Nationwide HOUSE PRICE INDEX

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Q3 2011
Embargoed until 0700 Thurs 29 Sep 2011

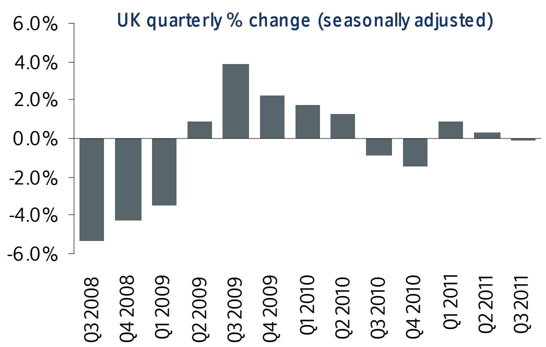
Mixed picture across the regions in third quarter

- Average prices were down year-on-year in 8 out of 13 regions in Q3
- Outer Metropolitan region sees strongest growth in the quarter and also over the past 12 months
- Northern Ireland remained the weakest region on an annual basis

UK Fact File	
Average UK House Price	£166,597
Annual percentage change	-0.5%
Quarterly change*	-0.1%
Most expensive region	London
Least expensive region	North
Strongest annual price change	Outer Metropolitan
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:

"For the UK as a whole, prices were virtually unchanged in the third quarter, with a 0.1% seasonally adjusted fall. There was a slight improvement in the annual rate of change from -1.2% to -0.5%.

"Most regions saw relatively small price movements this quarter, with seven regions seeing price rises and the remaining six seeing falls.

"The Outer Metropolitan region saw the strongest quarterly growth, with prices up 1.6% quarter-on-quarter. This pushed the annual rate of growth up to 1.3%, making the Outer Metropolitan the top performer on an annual basis.

"Amongst the other English regions, the North West saw the largest price falls over the last 12 months, with prices down 2.4% compared with Q3 2010.

"London saw a 1.9% quarter-on-quarter fall in Q3, although annual growth remained in positive territory at 0.5%.

"Scotland saw a 0.5% quarter-on-quarter fall, with the annual rate of change remaining negative at -1.1%.

"Wales recorded its third consecutive quarter of price rises, with a 0.2% increase in Q3. This pushed up the annual rate of change from -0.9% to 0.2%.

"It was a disappointing performance for Northern Ireland in Q3, with a 4.1% quarterly fall, leading to a deterioration in the annual rate of change from -4.1% to -9.3%"

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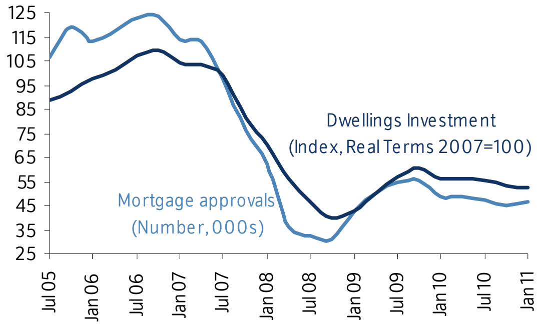
Nationwide

Regional supply and confidence

The dearth of new homes coming on to the market has been an important support for UK house prices over the past 12 months (see chart below).

The pace of new house building has slowed sharply in recent years (as shown in the decline in investment in new dwellings in the chart below). Combined with low levels of distressed sales (in part the result of the ultra-low level of interest rates), this has prevented the market becoming oversupplied, despite the ongoing weakness in demand for homes in the aftermath of the 2008 economic downturn.

Demand for homes has slowed, but so has house building

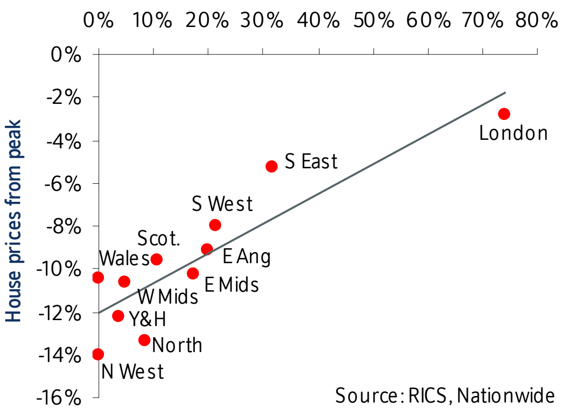


Source: ONS, Bank of England

A recent survey by the Royal Institute of Chartered Surveyors (RICS) provides further evidence of this supportive effect at a regional level (see chart below). The survey revealed that a lack of available stock on the market is more frequently cited as an important issue in London and to a lesser extent the South East - the regions where prices are currently relatively close to their peak.

