

Nationwide HOUSE PRICE INDEX



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March 2016

House price growth accelerates in March

- UK annual house price growth increased to 5.7% in March
- North-South divide continues to widen

UK Headlines	Mar-16	Feb-16
Monthly Index*	401.8	398.7
Monthly Change*	0.8%	0.4%
Annual Change	5.7%	4.8%
Average Price (not seasonally adjusted)	£200,251	£196,930

* 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:

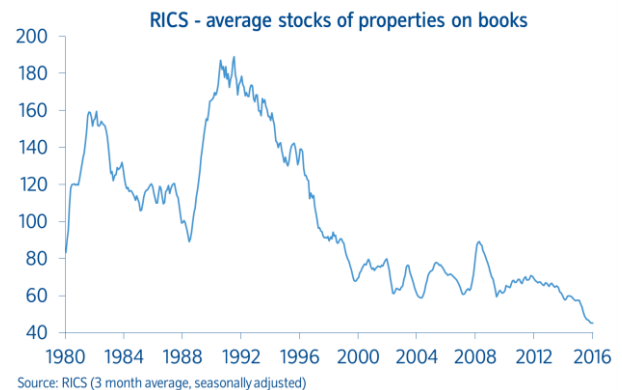
"The price of a typical UK home increased by 0.8% in March, while the annual rate of house price growth rose to 5.7%, the strongest pace since February 2015 up from 4.8% the previous month.

"There has been a pickup in housing market activity in recent months, with the number of housing transactions and mortgage approvals rising strongly. This is likely to have been driven, at least in part, by upcoming changes to stamp duty on second homes, where buyers have brought forward purchases in order to avoid the additional tax liabilities.

"This temporary boost to demand against a backdrop of continued constrained supply is likely to have exerted upward pressure on prices and helped to lift the pace of annual price growth out of the fairly narrow range of 3%-5% that has been prevailing since the summer.

"The pace of house price growth may moderate again once the stamp duty changes take effect in April. However, it is possible that the recent pattern of strong employment growth, rising real earnings, low borrowing costs and constrained supply will keep the demand/supply balance tilted in favour of sellers and maintain pressure on price growth in the quarters ahead.

"Indeed, according to Royal Institute of Chartered Surveyors, the stock of houses on estate agents' books remains close to all time lows on data extending back thirty years (see chart).



Regional disparities continue to grow

"Regional house prices maintained the same broad trends prevailing in recent years with southern regions continuing to record significantly stronger rates of annual price growth, further widening regional disparities.

