

Nationwide HOUSE PRICE INDEX



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Q2 2014

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House prices in London continue to climb

- All UK regions saw annual price rises in Q2 2014
- London continues to lead, with annual price growth of 26%
- Scotland was the weakest performing region, with prices up 5.4% compared to Q2 2013

UK Fact File	
Average UK House Price	£186,544
Annual percentage change	11.5%
Quarterly change*	2.9%
Most expensive region	London
Least expensive region	N Ireland
Strongest annual price change	London
Weakest annual price change	Scotland

* 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 June, therefore will show a different UK average price and annual percentage change to our *monthly* house price report.

Text in blue indicates hyperlink

Regions over the quarter

Region	Average Price	Quarterly % change*
London	£400,404	7.6%
Outer Metropolitan	£295,543	5.6%
Outer South East	£230,409	4.1%
South West	£207,420	2.6%
East Anglia	£188,960	2.5%
North	£125,106	2.3%
West Midlands	£160,383	1.9%
Wales	£145,812	1.8%
East Midlands	£154,145	1.7%
North West	£144,851	1.3%
Yorks & Humberside	£142,661	0.8%
Northern Ireland	£117,150	0.6%
Scotland	£141,872	0.0%
UK	£186,544	2.9%

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

"The price of a typical UK house rose by 2.9% in Q2, after allowing for seasonal effects. Prices were up 11.5% compared with the same quarter of 2013.

"Annual house price growth accelerated to 26% in London, far outpacing the rest of country, and the highest growth rate since Q3 1987. Prices in the capital are now 30% above their 2007 peak, with the price of a typical London property now in excess of £400,000.

"Scotland saw the weakest growth, with prices up 5.4% year-on-year in Q2. Northern Ireland saw an 8.4% rise in prices, although they remain around half the level they were at their peak. Annual price growth in Wales picked up to 9.3%, from 5.2% last quarter.

"Amongst the English regions, the South continued to outperform the North. Outside of London, the Outer Metropolitan area was again the strongest performing region, with annual price growth of 16.4%, whilst Yorkshire & Humberside was the weakest English region, with prices up 7.0% over the year. Prices in the Southern regions are now above their 2007 peak, whilst those in the North remain below."

Regions over the last 12 months

Region	Average Price	Annual % change
London	£400,404	25.8%
Outer Metropolitan	£295,543	16.4%
Outer South East	£230,409	14.0%
South West	£207,420	9.8%
East Anglia	£188,960	9.5%
Wales	£145,812	9.3%
Northern Ireland	£117,150	8.4%
East Midlands	£154,145	8.3%
West Midlands	£160,383	8.2%
North	£125,106	8.1%
North West	£144,851	7.1%
Yorks & Humberside	£142,661	7.0%
Scotland	£141,872	5.4%
UK	£186,544	11.5%

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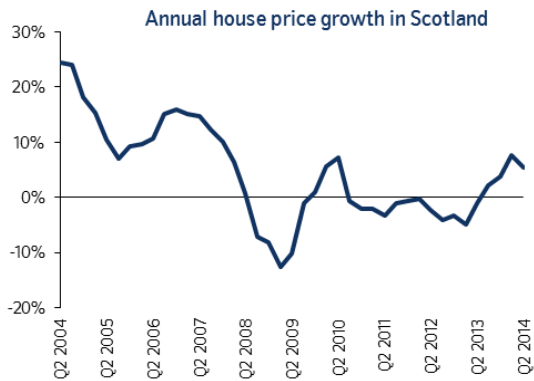
Scotland	
Average house price	£141,872
Annual percentage change	5.4%
Quarterly change*	0.0%
Most expensive area	Aberdeen City
Least expensive area	South Lanarkshire
Strongest annual price change	Southern Scotland
Weakest annual price change	Fife

* Seasonally adjusted

Scotland was the only region to see a slowing in its annual growth rate in the second quarter. Prices were up 5.4% year-on-year in Q2, compared with 7.6% in Q1.

Southern Scotland, which includes Ayrshire and the Borders, was the best performing area, with prices up 14% on the previous year. Fife was the weakest performing area, recording a 3% year-on-year increase.

