

# Nationwide HOUSE PRICE INDEX



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

September 2015

## Annual house price growth picks up in September whilst regional divergence grows

- UK house prices increased by 0.5% in September
- UK annual house price growth increased to 3.8% in September
- London house price growth increased to 10.6% in Q3

UK Headlines	Sep-15	Aug-15
Monthly Index*	389.5	387.5
Monthly Change*	0.5%	0.4%
Annual Change	3.8%	3.2%
Average Price (not seasonally adjusted)	£195,585	£195,279

\* 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 increased by 0.5% in September, with the annual pace of house price growth picking up modestly to 3.8%, from 3.2% in August.

"The data in recent months provides some encouragement that the pace of house price increases may be stabilising close to the pace of earnings growth. However, the risk remains that construction activity will lag behind strengthening demand, putting upward pressure on house prices and eventually reducing affordability.

"Indeed, in recent months surveyors have reported historically low levels of properties for sale and increased new buyer enquiries. Therefore it is unsurprising that most surveyors expect a pickup in house price growth in the months ahead.

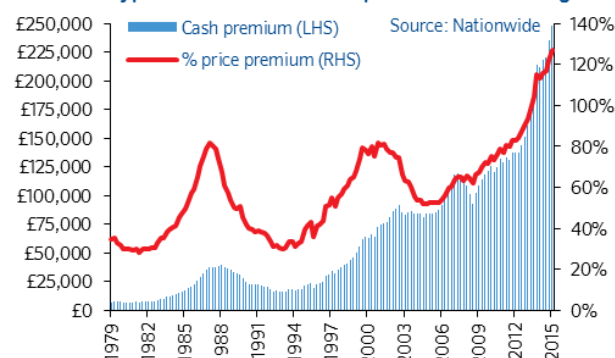
### London continues to outpace rest of UK

"The slowdown in house price growth since the middle of 2014 has not been confined to, nor has it been driven primarily by, developments in London. Indeed, the capital

has continued to see price growth at or above the rate in the UK overall over the past four quarters. The annual rate of price growth in London is currently the highest in the country and actually accelerated to 10.6% in Q3, up from 7.3% in Q2.

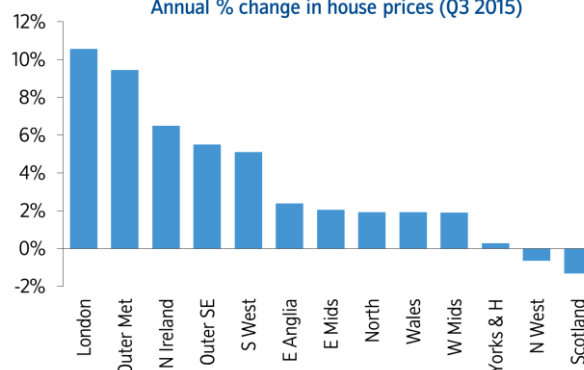
"The gap between London house prices and the rest of the UK has continued to reach new highs (see chart below). The price of a typical home in the capital (£443,399 on our measure) is more than double the UK aggregate and more than three and a half times the price of the typical property in the cheapest UK region (the North of England).

Cost of typical London home compared with UK average



"Taking a wider view, regional house price performance was mixed in Q3. Eight UK regions recorded a slowdown in the annual rate of growth, while five saw acceleration. Most parts of the country continued to see annual house price gains - the exceptions were Scotland and the North West which both recorded small declines."

