

Most UK regions see price rises over 2009

- House prices rose in all regions except Northern Ireland during the fourth quarter of 2009
- Southern regions continued to experience stronger growth than northern regions
- London saw the strongest growth in the quarter and also over the year

UK fact file

Average house price: £162,116
Annual percentage change: 3.4%
Quarterly change (seasonally adjusted): 1.6%
Most expensive region: London
Least expensive region: North
Region with strongest annual price change: London
Region with weakest annual price change: Northern Ireland

Quarterly Index – Headlines	Q4 2009	Q3 2009
Average price	£162,116	£160,159
Annual change % ¹	3.4%	-3.0%
Quarterly change % *	1.6%	3.7%

* seasonally adjusted

Text in [Blue](#) indicates a hyperlink

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

"The final quarter of 2009 saw a slowing in the quarterly rate of house price growth across the majority of UK regions, but most regions ended the year with average prices higher than at the end of 2008. For the UK as a whole, prices rose by 1.6% in the fourth quarter, leading to an increase in the annual rate of change from -3.0% in the third quarter to +3.4%.

"[Greater London](#) was the best performing region in the quarter; prices rose by a seasonally adjusted 3.4%. This increase pushed the annual rate of change up from -1.9% to 7.0%, making London the best performing region over 2009.

"Outside of London, the East Midlands saw the strongest quarterly performance within the [English](#) regions, with a 2.8% rise in prices over the quarter, bringing the annual rate of change up from -5.4% to 2.5%. The Outer Metropolitan and Outer South East regions continued to see above average growth in the quarter and were the second and third best performing regions, with annual growth of 6.4% and 5.5% respectively.

"The northern regions generally saw weaker growth, in particular the North where prices rose just 0.4% in the quarter. The North was also the only English region not to see prices rise across the year as a whole, with an annual price change of -2.0%.

"House prices in [Scotland](#) rose 1.9% during the quarter, slightly above the UK average. This was enough to push the annual rate of change into positive territory, with prices up 1.0% compared to the fourth quarter of 2008. Quarterly price growth in [Wales](#) remained relatively weak in the fourth quarter, with a 0.9% rise recorded, leaving average prices marginally lower than one year earlier.

¹ The annual change is calculated based on quarterly average figures rather than end of quarter figures, and will therefore differ from the annual change for December 2009 in the monthly release.

"Reversing the large increase seen in the third quarter, prices in **Northern Ireland** fell by 6.8% in the fourth quarter. On an annual basis, house prices were down 6.7%, a modest improvement from the 8% year-on-year fall in the third quarter. Northern Ireland remains the worst performing UK region.

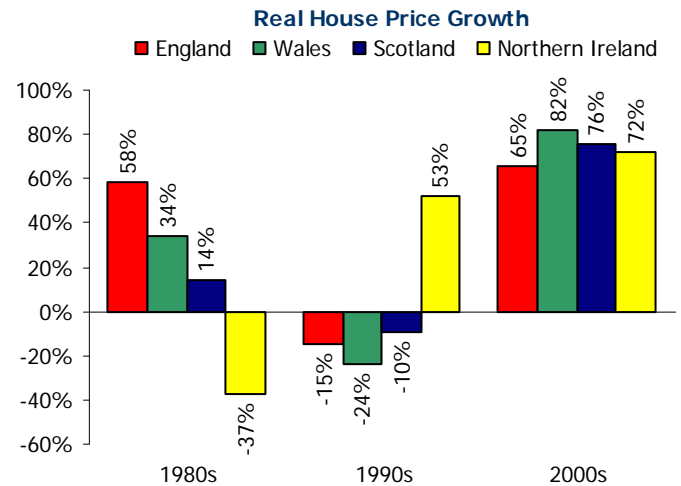
Wales top performing UK country over last decade

"Despite the sharp house price falls seen in 2008 and the first half of 2009, the 2000s has generally been a very strong decade in terms of house price growth. In nominal terms, house prices in the UK rose 117% between 1999 Q4 and 2009 Q4. Taking into account overall retail price inflation over the period, prices have risen by 68% in real terms, the strongest decade on record. This compares with a 14% fall in real terms during the 1990s.

"Wales has been the top performing country over the 2000s; house prices have risen 82% in real terms. This sharply contrasts with the 1990s, where Wales saw prices fall by 24% in real terms.

