

# Nationwide HOUSE PRICE INDEX



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Q4 2010

Embargoed until 0700 Fri 31 Dec 2010

## Most UK regions see small price rises over 2010

- House prices fell in ten out of 13 UK regions in the fourth quarter
- East Anglia saw the largest price gains in 2010
- Oxford and St. Albans are best performing regional cities
- Northern Ireland worst performing region for third year running

UK Fact File	
Average UK House Price	£163,244
Annual percentage change	0.7%
Quarterly change*	-1.3%
Most expensive region	London
Least expensive region	North
Strongest annual price change	East Anglia
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 final quarter of 2010 saw house prices fall in ten out of 13 UK regions. For the UK as a whole, prices fell by 1.3% in the quarter, leading to a fall in the annual growth rate from 4.5% to 0.7%.

"East Anglia was the best performing region over the quarter, with prices rising by a seasonally adjusted 1.6%. This increase was sufficient to put East Anglia into the top position for the year, with a 3.8% increase since Q4 2009.

"Northern Ireland was the worst performing region for the third year running, with prices down 8.9% year-on-year, slightly worse than the 6.7% fall seen in 2009. Average prices in the province are down a remarkable 45% from their 2007 peak.

"Scotland saw a modest 0.1% quarter-on-quarter rise, but the annual rate of change remained in negative territory, with prices down 2% over the year.

"Following six consecutive quarters of price rises, London saw a marked slowdown in house price growth in the final quarter, with a seasonally adjusted price decline of 2.0%. Consequently, annual house price growth in the capital fell from 9.2% in the third quarter to 2.7%.

"During 2010, the northern regions of England generally saw weaker price growth than the southern regions. Yorkshire & Humberside was the weakest performing English region over both the quarter and the year, with prices down 3.4% year-on-year. The North West also saw prices fall over the year, with a 1.3% annual decline. All other English regions saw small price increases over the year.

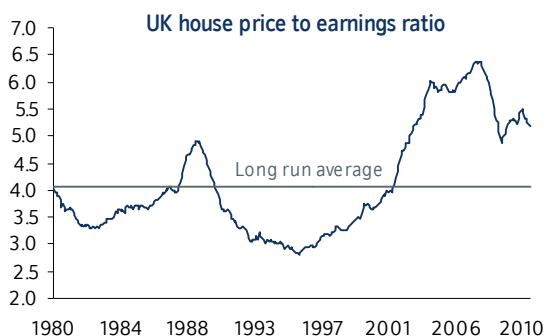
"Wales was one of the weakest performing regions in the final quarter, registering a 2.7% quarter-on-quarter fall. This pushed the annual rate of change into negative territory, with prices down 1.5% compared with Q4 2009.

Media enquiries to: Martin Gahbauer, CFA, Chief Economist, 01793 655434  
[martin.gahbauer@nationwide.co.uk](mailto:martin.gahbauer@nationwide.co.uk)  
Evelyn Turpin, External Communications Officer, 01793 656215  
[evelyn.turpin@nationwide.co.uk](mailto:evelyn.turpin@nationwide.co.uk)



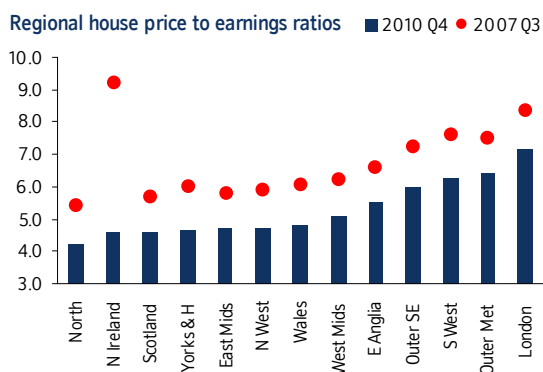
## Affordability has improved across all regions since 2007

“Housing affordability, as measured by the house price to earnings ratio, has improved significantly since the peak in house prices in 2007. The UK house price to earnings ratio currently stands at 5.2, down from a peak of 6.4 in 2007 Q3. The improvement in affordability results from a combination of lower average house prices (which are down 11% from their peak) and higher earnings (with mean gross pay now 9% above 2007’s level).