Indeed, average prices in London are now just 2.9% below their 2007 peak, while on average UK house prices are still almost 10% below their all time highs. Conversely, regions where prices are still well below their peaks tended to see little or no mention of supply shortages.

Lack of stock on the market (% of respondents)



Source: RICS, Nationwide

Regional Headlines

Prices calculated on a mix adjusted basis

Best performing regions over the quarter

Region	Average Price	Quarterly % change*
Outer Metropolitan	£249,630	1.6%
East Anglia	£167,014	1.3%
South West	£188,063	0.5%
Yorks & Humberside	£137,340	0.3%
Wales	£138,849	0.2%
West Midlands	£147,566	0.2%
East Midlands	£140,761	0.1%
North	£116,610	-0.1%
Outer South East	£198,854	-0.2%
Scotland	£137,846	-0.5%
London	£295,024	-1.9%
North West	£136,824	-2.5%
Northern Ireland	£118,723	-4.1%
UK	£166,597	-0.1%

* Seasonally adjusted

Best performing regions over the last year

Region	Average Price	Annual % change
Outer Metropolitan	£249,630	1.3%
East Anglia	£167,014	0.8%
London	£295,024	0.5%
Yorks & Humberside	£137,340	0.3%
Wales	£138,849	0.2%
North	£116,610	-0.5%
East Midlands	£140,761	-0.7%
South West	£188,063	-0.8%
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UK	£166,597	-0.5%

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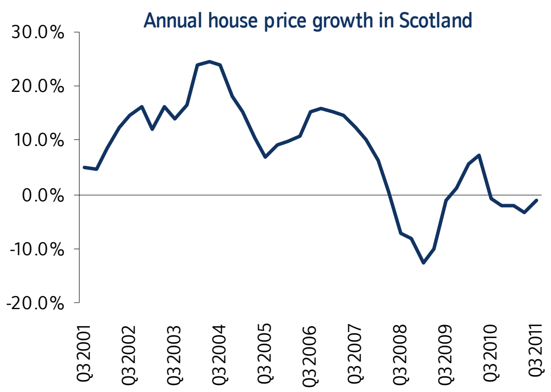
Scotland	
Average house price	£137,846
Annual percentage change	-1.1%
Quarterly change*	-0.5%
Most expensive area	Edinburgh
Least expensive area	South Lanarkshire
Strongest annual price change	Dunbartonshire & North Lanarkshire
Weakest annual price change	Dundee & Angus

* Seasonally adjusted

Scotland saw a 0.5% seasonally adjusted quarter-on-quarter price fall in the third quarter. The annual rate of change improved from -3.2% to -1.1%.

Prices were lower than one year ago in all areas, although Dunbartonshire & North Lanarkshire was the best performing area. Dundee & Angus remained the weakest performing area, with a 6% year-on-year fall.

Click here for Scotland's sub-regional data



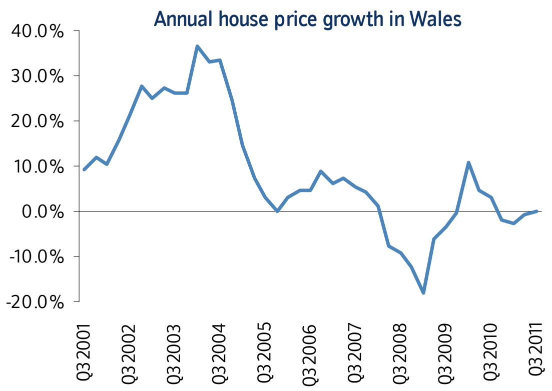
Wales	
Average house price	£138,849
Annual percentage change	0.2%
Quarterly change*	0.2%
Most expensive area	Cardiff
Least expensive area	Mid & West Wales
Strongest annual price change	South Wales (East)
Weakest annual price change	Cardiff

* Seasonally adjusted

Q3 marked the third consecutive quarter of house price growth in Wales, with a 0.2% seasonally adjusted price rise. This resulted in an improvement in the annual rate of change from -0.9% to 0.2%.

