

Nationwide HOUSE PRICE INDEX



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July 2017

House price growth broadly stable in July

- Annual house price growth at 2.9%, little changed from June
- Modest 0.3% increase month-on-month

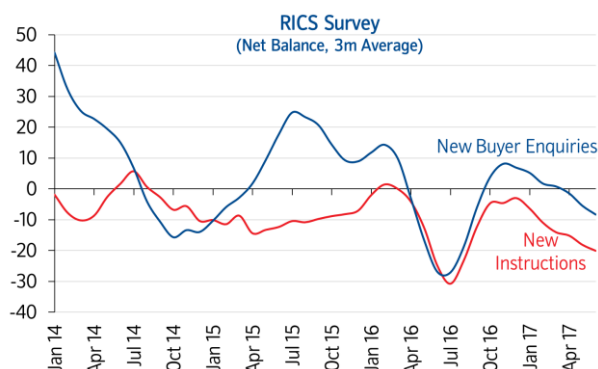
Headlines	Jul-17	Jun-17
Monthly Index*	418.5	417.4
Monthly Change*	0.3%	1.1%
Annual Change	2.9%	3.1%
Average Price (not seasonally adjusted)	£211,671	£211,301

* 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 annual pace of house price growth remained broadly stable in July at 2.9%, only a touch lower than the 3.1% recorded in June.

"On the surface, this appears at odds with recent signs of cooling in the housing market. The number of housing transactions dipped to their lowest level for eight months in June, while in the same month the number of mortgages approved for house purchase moderated to a nine-month low of c.65,000.

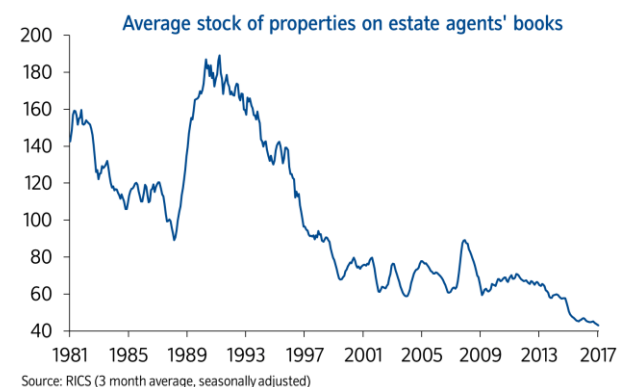


Source: RICS

"But a lack of homes on the market appears to be providing support, with annual house price growth remaining only just

outside the 3-6% range, that has been prevailing for most of the past two years.

"This pattern looks set to be maintained in the near term. Survey data point to relatively sluggish levels of new buyer enquiries, but at the same time surveyors report that relatively few properties are coming onto the market (and at a time when the number of homes on estate agents' books is already close to thirty year lows – as shown in the chart below).



Source: RICS (3 month average, seasonally adjusted)

"Ultimately, housing market developments will depend on wider economic performance. The UK economy slowed noticeably in the first half of the year and there has been little to suggest a significant departure from recent trends in the quarters ahead.

"While employment growth has remained relatively robust, household budgets are coming under pressure as wage growth is failing to keep up with the rising cost of living.

