

Nationwide HOUSE PRICE INDEX



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Q4 2011

Embargoed until 0700 Fri 30 Dec 2011

Most regions see house prices rise in 2011

- 9 out of 13 UK regions recorded house price rises in 2011
- London sees strongest growth in the quarter and also over the year
- Northern Ireland is the worst performing region for fourth consecutive year and now the least expensive UK region

UK Fact File	
Average UK House Price	£164,785
Annual percentage change	1.1%
Quarterly change*	0.3%
Most expensive region	London
Least expensive region	N Ireland
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)

Please note that these figures are for the three months to December, therefore will show a different UK average price and annual percentage change to our *monthly* house price report.

Text in blue indicates hyperlink

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

"Average house prices in the UK rose by a modest 0.3% in the fourth quarter. The annual rate of change increased from -0.5% to 1.1%.

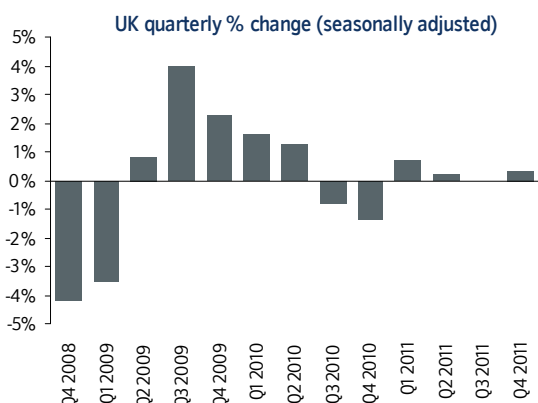
"London saw the strongest quarterly growth rate, with prices up 2.6% quarter-on-quarter. This pushed the annual rate of growth up to 5.4%, making London the best performing region over the past year.

"Most English regions ended the year with prices higher than Q4 2010. Only the North and North West saw price falls, with average prices down 1.0% and 1.2% respectively.

"Scotland saw no change in prices during the quarter, and the annual rate of change remained negative at -0.8%.

"Wales saw a 0.9% fall in prices in Q4. However, thanks to strong growth in previous quarters, average prices ended the year up 1.5%.

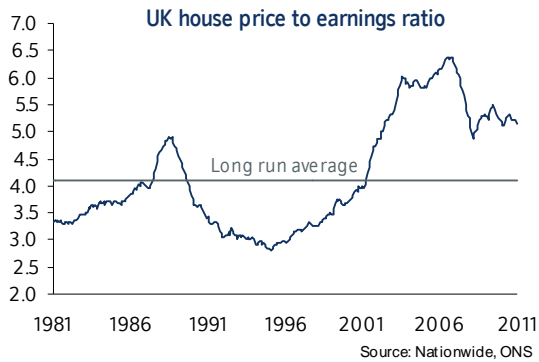
"2011 marked another disappointing year for house price performance in Northern Ireland, which was the worst performing region for the fourth consecutive year. Average prices were down 8.9% compared with Q4 2010."



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Update on regional affordability

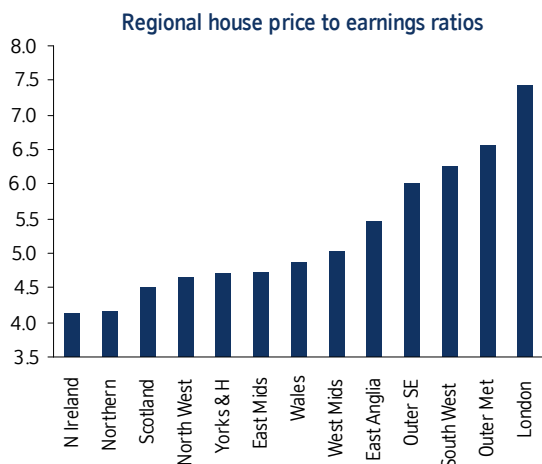
Earnings growth softened alongside house price growth in 2011, meaning that housing affordability was little changed compared with the previous year in the UK as a whole. The UK house price to earnings ratio currently stands as 5.2, which is still above the long-term average, but down from a peak of 6.4 in 2007.