Source: Nationwide, ONS

“Northern Ireland has seen the greatest improvement in affordability since 2007, thanks to the large price falls experienced over the past few years. The average house price to earnings ratio in the province is now 4.6, down from a peak of 9.2. Most regions have seen their house price earnings ratios improve by around 15 to 20 percent. The most affordable region on this basis is currently the North, with a house price to earnings ratio of 4.2, whilst London is the least affordable at 7.2.”



Source: Nationwide, ONS

## Regional Headlines

Prices calculated on a mix adjusted basis

### Best performing regions over the quarter

Region	Average Price	Quarterly % change
East Anglia	£166,026	1.6%
North	£117,082	0.1%
Scotland	£137,491	0.1%
North West	£137,969	-0.6%
East Midlands	£138,973	-0.8%
West Midlands	£145,752	-1.2%
Outer South East	£195,392	-1.6%
Outer Metropolitan	£238,767	-1.8%
South West	£183,242	-1.9%
London	£283,511	-2.0%
Yorks & Humberside	£132,633	-2.2%
Wales	£133,688	-2.7%
Northern Ireland	£125,637	-3.4%
UK	£163,244	-1.3%

### Best performing regions over the last year

Region	Average Price	Annual % change
East Anglia	£166,026	3.8%
Outer Metropolitan	£238,767	2.8%
London	£283,511	2.7%
South West	£183,242	2.1%
Outer South East	£195,392	2.1%
East Midlands	£138,973	1.8%
North	£117,082	0.8%
West Midlands	£145,752	0.7%
North West	£137,969	-1.3%
Wales	£133,688	-1.5%
Scotland	£137,491	-2.0%
Yorks & Humberside	£132,633	-3.4%
Northern Ireland	£125,637	-8.9%
UK	£163,244	0.7%

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[evelyn.turpin@nationwide.co.uk](mailto:evelyn.turpin@nationwide.co.uk)



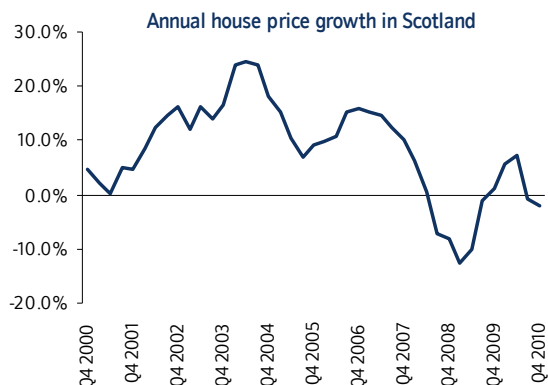
Scotland	
Average house price	£137,491
Annual percentage change	-2.0%
Quarterly change*	0.1%
Most expensive area	Edinburgh
Least expensive area	Fife
Strongest annual price change	Aberdeenshire & Moray
Weakest annual price change	Dundee & Angus

\* Seasonally adjusted

Scotland was amongst only three regions to see prices rise in the fourth quarter, with a small 0.1% quarter-on-quarter increase. The annual rate of change remained negative however, with prices down 2.0% compared with Q4 2009.

Aberdeen City and surrounding Aberdeenshire continued to be the strongest performing areas, with annual growth around 4%. Aberdeenshire benefits from the lowest unemployment rate of all Scottish authorities. Dundee & Angus replaced Lothian & Falkirk as the weakest performing area, with prices down around 3% year-on-year.

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



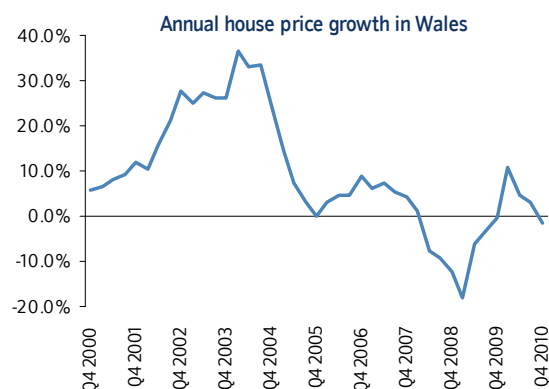
Wales	
Average house price	£133,688
Annual percentage change	-1.5%
Quarterly change*	-2.7%
Most expensive area	Cardiff
Least expensive area	South Wales (East)
Strongest annual price change	North Wales
Weakest annual price change	South Wales (West)

\* Seasonally adjusted

Wales saw a 2.7% quarter-on-quarter fall in prices, making it the second weakest performing region behind Northern Ireland. The annual rate of change continued to decline, from 2.9% in the third quarter to -1.5% in the fourth quarter.