Cardiff was the weakest performing area, with a 2% year-on-year fall. The South Wales (East) sub-region, which includes Blaenau Gwent, Caerphilly, Merthyr Tydfil, Monmouthshire, Newport and Torfaen, was the strongest performing area.

Click here for Wales' sub-regional data



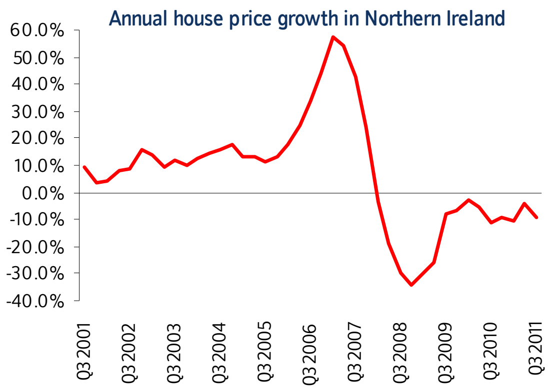
Northern Ireland	
Average house price	£118,723
Annual percentage change	-9.3%
Quarterly change*	-4.1%
Most expensive area	City of Belfast
Least expensive area	Northern Ireland (West)
Strongest annual price change	Northern Ireland (West)
Weakest annual price change	Northern Ireland (South East)

* Seasonally adjusted

Northern Ireland was the weakest performing region this quarter, with a 4.1% seasonally adjusted fall. This resulted in deterioration in the annual rate of change from -4.1% to -9.3%, leaving average prices at their lowest level since Q2 2005.

The West was the only area to see price growth over the past 12 months. Belfast and the South East continue to experience the largest price falls.

Click here for Northern Ireland's sub region data



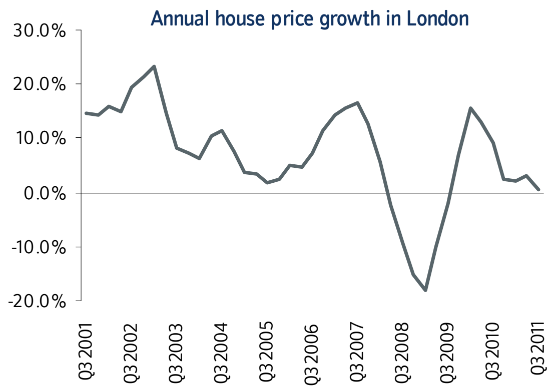
London	
Average house price	£295,024
Annual percentage change	0.5%
Quarterly change*	-1.9%
Most expensive area	Westminster
Least expensive area	Barking & Dagenham
Strongest annual price change	Hammersmith & Fulham
Weakest annual price change	Ealing

* Seasonally adjusted

Annual price growth in London remained positive at 0.5%, despite a 1.9% quarter-on-quarter fall (seasonally adjusted). Whilst average prices remain a little shy of £300,000, they are just 2.9% below their peak.

Hammersmith & Fulham, one of the capital's most expensive boroughs, saw the strongest growth, with prices up 12% compared with last year. Neighbouring Ealing, however, saw the weakest performance, with a 5% fall.