Due to continued price falls, Northern Ireland is now the cheapest UK region in terms of average prices, and is also the most affordable relative to average earnings. Northern Ireland's house price to earnings ratio is now 4.1, down from 4.6 one year ago and a peak of 9.2 in 2007.

While house price to earnings ratios are below their peak in all regions, there has been little change in affordability levels, at least on this metric, over the past year in most regions. The North remains the most affordable English region, using the house price to earnings measure, at 4.1.

The southern regions tend to be less affordable, in particular the South West, Outer South East, Outer Metropolitan and London. Relatively strong price growth in London this year consolidated its position as the least affordable region, with a rise in house price to earnings ratio from 7.2 to 7.4.



Regional Headlines

Prices are calculated on a mix adjusted basis

Regions over the quarter

Region	Average Price	Quarterly % change*
London	£298,216	2.6%
Outer South East	£198,363	1.6%
East Anglia	£167,900	1.2%
East Midlands	£139,669	0.5%
West Midlands	£146,109	0.5%
Outer Metropolitan	£247,058	0.4%
North West	£135,427	0.2%
South West	£184,316	0.1%
Scotland	£136,347	0.0%
North	£115,716	-0.4%
Yorks & Humberside	£134,467	-0.8%
Wales	£135,308	-0.9%
Northern Ireland	£113,614	-2.6%
UK	£164,785	0.3%

* Seasonally adjusted

Regions over the last year

Region	Average Price	Annual % change
London	£298,216	5.4%
Outer Metropolitan	£247,058	3.6%
Yorks & Humberside	£134,467	1.6%
Outer South East	£198,363	1.6%
Wales	£135,308	1.5%
East Anglia	£167,900	1.5%
East Midlands	£139,669	0.6%
South West	£184,316	0.6%
West Midlands	£146,109	0.3%
Scotland	£136,347	-0.8%
North	£115,716	-1.0%
North West	£135,427	-1.2%
Northern Ireland	£113,614	-8.9%
UK	£164,785	1.1%

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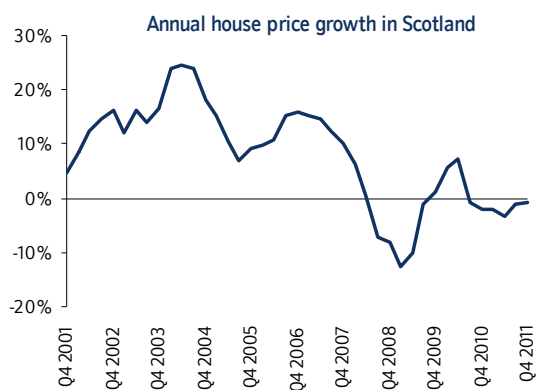
Scotland	
Average house price	£136,347
Annual percentage change	-0.8%
Quarterly change*	0.0%
Most expensive area	Edinburgh
Least expensive area	Fife
Strongest annual price change	Fife
Weakest annual price change	Aberdeenshire & Moray

* Seasonally adjusted

2011 marked the second consecutive year of annual price falls in Scotland, with prices down 0.8% year-on-year. However, Scotland remains one of the more affordable regions in the UK, with a house price to earnings ratio of 4.5.

Fife and Dundee & Angus were the only areas not to experience price falls during the year. Aberdeenshire & Moray was the worst performing area.

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



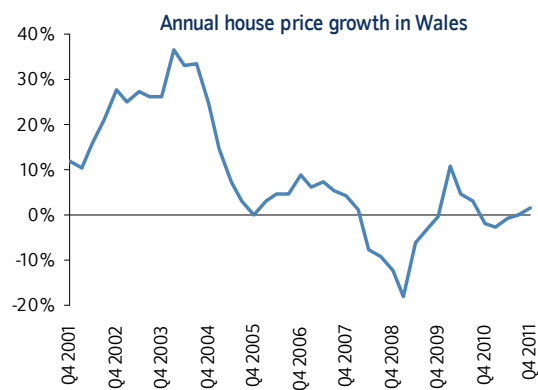
Wales	
Average house price	£135,308
Annual percentage change	1.5%
Quarterly change*	-0.9%
Most expensive area	Cardiff
Least expensive area	Mid & West Wales
Strongest annual price change	South Wales (East)
Weakest annual price change	North Wales

* Seasonally adjusted

Despite a 0.9% seasonally adjusted fall in the fourth quarter, annual price growth in Wales remained positive, with prices ending the year up 1.5%.