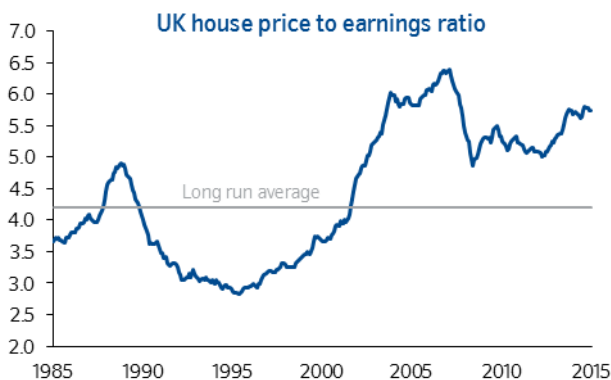
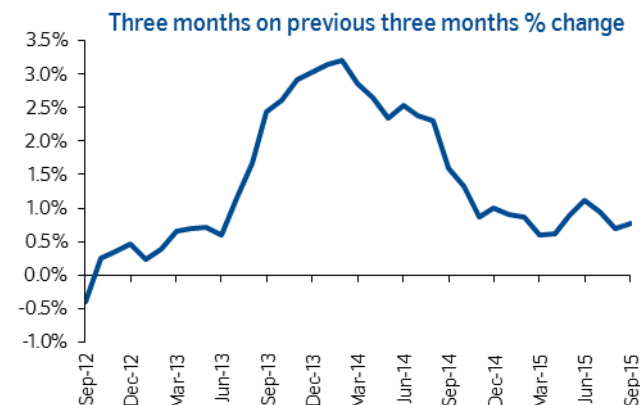
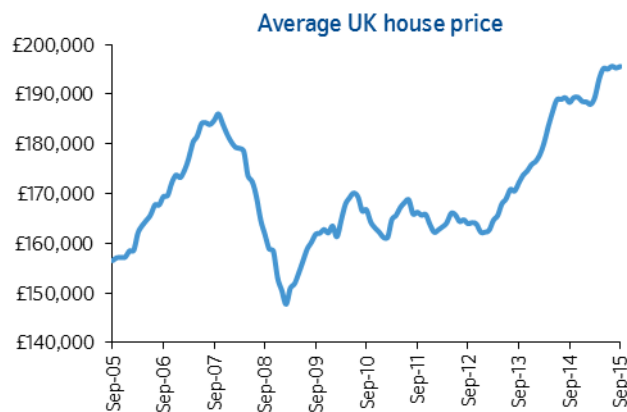
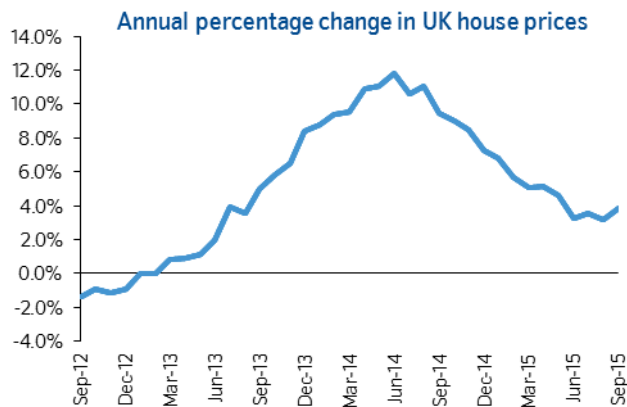
Annual % change in house prices (Q3 2015)



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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
Sep-13	1.2	2.4	5.0	172,127
Oct-13	1.0	2.6	5.8	173,678
Nov-13	0.8	2.9	6.5	174,566
Dec-13	1.5	3.0	8.4	175,826
Jan-14	0.8	3.1	8.8	176,491
Feb-14	0.9	3.2	9.4	177,846
Mar-14	0.5	2.9	9.5	180,264
Apr-14	1.0	2.6	10.9	183,577
May-14	0.7	2.3	11.1	186,512
Jun-14	1.1	2.5	11.8	188,903
Jul-14	0.1	2.4	10.6	188,949
Aug-14	0.8	2.3	11.0	189,306
Sep-14	-0.2	1.6	9.4	188,374
Oct-14	0.6	1.3	9.0	189,333
Nov-14	0.3	0.9	8.5	189,388
Dec-14	0.2	1.0	7.2	188,559
Jan-15	0.4	0.9	6.8	188,446
Feb-15	-0.1	0.9	5.7	187,964
Mar-15	0.1	0.6	5.1	189,454
Apr-15	1.0	0.6	5.2	193,048
May-15	0.3	0.9	4.6	195,166
Jun-15	-0.2	1.1	3.3	195,055
Jul-15	0.4	0.9	3.5	195,621
Aug-15	0.4	0.7	3.2	195,279
Sep-15	0.5	0.8	3.8	195,585