"England overall has seen the weakest growth over the 2000s of 65%, although this has varied widely across the regions. Within England, Yorkshire and Humberside has seen the strongest growth, with prices rising 84% in real terms, whilst the Outer Metropolitan region has experienced the weakest growth, with a 51% increase. The strong growth seen in Yorkshire and Humberside might reflect that it started the decade as one of the most affordable regions, with a house price to earnings ratio of 3.0 (compared with the UK average of 3.6 in 2000 Q1).

"Whilst the strong housing market performance of the 2000s is good news for homeowners, it is less positive for those looking to get on the housing ladder. Affordability has improved since the peak in house prices in 2007, but we will enter 2010 with house price to earnings ratios across the regions at a much higher level than the start of any other decade."



Source: Nationwide

Regional Headlines*

Region	Average Price	Quarterly % change	Annual % change
North	£116,154	0.4%	-2.0%
Yorkshire & Humberside	£137,275	2.5%	2.7%
North West	£139,811	2.0%	2.7%
East Midlands	£136,492	2.8%	2.5%
West Midlands	£144,748	2.1%	2.1%
East Anglia	£159,989	1.8%	4.5%
Outer South East	£191,397	2.4%	5.5%
Outer Metropolitan	£232,198	2.7%	6.4%
London	£276,088	3.4%	7.0%
South West	£179,425	1.0%	3.8%
Wales	£135,776	0.9%	-0.3%
Scotland	£140,352	1.9%	1.0%
Northern Ireland	£137,949	-6.8%	-6.7%
UK	£162,116	1.6%	3.4%

* Prices calculated on a mix-adjusted basis.

Major Towns and Cities**

Five hottest regional towns/cities

Rank	Town / City	Annual % Change	Average Price
1	Carlisle	10%	£136,666
2	Canterbury	8%	£213,679
3	Leeds	6%	£175,139
4	Sheffield	6%	£169,787
5	Cardiff	5%	£198,200

Five coolest regional towns/cities

Rank	Town / City	Annual % Change	Average Price
1	Leicester	-9%	£141,643
2	Nottingham	-6%	£131,156
3	Sunderland	-5%	£127,482
4	Birmingham	-5%	£157,891
5	Belfast	-4%	£196,856

** See notes 3 & 4 below

Scotland

Average house price: £140,352**Annual percentage change: 1.0%****Quarterly change (seasonally adjusted): 1.9%****Most expensive area: Edinburgh City****Least expensive area: Fife****Area with strongest annual price change: Renfrewshire & Inverclyde****Area with weakest annual price change: South Lanarkshire**

House prices in Scotland rose 1.9% during the fourth quarter, down from a 3.5% rise in the third quarter. There was a modest rise in the annual rate of change from -1.0% to 1.0%. Whilst Scotland's annual rate of growth was comparatively weak relative to most of the English regions, it continues to be the region with the smallest overall decline since the peak in house prices in 2007. House prices in Scotland are down 8% from their peak in the third quarter of 2007, compared with the UK average of 12%.

The Greater Glasgow area saw the strongest annual price rises. Renfrewshire and Inverclyde saw prices rise 10% over the year, whilst neighbouring Dunbartonshire and North Lanarkshire saw a 7% rise.

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

Wales

Average house price: £135,776**Annual percentage change: -0.3%****Quarterly change (seasonally adjusted): 0.9%****Most expensive area: Cardiff****Least expensive area: South Wales (East)****Area with strongest annual price change: South Wales (East)****Area with weakest annual price change: North Wales**

House prices in Wales rose 0.9% quarter-on-quarter, bringing the annual rate of change up from -3.5% in the third quarter to -0.3% in the fourth. Wales is now the second least expensive UK region (behind the North of England), replacing the East Midlands.

The South Wales (East) sub-region continued to see the strongest prices rises in the fourth quarter. The relative resilience in house price growth in this area is surprising, given that it includes the top three highest areas of unemployment in Wales, of Blaenau Gwent, Merthyr Tydfil & Newport.

Mid & West Wales has been the top performing sub-region over the last ten years, with Carmarthenshire and Pembroke seeing particularly strong growth in average house prices, albeit from a relatively low level.

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

Northern Ireland

Average house price: £137,949
Annual percentage change: -6.7%
Quarterly change (seasonally adjusted): -6.8%
Most expensive area: City of Belfast
Least expensive area: Northern Ireland (West)
Area with strongest annual price change: Northern Ireland (South East)
Area with weakest annual price change: Northern Ireland (West)

The fourth quarter saw house prices in Northern Ireland fall by 6.8%, largely reversing the 9.4% rise seen in the third quarter. Northern Ireland was the worst performing region in the quarter and also over the year, where prices were down 6.7%.