The South Wales (East) sub-region, which includes Blaenau Gwent, Caerphilly, Merthyr Tydfil, Monmouthshire, Newport and Torfaen, was again the strongest performing area. North Wales was the weakest performing area, closely followed by Mid & West Wales. Both these sub-regions saw small price falls over the year.

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



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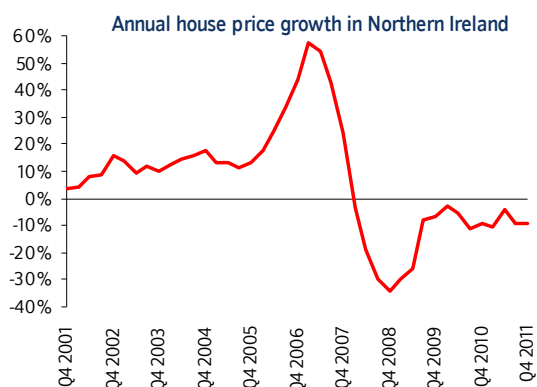
Northern Ireland	
Average house price	£113,614
Annual percentage change	-8.9%
Quarterly change*	-2.6%
Most expensive area	City of Belfast
Least expensive area	Northern Ireland (West)
Strongest annual price change	Northern Ireland (North East)
Weakest annual price change	City of Belfast

* Seasonally adjusted

Northern Ireland was the weakest performing region over both the quarter and the year. 2011 marked the fourth consecutive year of annual price falls, with average prices ending the year down 8.9% compared with Q4 2010. Average prices in Northern Ireland are 50% lower than their 2007 peak.

All areas saw price falls over the year, the largest being in the City of Belfast, which saw a 19% year-on-year decline.

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



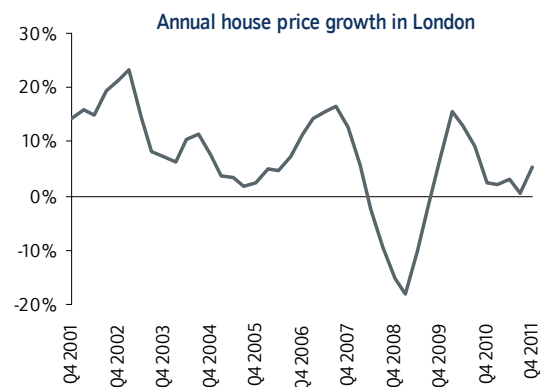
London	
Average house price	£298,216
Annual percentage change	5.4%
Quarterly change*	2.6%
Most expensive area	Westminster
Least expensive area	Barking & Dagenham
Strongest annual price change	Islington
Weakest annual price change	Newham

* Seasonally adjusted

Annual price growth in London accelerated in the fourth quarter to 5.4%, boosted by a 2.6% quarter-on-quarter rise (seasonally adjusted). London was the top performing region over the year, with prices ending the year just shy of £300,000, just 1.6% below their peak.

Islington saw the strongest growth, with prices up 15% compared with last year. It was a disappointing performance for Newham however, which saw a 3% year-on-year fall in average prices.

[Click here for London borough data](#)



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England

Average house price	£185,724
Annual percentage change	2.1%
Quarterly change*	0.8%
Most expensive region	London
Least expensive region	North
Strongest annual price change	London
Weakest annual price change	North West

