

Nationwide HOUSE PRICE INDEX



www.nationwide.co.uk/hpi

March 2020

Annual house price growth edged higher before the pandemic struck the UK

- Prices rose 0.8% in March, after taking account of seasonal factors
- The sample period excludes recent COVID-19 related disruption
- Annual growth highest since January 2018
- Most UK regions saw small price gains in Q1

Headlines	Mar-20	Feb-20
Monthly Index*	439.6	436.3
Monthly Change*	0.8%	0.3%
Annual Change	3.0%	2.3%
Average Price (not seasonally adjusted)	£219,583	£216,092

* 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:

"Annual house price growth increased to 3% in March, up from 2.3% the previous month - the fastest pace since January 2018 (when annual growth was 3.2%). The last six months have all seen month-on-month increases, after taking account of seasonal effects.

"It is important to note that, while we use a full month's worth of data to generate the index, the cut-off point is slightly before the end of the month. This means that developments following the UK government's lockdown will not be reflected in these figures.

"In the opening months of 2020, before the pandemic struck the UK, the housing market had been steadily gathering momentum. Activity levels and price growth were edging up thanks to continued robust labour market conditions, low borrowing costs and a more stable political backdrop following the general election.

"But housing market activity is now grinding to a halt as a result of the measures implemented to control the spread of the virus, and where the government has recommended not entering into housing transactions during this period.

"Indeed, a lack of transactions will make gauging house price trends difficult in the coming months.

"The medium-term outlook for the housing market is also highly uncertain, where much will depend on the performance of the wider economy.

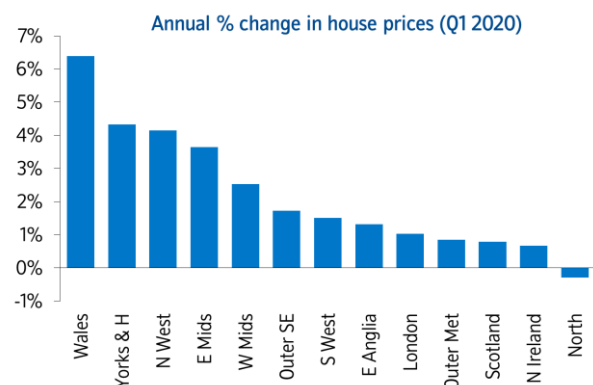
"Economic activity is set to contract significantly in the near term as a direct result of the necessary measures adopted to suppress the spread of the virus.

"But the raft of policies adopted to support the economy, including to protect businesses and jobs, to support peoples' incomes and keep borrowing costs down, should set the stage for a strong rebound once the shock passes, and help limit long-term damage to the economy.

"These same measures should also help ensure the impact on the housing market will ultimately be much less than would normally be associated with an economic shock of this magnitude.

Annual price growth up in most regions in Q1

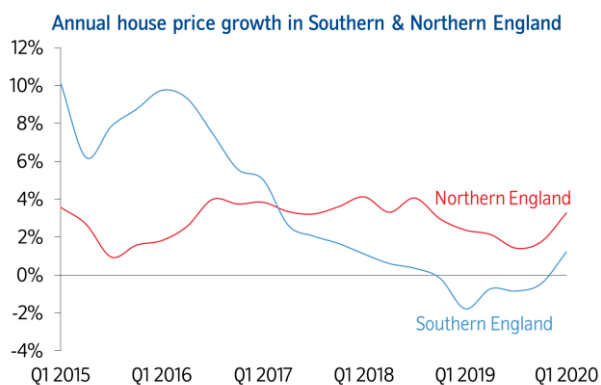
"Wales was the strongest performing region in the first quarter of 2020, with annual price growth picking up to 6.4%. Following several quarters of little or no growth, England saw annual house price growth increase to 1.9%. Conditions remained subdued in Scotland and Northern Ireland, which saw annual price growth of 0.8% and 0.7%, respectively.



Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
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“In England, all regions except the North saw modest price growth of between 0% and 5% - in the North prices were down 0.3% compared with Q1 2019.

“Nevertheless, house price growth across northern England as a whole (North, North West, Yorkshire & Humberside, East Midlands and West Midlands), remained ahead of that in the south (London, Outer Metropolitan, Outer South East and East Anglia), as has been the case since the start of 2017. Yorkshire & Humberside was the strongest performing English region with prices up 4.3% year-on-year.