North Wales saw the strongest price growth over 2010, in particular Wrexham where prices were up 9% year-on-year. The South Wales (West) sub-region, which includes Neath, Port Talbot, Swansea and Vale of Glamorgan, continued to be the weakest performing area, with prices down 4% year-on-year.

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



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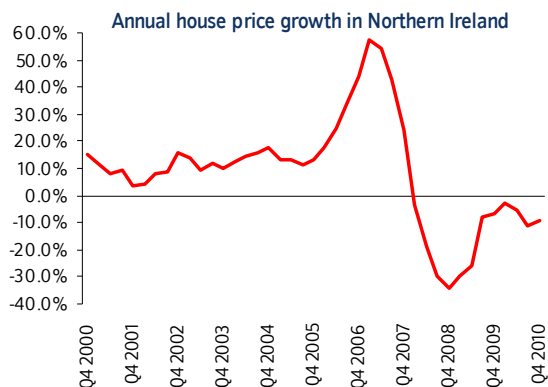
Northern Ireland	
Average house price	£125,637
Annual percentage change	-8.9%
Quarterly change*	-3.4%
Most expensive area	City of Belfast
Least expensive area	Northern Ireland (West)
Strongest annual price change	City of Belfast
Weakest annual price change	Northern Ireland (North East)

\* Seasonally adjusted

Northern Ireland was the weakest UK region over the quarter, with a 3.4% quarter-on-quarter fall in prices. The annual rate of change remained negative for the twelfth consecutive quarter, and prices were down 8.9% compared with the final quarter of 2009.

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 North East saw the weakest house price performance.

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



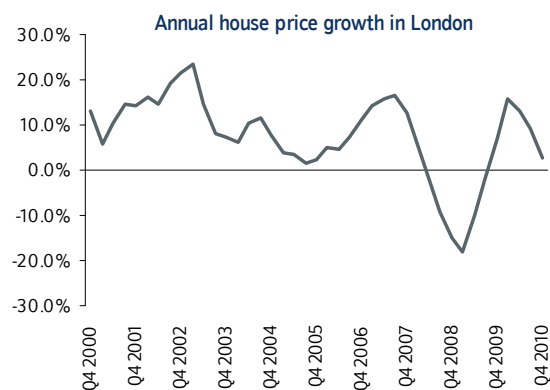
London	
Average house price	£283,511
Annual percentage change	2.7%
Quarterly change*	-2.0%
Most expensive area	Westminster
Least expensive area	Barking & Dagenham
Strongest annual price change	Ealing
Weakest annual price change	Tower Hamlets

\* Seasonally adjusted

House prices in London fell by 2.0% in the fourth quarter of 2010. The annual rate of price growth softened significantly to 2.7%, which resulted in the capital losing its position as the top performing region.

Ealing again saw the strongest house price growth amongst the London boroughs, with prices up 10% year-on-year. Tower Hamlets was the weakest performing borough, with prices down 2% year-on-year.

[Click here for London borough data](#)



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 martin.gahbauer@nationwide.co.uk  
 Evelyn Turpin, External Communications Officer, 01793 656215  
 evelyn.turpin@nationwide.co.uk



## England

Average house price	£182,262
Annual percentage change	1.5%
Quarterly change*	-1.4%
Most expensive region	London
Least expensive region	North
Strongest annual price change	East Anglia
Weakest annual price change	Yorkshire & Humberside

\* Seasonally adjusted

House prices fell by a seasonally adjusted 1.4% in England in the final quarter of 2010. Annual price growth declined from 6.1% in Q3 to 1.5%.