* Seasonally adjusted

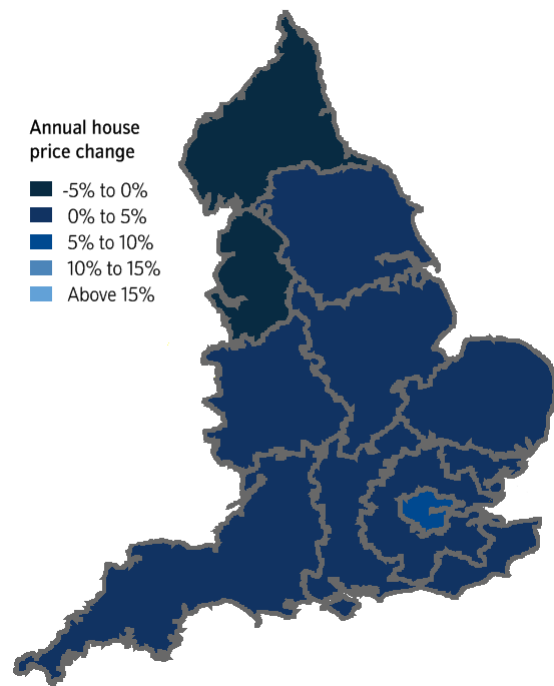
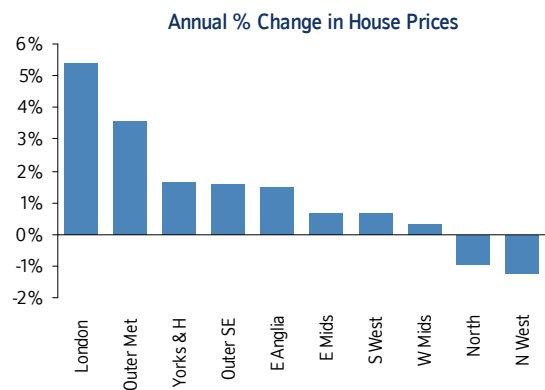
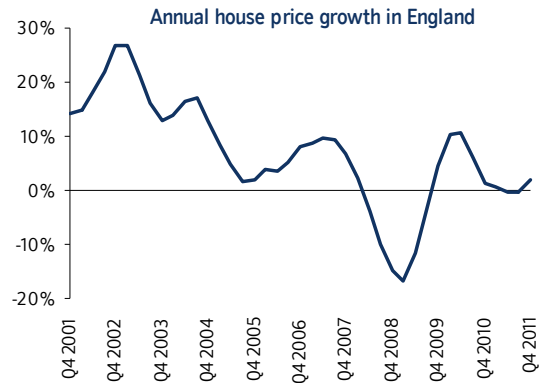
Average house prices in England ended the year up 2.1%.

London was the best performing region, with a 5.4% annual increase. Outside of the capital, the Outer Metropolitan region continued to perform well, with prices up 3.6% year-on-year. Most English regions saw small price rises over the year, with the exception of the North and North West which both saw price falls. The North West was the worst performing English region, with prices down 1.2% compared with Q4 2010.

Amongst England's major towns and cities, Bradford was the top performer over 2011, with prices up 10%. Carlisle was the worst performing city, with prices falling 8% over the year.

Whilst the North is the most affordable English region according to the house price to earnings ratio, the most affordable sub-region, North Lincolnshire, can actually be found in Yorkshire and Humberside. The table below shows the most affordable sub region within each English region.

Region	Sub Region
Yorkshire & Humberside	North Lincolnshire
North	Northumberland
East Midlands	Mid Lincolnshire
North West	Lancashire
West Midlands	Staffordshire
East Anglia	Peterborough
South West	Swindon
Outer Metropolitan	Medway
Outer South East	Bedford
London	Bromley



Major Towns and Cities

Best performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	Bradford	10%	£158,401
2	Cambridge	7%	£313,529
3	London*	7%	£338,741
4	Bath	5%	£253,609
5	Newcastle	5%	£162,097

Worst performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	Belfast	-19%	£161,326
2	Carlisle	-8%	£134,124
3	Edinburgh	-6%	£237,532
4	Aberdeen	-3%	£215,598
5	Glasgow	-3%	£159,257

* This figure is on a different basis to the London regional index to enable a direct comparison with other towns and cities