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



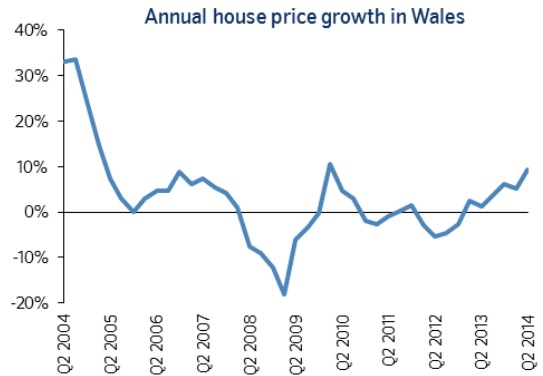
Wales	
Average house price	£145,812
Annual percentage change	9.3%
Quarterly change*	1.8%
Most expensive area	Cardiff
Least expensive area	Mid & West Wales
Strongest annual price change	South Wales (West)
Weakest annual price change	North Wales

* Seasonally adjusted

Prices in Wales increased by 1.8% in Q2 on a seasonally adjusted basis, with the annual growth rate picking up from 5.2% to 9.3%.

South Wales (West), which includes The Vale of Glamorgan, Bridgend and Swansea, was the best performing area, with prices up 12% year-on-year. North Wales was again the weakest performing area, with more modest growth of 5% over the same period.

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



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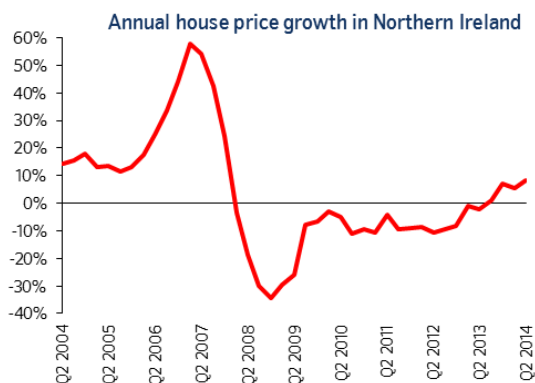
Northern Ireland	
Average house price	£117,150
Annual percentage change	8.4%
Quarterly change*	0.6%
Most expensive area	City of Belfast
Least expensive area	Northern Ireland (West)
Strongest annual price change	City of Belfast
Weakest annual price change	Northern Ireland (West)

* Seasonally adjusted

House prices in Northern Ireland were up 8.4% compared with Q2 2013. However, at £117,150, average prices remain around 50% below their 2007 peak.

Belfast remains the most expensive area, and was also the strongest performer over the last twelve months, recording a 14% increase.

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



London	
Average house price	£400,404
Annual percentage change	25.8%
Quarterly change*	7.6%
Most expensive area	Westminster
Least expensive area	Barking and Dagenham
Strongest annual price change	Lambeth
Weakest annual price change	Sutton

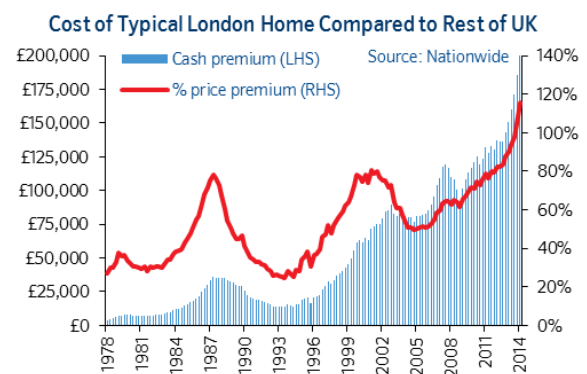
* Seasonally adjusted

London continued to outpace the rest of the UK, with prices up 25.8% year-on-year, the highest growth rate since Q3 1987. Average prices are now 30% above their 2007 peak, exceeding £400,000 for the first time.

The gap between London and the other regions has continued to widen, with average prices more than £100,000 higher than the next most expensive region (Outer Metropolitan) and around £215,000 higher than the rest of the UK. Indeed, the gap between house prices in London and the rest of the UK is the widest it's ever been, both in cash and percentage terms, as shown below.

The annual pace of growth in the capital will probably start to slow in the quarters ahead, given the high base for comparison from Q3 2013 onwards and given anecdotal evidence from surveyors and estate agents that activity may be starting to moderate.