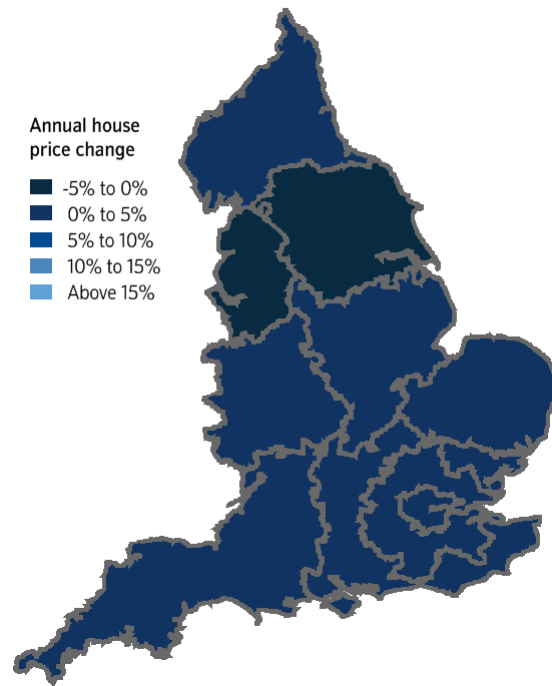
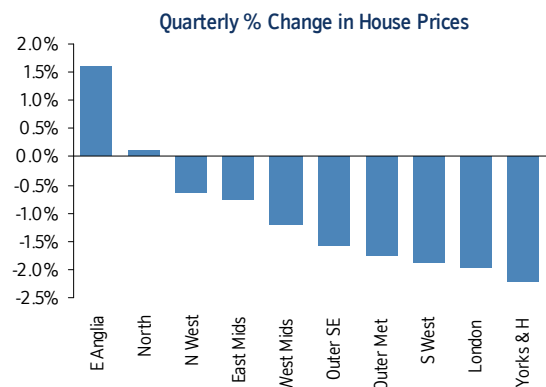
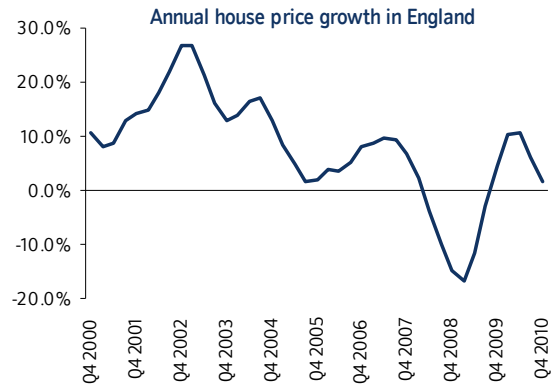
East Anglia and the North were the only regions to see price rises in the quarter. Yorkshire & Humberside saw the largest decline for the second quarter in a row, with a 2.2% quarter-on-quarter fall. In contrast to earlier in the year, the southern regions saw larger quarterly falls than most of the northern regions, although the south continued to outperform on an annual basis.

East Anglia was the top performing region over the year, with prices up 3.8%. The Outer Metropolitan region took second place, with prices up 2.8% compared with Q4 2009. Annual price growth slowed across all English regions in the final quarter, with Yorkshire & Humberside and the North West seeing annual price falls of 3.4% and 1.3% respectively.

Amongst England's major towns and cities, Oxford was the top performer over 2010, with prices up 9%. Newcastle was the worst performing city, with prices falling 4% over the year.

As noted earlier, the North is the most affordable region. The table below shows the most affordable sub region within each English region, as measured by the house price to earnings ratio.

Region	Sub Region
North	Cumbria
Yorks & Humberside	North Lincolnshire
East Midlands	Nottingham
North West	Warrington & Halton
West Midlands	Staffordshire
East Anglia	Peterborough
South West	Swindon
Outer South East	Bedford
Outer Metropolitan	Medway
London	Bexley



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## Major Towns and Cities

### Best performing regional towns / cities

Rank	Town / City	Annual % chng	Average Price
1	Oxford	9%	£329,231
2	St. Albans	8%	£340,432
3	Liverpool	6%	£149,274
4	Bath	6%	£238,212
5	Nottingham	6%	£140,620

### Worst performing regional towns / cities

Rank	Town / City	Annual % chng	Average Price
1	Newcastle	-4%	£152,687
2	Sheffield	-3%	£166,408
3	Bradford	-2%	£142,879
4	Belfast	-1%	£196,811
5	Glasgow	-1%	£162,151

## 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 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Aberdeen City	£219,771	154%	8%	3%
Aberdeenshire & Moray	£173,752	177%	8%	5%
Dunbartonshire & North Lanarkshire	£148,577	110%	5%	-2%
Dundee & Angus	£147,273	137%	-1%	-3%
Edinburgh City	£249,012	121%	6%	0%
Fife	£128,976	115%	1%	-2%
Glasgow City	£162,151	111%	5%	-1%
Highlands & Islands	£151,705	135%	5%	0%
Lothian & Falkirk	£155,198	109%	-2%	-1%
Perthshire & Stirling	£161,111	116%	2%	-1%
Renfrewshire & Inverclyde	£163,861	129%	4%	0%
South Lanarkshire	£134,076	99%	2%	-1%
Southern Scotland	£138,399	127%	7%	3%