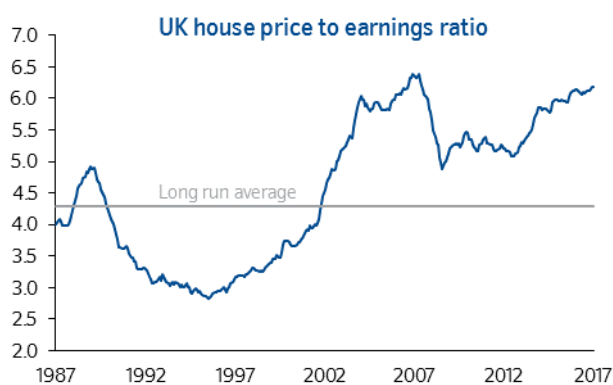
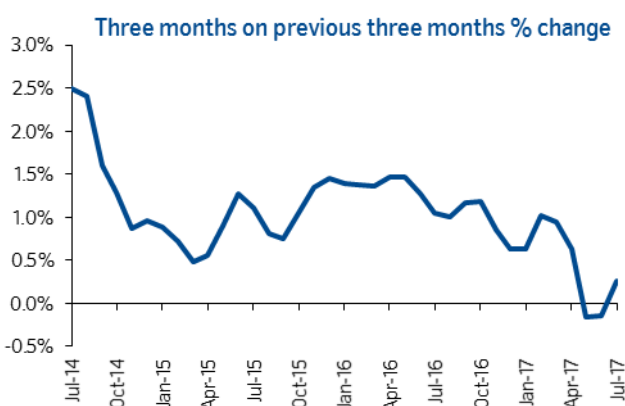
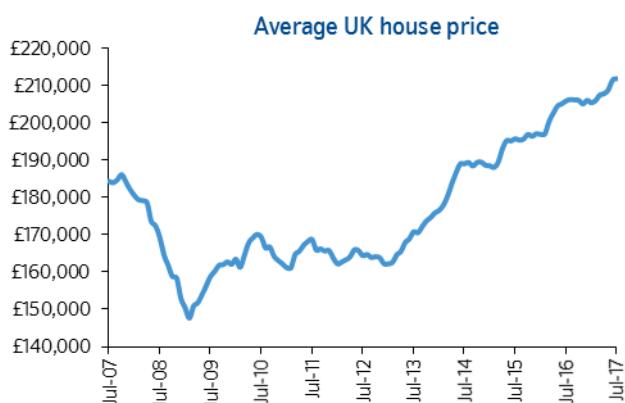
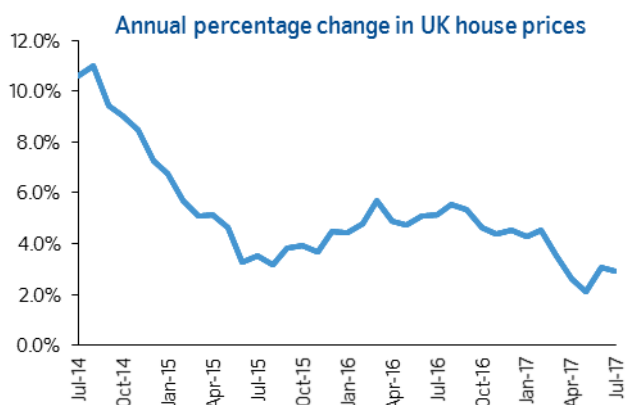
"This suggests that housing market activity is likely to remain subdued, with the balance in the market shifting a little further towards buyers in the quarters ahead.

"Nevertheless, constrained supply is likely to continue to provide support for house prices and, as a result, we continue to expect prices to rise by c.2% over 2017 as a whole - only modestly lower than the levels recorded in recent months."

Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
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Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Jul-15	0.4	1.1	3.5	195,621
Aug-15	0.3	0.8	3.2	195,279
Sep-15	0.5	0.8	3.8	195,585
Oct-15	0.6	1.0	3.9	196,807
Nov-15	0.2	1.3	3.7	196,305
Dec-15	0.6	1.4	4.5	196,999
Jan-16	0.4	1.4	4.4	196,829
Feb-16	0.4	1.4	4.8	196,930
Mar-16	0.7	1.4	5.7	200,251
Apr-16	0.5	1.5	4.9	202,436
May-16	0.2	1.5	4.7	204,368
Jun-16	0.2	1.3	5.1	204,968
Jul-16	0.5	1.0	5.2	205,715
Aug-16	0.6	1.0	5.6	206,145
Sep-16	0.3	1.2	5.3	206,015
Oct-16	0.0	1.2	4.6	205,904
Nov-16	0.0	0.9	4.4	204,947
Dec-16	0.7	0.6	4.5	205,898
Jan-17	0.2	0.6	4.3	205,240
Feb-17	0.6	1.0	4.5	205,846
Mar-17	-0.3	0.9	3.5	207,308
Apr-17	-0.4	0.6	2.6	207,699
May-17	-0.2	-0.2	2.1	208,711
Jun-17	1.1	-0.1	3.1	211,301
Jul-17	0.3	0.3	2.9	211,671



Source: Nationwide, ONS

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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.

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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