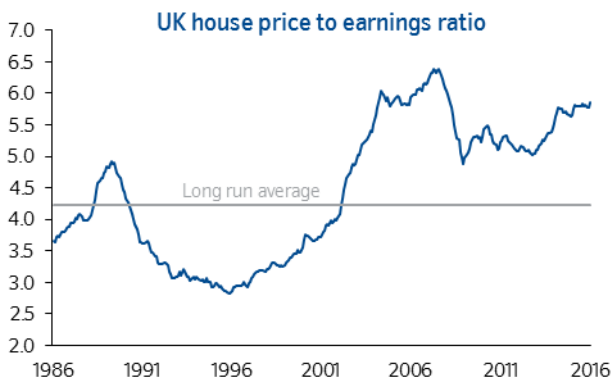
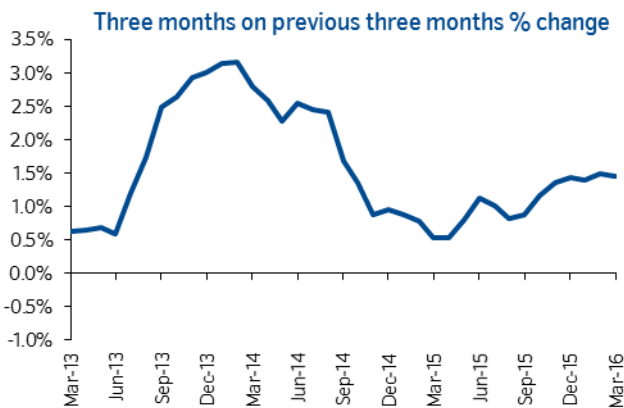
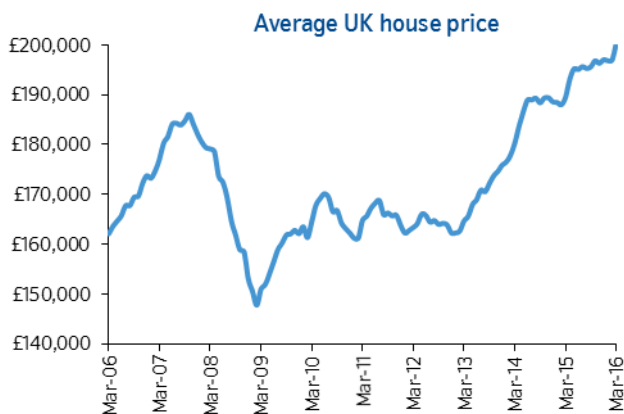
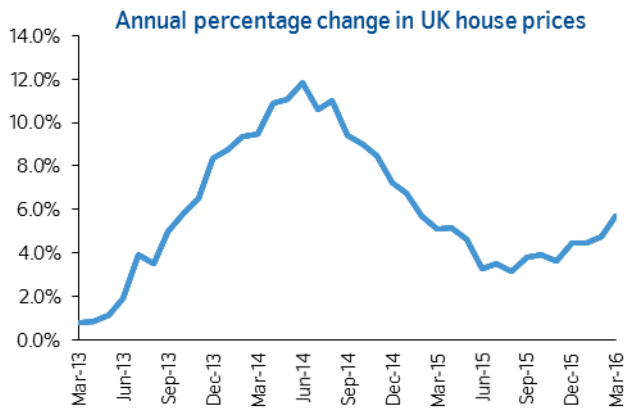
"One slight variation on this familiar theme was that, for only the fourth time in five years, London did not record the strongest rate of price growth, with the Outer Metropolitan region occupying the top spot in Q1.

"Nevertheless, London still recorded the second fastest rate of growth, with prices reaching a new all-time high some 52% above pre-crisis levels (compared with 9% for overall UK house prices).

"Overall, the pace of house price growth generally moderates as you move from the south to the north of the country, with the North of England and Scotland actually recording modest house price declines in Q1, even though prices remain well below pre-crisis levels in those regions."

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Charts



Source: Nationwide, ONS

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Mar-14	0.4	2.8	9.5	180,264
Apr-14	1.1	2.6	10.9	183,577
May-14	0.7	2.3	11.1	186,512
Jun-14	1.2	2.6	11.8	188,903
Jul-14	0.2	2.4	10.6	188,949
Aug-14	0.8	2.4	11.0	189,306
Sep-14	-0.2	1.7	9.4	188,374
Oct-14	0.5	1.3	9.0	189,333
Nov-14	0.4	0.9	8.5	189,388
Dec-14	0.1	1.0	7.2	188,559
Jan-15	0.4	0.9	6.8	188,446
Feb-15	0.0	0.8	5.7	187,964
Mar-15	-0.1	0.5	5.1	189,454
Apr-15	1.0	0.5	5.2	193,048
May-15	0.3	0.8	4.6	195,166
Jun-15	-0.1	1.1	3.3	195,055
Jul-15	0.4	1.0	3.5	195,621
Aug-15	0.4	0.8	3.2	195,279
Sep-15	0.5	0.9	3.8	195,585
Oct-15	0.6	1.2	3.9	196,807
Nov-15	0.2	1.4	3.7	196,305
Dec-15	0.8	1.4	4.5	196,999
Jan-16	0.4	1.4	4.4	196,829
Feb-16	0.4	1.5	4.8	196,930
Mar-16	0.8	1.5	5.7	200,251

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

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Quarterly Regional House Price Statistics