### Yorkshire & Humberside

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2010 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Bradford	£142,879	131%	4%	-2%
East Yorkshire	£142,332	124%	4%	2%
Leeds	£180,128	117%	9%	2%
North Lincolnshire	£127,608	138%	0%	-2%
North Yorkshire	£186,068	115%	6%	1%
Sheffield	£166,408	145%	-5%	-3%
South Yorkshire	£132,060	130%	6%	1%
West Yorkshire	£144,825	111%	7%	0%
York	£205,702	119%	10%	3%

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 martin.gahbauer@nationwide.co.uk  
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## Northern Ireland

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Nationwide Sub Regions	Price in 2010 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
City of Belfast	£196,811	87%	-4%	-1%
Northern Ireland (North East)	£142,324	94%	-12%	-8%
Northern Ireland (South East)	£167,825	89%	-7%	-4%
Northern Ireland (West)	£122,747	81%	-11%	-4%

## Wales

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2010 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Cardiff	£206,020	117%	10%	3%
Mid & West Wales	£150,748	150%	-2%	-3%
North Wales	£161,660	141%	9%	4%
South Wales (East)	£149,317	108%	-1%	-3%
South Wales (West)	£151,110	132%	-4%	-4%

## South West

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2010 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Bath	£238,212	83%	15%	6%
Bournemouth	£224,841	92%	2%	0%
Bristol	£213,707	103%	9%	1%
Cheltenham	£229,469	88%	10%	4%
Cornwall and Isles of Scilly	£202,986	135%	8%	2%
Dorset	£229,571	92%	6%	2%
Gloucestershire	£196,210	84%	10%	2%
North Devon	£191,453	108%	8%	1%
Plymouth	£169,987	147%	7%	4%
Poole	£239,036	83%	13%	4%
Somerset	£188,736	90%	5%	1%
South Devon	£215,770	130%	11%	4%
South Gloucestershire	£210,849	94%	10%	1%
Swindon	£176,907	50%	7%	1%
Wiltshire	£206,939	76%	5%	1%

## North West

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2010 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Cheshire	£181,910	106%	10%	4%
City of Manchester	£189,352	115%	7%	5%
Greater Manchester	£160,451	113%	7%	2%
Lancashire	£147,766	124%	8%	1%
Merseyside	£150,871	124%	4%	1%
Warrington & Halton	£161,984	120%	12%	6%

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 martin.gahbauer@nationwide.co.uk  
 Evelyn Turpin, External Communications Officer, 01793 656215  
 evelyn.turpin@nationwide.co.uk



## West Midlands

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Nationwide Sub Regions	Price in 2010 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Birmingham	£166,919	103%	11%	4%
Coventry	£155,973	108%	3%	0%
Greater Birmingham	£164,593	107%	8%	3%
Herefordshire	£185,877	108%	3%	1%
Shropshire	£171,340	100%	8%	2%
Staffordshire	£152,662	97%	7%	1%
Warwickshire	£188,056	91%	5%	3%
Worcestershire	£187,387	93%	7%	5%

## East Midlands

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2010 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Derby	£157,959	118%	10%	3%
Derbyshire	£159,627	126%	11%	4%
Leicestershire	£168,969	109%	8%	2%
Mid Lincolnshire	£142,753	113%	2%	2%
Northampton Town	£166,525	75%	8%	1%
Northamptonshire	£163,895	95%	5%	1%
Nottingham	£140,620	87%	14%	6%
Nottinghamshire	£152,936	106%	7%	2%
South Lincolnshire	£140,931	91%	9%	3%