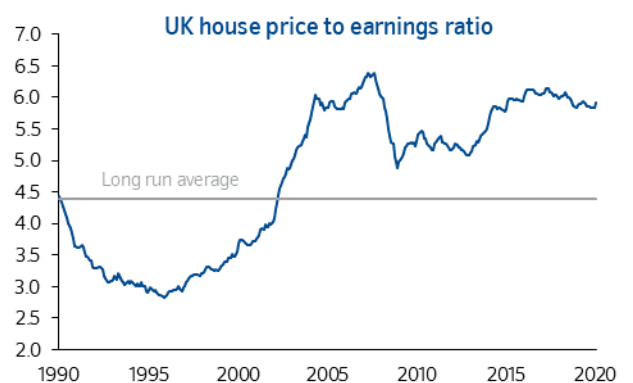
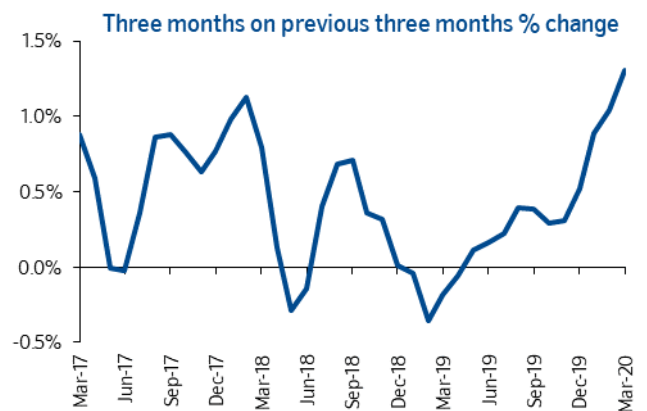
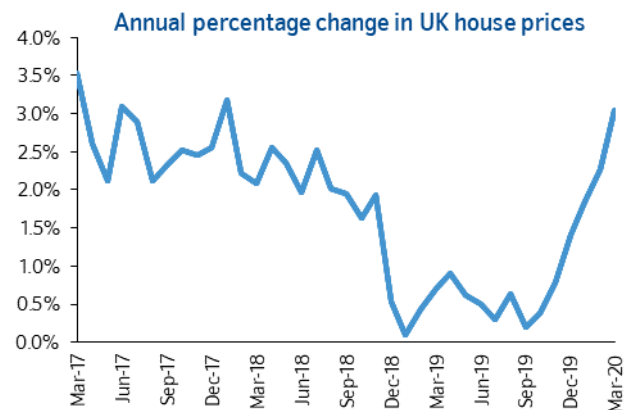
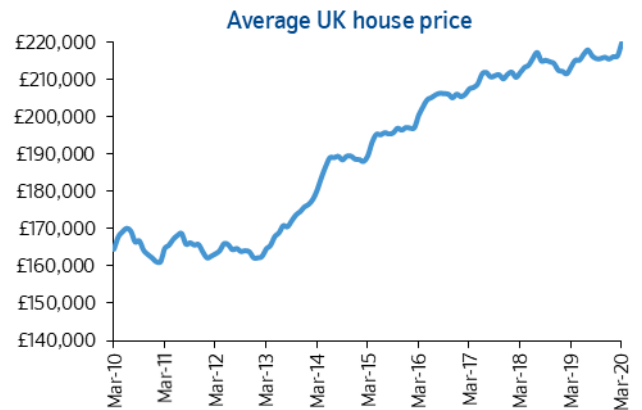
“London saw a recovery in annual house price growth to 1.0%, following ten consecutive quarters of annual price declines. Average prices in the capital are still only 4% below the all-time highs recorded in Q1 2017 and over 50% above their 2007 levels (UK prices are currently 19% higher than their 2007 peak).

“The surrounding Outer Metropolitan region saw a modest pickup in annual price growth to 0.8%, while the neighbouring Outer South East region saw a pickup to 1.7%, following four quarters of small annual price declines.

“Elsewhere in England, most regions saw a slight pickup in annual price growth in Q1.”

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Mar-18	-0.3	0.8	2.1	211,625
Apr-18	0.0	0.1	2.6	213,000
May-18	0.0	-0.3	2.4	213,618
Jun-18	0.4	-0.1	2.0	215,444
Jul-18	0.6	0.4	2.5	217,010
Aug-18	-0.4	0.7	2.0	214,745
Sep-18	0.3	0.7	2.0	214,922
Oct-18	0.0	0.4	1.6	214,534
Nov-18	0.2	0.3	1.9	214,044
Dec-18	-0.6	0.0	0.5	212,281
Jan-19	0.2	0.0	0.1	211,966
Feb-19	-0.1	-0.4	0.4	211,304
Mar-19	0.0	-0.2	0.7	213,102
Apr-19	0.2	-0.1	0.9	214,920
May-19	-0.2	0.1	0.6	214,946
Jun-19	0.2	0.2	0.5	216,515
Jul-19	0.3	0.2	0.3	217,663
Aug-19	0.0	0.4	0.6	216,096
Sep-19	-0.1	0.4	0.2	215,352
Oct-19	0.2	0.3	0.4	215,368
Nov-19	0.5	0.3	0.8	215,734
Dec-19	0.2	0.5	1.4	215,282
Jan-20	0.5	0.9	1.9	215,897
Feb-20	0.3	1.0	2.3	216,092
Mar-20	0.8	1.3	3.0	219,583