Q1 2016

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

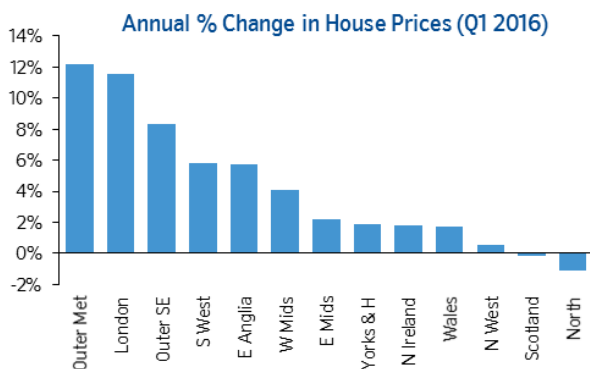
Regions over the last 12 months

Region	Average Price (Q1 2016)	Annual % change this quarter	Annual % change last quarter
Outer Met	£344,371	12.2%	10.9%
London	£455,984	11.5%	12.2%
Outer S East	£255,325	8.3%	6.7%
South West	£221,703	5.8%	3.8%
East Anglia	£204,948	5.8%	2.2%
West Midlands	£168,585	4.1%	1.6%
East Midlands	£162,082	2.2%	3.6%
Yorks & H'side	£144,361	1.9%	0.4%
N Ireland	£123,225	1.8%	6.5%
Wales	£141,525	1.7%	0.7%
North West	£144,914	0.5%	0.6%
Scotland	£139,911	-0.2%	-1.9%
North	£123,864	-1.1%	2.2%
UK	£198,564	5.3%	4.3%

Outer Metropolitan and London lead house price growth in Q1 2016

The Outer Metropolitan was the strongest performing region in Q1 2016, with average prices up 12.2% year-on-year. London was close behind, though it did record a slight moderation in its annual rate of growth to 11.5% from 12.2% the previous quarter. The North was the weakest performing region in England and the UK overall, with prices down 1.1% year-on-year.

House price growth slowed sharply in Northern Ireland, with annual growth moderating to 1.8%, even though the price of a typical property is still 45% below the pre-crisis peak. Wales saw a lacklustre 1.7% year-on-year increase in prices, a slight pick-up compared with the previous quarter. Scotland recorded another small house price decline, with prices down 0.2% compared with Q1 2015, the fourth such decline in succession.



England: North/South divide widens further

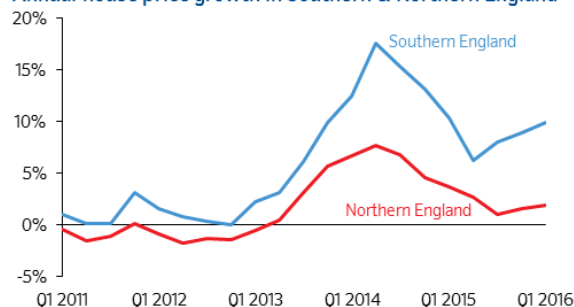
England (Q1 2016)	
Average house price	£245,605
Annual percentage change	7.7%
Quarterly change*	1.8%
Most expensive region	London
Least expensive region	North
Strongest annual price change	Outer Metropolitan
Weakest annual price change	North

* Seasonally adjusted

Average house prices in England increased by 1.8% in the first quarter of 2016, and were up 7.7% year-on-year.

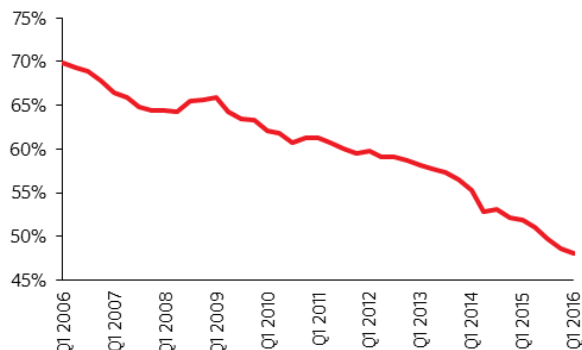
The gap in price growth between the South of England and the North widened further in Q1. Prices in Southern England (South West, Outer South East, Outer Metropolitan, London and East Anglia) were up 9.9% year-on-year, whilst in Northern England (West Midlands, East Midlands, Yorkshire & Humberside, North West and North) prices rose by just 1.8%.

