

Nationwide HOUSE PRICE INDEX



www.nationwide.co.uk/hpi

April 2013

Embargoed until 0700 1 May 2013

UK house prices little changed in April

- Price of a typical home declined by 0.1% between March and April, but was 0.9% higher than April 2012
- The typical UK home is now worth £165,586

Headlines	Apr-13	Mar-13
Monthly Index*	329.5	329.7
Monthly Change*	-0.1%	0.0%
Annual Change	0.9%	0.8%
Average Price (not seasonally adjusted)	£165,586	£164,630

- 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:

"House prices were little changed in April, declining by 0.1% compared to March after taking account of usual seasonal effects. Nevertheless, there is some evidence that activity and prices have gained some momentum in recent months.

"The three month on three month measure of house prices, which is a smoother measure of the underlying trend, has been in positive territory since October last year. The annual rate of house price growth also remained in positive territory, with prices 0.9% higher than April 2012.

"Similarly, the number of mortgage approvals has edged up from the levels prevailing last year and there are reasons for optimism that activity levels will continue to strengthen in the months ahead.

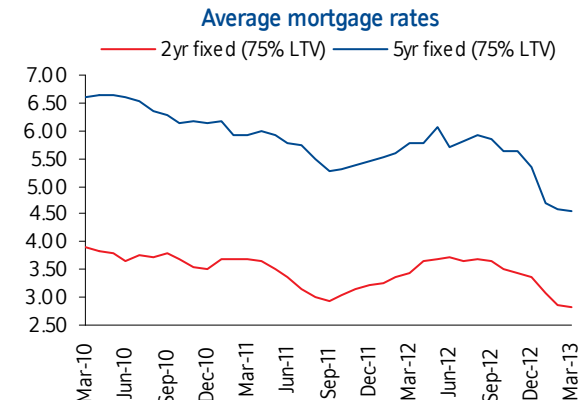
Tentative signs of a pickup in activity, especially amongst first time buyers

Mortgage approvals for house purchases averaged just over 53,000 per month in the first quarter of 2013, up from an average of 51,000 per month in 2012. House purchase lending was also up 4% year-on-year in the first two months

of the year, boosted by higher levels of lending to first time buyers (which was up 18% at £2bn).

Indeed, first time buyers accounted for 43% of house purchase loans in February, the highest proportion since the series began in April 2005 (excluding March 2012 which was artificially inflated due to the ending of the stamp duty holiday).

Policy measures focused on increasing the availability and lowering the cost of credit, should continue to provide support. Indeed, the Bank of England's Funding for Lending Scheme (FLS) has already helped to drive mortgage rates down towards new all time lows (as shown below) and has recently been extended to run for another year (to January 2015).



Source: Bank of England

There are tentative signs that wider economic conditions are starting to improve, with the economy returning to growth in the first three months of 2013. Nevertheless, progress is likely to be gradual. Labour market conditions remain challenging, with the unemployment rate still elevated and wage growth failing to keep up with the rising cost of living.

Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
Lindsay McAloon, 01793 655195, lindsay.mcaloon@nationwide.co.uk



Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 month on 3 month % change	Annual % Change	Average Price
Apr-11	-0.2	0.6	-1.3	165,609
May-11	0.2	0.9	-1.2	167,208
Jun-11	0.2	0.7	-1.1	168,205
Jul-11	0.3	0.6	-0.4	168,731
Aug-11	-0.7	0.2	-0.4	165,914
Sep-11	0.2	0.1	-0.3	166,256
Oct-11	0.2	-0.3	0.8	165,650
Nov-11	0.3	0.0	1.6	165,798
Dec-11	-0.3	0.2	1.0	163,822
Jan-12	-0.5	0.1	0.6	162,228
Feb-12	0.3	-0.3	0.9	162,712
Mar-12	-0.9	-0.7	-0.9	163,327
Apr-12	-0.2	-0.8	-0.9	164,134
May-12	0.3	-0.8	-0.7	166,022
Jun-12	-0.5	-0.6	-1.5	165,738
Jul-12	-0.8	-0.7	-2.6	164,389
Aug-12	1.2	-0.5	-0.7	164,729
Sep-12	-0.4	-0.4	-1.4	163,964
Oct-12	0.6	0.4	-0.9	164,153
Nov-12	0.0	0.5	-1.2	163,853
Dec-12	0.0	0.7	-1.0	162,262
Jan-13	0.5	0.4	0.0	162,245
Feb-13	0.2	0.5	0.0	162,638
Mar-13	0.0	0.6	0.8	164,630
Apr-13	-0.1	0.5	0.9	165,586

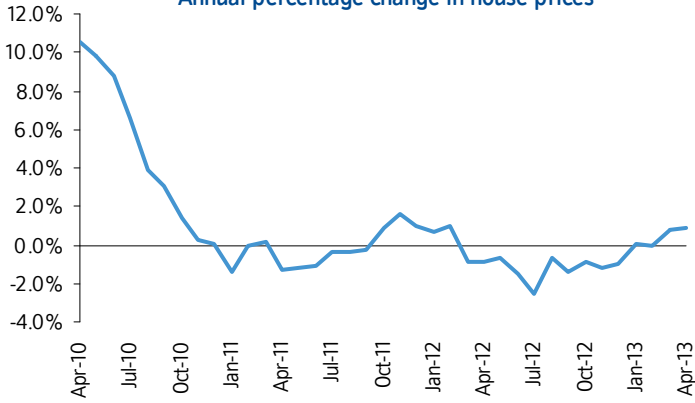
Note: Historical figures including index levels can be viewed using the following link:

www.nationwide.co.uk/hpi/downloads/Monthly.xls

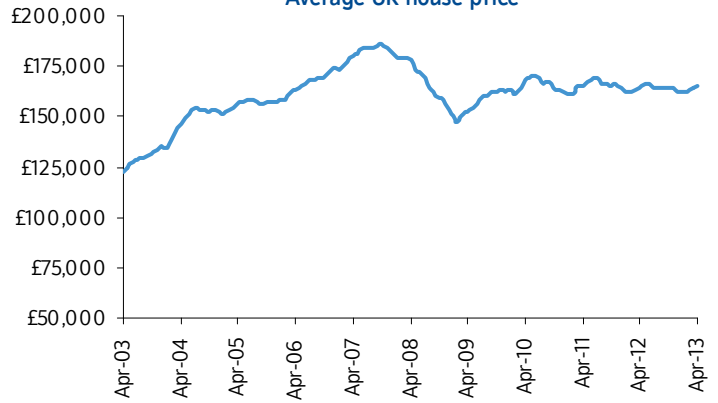
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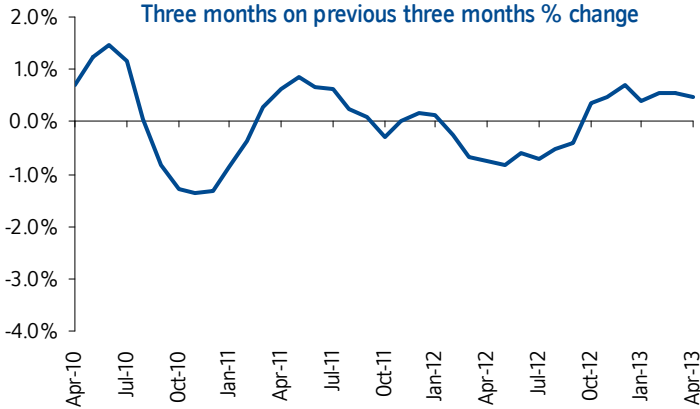
Annual percentage change in house prices



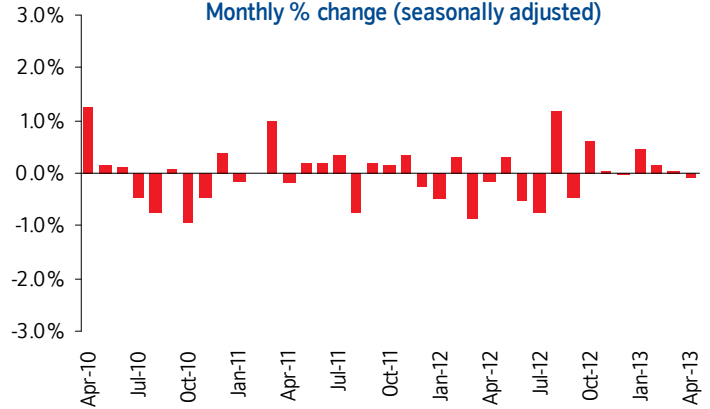
Average UK house price



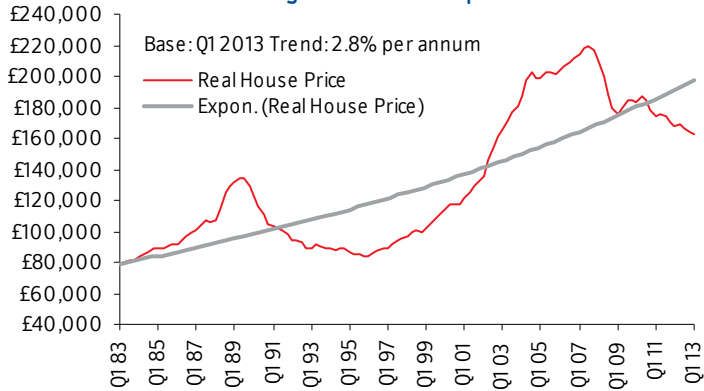
Three months on previous three months % change



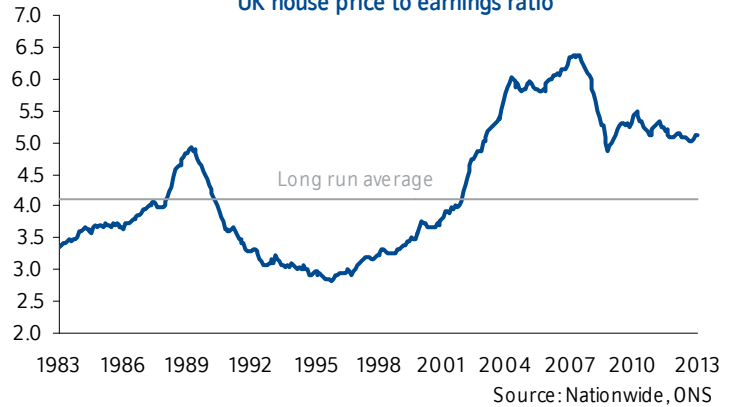
Monthly % change (seasonally adjusted)



Long term real house price trend



UK house price to earnings ratio



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 are 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.

The Nationwide Monthly House Price Index is prepared from information which we believe is collated with care, but no representation is made as to its accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue the whole or any part of the Index at any time, for regulatory or other reasons. Persons seeking to place reliance on the Index for their own or third party commercial purposes do so entirely at their own risk. All changes are nominal and do not allow for inflation.

More information on the house price index methodology along with time series data and archives of housing research can be found at www.nationwide.co.uk/hpi

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