[Click here for London borough data](#)

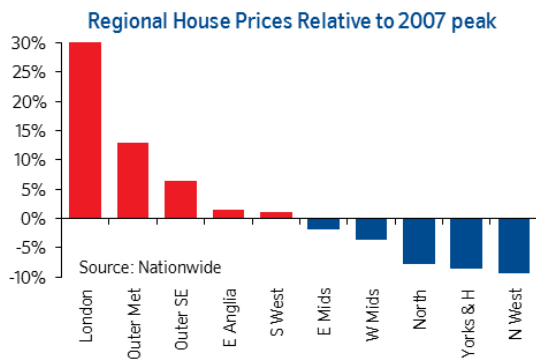
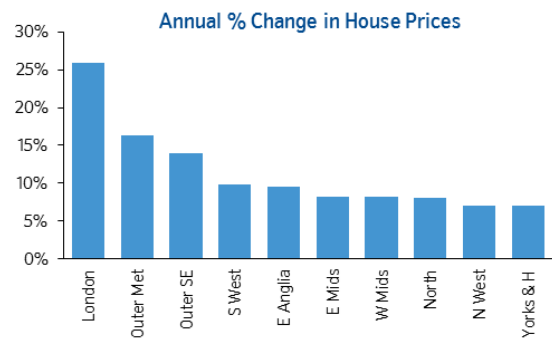
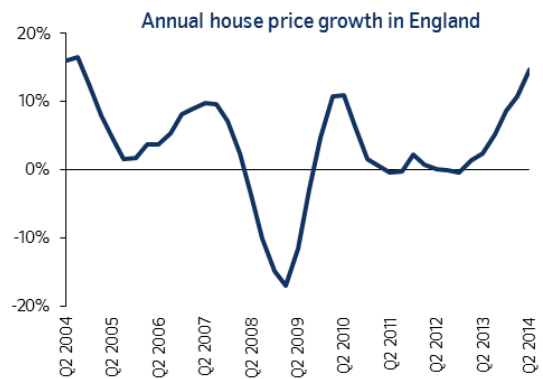


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England	
Average house price	£223,364
Annual percentage change	14.6%
Quarterly change*	4.3%
Most expensive region	London
Least expensive region	North
Strongest annual price change	London
Weakest annual price change	Yorks & Humberside

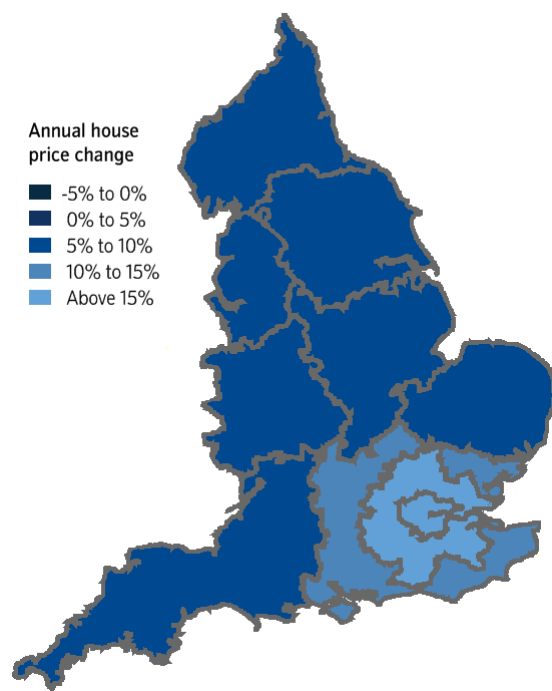
* Seasonally adjusted

Average house prices in England increased by 4.3% in the second quarter of 2014, and were up 14.6% year-on-year. The annual rate of house price growth accelerated in all English regions, with a further widening in the gap between Southern England (South West, Outer South East, Outer Metropolitan, London and East Anglia) and Northern England (West Midlands, East Midlands, Yorkshire & Humberside, North West and North). Prices in the South of England were up 17.4% year-on-year, whilst in the North they rose by 7.7%. As a result, prices in all of the southern regions are now above their 2007 peak, whilst those in the north remain somewhat below.



London was the best performing region, with prices up 25.8% year-on-year. The Outer Metropolitan was the best performing region outside of the capital, with annual price growth of 16.4%, followed by the Outer South East at 14.0%. Yorkshire & Humberside was the weakest performing English region, with annual growth of 7.0%.

Amongst England's other major towns and cities, Cambridge was the top performer, with prices up 20% year-on-year. Newcastle was the worst performing city, with a 3% increase.