Annual house price growth in Southern & Northern England



In cash terms, the gap in average prices between the South and the North of England now stands at nearly £163,000. Prices in the North are now less than half those in the South, a record low.

Northern England as % Southern England house prices



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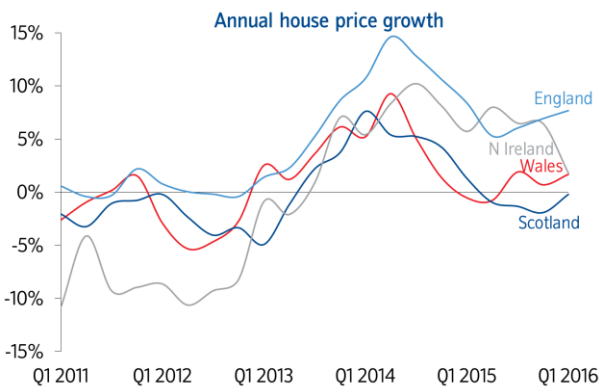
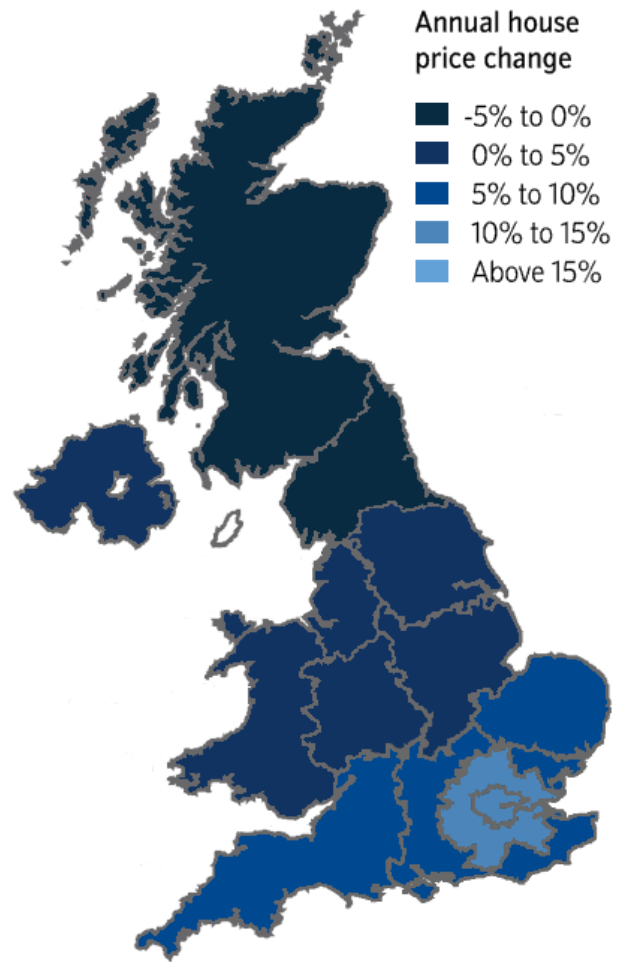
UK Fact File (Q1 2016)	
Average UK House Price	£198,564
Annual percentage change	5.3%
Quarterly change*	1.6%
Most expensive region	London
Least expensive region	Northern Ireland
Strongest annual price change	Outer Metropolitan
Weakest annual price change	North

* Seasonally adjusted

Nations – annual & quarterly price change

Nation	Average Price (Q1 2016)	Annual % change this quarter	Quarterly % change*
England	£245,605	7.7%	1.8%
N Ireland	£123,225	1.8%	-2.9%
Wales	£141,525	1.7%	0.7%
Scotland	£139,911	-0.2%	0.8%

* Seasonally adjusted



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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. Quarterly series are seasonally adjusted using data since 1973; the seasonal adjustment is recalculated quarterly and may lead to revisions.

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/>

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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