The Northern Ireland (West) sub-region remains the worst performing area in the province, with prices down 14% over the year. Elevated levels of unemployment in parts of the area such as Derry, Limavady and Strabane, are likely to have had a negative impact on prices. The Northern Ireland (South East) sub-region continues to see more modest price falls, with a 2% year-on-year decline during 2009.

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

London

Average house price: £276,088
Annual percentage change: 7.0%
Quarterly change (seasonally adjusted): 3.4%
Most expensive borough: Westminster
Least expensive borough: Barking and Dagenham
Area with strongest annual price change: Tower Hamlets
Area with weakest annual price change: Barking and Dagenham

House prices in London rose by 3.4% in the fourth quarter, a slight moderation from the 3.9% increase in the third quarter. The annual rate of change picked up from -1.9% to 7.0% however, making London the top performing region in 2009.

Tower Hamlets, which includes Canary Wharf and most of the Docklands, saw the strongest price growth amongst the London boroughs. Barking and Dagenham continued to experience price falls and remains the cheapest borough, with prices around 40% below the London average.

Newham, the host borough for the 2012 Olympics, has seen the strongest growth over the past ten years, with prices up 190% (in nominal terms). The borough, which includes areas such as Stratford, West Ham and Custom House, has benefited from the Docklands regeneration, and improved transport infrastructure such as the DLR and Jubilee Line extension.

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

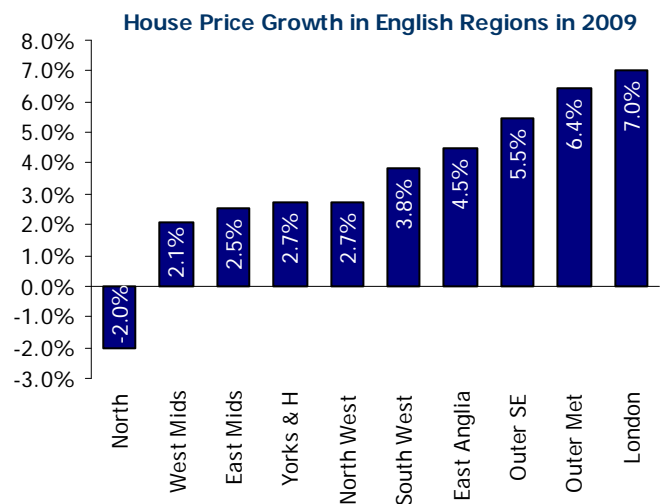
England

Average house price: £179,609
Annual percentage change: 4.5%
Quarterly change (seasonally adjusted): 2.3%
Most expensive area: London
Least expensive area: North
Area with strongest annual price change: London
Area with weakest annual price change: North

House prices in England rose by a seasonally adjusted 2.3% during the fourth quarter, pushing the annual rate of change up from -2.9% to 4.5%.

All regions within England saw prices increase over the quarter, although the rate of growth was generally weaker than in the third quarter. London was the top performing region, with prices increasing by 3.4% in the quarter. London was also the top performer over the year, with prices up 7.0% compared with the fourth quarter of 2008. The surrounding Outer Metropolitan region was close behind with annual growth of 6.4%.

The North saw the smallest increase in prices in the quarter of 0.4%, and was also the weakest over the year, with prices down 2.0% on Q4 2008. All other English regions saw overall price increases during 2009, but the northern & midland regions saw weaker growth than the southern ones.



Source: Nationwide

Of the major towns and cities, Carlisle has seen the strongest house price growth, with prices up 10% over the past year. At the other end of the spectrum, Leicester saw the worst house price performance in 2009, with a 9% fall over the year.

