

# Nationwide HOUSE PRICE INDEX



[www.nationwide.co.uk/hpi](http://www.nationwide.co.uk/hpi)

September 2013

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## House price growth accelerates in September

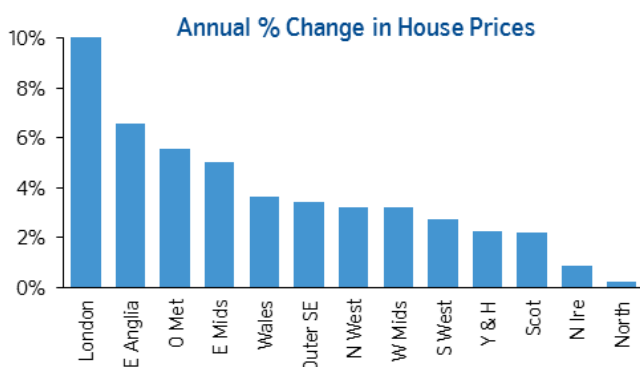
- UK house prices increased by 0.9% in September and were 5.0% higher than September 2012
- The typical UK home is now worth £172,127
- Southern regions of England, especially London, continue to record strongest rates of house price growth

Headlines	Sep-13	Aug-13
Monthly Index*	341.4	338.4
Monthly Change*	0.9%	0.7%
Annual Change	5.0%	3.5%
Average Price (not seasonally adjusted)	£172,127	£170,514

\* Seasonally adjusted figure (note that monthly % changes are revised when seasonal adjustment factors are re-estimated)

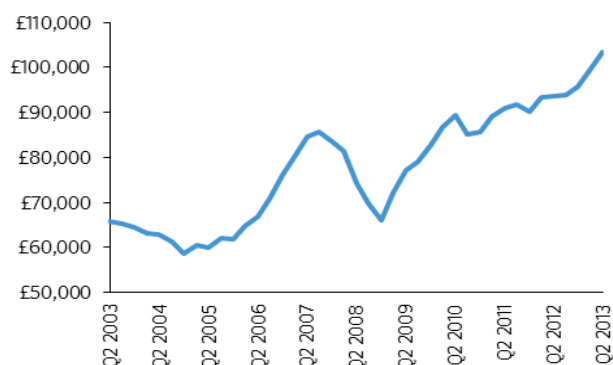
### Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said:

"UK house price growth accelerated in September, rising by 0.9% over the month. As a result, the annual rate of house price growth rose to 5%, the strongest pace since July 2010. There are also signs that the pickup is becoming increasingly broad-based. For the first time since 2007, all thirteen UK regions experienced annual house price growth in the third quarter of 2013. However, the southern regions of England continued to see the strongest rates of growth – especially London, where the annual rate of growth reached double digits in the three months to September.



"The gap between house prices in the North and the South of England reached a new high in Q3, rising above £100,000 for the first time. The typical property price in the South of England is now 74% above its Northern equivalent.

House price gap between Southern & Northern England



Note: Southern England includes: London, Outer Metropolitan, Outer South East, South West, East Anglia. Northern England includes: North, North West, Yorkshire and Humberside, East and West Midlands.

"The acceleration in house price growth from the subdued pace prevailing throughout 2011 and 2012 has been surprisingly quick, though house prices are still some way below their previous peaks in most parts of the country. Overall, UK house prices are still around 8% below their 2007 highs. However, there is still significant regional variation, with prices in Scotland, Wales and the North of England around 12% to 14% below their previous peaks, while in many southern regions prices are 5% to 7% lower. Only in London are prices at an all-time high, 8% above the previous peak.

### Demand recovering faster than supply

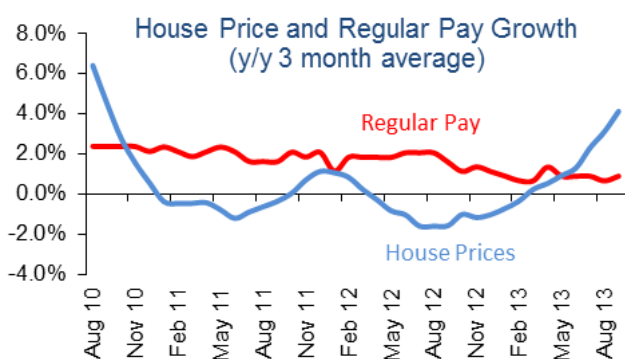
"Demand is being supported by an improvement in the availability and a reduction in the cost of credit, partly as a result of policy measures such as the Funding for Lending Scheme and Help to Buy. The improving economic outlook is also encouraging more people to take their first steps into the property market. Consumer confidence has increased significantly in recent months, thanks to further modest gains in employment and signs that the UK recovery is finally gathering momentum.