Click here for London borough data



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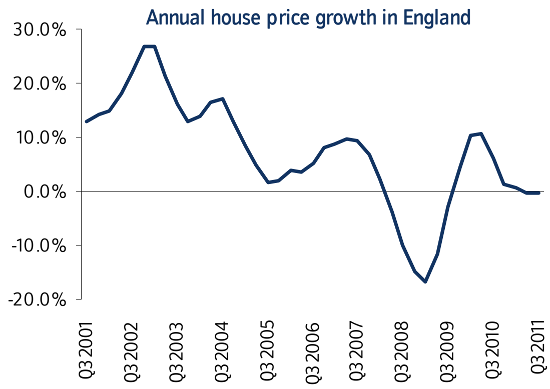
England	
Average house price	£186,791
Annual percentage change	-0.3%
Quarterly change*	-0.2%
Most expensive region	London
Least expensive region	North
Strongest annual price change	Outer Metropolitan
Weakest annual price change	North West

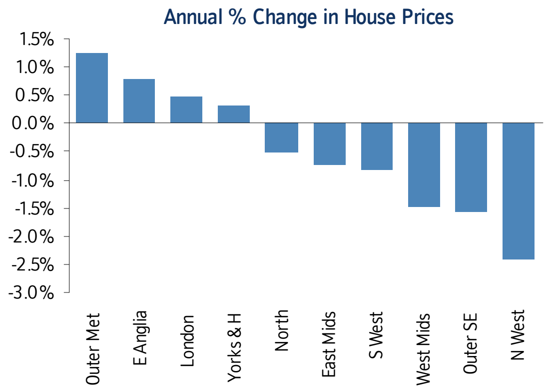
* Seasonally adjusted

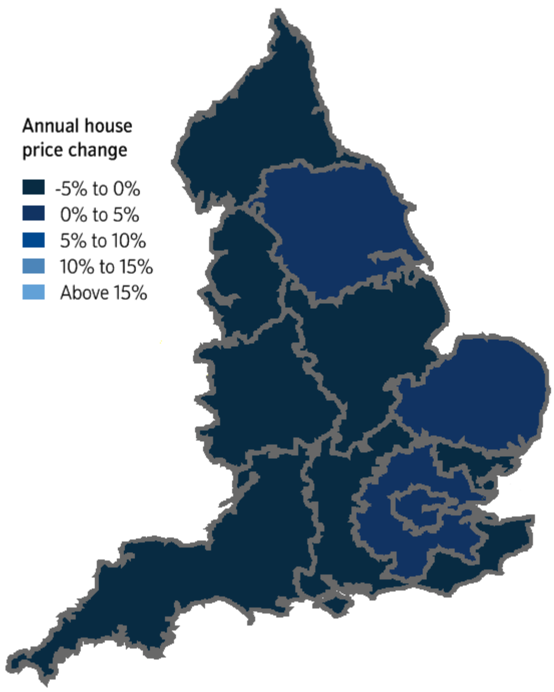


Average house prices in England were down 0.3% year-on-year in the third quarter, a similar outturn to the previous quarter.

The annual rate of change amongst the English regions currently sits within a narrow range, with less than four percentage points between the best and worst performing areas. The Outer Metropolitan region currently takes top spot, with prices up 1.3% year-on-year. Whilst there was continued weakness in the North West, with prices down 2.4% year-on-year.

Amongst England's major towns and cities, Bradford was the top performer, with prices up 9% year-on-year.





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Major Towns and Cities

Best performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	Bradford	9%	£159,956
2	Coventry	6%	£163,558
3	Cambridge	6%	£316,742
4	Bath	5%	£256,675
5	London	4%	£336,839

Worst performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	Belfast	-12%	£171,208
2	Oxford	-9%	£324,806
3	Nottingham	-7%	£136,118
4	Liverpool	-6%	£141,861
5	Edinburgh	-4%	£240,899

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 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Aberdeen City	£218,945	131%	1%	-2%
Aberdeenshire & Moray	£173,313	171%	1%	-2%
Dunbartonshire & North Lanarkshire	£153,303	95%	-1%	-1%
Dundee & Angus	£143,696	132%	-11%	-6%
Edinburgh City	£240,899	94%	-2%	-4%
Fife	£134,756	112%	-8%	-2%
Glasgow City	£162,109	91%	-1%	-3%
Highlands & Islands	£147,252	120%	-6%	-5%
Lothian & Falkirk	£149,909	97%	-5%	-4%
Perthshire & Stirling	£160,536	92%	-4%	-2%
Renfrewshire & Inverclyde	£163,536	114%	-8%	-2%
South Lanarkshire	£132,087	103%	-4%	-3%
Southern Scotland	£138,461	115%	-5%	-3%

