

# Nationwide HOUSE PRICE INDEX



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

August 2020

## House prices recover from recent dip to reach new all-time high in August

- Annual house price growth picked up to 3.7% in August
- Prices up 2% month-on-month, after taking account of seasonal factors, as momentum builds

Headlines	Aug-20	Jul-20
Monthly Index*	445.5	436.9
Monthly Change*	2.0%	1.8%
Annual Change	3.7%	1.5%
Average Price (not seasonally adjusted)	£224,123	£220,935

\* 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 prices rose by 2.0% in August, after taking account of seasonal effects, following a 1.8% rise in July. This is the highest monthly rise since February 2004 (2.7%). As a result, annual house price growth accelerated to 3.7%, from 1.5% last month.

"House prices have now reversed the losses recorded in May and June and are at a new all-time high.

"The bounce back in prices reflects the unexpectedly rapid recovery in housing market activity since the easing of lockdown restrictions.

"This rebound reflects a number of factors. Pent up demand is coming through, where decisions taken to move before lockdown are progressing. Behavioural shifts may also be boosting activity, as people reassess their housing needs and preferences as a result of life in lockdown. Our own research, conducted in May ([link](#)), indicated that around 15% of people surveyed were considering moving as a result of lockdown.

"Moreover, social distancing does not appear to be having as much of a chilling effect as we might have feared, at least at this point.

"These trends look set to continue in the near term, further boosted by the recently announced stamp duty holiday, which will serve to bring some activity forward.

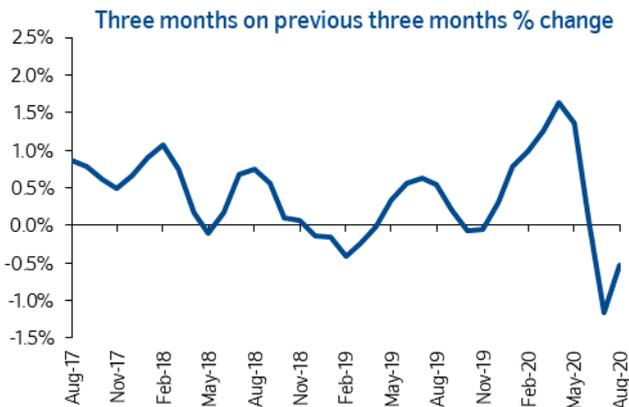
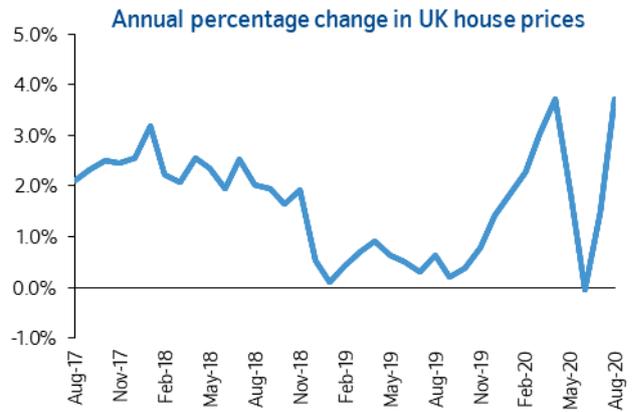
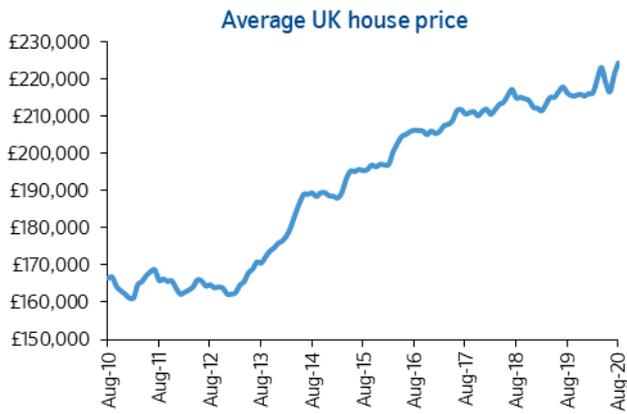
"However, most forecasters expect labour market conditions to weaken significantly in the quarters ahead as a result of the aftereffects of the pandemic and as government support schemes wind down. If this comes to pass, it would likely dampen housing activity once again in the quarters ahead."

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Aug-18	-0.5	0.8	2.0	214,745
Sep-18	0.2	0.6	2.0	214,922
Oct-18	0.0	0.1	1.6	214,534
Nov-18	0.1	0.1	1.9	214,044
Dec-18	-0.5	-0.1	0.5	212,281
Jan-19	0.1	-0.1	0.1	211,966
Feb-19	-0.1	-0.4	0.4	211,304
Mar-19	0.1	-0.2	0.7	213,102
Apr-19	0.4	0.0	0.9	214,920
May-19	0.1	0.3	0.6	214,946
Jun-19	0.2	0.6	0.5	216,515
Jul-19	0.2	0.6	0.3	217,663
Aug-19	-0.2	0.5	0.6	216,096
Sep-19	-0.3	0.2	0.2	215,352
Oct-19	0.2	-0.1	0.4	215,368
Nov-19	0.5	-0.1	0.8	215,734
Dec-19	0.2	0.3	1.4	215,282
Jan-20	0.5	0.8	1.9	215,897
Feb-20	0.3	1.0	2.3	216,092
Mar-20	0.8	1.3	3.0	219,583
Apr-20	1.1	1.6	3.7	222,915
May-20	-1.6	1.4	1.8	218,902
Jun-20	-1.6	0.1	-0.1	216,403
Jul-20	1.8	-1.2	1.5	220,936
Aug-20	2.0	-0.5	3.7	224,123

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Building Society



## 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.

More information on the house price index methodology along with time series data and archives of housing research can be found at <http://www.nationwide.co.uk/about/house-price-index/headlines>

Historical figures including index levels can be viewed using the following link: <http://www.nationwide.co.uk/about/house-price-index/download-data>

Photographs of our economist are available at:

<http://www.nationwide.co.uk/about/media-centre-and-specialist-areas/media-centre/photo-library>

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