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“While there have been encouraging signs that house building is starting to recover, construction is still running well below what is likely to be required to keep up with demand. New housing starts in England were up 33% in Q2 compared to the same period of 2012, but this is still 36% below the levels prevailing in 2007, which were already below that required to keep pace with household formation.

“The risk is that if demand continues to run ahead of supply, affordability may become stretched. House price growth has been outstripping average earnings growth since the middle of the year, for the first time since late 2010. However, affordability is being supported by the ultra low level of interest rates. A typical mortgage payment for a first time buyer is currently equal to around 29% of take home pay, in line with the long term average.”



Source: Nationwide/ONS

For more information on regional house prices, please access our [Quarterly Regional House Price Report](#).

## Monthly UK House Price Statistics

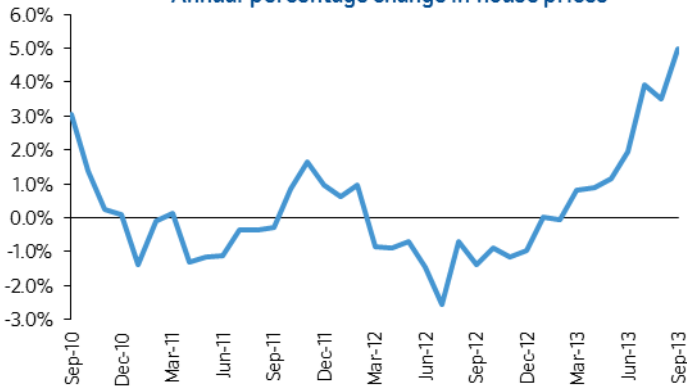
	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Sep-11	0.1	-0.1	-0.3	166,256
Oct-11	0.1	-0.4	0.8	165,650
Nov-11	0.3	-0.1	1.6	165,798
Dec-11	-0.3	0.1	1.0	163,822
Jan-12	-0.5	0.2	0.6	162,228
Feb-12	0.4	-0.2	0.9	162,712
Mar-12	-0.7	-0.5	-0.9	163,327
Apr-12	-0.1	-0.6	-0.9	164,134
May-12	0.2	-0.6	-0.7	166,022
Jun-12	-0.5	-0.5	-1.5	165,738
Jul-12	-1.0	-0.7	-2.6	164,389
Aug-12	1.1	-0.6	-0.7	164,729
Sep-12	-0.6	-0.6	-1.4	163,964
Oct-12	0.6	0.1	-0.9	164,153
Nov-12	0.1	0.3	-1.2	163,853
Dec-12	0.0	0.6	-1.0	162,262
Jan-13	0.5	0.4	0.0	162,245
Feb-13	0.3	0.7	0.0	162,638
Mar-13	0.2	0.8	0.8	164,630
Apr-13	0.0	0.7	0.9	165,586
May-13	0.5	0.7	1.1	167,912
Jun-13	0.4	0.6	1.9	168,941
Jul-13	1.0	1.1	3.9	170,825
Aug-13	0.7	1.5	3.5	170,514
Sep-13	0.9	2.1	5.0	172,127

Note: Historical figures including index levels can be viewed using the following link:

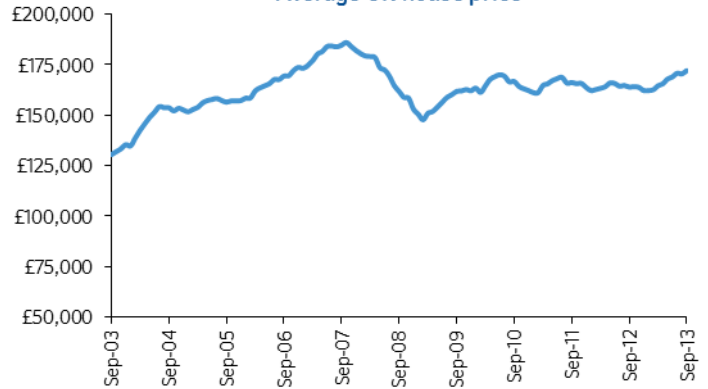
[www.nationwide.co.uk/hpi/datadownload](http://www.nationwide.co.uk/hpi/datadownload)