Sub-regional analysis²

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 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
Aberdeen City	£212,009	146%	-9%	0%
Aberdeenshire & Moray	£164,370	159%	-2%	5%
Dunbartonshire & North Lanarkshire	£149,566	109%	0%	7%
Dundee & Angus	£150,197	144%	2%	5%
Edinburgh City	£246,609	125%	-7%	1%
Fife	£129,633	111%	-2%	-2%
Glasgow City	£161,447	116%	-6%	0%
Highlands & Islands	£150,119	142%	-2%	4%
Lothian & Falkirk	£155,480	113%	0%	4%
Perthshire & Stirling	£161,450	120%	-2%	5%
Renfrewshire & Inverclyde	£161,648	126%	1%	10%
South Lanarkshire	£133,435	106%	-7%	-4%
Southern Scotland	£132,752	121%	-4%	-2%

Northern Ireland ([click here to return to commentary](#))

Nationwide Sub-Regions	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
City of Belfast	£196,856	104%	-15%	-4%
Northern Ireland (North East)	£153,087	131%	-12%	-7%
Northern Ireland (South East)	£172,225	129%	-4%	-2%
Northern Ireland (West)	£126,870	101%	-22%	-14%

Wales ([click here to return to commentary](#))

Nationwide Sub-Regions	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
Cardiff	£198,200	123%	-4%	5%
Mid & West Wales	£154,224	154%	0%	2%
North Wales	£154,954	135%	-6%	-4%
South Wales (East)	£153,067	123%	8%	8%
South Wales (West)	£155,956	130%	5%	7%

North ([click here to return to commentary](#))

Nationwide Sub-Regions	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
County Durham	£132,332	112%	-11%	0%
Cumbria	£152,754	129%	0%	4%
Northumberland	£153,410	126%	-11%	0%
Teeside	£138,768	133%	-4%	-1%
Tyne and Wear	£143,262	115%	-7%	-4%

² See notes 3 & 4

North West ([click here to return to commentary](#))

Nationwide Sub-Regions	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
Cheshire	£172,402	103%	-5%	-1%
City of Manchester	£178,532	102%	-6%	-1%
Greater Manchester	£156,145	112%	-3%	1%
Lancashire	£145,236	122%	-8%	2%
Merseyside	£147,244	137%	-3%	3%
Warrington & Halton	£151,915	107%	-6%	2%

Yorkshire & Humberside ([click here to return to commentary](#))

Nationwide Sub-Regions	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
Bradford	£144,553	115%	-10%	-1%
East Yorkshire	£138,558	130%	-5%	-2%
Leeds	£175,139	113%	-5%	6%
North Lincolnshire	£129,262	147%	-4%	-1%
North Yorkshire	£181,921	128%	-9%	-2%
Sheffield	£169,787	144%	4%	6%
South Yorkshire	£129,334	119%	-8%	-7%
West Yorkshire	£143,868	119%	-11%	-2%
York	£198,732	146%	-7%	4%

East Anglia ([click here to return to commentary](#))

Nationwide Sub-Regions	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
Cambridgeshire	£192,610	97%	-10%	1%
Norfolk	£165,032	126%	-7%	-1%
Peterborough	£150,929	112%	-9%	-3%
Suffolk	£175,428	113%	-2%	3%

East Midlands ([click here to return to commentary](#))

Nationwide Sub-Regions	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
Derby	£151,020	121%	-9%	-6%
Derbyshire	£152,373	116%	-7%	-1%
Leicestershire	£163,386	115%	-7%	0%
Mid Lincolnshire	£138,835	134%	-5%	0%
Northampton Town	£162,578	102%	-8%	3%
Northamptonshire	£160,480	104%	-9%	-2%
Nottingham	£131,156	93%	-11%	-6%
Nottinghamshire	£148,423	118%	-6%	1%
South Lincolnshire	£135,365	110%	-13%	-6%

West Midlands ([click here to return to commentary](#))

Nationwide Sub-Regions	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
Birmingham	£157,891	110%	-9%	-5%
Coventry	£153,977	115%	-10%	-1%
Greater Birmingham	£158,173	110%	-7%	-1%
Herefordshire	£182,221	129%	-7%	-2%
Shropshire	£165,537	123%	-5%	1%
Staffordshire	£148,852	107%	-6%	-5%
Warwickshire	£181,030	104%	-5%	0%
Worcestershire	£176,810	102%	-9%	-5%

South West ([click here to return to commentary](#))

Nationwide Sub-Regions	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
Bath	£221,913	102%	-9%	-1%
Bournemouth	£221,378	120%	-3%	1%
Bristol	£208,360	113%	-8%	4%
Cheltenham	£218,992	101%	-6%	5%
Cornwall and Isles of Scilly	£196,561	152%	-3%	-1%
Dorset	£221,925	116%	-3%	3%
Gloucestershire	£189,471	102%	-7%	0%
North Devon	£186,541	149%	-9%	3%
Plymouth	£161,799	160%	-9%	3%
Poole	£226,314	104%	-8%	4%
Somerset	£183,928	118%	-8%	0%
South Devon	£204,852	144%	-8%	-4%
South Gloucestershire	£205,482	113%	-7%	7%
Swindon	£172,369	76%	-7%	1%
Wiltshire	£202,554	99%	-5%	3%

