

Nationwide HOUSE PRICE INDEX



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Q4 2014

Annual house price growth slows in most regions

- All UK regions saw annual price rises in 2014
- London top performer, with prices up 17.8% year-on-year
- Wales weakest performing region, with prices up 1.4% compared to Q4 2013

UK Fact File	
Average UK House Price	£189,002
Annual percentage change	8.3%
Quarterly change*	1.1%
Most expensive region	London
Least expensive region	N Ireland
Strongest annual price change	London
Weakest annual price change	Wales

* 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 December, 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	£406,730	2.5%
Outer Metropolitan	£301,612	2.0%
South West	£210,847	1.8%
Northern Ireland	£120,685	1.6%
Outer South East	£235,538	1.4%
North	£121,486	1.3%
West Midlands	£164,406	1.1%
East Anglia	£194,212	0.7%
Scotland	£142,527	0.5%
East Midlands	£155,747	0.2%
North West	£145,212	-0.3%
Yorks & Humberside	£142,816	-0.3%
Wales	£141,631	-0.6%
UK	£189,002	1.1%

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

"All regions except the North of England saw a slowing in annual price growth in the final quarter of 2014, although all saw price growth over the year overall. Across the UK as a whole, prices rose by 1.1% over the quarter, after allowing for seasonal effects. Prices were up 8.3% compared with Q4 2013.

"London was the top performing region for the second year running, with prices up 17.8% over the last twelve months. Prices in the capital are now 35% above their 2007 peak, with the price of a typical London property now £406,730.

"Amongst the other English regions, the Outer South East and Outer Metropolitan areas continued to outperform, recording double digit annual growth rates. Yorkshire and Humberside was the weakest performing English region, with prices up 1.5% over the year.

"Annual price growth in Scotland moderated to 4.2%. Northern Ireland saw an 8.1% increase in prices, although they are still around 47% below their 2007 peak. Wales was the weakest performing region in 2014 and saw annual price growth slow from 5.0% in Q3 to 1.4% in Q4."

Regions over the last 12 months

Region	Average Price (Q4 2014)	Annual % change this quarter	Annual % change last quarter
London	£406,730	17.8%	21.0%
Outer Met	£301,612	12.7%	14.4%
Outer S East	£235,538	10.6%	13.2%
East Anglia	£194,212	9.8%	11.0%
N Ireland	£120,685	8.1%	10.2%
South West	£210,847	8.0%	9.2%
West Mids	£164,406	6.8%	8.6%
East Mids	£155,747	6.0%	7.8%
North	£121,486	4.4%	4.3%
Scotland	£142,527	4.2%	5.2%
North West	£145,212	3.8%	6.1%
Yorks & H	£142,816	1.5%	5.5%
Wales	£141,631	1.4%	5.0%
UK	£189,002	8.3%	10.5%

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Scotland	
Average house price	£142,527
Annual percentage change	4.2%
Quarterly change*	0.5%
Most expensive area	Aberdeen City
Least expensive area	Southern Scotland
Strongest annual price change	Aberdeen City
Weakest annual price change	Fife

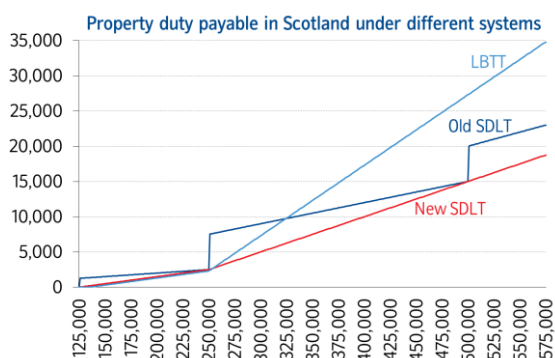
* Seasonally adjusted

Annual price growth in Scotland slowed to 4.2%, from 5.2% last quarter.

Aberdeen City was the best performing area, with prices up 12% on the previous year. Fife saw the weakest growth, with prices up 1%.

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

Those purchasing properties above £254,000 between now and 1 April 2015 may benefit from the new Stamp Duty Land Tax (SDLT) regime ahead of the Land & Buildings Transaction Tax being introduced. Around 15% of purchases in Scotland in 2013/14 were above this threshold, and the potential savings could be significant (we estimate around £5,900 on average), which could encourage prospective buyers to bring forward their purchases.