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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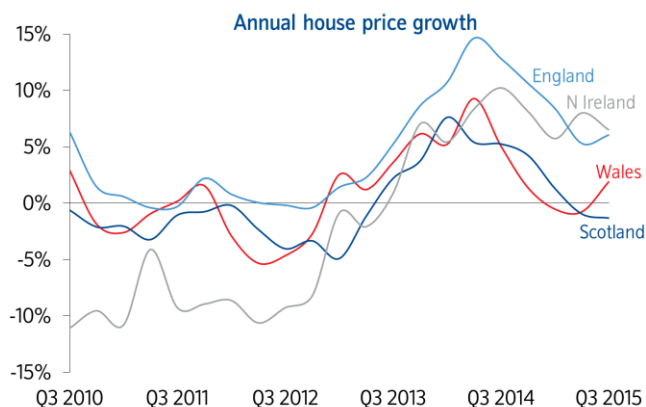
# Quarterly Regional House Price Statistics

Q3 2015

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

UK Fact File (Q3 2015)	
Average UK House Price	£195,733
Annual percentage change	3.7%
Quarterly change*	1.0%
Most expensive region	London
Least expensive region	North
Strongest annual price change	London
Weakest annual price change	Scotland

\* Seasonally adjusted



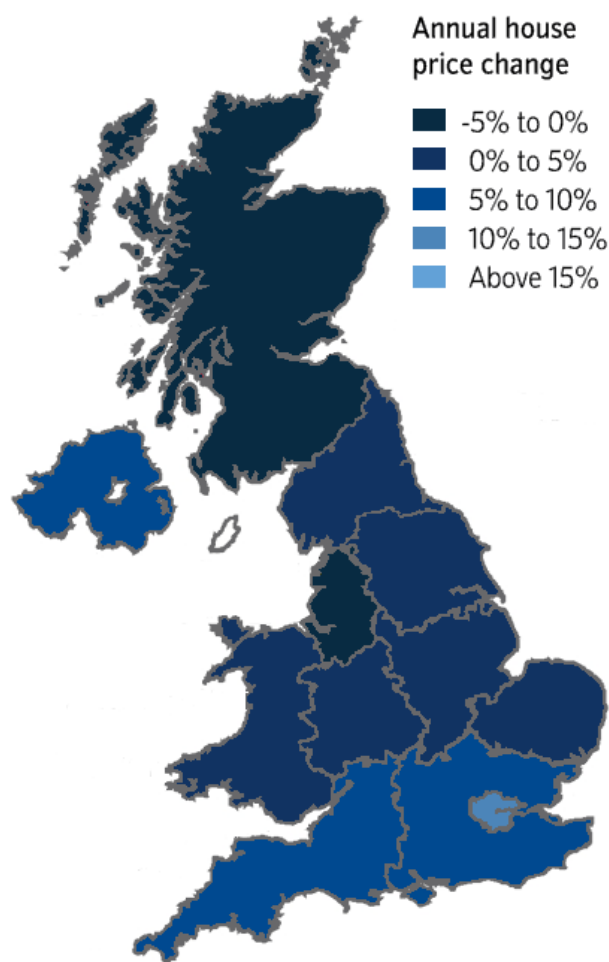
## Regions over the last 12 months

Region	Average Price (Q3 2015)	Annual % change this quarter	Annual % change last quarter
London	£443,399	10.6%	7.3%
Outer Met	£326,785	9.5%	6.8%
N Ireland	£127,562	6.5%	8.0%
Outer SE	£247,286	5.5%	6.0%
South West	£219,781	5.1%	3.8%
East Anglia	£199,334	2.4%	5.2%
East Midlands	£160,525	2.1%	4.1%
North	£124,345	1.9%	0.1%
Wales	£146,854	1.9%	-0.8%
West Midlands	£167,185	1.9%	3.4%
Yorks & H'side	£145,673	0.3%	3.3%
North West	£145,816	-0.6%	1.4%
Scotland	£140,402	-1.3%	-1.0%
UK	£195,733	3.7%	4.1%

## Nations - annual & quarterly price change

Nation	Average Price (Q3 2015)	Annual % change this quarter	Quarterly % change*
N Ireland	£127,562	6.5%	1.1%
England	£239,842	6.0%	1.8%
Wales	£146,854	1.9%	1.7%
Scotland	£140,402	-1.3%	0.5%

