	1%	6%
Hart & Rushmoor	£237,181	50%	-1%	-5%
Hertfordshire	£271,363	76%	1%	1%
Luton	£181,878	73%	-3%	-6%
Medway	£178,037	74%	-2%	-4%
North Surrey	£307,405	62%	1%	1%
Reading	£238,641	55%	-2%	-3%
Slough	£259,668	63%	3%	5%
South Buckinghamshire & Chilterns	£311,361	76%	-1%	3%
South Essex	£232,426	81%	0%	0%
St Albans	£354,606	79%	1%	0%
West Kent	£241,817	72%	0%	1%
West Surrey	£319,821	69%	2%	3%
West Sussex (North)	£258,294	70%	0%	-2%
Windsor & Maidenhead	£310,165	59%	-1%	-1%
Wokingham	£279,654	61%	2%	3%

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 Paul Beadle, 01793 655189, paul.beadle@nationwide.co.uk or
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London

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London Boroughs	Price in 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Barking and Dagenham	£189,193	95%	0%	0%
Barnet	£332,846	86%	3%	-1%
Bexley	£218,302	74%	-1%	0%
Brent	£367,773	103%	7%	15%
Bromley	£265,472	77%	1%	2%
Camden	£549,153	92%	2%	-2%
Croydon	£231,333	67%	1%	2%
Ealing	£329,915	72%	0%	-6%
Enfield	£280,971	77%	2%	1%
Greenwich	£256,036	89%	1%	-3%
Hackney	£434,410	140%	4%	14%
Hammersmith and Fulham	£514,022	82%	-3%	0%
Haringey	£377,400	89%	2%	12%
Harrow	£304,658	81%	0%	1%
Havering	£217,497	78%	-3%	-4%
Hillingdon	£271,104	70%	-3%	-3%
Hounslow	£308,055	81%	1%	0%
Islington	£475,246	99%	1%	1%
Kingston upon Thames	£338,401	79%	3%	5%
Lambeth	£363,620	90%	1%	9%
Lewisham	£284,683	93%	3%	11%
Merton	£340,444	84%	-2%	0%
Newham	£217,465	95%	0%	-3%
Redbridge	£276,498	98%	2%	3%
Richmond upon Thames	£426,126	95%	2%	8%
Southwark	£380,630	109%	0%	-3%
Sutton	£254,631	70%	0%	3%
Tower Hamlets	£402,692	89%	-1%	5%
Waltham Forest	£243,336	79%	-6%	-8%
Wandsworth	£431,587	90%	0%	5%
Westminster	£652,298	104%	-3%	1%

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

East Anglia

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Nationwide Sub Regions	Price in 2011 Q1	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cambridgeshire	£209,633	73%	0%	3%
Norfolk	£169,879	89%	-1%	-3%
Peterborough	£146,084	71%	-1%	-1%
Suffolk	£187,235	87%	0%	2%

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Outer South East

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Nationwide Sub Regions	Price in 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Basingstoke & Deane	£228,801	53%	1%	-1%
Bedford	£181,527	73%	-1%	-4%
Brighton & Hove	£286,955	84%	-2%	-4%
Central Bedfordshire	£207,544	71%	-2%	-2%
East Kent	£187,749	85%	-2%	-4%
East Sussex	£218,148	91%	-1%	-2%
Isle of Wight	£194,060	93%	-2%	5%
Mid Hampshire	£268,464	77%	1%	2%
Milton Keynes & Aylesbury	£224,195	74%	-1%	1%
New Forest	£256,108	74%	0%	-1%
North Essex	£207,307	84%	-1%	0%
Oxfordshire	£267,133	71%	1%	1%
Portsmouth Area	£194,931	80%	0%	-2%
Southampton Area	£220,275	74%	0%	0%
West Berkshire	£251,610	49%	0%	-2%
West Sussex (South)	£231,997	71%	-2%	-7%

North

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2011 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
County Durham	£129,828	107%	-1%	0%
Cumbria	£157,347	136%	2%	-2%
Northumberland	£153,260	122%	-2%	-2%
Teeside	£139,640	111%	1%	1%
Tyne and Wear	£151,994	118%	-1%	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: www.nationwide.co.uk/mediacentre/economist.asp

Media enquiries to: Robert Gardner, Chief Economist
robert.gardner@nationwide.co.uk
 Paul Beadle, 01793 655189, paul.beadle@nationwide.co.uk or
 Evelyn Turpin, 01793 656215, evelyn.turpin@nationwide.co.uk