Wales	
Average house price	£141,631
Annual percentage change	1.4%
Quarterly change*	-0.6%
Most expensive area	Cardiff
Least expensive area	Mid & West Wales
Strongest annual price change	Mid & West Wales
Weakest annual price change	Cardiff

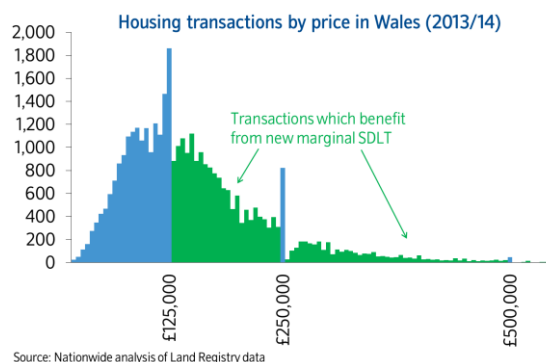
* Seasonally adjusted

Wales saw a second consecutive quarter-on-quarter fall in house prices, with a 0.6% seasonally adjusted decline. The annual rate of growth slowed to 1.4%, making Wales the weakest performing region in 2014.

Mid & West Wales was the best performing area, with prices up 7% year-on-year.

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

Home buyers in Wales are set to benefit from the new stamp duty arrangements, with the tax payable on a typical home mover property (currently £165,699) cut by around half to £814. While around 45% of transactions in Wales are exempt from stamp duty (due to having a purchase price of £125,000 or below), 98% of the buyers who do have to pay the tax will pay less under the new system.



Source: Nationwide analysis of Land Registry data

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Northern Ireland	
Average house price	£120,685
Annual percentage change	8.1%
Quarterly change*	1.6%
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 (North East)

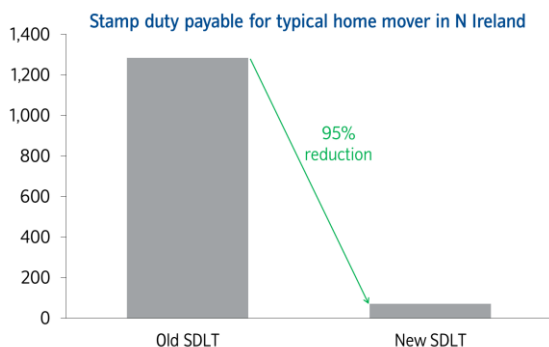
* Seasonally adjusted

House prices in Northern Ireland were up 8.1% compared with Q4 2013. However, average prices are still around 47% below their 2007 peak.

Belfast remains the most expensive area, and was also the strongest performer over the year, with prices up around 17%.

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

Home movers in Northern Ireland are set to see a significant reduction in the level of stamp duty they pay. Under the new marginal system, the duty payable for a typical home mover property, which is just above the threshold at £128,505 will fall from £1,285 to just £70.



London	
Average house price	£406,730
Annual percentage change	17.8%
Quarterly change*	2.5%
Most expensive area	Westminster
Least expensive area	Barking and Dagenham
Strongest annual price change	Newham
Weakest annual price change	Hammersmith and Fulham

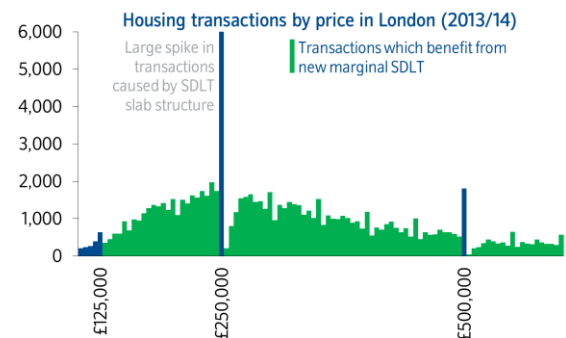
* Seasonally adjusted

Annual house price growth in London slowed from 21.0% to 17.8%, although the capital continued to outperform the rest of the country and was the top performing region for the second year running. At £406,730, average prices are now 35% above their 2007 peak.

Amongst London's boroughs, Newham saw the strongest growth, with prices up 29% over the year.

[Click here for London borough data](#)

Only a very small proportion of purchasers will pay more stamp duty under the new system and the majority of these are in London. Nonetheless, most people buying property in London will benefit from the changes (an estimated 100,000 would benefit based on 2013/14 transactions), with only those buying properties above £938,300 facing a higher tax bill. A marginal system should also help to remove the distortions caused by the previous thresholds, which led to a significant bunching in transactions (see chart below).