Major Towns and Cities

Best performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	London*	22%*	£432,113*
2	Cambridge	20%	£419,187
3	St. Albans	18%	£451,800
4	Carlisle	15%	£153,250
5	Oxford	15%	£368,401

Worst performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	Newcastle	3%	£181,473
2	Coventry	3%	£171,388
3	Leicester	5%	£168,689
4	Nottingham	5%	£162,503
5	York	6%	£234,372

* 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

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Aberdeen City	£263,986	90%	12%	13%
Aberdeenshire & Moray	£192,205	96%	7%	8%
Dunbartonshire & North Lanarkshire	£149,127	25%	6%	4%
Dundee & Angus	£151,584	55%	4%	7%
Edinburgh City	£252,276	25%	5%	6%
Fife	£135,735	21%	5%	3%
Glasgow City	£169,248	19%	9%	11%
Highlands & Islands	£156,402	44%	8%	4%
Lothian & Falkirk	£163,545	23%	7%	9%
Perthshire & Stirling	£166,414	37%	3%	5%
Renfrewshire & Inverclyde	£173,345	28%	10%	12%
South Lanarkshire	£134,631	19%	2%	3%
Southern Scotland	£138,155	27%	7%	14%

Yorkshire & Humberside

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bradford	£162,181	15%	11%	13%
East Yorkshire	£151,535	12%	3%	2%
Leeds	£200,790	18%	5%	13%
North Lincolnshire	£132,243	12%	12%	5%
North Yorkshire	£200,585	13%	6%	5%
Sheffield	£181,288	17%	11%	7%
South Yorkshire	£143,818	11%	7%	9%
West Yorkshire	£161,702	14%	11%	14%
York	£234,372	22%	4%	6%

Northern Ireland

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
City of Belfast	£175,978	17%	7%	14%
Northern Ireland (North East)	£123,247	10%	-2%	4%
Northern Ireland (South East)	£145,433	11%	5%	11%
Northern Ireland (West)	£109,124	3%	4%	2%

Wales

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cardiff	£221,819	20%	7%	6%
Mid & West Wales	£153,853	9%	5%	10%
North Wales	£164,991	13%	2%	5%
South Wales (East)	£166,229	12%	11%	11%
South Wales (West)	£165,894	17%	10%	12%

South West

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bath	£272,594	29%	11%	11%
Bournemouth	£266,263	15%	3%	6%
Bristol	£262,668	37%	9%	12%
Cheltenham	£261,945	26%	2%	4%
Cornwall and Isles of Scilly	£204,010	9%	0%	3%
Dorset	£254,441	16%	6%	7%
Gloucestershire	£216,981	17%	6%	8%
North Devon	£196,686	8%	3%	2%
Plymouth	£186,659	15%	8%	10%
Poole	£264,844	16%	5%	6%
Somerset	£210,359	18%	9%	9%
South Devon	£228,640	18%	6%	7%
South Gloucestershire	£239,833	27%	9%	9%
Swindon	£203,185	15%	5%	10%
Wiltshire	£230,935	20%	8%	10%

North West

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cheshire	£195,301	15%	9%	8%
City of Manchester	£207,940	23%	18%	11%
Greater Manchester	£176,711	16%	7%	11%
Lancashire	£153,917	12%	4%	7%
Merseyside	£160,681	10%	7%	11%
Warrington & Halton	£175,692	10%	7%	6%

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West Midlands

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Birmingham	£185,719	10%	10%	10%
Coventry	£171,388	14%	2%	3%
Greater Birmingham	£182,443	13%	8%	10%
Herefordshire	£185,906	8%	3%	2%
Shropshire	£180,026	12%	1%	5%
Staffordshire	£168,882	12%	7%	7%
Warwickshire	£218,556	21%	7%	10%
Worcestershire	£211,276	18%	11%	11%

East Midlands

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Derby	£176,002	14%	7%	9%
Derbyshire	£174,690	12%	7%	10%
Leicestershire	£184,660	10%	5%	5%
Mid Lincolnshire	£152,838	6%	3%	3%
Northampton Town	£191,063	12%	6%	9%
Northamptonshire	£187,052	11%	11%	10%
Nottingham	£162,503	3%	5%	5%
Nottinghamshire	£170,752	13%	4%	6%
South Lincolnshire	£163,951	12%	5%	10%