\* Seasonally adjusted



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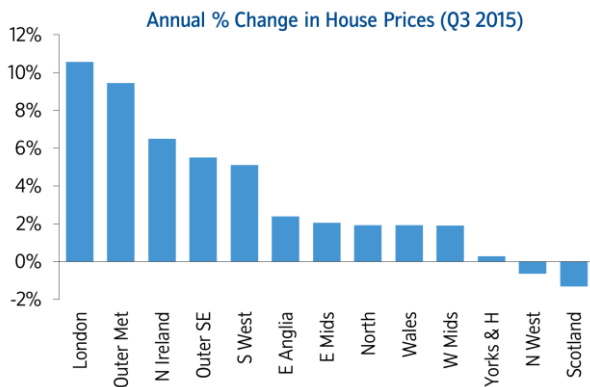
## London leads regional house price growth

There was a mixed picture across the regions in Q3. The rate of annual house price growth accelerated in Southern England, particularly in London, but continued to slow in the Midlands and most Northern areas.

London was the strongest performing region, with average prices up 10.6% year-on-year, up from growth of 7.3% in Q2. Annual price growth also accelerated in the neighbouring Outer Metropolitan region from 6.8% to 9.5%. The North West was the weakest performing English region, with prices down 0.6% year-on-year.

House prices continue to recover in Northern Ireland, with annual growth of 6.5% in Q3, although average prices are still 44% below their pre-crisis peak.

Wales saw a 1.9% year-on-year increase in average prices, a slight improvement compared with recent quarters. Scotland was the weakest performing region for the second quarter in a row, with a 1.3% year-on-year fall, similar to the 1% annual decline recorded in Q2.



## North / South divide widens in England

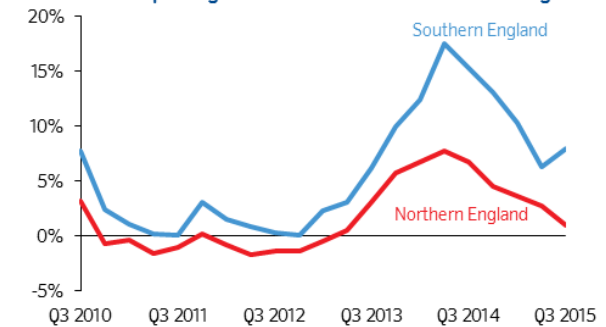
England (Q3 2015)	
Average house price	£239,842
Annual percentage change	6.0%
Quarterly change*	1.8%
Most expensive region	London
Least expensive region	North
Strongest annual price change	London
Weakest annual price change	North West

\* Seasonally adjusted

Average house prices in England increased by 1.8% in Q3, and were up 6.0% year-on-year.

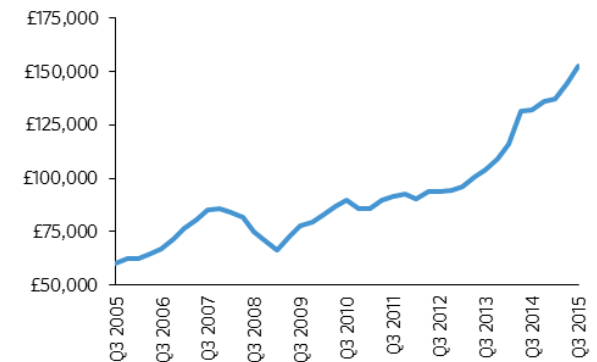
Price growth in the South exceeded that in the North for the 26<sup>th</sup> consecutive quarter. Prices in Southern England (South West, Outer South East, Outer Metropolitan, London and East Anglia) were up 8.0% year-on-year, whilst in Northern England (West Midlands, East Midlands, Yorkshire & Humberside, North West and North) prices rose by just 1.0%.

### Annual house price growth in Southern & Northern England



In cash terms, the gap in average prices between the South and the North of England is at a record high, exceeding £150,000 for the first time, with average prices in the South now twice as high as those in the North.

### House price gap between Southern & Northern England



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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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