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 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Aberdeen City	£215,598	128%	-2%	-3%
Aberdeenshire & Moray	£163,856	142%	-2%	-7%
Dunbartonshire & North Lanarkshire	£146,215	87%	-1%	-3%
Dundee & Angus	£149,365	130%	-6%	0%
Edinburgh City	£237,532	89%	-4%	-6%
Fife	£131,400	100%	-2%	0%
Glasgow City	£159,257	81%	-3%	-3%
Highlands & Islands	£144,292	112%	-5%	-6%
Lothian & Falkirk	£153,047	98%	-4%	-3%
Perthshire & Stirling	£161,632	95%	-2%	-1%
Renfrewshire & Inverclyde	£161,786	107%	-2%	-3%
South Lanarkshire	£133,885	92%	-3%	-2%
Southern Scotland	£135,194	110%	-3%	-4%

Yorkshire & Humberside

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Nationwide Sub Regions	Price in 2011 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bradford	£158,401	115%	9%	10%
East Yorkshire	£148,057	114%	-1%	3%
Leeds	£180,466	87%	-3%	-1%
North Lincolnshire	£123,456	104%	0%	-4%
North Yorkshire	£193,103	98%	1%	3%
Sheffield	£170,572	112%	3%	1%
South Yorkshire	£138,610	112%	-2%	4%
West Yorkshire	£144,052	96%	-1%	-2%
York	£212,963	79%	1%	2%

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Northern Ireland

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Nationwide Sub Regions	Price in 2011 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
City of Belfast	£161,326	47%	-12%	-19%
Northern Ireland (North East)	£128,124	57%	-9%	-11%
Northern Ireland (South East)	£142,825	47%	-15%	-16%
Northern Ireland (West)	£109,876	50%	4%	-12%

Wales

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Nationwide Sub Regions	Price in 2011 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cardiff	£209,197	83%	-2%	1%
Mid & West Wales	£150,945	110%	-1%	-1%
North Wales	£160,807	107%	1%	-1%
South Wales (East)	£158,051	103%	2%	5%
South Wales (West)	£153,274	104%	1%	0%

South West

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Nationwide Sub Regions	Price in 2011 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bath	£253,609	79%	5%	5%
Bournemouth	£244,304	72%	1%	7%
Bristol	£224,982	87%	3%	4%
Cheltenham	£235,536	66%	1%	1%
Cornwall and Isles of Scilly	£203,304	98%	-4%	-1%
Dorset	£240,443	75%	1%	3%
Gloucestershire	£203,182	67%	-5%	2%
North Devon	£189,621	76%	-1%	-2%
Plymouth	£178,628	108%	4%	4%
Poole	£254,693	74%	0%	5%
Somerset	£191,245	71%	-2%	0%
South Devon	£214,371	87%	-6%	-2%
South Gloucestershire	£210,986	66%	-3%	-1%
Swindon	£183,044	39%	-2%	2%
Wiltshire	£216,927	59%	3%	4%

North West

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2011 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cheshire	£180,013	77%	-3%	-2%
City of Manchester	£186,778	84%	0%	-3%
Greater Manchester	£162,911	91%	-2%	0%
Lancashire	£146,448	86%	-1%	-2%
Merseyside	£151,711	96%	-2%	-1%
Warrington & Halton	£164,898	85%	-3%	1%

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West Midlands

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Nationwide Sub Regions	Price in 2011 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Birmingham	£170,705	80%	-2%	1%
Coventry	£158,210	81%	6%	0%
Greater Birmingham	£166,785	79%	0%	0%
Herefordshire	£184,889	80%	-1%	-2%
Shropshire	£166,945	70%	-4%	-4%
Staffordshire	£156,353	77%	-3%	1%
Warwickshire	£197,132	76%	1%	4%
Worcestershire	£190,120	68%	1%	0%

East Midlands

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Nationwide Sub Regions	Price in 2011 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Derby	£159,866	90%	1%	0%
Derbyshire	£160,747	89%	-6%	-1%
Leicestershire	£171,839	76%	-2%	0%
Mid Lincolnshire	£141,346	84%	-1%	-2%
Northampton Town	£168,866	59%	1%	0%
Northamptonshire	£169,863	69%	1%	2%
Nottingham	£141,479	74%	-7%	-1%
Nottinghamshire	£157,725	96%	3%	2%
South Lincolnshire	£152,132	81%	0%	7%