Outer Metropolitan

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bracknell Forest	£310,691	36%	12%	14%
Central Kent	£277,447	26%	10%	14%
East Surrey	£365,654	39%	7%	12%
Hart & Rushmoor	£297,648	30%	12%	12%
Hertfordshire	£332,306	37%	10%	17%
Luton	£216,580	17%	8%	13%
Medway	£212,362	17%	9%	12%
North Surrey	£384,286	44%	10%	15%
Reading	£294,358	37%	7%	13%
Slough	£295,525	21%	11%	11%
South Buckinghamshire & Chilterns	£342,711	37%	5%	11%
South Essex	£272,551	26%	9%	11%
St Albans	£451,800	55%	6%	18%
West Kent	£279,270	27%	10%	11%
West Surrey	£370,467	41%	6%	13%
West Sussex (North)	£300,818	30%	8%	13%
Windsor & Maidenhead	£386,927	45%	9%	14%
Wokingham	£325,215	38%	10%	12%

London

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London Boroughs	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Barking and Dagenham	£230,592	32%	10%	15%
Barnet	£422,150	57%	11%	17%
Bexley	£285,260	42%	12%	19%
Brent	£474,672	74%	31%	23%
Bromley	£349,157	55%	17%	20%
Camden	£843,456	139%	10%	36%
Croydon	£293,011	42%	14%	20%
Ealing	£463,869	65%	13%	18%
Enfield	£346,211	48%	12%	16%
Greenwich	£375,592	68%	16%	23%
Hackney	£593,637	122%	23%	27%
Hammersmith and Fulham	£760,144	110%	21%	27%
Haringey	£513,435	86%	23%	32%
Harrow	£367,839	50%	8%	19%
Havering	£262,346	37%	10%	14%
Hillingdon	£338,445	41%	11%	14%
Hounslow	£396,943	48%	14%	21%
Islington	£701,030	125%	21%	23%
Kingston upon Thames	£432,515	63%	12%	21%
Lambeth	£556,679	103%	30%	37%
Lewisham	£408,911	85%	22%	28%
Merton	£461,094	69%	23%	26%
Newham	£325,413	53%	14%	22%
Redbridge	£322,821	38%	12%	19%
Richmond upon Thames	£557,493	80%	10%	23%
Southwark	£551,762	103%	26%	29%
Sutton	£308,442	38%	12%	14%
Tower Hamlets	£561,181	103%	23%	32%
Waltham Forest	£368,071	72%	21%	28%
Wandsworth	£632,700	101%	21%	27%
Westminster	£959,882	131%	18%	24%

Note: City of London and Kensington & Chelsea excluded due to low sample size

East Anglia

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cambridgeshire	£238,035	27%	8%	9%
Norfolk	£192,538	16%	6%	6%
Peterborough	£172,445	14%	12%	11%
Suffolk	£209,016	21%	8%	10%

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Outer South East

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Basingstoke & Deane	£271,177	26%	12%	13%
Bedford	£211,309	24%	6%	9%
Brighton & Hove	£367,806	42%	14%	13%
Central Bedfordshire	£243,678	22%	11%	11%
East Kent	£221,192	20%	9%	11%
East Sussex	£248,288	26%	13%	12%
Isle of Wight	£203,743	15%	5%	15%
Mid Hampshire	£300,152	30%	9%	11%
Milton Keynes & Aylesbury	£261,039	25%	12%	14%
New Forest	£282,039	21%	7%	8%
North Essex	£238,360	23%	5%	8%
Oxfordshire	£307,385	35%	10%	11%
Portsmouth Area	£213,784	18%	6%	11%
Southampton Area	£247,134	20%	10%	12%
West Berkshire	£301,332	30%	8%	13%
West Sussex (South)	£273,071	24%	8%	11%

North

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Nationwide Sub Regions	Price in 2014 Q2	% change over 10 years	Annual % change last quarter	Annual % change this quarter
County Durham	£145,719	11%	4%	11%
Cumbria	£170,150	24%	13%	16%
Northumberland	£162,960	6%	-5%	5%
Teeside	£156,354	9%	5%	7%
Tyne and Wear	£166,678	10%	3%	6%

1. 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/~media/MainSite/documents/about/house-price-index/nationwide-hpi-methodology.pdf>

2. 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.

3. 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.

4. 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.

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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