## Outer Metropolitan

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Nationwide Sub Regions	Price in 2010 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Bracknell Forest	£247,326	53%	12%	3%
Central Kent	£234,103	83%	8%	3%
East Surrey	£297,936	76%	8%	3%
Hart & Rushmoor	£256,630	58%	10%	5%
Hertfordshire	£261,370	75%	11%	3%
Luton	£180,350	85%	8%	0%
Medway	£175,457	83%	8%	2%
North Surrey	£309,117	73%	11%	7%
Reading	£237,559	60%	11%	4%
Slough	£246,796	66%	13%	7%
South Buckinghamshire & Chilterns	£294,182	70%	12%	5%
South Essex	£232,614	94%	10%	4%
St Albans	£340,432	77%	24%	8%
West Kent	£232,715	76%	5%	1%
West Surrey	£305,553	70%	10%	1%
West Sussex (North)	£254,029	69%	9%	1%
Windsor & Maidenhead	£313,888	62%	14%	6%
Wokingham	£270,155	61%	11%	7%

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 martin.gahbauer@nationwide.co.uk  
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## London

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London Boroughs	Price in 2010 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Barking and Dagenham	£184,017	98%	9%	4%
Barnet	£315,810	79%	15%	4%
Bexley	£218,045	79%	5%	1%
Brent	£353,551	111%	17%	8%
Bromley	£262,222	80%	8%	3%
Camden	£540,519	113%	17%	5%
Croydon	£227,967	72%	7%	1%
Ealing	£330,079	89%	23%	10%
Enfield	£270,807	84%	12%	3%
Greenwich	£273,447	107%	17%	9%
Hackney	£368,927	117%	4%	3%
Hammersmith and Fulham	£478,346	76%	9%	0%
Haringey	£363,563	113%	11%	8%
Harrow	£277,346	74%	13%	3%
Havering	£220,874	95%	9%	3%
Hillingdon	£269,632	77%	4%	3%
Hounslow	£294,551	78%	14%	6%
Islington	£439,065	102%	6%	1%
Kingston upon Thames	£327,228	79%	12%	3%
Lambeth	£349,866	89%	15%	6%
Lewisham	£270,098	100%	15%	8%
Merton	£315,916	80%	18%	3%
Newham	£244,135	136%	6%	-1%
Redbridge	£259,781	99%	12%	3%
Richmond upon Thames	£396,496	81%	8%	3%
Southwark	£361,330	95%	20%	7%
Sutton	£247,263	72%	5%	1%
Tower Hamlets	£407,830	121%	1%	-2%
Waltham Forest	£254,949	104%	14%	4%
Wandsworth	£420,356	95%	11%	4%
Westminster	£590,942	112%	13%	4%

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 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Cambridgeshire	£203,635	80%	11%	4%
Norfolk	£168,106	103%	3%	1%
Peterborough	£151,006	91%	0%	-1%
Suffolk	£181,838	97%	6%	2%

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## Outer South East

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Nationwide Sub Regions	Price in 2010 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
Basingstoke & Deane	£232,854	69%	8%	4%
Bedford	£177,797	75%	9%	1%
Brighton & Hove	£289,091	102%	11%	3%
Central Bedfordshire	£211,642	77%	5%	2%
East Kent	£193,221	106%	7%	2%
East Sussex	£218,202	96%	8%	3%
Isle of Wight	£191,132	101%	-2%	-1%
Mid Hampshire	£266,148	83%	11%	5%
Milton Keynes & Aylesbury	£216,970	79%	7%	3%
New Forest	£259,357	89%	12%	6%
North Essex	£203,685	94%	8%	3%
Oxfordshire	£266,121	72%	10%	5%
Portsmouth Area	£186,342	87%	7%	0%
Southampton Area	£214,664	79%	8%	3%
West Berkshire	£244,255	51%	6%	0%
West Sussex (South)	£234,436	91%	13%	4%

## North

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2010 Q4	% change over 10 years	Annual % chng last quarter	Annual % chng this quarter
County Durham	£134,501	112%	7%	1%
Cumbria	£159,965	141%	6%	4%
Northumberland	£159,813	132%	12%	4%
Teeside	£139,274	130%	3%	0%
Tyne and Wear	£147,558	127%	6%	2%

### 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](http://www.nationwide.co.uk/mediacentre/economist.asp)

**Media enquiries to:** Martin Gahbauer, CFA, Chief Economist, 01793 655434  
[martin.gahbauer@nationwide.co.uk](mailto:martin.gahbauer@nationwide.co.uk)  
 Evelyn Turpin, External Communications Officer, 01793 656215  
[evelyn.turpin@nationwide.co.uk](mailto:evelyn.turpin@nationwide.co.uk)