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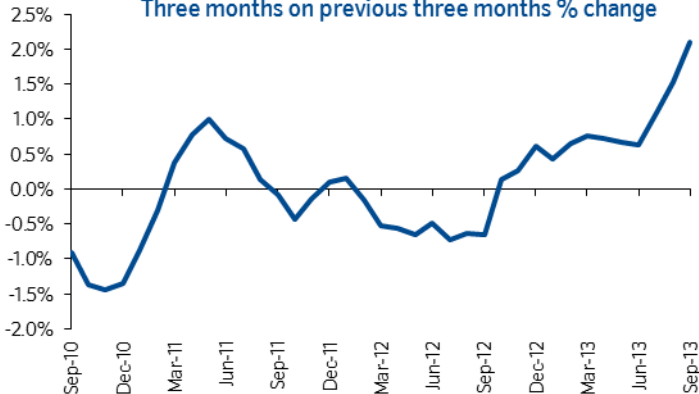
Annual percentage change in house prices



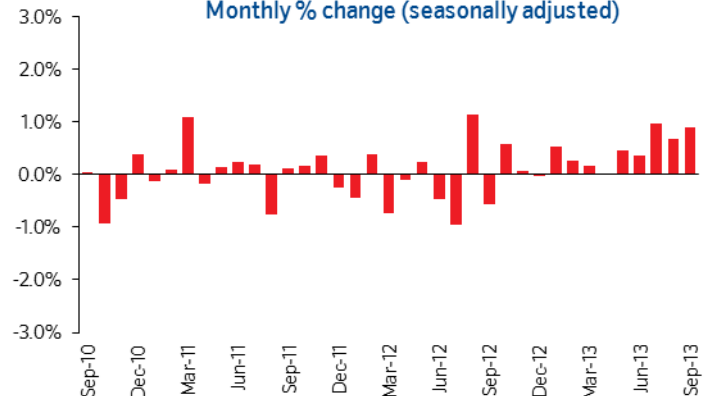
Average UK house price



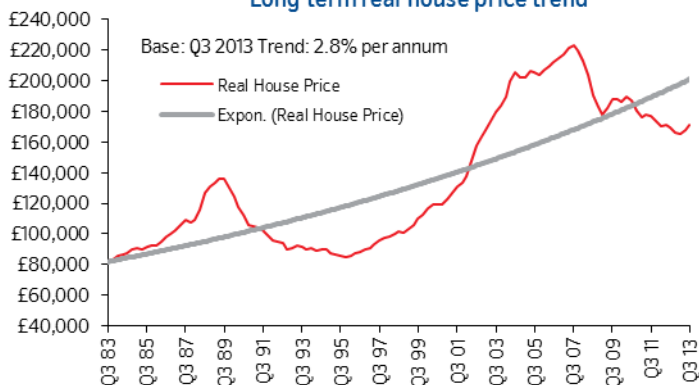
Three months on previous three months % change



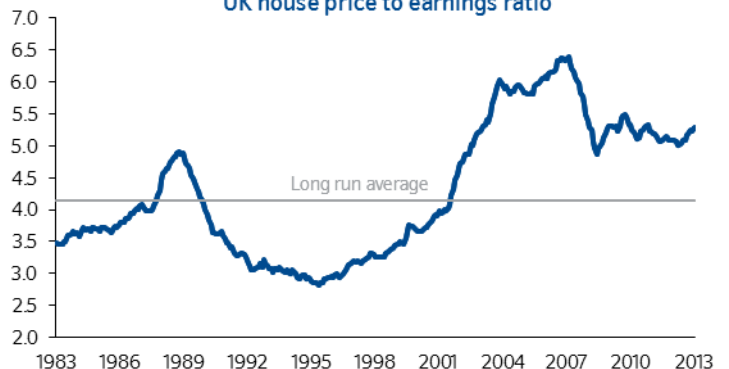
Monthly % change (seasonally adjusted)



Long term real house price trend



UK house price to earnings ratio



Source: Nationwide, ONS

Notes

Indices and average prices are produced using Nationwide's updated mix adjusted House Price Methodology which was introduced with effect from the first quarter of 1995. The data is drawn from Nationwide's house purchase mortgage lending at the post survey approvals stage. Price indices are seasonally adjusted using the US Bureau of the Census X12 method. Currently the calculations are based on a monthly data series starting from January 1991. Figures are recalculated each month which may result in revisions to historical data.

The Nationwide Monthly 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. All changes are nominal and do not allow for inflation.

More information on the house price index methodology along with time series data and archives of housing research can be found at [www.nationwide.co.uk/hpi](http://www.nationwide.co.uk/hpi)

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