Source: Nationwide analysis of Land Registry data

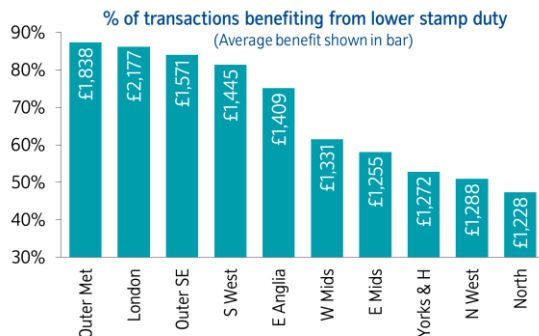
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England	
Average house price	£226,809
Annual percentage change	10.6%
Quarterly change*	1.6%
Most expensive region	London
Least expensive region	North
Strongest annual price change	London
Weakest annual price change	Yorkshire & Humberside

* Seasonally adjusted

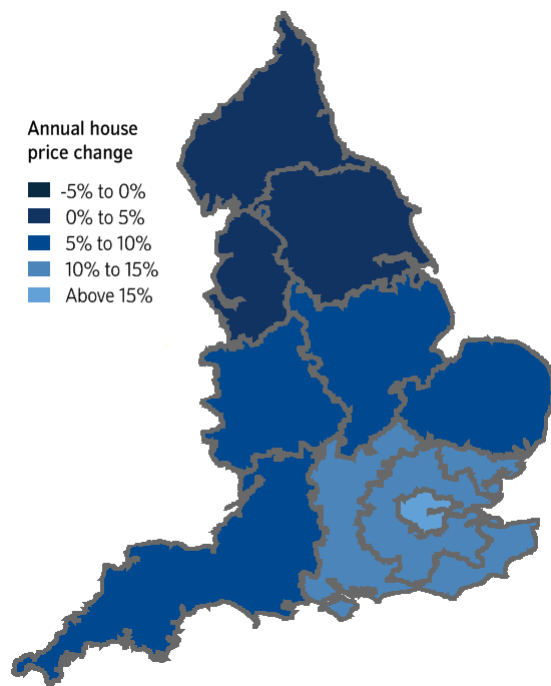
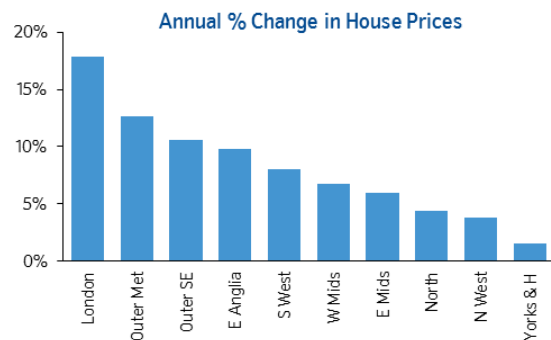
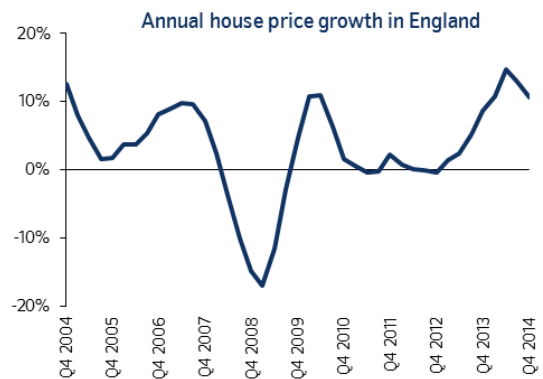
Average house prices in England increased by 1.6% in the final quarter of 2014, and were up 10.6% year-on-year. All regions except the North saw a slowing in their annual rate of house price growth. Despite this softening, annual price growth remained in double digit territory in London, the Outer Metropolitan and Outer South East regions. The North West and Yorkshire & Humberside both saw quarter-on-quarter house price falls, and were also the weakest performing regions in terms of annual price growth.

72% of housing transactions in England should benefit from the new marginal stamp duty regime (based on the 2013/14 pattern of transactions), with 27% paying the same and just 2% paying more. The Outer South East, Outer Metropolitan & London have the highest proportion of beneficiaries as a result of higher house prices and thus an increased proportion of transactions liable for stamp duty.



Source: Nationwide analysis of Land Registry data (2013/14)

Amongst England's major towns and cities, St. Albans was the top performer, with prices up 24% year-on-year. Manchester was the worst performing city, with no price growth over the year.