Outer Metropolitan

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Nationwide Sub Regions	Price in 2011 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bracknell Forest	£246,432	39%	-4%	-2%
Central Kent	£240,457	62%	1%	1%
East Surrey	£308,522	59%	5%	2%
Hart & Rushmoor	£256,555	51%	-4%	-1%
Hertfordshire	£283,147	70%	2%	7%
Luton	£186,614	63%	-1%	2%
Medway	£179,118	54%	-4%	1%
North Surrey	£315,537	52%	-2%	1%
Reading	£251,057	50%	-1%	4%
Slough	£250,331	52%	-2%	0%
South Buckinghamshire & Chilterns	£312,732	64%	4%	5%
South Essex	£241,318	75%	0%	2%
St Albans	£358,460	61%	-2%	4%
West Kent	£250,233	63%	2%	6%
West Surrey	£313,910	54%	0%	1%
West Sussex (North)	£260,768	57%	-1%	1%
Windsor & Maidenhead	£317,905	49%	-1%	0%
Wokingham	£276,509	44%	-1%	1%

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London

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London Boroughs	Price in 2011 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Barking and Dagenham	£195,578	65%	1%	5%
Barnet	£344,058	71%	-1%	8%
Bexley	£225,025	60%	2%	2%
Brent	£351,971	93%	-2%	-1%
Bromley	£265,593	62%	0%	0%
Camden	£568,231	100%	-5%	4%
Croydon	£234,017	53%	1%	2%
Ealing	£356,204	73%	-5%	7%
Enfield	£280,291	60%	-4%	3%
Greenwich	£313,329	101%	5%	14%
Hackney	£414,435	101%	8%	11%
Hammersmith and Fulham	£541,883	94%	12%	12%
Haringey	£376,753	84%	6%	3%
Harrow	£304,889	63%	5%	9%
Havering	£225,344	66%	-1%	1%
Hillingdon	£279,872	60%	2%	3%
Hounslow	£320,292	65%	0%	8%
Islington	£507,952	91%	6%	15%
Kingston upon Thames	£345,063	69%	1%	5%
Lambeth	£370,106	84%	5%	5%
Lewisham	£297,355	91%	6%	9%
Merton	£334,385	70%	2%	5%
Newham	£238,683	83%	-2%	-3%
Redbridge	£277,119	72%	6%	6%
Richmond upon Thames	£411,844	78%	6%	3%
Southwark	£373,702	80%	-3%	3%
Sutton	£254,866	54%	4%	2%
Tower Hamlets	£404,339	93%	5%	-2%
Waltham Forest	£263,092	69%	2%	2%
Wandsworth	£438,507	76%	5%	3%
Westminster	£670,117	99%	12%	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	£219,580	68%	3%	6%
Norfolk	£174,453	72%	0%	2%
Peterborough	£160,012	77%	3%	4%
Suffolk	£190,396	75%	0%	3%

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Outer South East

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Nationwide Sub Regions	Price in 2011 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Basingstoke & Deane	£237,928	45%	-2%	1%
Bedford	£186,301	65%	-2%	3%
Brighton & Hove	£301,760	72%	-2%	3%
Central Bedfordshire	£213,620	58%	-1%	0%
East Kent	£192,078	71%	-4%	-2%
East Sussex	£224,194	76%	-2%	1%
Isle of Wight	£193,765	75%	8%	0%
Mid Hampshire	£268,265	56%	-1%	-1%
Milton Keynes & Aylesbury	£228,677	59%	1%	4%
New Forest	£249,071	61%	-6%	-5%
North Essex	£211,948	71%	2%	3%
Oxfordshire	£272,140	56%	-2%	1%
Portsmouth Area	£193,452	61%	-2%	2%
Southampton Area	£220,338	57%	0%	1%
West Berkshire	£249,976	42%	-3%	1%
West Sussex (South)	£246,325	66%	-5%	4%

North

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2011 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
County Durham	£132,412	100%	0%	-3%
Cumbria	£157,498	103%	-6%	-3%
Northumberland	£143,332	97%	-5%	-11%
Teeside	£142,039	108%	0%	1%
Tyne and Wear	£148,802	90%	1%	0%

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.

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