Yorkshire & Humberside

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Nationwide Sub Regions	Price in 2011 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bradford	£159,956	125%	1%	9%
East Yorkshire	£147,537	118%	-3%	-1%
Leeds	£180,322	84%	-2%	-3%
North Lincolnshire	£129,346	113%	0%	0%
North Yorkshire	£193,909	102%	-1%	1%
Sheffield	£169,623	121%	3%	3%
South Yorkshire	£136,433	115%	-5%	-2%
West Yorkshire	£147,899	100%	0%	-1%
York	£219,751	97%	-2%	1%

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Northern Ireland

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Nationwide Sub Regions	Price in 2011 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
City of Belfast	£171,208	53%	-14%	-12%
Northern Ireland (North East)	£131,333	66%	-11%	-9%
Northern Ireland (South East)	£143,109	47%	-11%	-15%
Northern Ireland (West)	£116,693	63%	5%	4%

Wales

click here to return to commentary

Nationwide Sub Regions	Price in 2011 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cardiff	£204,599	85%	0%	-2%
Mid & West Wales	£152,257	115%	-6%	-1%
North Wales	£168,018	116%	0%	1%
South Wales (East)	£160,224	93%	-6%	2%
South Wales (West)	£154,822	110%	-4%	1%

South West

click here to return to commentary

Nationwide Sub Regions	Price in 2011 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bath	£256,675	71%	10%	5%
Bournemouth	£239,949	77%	-3%	1%
Bristol	£224,233	91%	-1%	3%
Cheltenham	£233,371	73%	-1%	1%
Cornwall and Isles of Scilly	£207,036	111%	-7%	-4%
Dorset	£240,454	78%	0%	1%
Gloucestershire	£197,884	63%	-7%	-5%
North Devon	£193,811	93%	1%	-1%
Plymouth	£174,797	107%	-1%	4%
Poole	£252,238	85%	-1%	0%
Somerset	£192,740	80%	1%	-2%
South Devon	£213,438	93%	-6%	-6%
South Gloucestershire	£210,971	76%	-5%	-3%
Swindon	£179,962	38%	-4%	-2%
Wiltshire	£218,279	59%	4%	3%

North West

click here to return to commentary

Nationwide Sub Regions	Price in 2011 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cheshire	£183,192	85%	0%	-3%
City of Manchester	£193,493	90%	10%	0%
Greater Manchester	£165,249	99%	-3%	-2%
Lancashire	£150,595	95%	1%	-1%
Merseyside	£149,456	106%	0%	-2%
Warrington & Halton	£164,250	92%	2%	-3%

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Nationwide

West Midlands

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Nationwide Sub Regions	Price in 2011 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Birmingham	£170,458	86%	-2%	-2%
Coventry	£163,558	78%	0%	6%
Greater Birmingham	£170,519	86%	1%	0%
Herefordshire	£181,609	84%	-5%	-1%
Shropshire	£169,683	79%	-4%	-4%
Staffordshire	£155,711	83%	-3%	-3%
Warwickshire	£195,863	80%	-2%	1%
Worcestershire	£190,658	73%	3%	1%

East Midlands

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Nationwide Sub Regions	Price in 2011 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Derby	£163,015	96%	-2%	1%
Derbyshire	£159,103	91%	-4%	-6%
Leicestershire	£172,638	84%	-1%	-2%
Mid Lincolnshire	£144,382	98%	4%	-1%
Northampton Town	£173,055	70%	-2%	1%
Northamptonshire	£172,138	81%	0%	1%
Nottingham	£136,118	71%	0%	-7%
Nottinghamshire	£160,345	104%	2%	3%
South Lincolnshire	£149,362	87%	-1%	0%