Major Towns and Cities

Best performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	St. Albans	24%	£494,777
2	Reading	19%	£318,333
3	Belfast	17%	£189,245
4	London*	16%*	£446,455*
5	Nottingham	14%	£174,076

Worst performing regional towns / cities

Rank	Town / City	Annual % change	Average Price
1	Manchester	0%	£210,685
2	Leicester	3%	£174,813
3	Cardiff	4%	£223,086
4	Sunderland	5%	£149,246
5	Liverpool	5%	£167,164

* 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

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Aberdeen City	£272,978	95%	12%	12%
Aberdeenshire & Moray	£193,417	83%	7%	8%
Dunbartonshire & North Lanarkshire	£157,510	19%	5%	4%
Dundee & Angus	£155,086	45%	5%	3%
Edinburgh City	£263,081	22%	8%	10%
Fife	£140,830	11%	6%	1%
Glasgow City	£174,266	16%	11%	10%
Highlands & Islands	£157,674	31%	5%	4%
Lothian & Falkirk	£167,192	22%	10%	8%
Perthshire & Stirling	£166,810	27%	7%	7%
Renfrewshire & Inverclyde	£166,263	21%	9%	7%
South Lanarkshire	£140,092	14%	4%	5%
Southern Scotland	£139,601	18%	12%	7%

Yorkshire & Humberside

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Nationwide Sub Regions	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bradford	£167,255	11%	14%	6%
East Yorkshire	£159,532	8%	5%	4%
Leeds	£202,683	14%	14%	9%
North Lincolnshire	£136,435	7%	3%	4%
North Yorkshire	£206,706	8%	6%	7%
Sheffield	£192,095	15%	8%	8%
South Yorkshire	£147,084	5%	7%	4%
West Yorkshire	£156,230	5%	10%	2%
York	£241,811	19%	10%	9%

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Northern Ireland

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Nationwide Sub Regions	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
City of Belfast	£189,245	14%	21%	17%
Northern Ireland (North East)	£127,299	0%	6%	5%
Northern Ireland (South East)	£147,609	11%	10%	11%
Northern Ireland (West)	£117,197	0%	7%	14%

Wales

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Nationwide Sub Regions	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cardiff	£223,086	9%	7%	4%
Mid & West Wales	£158,284	5%	8%	7%
North Wales	£167,199	3%	9%	6%
South Wales (East)	£171,162	9%	9%	5%
South Wales (West)	£168,584	11%	11%	5%

South West

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Nationwide Sub Regions	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bath	£286,190	22%	9%	7%
Bournemouth	£274,057	21%	8%	11%
Bristol	£277,638	40%	13%	14%
Cheltenham	£252,925	20%	3%	-2%
Cornwall and Isles of Scilly	£217,687	7%	6%	9%
Dorset	£269,057	18%	11%	10%
Gloucestershire	£223,431	13%	12%	8%
North Devon	£197,011	1%	0%	-1%
Plymouth	£184,553	11%	11%	5%
Poole	£275,247	13%	7%	7%
Somerset	£213,549	12%	8%	5%
South Devon	£236,212	18%	7%	5%
South Gloucestershire	£252,525	27%	12%	12%
Swindon	£206,197	12%	11%	9%
Wiltshire	£240,114	16%	11%	11%

North West

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cheshire	£201,366	12%	8%	7%
City of Manchester	£210,685	17%	7%	0%
Greater Manchester	£182,371	12%	11%	9%
Lancashire	£160,526	9%	8%	7%
Merseyside	£163,754	7%	9%	3%
Warrington & Halton	£187,905	9%	9%	8%

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West Midlands

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Nationwide Sub Regions	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Birmingham	£195,597	8%	9%	7%
Coventry	£180,965	12%	5%	6%
Greater Birmingham	£191,591	12%	14%	10%
Herefordshire	£205,878	11%	7%	10%
Shropshire	£182,377	6%	4%	4%
Staffordshire	£177,651	9%	7%	7%
Warwickshire	£222,622	13%	9%	6%
Worcestershire	£221,067	16%	12%	10%

East Midlands

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Nationwide Sub Regions	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Derby	£185,527	13%	8%	6%
Derbyshire	£178,966	10%	9%	5%
Leicestershire	£194,730	8%	8%	7%
Mid Lincolnshire	£163,791	6%	7%	9%
Northampton Town	£192,276	7%	8%	5%
Northamptonshire	£200,587	13%	13%	12%
Nottingham	£174,076	12%	17%	14%
Nottinghamshire	£178,447	13%	11%	9%
South Lincolnshire	£168,992	7%	9%	8%