Outer South East ([click here to return to commentary](#))

Nationwide Sub-Regions	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
Basingstoke & Deane	£221,537	85%	-7%	2%
Bedford	£173,458	103%	-9%	-4%
Brighton & Hove	£276,676	139%	-7%	3%
Central Bedfordshire	£204,442	97%	-6%	-1%
East Kent	£187,060	126%	-8%	1%
East Sussex	£208,324	126%	-7%	2%
Isle of Wight	£191,117	152%	-6%	4%
Mid Hampshire	£250,876	107%	-5%	1%
Milton Keynes & Aylesbury	£208,561	101%	-7%	1%
New Forest	£241,712	109%	-8%	3%
North Essex	£195,010	109%	-7%	0%
Oxfordshire	£249,322	98%	-5%	1%
Portsmouth Area	£183,634	114%	-3%	5%
Southampton Area	£206,471	112%	-6%	3%
West Berkshire	£240,361	72%	-8%	5%
West Sussex (South)	£223,529	113%	-8%	2%

Outer Metropolitan ([click here to return to commentary](#))

Nationwide Sub-Regions	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
Bracknell Forest	£236,511	70%	-7%	6%
Central Kent	£223,424	98%	-9%	1%
East Surrey	£284,725	97%	-10%	2%
Hart & Rushmoor	£241,890	87%	-6%	6%
Hertfordshire	£249,044	97%	-8%	1%
Luton	£177,574	115%	-11%	-3%
Medway	£169,733	109%	-8%	-2%
North Surrey	£285,330	82%	-7%	2%
Reading	£224,519	84%	-9%	0%
Slough	£226,417	84%	-13%	-6%
South Buckinghamshire & Chilterns	£275,860	86%	-8%	1%
South Essex	£220,114	112%	-8%	0%
St Albans	£310,432	92%	-7%	4%
West Kent	£226,475	97%	-6%	1%
West Surrey	£297,590	95%	-7%	3%
West Sussex (North)	£247,846	101%	-6%	4%
Windsor & Maidenhead	£292,461	76%	-9%	0%
Wokingham	£249,338	73%	-5%	2%

London ([click here to return to commentary](#))

London Boroughs	Price in 2009 Q4	% change over 10 years	Annual Chg - Last quarter	Annual Chg - This quarter
Barking and Dagenham	£175,296	106%	-15%	-12%
Barnet	£299,206	104%	-8%	3%
Bexley	£214,281	106%	-11%	1%
Brent	£324,641	129%	-6%	4%
Bromley	£253,064	108%	-9%	1%
Camden	£511,301	133%	3%	13%
Croydon	£222,374	107%	-12%	0%
Ealing	£298,020	81%	-13%	-5%
Enfield	£260,133	112%	-12%	-6%
Greenwich	£249,314	123%	-2%	2%
Hackney	£353,248	143%	4%	0%
Hammersmith and Fulham	£471,221	100%	2%	7%
Haringey	£332,837	120%	-10%	3%
Harrow	£267,699	93%	-12%	-1%
Havering	£212,816	119%	-12%	-3%
Hillingdon	£260,007	100%	0%	1%
Hounslow	£276,342	89%	-6%	-2%
Islington	£431,284	117%	-5%	0%
Kingston upon Thames	£313,214	105%	-9%	5%
Lambeth	£327,553	110%	-11%	5%
Lewisham	£248,445	119%	-13%	-1%
Merton	£303,352	95%	-18%	-3%
Newham	£244,239	190%	-8%	8%
Redbridge	£248,786	125%	-8%	4%
Richmond upon Thames	£380,328	95%	-5%	9%
Southwark	£333,827	122%	-8%	-6%

Sutton	£242,021	98%	-7%	5%
Tower Hamlets	£411,329	146%	3%	14%
Waltham Forest	£243,788	138%	-13%	2%
Wandsworth	£401,288	102%	-7%	3%
Westminster	£560,490	127%	-4%	8%

Text in blue indicates hyperlinks to move throughout this document.

Martin Gahbauer, CFA
Chief Economist
Tel: 01793 655434
martin.gahbauer@nationwide.co.uk

Roy Beale
External Communications Officer
Tel: 01793 655689
roy.beale@nationwide.co.uk

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