Outer Metropolitan

click here to return to commentary

Nationwide Sub Regions	Price in 2011 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bracknell Forest	£247,596	39%	-5%	-4%
Central Kent	£243,035	63%	2%	1%
East Surrey	£312,814	63%	6%	5%
Hart & Rushmoor	£249,065	52%	-5%	-4%
Hertfordshire	£280,621	69%	1%	2%
Luton	£190,344	68%	-6%	-1%
Medway	£178,267	63%	-4%	-4%
North Surrey	£311,894	53%	1%	-2%
Reading	£245,780	52%	-3%	-1%
Slough	£252,007	58%	5%	-2%
South Buckinghamshire & Chilterns	£316,929	68%	3%	4%
South Essex	£239,602	76%	0%	0%
St Albans	£358,534	68%	0%	-2%
West Kent	£247,670	67%	1%	2%
West Surrey	£319,055	61%	3%	0%
West Sussex (North)	£261,394	62%	-2%	-1%
Windsor & Maidenhead	£322,239	55%	-1%	-1%
Wokingham	£281,064	53%	3%	-1%

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Nationwide

London

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London Boroughs	Price in 2011 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Barking and Dagenham	£193,831	79%	0%	1%
Barnet	£330,535	70%	-1%	-1%
Bexley	£220,250	62%	0%	2%
Brent	£359,959	101%	15%	-2%
Bromley	£265,981	65%	2%	0%
Camden	£548,378	79%	-2%	-5%
Croydon	£236,312	59%	2%	1%
Ealing	£348,713	73%	-6%	-5%
Enfield	£279,748	69%	1%	-4%
Greenwich	£300,548	101%	-3%	5%
Hackney	£420,087	113%	14%	8%
Hammersmith and Fulham	£542,552	101%	0%	12%
Haringey	£383,672	101%	12%	6%
Harrow	£307,857	76%	1%	5%
Havering	£224,314	68%	-4%	-1%
Hillingdon	£276,735	64%	-3%	2%
Hounslow	£314,811	73%	0%	0%
Islington	£478,000	84%	1%	6%
Kingston upon Thames	£336,676	68%	5%	1%
Lambeth	£372,451	83%	9%	5%
Lewisham	£294,252	87%	11%	6%
Merton	£347,503	78%	0%	2%
Newham	£233,362	88%	-3%	-2%
Redbridge	£284,540	86%	3%	6%
Richmond upon Thames	£424,954	83%	8%	6%
Southwark	£385,582	96%	-3%	-3%
Sutton	£257,748	56%	3%	4%
Tower Hamlets	£403,187	96%	5%	5%
Waltham Forest	£262,748	78%	-8%	2%
Wandsworth	£440,655	82%	5%	5%
Westminster	£693,004	104%	1%	12%

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 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cambridgeshire	£216,793	71%	3%	3%
Norfolk	£172,996	78%	-3%	0%
Peterborough	£157,557	77%	-1%	3%
Suffolk	£189,139	79%	2%	0%

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Outer South East

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Nationwide Sub Regions	Price in 2011 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Basingstoke & Deane	£235,063	47%	-1%	-2%
Bedford	£187,389	69%	-4%	-2%
Brighton & Hove	£292,878	72%	-4%	-2%
Central Bedfordshire	£212,505	61%	-2%	-1%
East Kent	£189,781	77%	-4%	-4%
East Sussex	£224,791	80%	-2%	-2%
Isle of Wight	£196,900	91%	5%	8%
Mid Hampshire	£266,911	65%	2%	-1%
Milton Keynes & Aylesbury	£228,920	63%	1%	1%
New Forest	£252,943	62%	-1%	-6%
North Essex	£212,751	75%	0%	2%
Oxfordshire	£266,486	58%	1%	-2%
Portsmouth Area	£193,094	69%	-2%	-2%
Southampton Area	£221,846	67%	0%	0%
West Berkshire	£245,908	42%	-2%	-3%
West Sussex (South)	£240,581	62%	-7%	-5%

North

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Nationwide Sub Regions	Price in 2011 Q3	% change over 10 years	Annual % change last quarter	Annual % change this quarter
County Durham	£136,121	107%	0%	0%
Cumbria	£153,412	102%	-2%	-6%
Northumberland	£153,715	100%	-2%	-5%
Teeside	£145,000	116%	1%	0%
Tyne and Wear	£153,946	106%	1%	1%

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/photolibrary/economists.htm

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