Source: Nationwide, ONS

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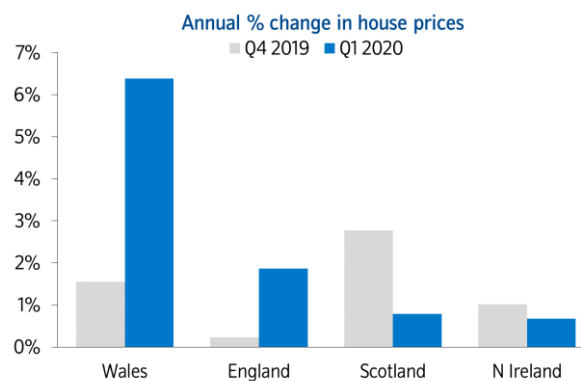
Quarterly Regional House Price Statistics

Q1 2020

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

Regions over the last 12 months

Region	Average Price (Q1 2020)	Annual % change this quarter	Annual % change last quarter
Wales	£163,076	6.4%	1.5%
Yorks & H'side	£164,115	4.3%	1.6%
North West	£168,230	4.1%	1.8%
East Midlands	£188,893	3.6%	0.4%
West Midlands	£194,047	2.5%	2.7%
Outer S East	£278,838	1.7%	-1.0%
South West	£245,326	1.5%	1.6%
East Anglia	£228,922	1.3%	0.1%
London	£460,266	1.0%	-1.8%
Outer Met	£358,996	0.8%	0.3%
Scotland	£148,893	0.8%	2.8%
N Ireland	£143,438	0.7%	1.0%
North	£129,081	-0.3%	2.6%
UK	£217,911	2.5%	0.8%



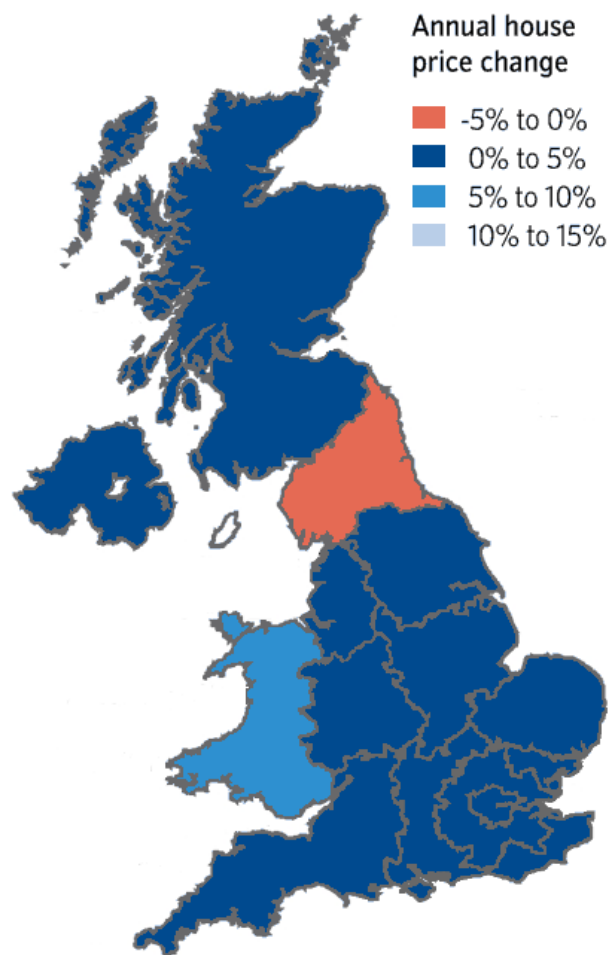
UK Fact File (Q1 2020)	
Quarterly average UK house price	£217,911
Annual percentage change	2.5%
Quarterly change*	1.3%
Most expensive region	London
Least expensive region	North
Strongest annual price change	Wales
Weakest annual price change	North

* Seasonally adjusted

Nations – annual & quarterly price change

Nation	Average Price (Q1 2020)	Annual % change this quarter	Quarterly % change*
Wales	£163,076	6.4%	2.7%
England	£254,258	1.9%	1.2%
Scotland	£148,893	0.8%	-0.9%
N Ireland	£143,438	0.7%	1.2%

* Seasonally adjusted



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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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