Outer Metropolitan

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Nationwide Sub Regions	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Bracknell Forest	£319,733	37%	14%	12%
Central Kent	£281,357	21%	12%	9%
East Surrey	£385,417	43%	16%	15%
Hart & Rushmoor	£313,995	34%	12%	14%
Hertfordshire	£348,088	42%	20%	16%
Luton	£214,898	14%	11%	9%
Medway	£223,825	17%	13%	13%
North Surrey	£404,775	47%	18%	16%
Reading	£318,333	44%	18%	19%
Slough	£324,951	32%	16%	14%
South Buckinghamshire & Chilterns	£350,873	33%	9%	8%
South Essex	£291,263	29%	14%	14%
St Albans	£494,777	59%	24%	24%
West Kent	£295,149	30%	13%	12%
West Surrey	£390,100	43%	17%	12%
West Sussex (North)	£314,573	31%	13%	9%
Windsor & Maidenhead	£411,522	47%	17%	14%
Wokingham	£344,255	39%	13%	13%

London

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London Boroughs	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Barking and Dagenham	£253,043	37%	18%	21%
Barnet	£447,441	65%	22%	16%
Bexley	£287,994	43%	19%	15%
Brent	£506,124	82%	12%	9%
Bromley	£367,062	64%	24%	21%
Camden	£821,692	123%	42%	22%
Croydon	£321,465	49%	24%	21%
Ealing	£488,965	69%	23%	22%
Enfield	£381,101	62%	20%	22%
Greenwich	£374,766	69%	26%	14%
Hackney	£600,181	133%	25%	16%
Hammersmith and Fulham	£747,540	104%	19%	8%
Haringey	£531,381	93%	31%	20%
Harrow	£377,943	48%	21%	18%
Havering	£275,734	37%	17%	18%
Hillingdon	£358,005	47%	15%	14%
Hounslow	£398,015	44%	20%	16%
Islington	£714,961	122%	26%	19%
Kingston upon Thames	£465,272	73%	27%	27%
Lambeth	£556,296	101%	33%	19%
Lewisham	£429,703	92%	30%	23%
Merton	£458,436	63%	22%	12%
Newham	£358,469	68%	27%	29%
Redbridge	£345,489	53%	20%	15%
Richmond upon Thames	£547,754	76%	23%	14%
Southwark	£573,464	116%	28%	20%
Sutton	£350,473	57%	23%	21%
Tower Hamlets	£571,564	98%	30%	20%
Waltham Forest	£401,744	84%	30%	24%
Wandsworth	£619,860	88%	19%	13%
Westminster	£956,560	131%	26%	18%

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 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Cambridgeshire	£264,022	33%	12%	15%
Norfolk	£202,387	14%	9%	9%
Peterborough	£168,959	7%	7%	0%
Suffolk	£222,131	21%	10%	13%

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Outer South East

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Nationwide Sub Regions	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
Basingstoke & Deane	£289,496	30%	14%	12%
Bedford	£228,136	20%	13%	14%
Brighton & Hove	£394,755	48%	13%	13%
Central Bedfordshire	£264,639	27%	14%	14%
East Kent	£231,513	19%	11%	10%
East Sussex	£262,219	26%	14%	10%
Isle of Wight	£206,695	9%	19%	8%
Mid Hampshire	£311,372	29%	12%	9%
Milton Keynes & Aylesbury	£270,797	22%	15%	11%
New Forest	£298,013	24%	7%	9%
North Essex	£245,564	20%	12%	11%
Oxfordshire	£324,105	38%	12%	11%
Portsmouth Area	£221,742	20%	14%	12%
Southampton Area	£252,513	20%	13%	8%
West Berkshire	£307,217	29%	12%	9%
West Sussex (South)	£281,436	24%	11%	11%

North

[click here to return to commentary](#)

Nationwide Sub Regions	Price in 2014 Q4	% change over 10 years	Annual % change last quarter	Annual % change this quarter
County Durham	£147,388	1%	12%	8%
Cumbria	£167,655	18%	10%	3%
Northumberland	£165,978	0%	8%	6%
Teeside	£155,601	3%	6%	8%
Tyne and Wear	£168,615	7%	8%	6%

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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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