

# Nationwide HOUSE PRICE INDEX



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August 2019

## Little change in UK house price growth in August

- Annual house price growth remained subdued at 0.6%
- Prices unchanged month-on-month, after taking account of seasonal factors

Headlines	Aug-19	Jul-19
Monthly Index*	429.2	429.1
Monthly Change*	0.0%	0.3%
Annual Change	0.6%	0.3%
Average Price (not seasonally adjusted)	£216,096	£217,663

\* 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 remained below 1% for the ninth month in a row in August, at 0.6%. While house price growth has remained fairly stable, there have been mixed signals from the property market in recent months.

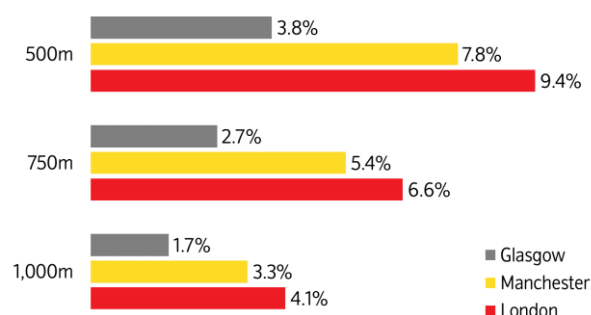
“Surveyors report that new buyer enquiries have increased a little, though key consumer confidence indicators remain subdued. Data on the number of property transactions points to a slowdown in activity, though the number of mortgages approved for house purchase has remained broadly stable.

“Housing market trends will remain heavily dependent on developments in the broader economy. In the near term, healthy labour market conditions and low borrowing costs will provide underlying support, though uncertainty is likely to continue to exert a drag on sentiment and activity.

### What impact do transport links have on house prices within major cities?

“We recently updated our research on how the proximity to either a tube, tram or railway station impacted property prices in London, Manchester and Glasgow, after taking account of other property characteristics, such as property type, number of bedrooms and local neighbourhood type.

Premium compared to property located 1,500m from station



“Perhaps unsurprisingly, London homebuyers appear willing to pay a greater premium for being close to a station, compared with those in Greater Manchester and Glasgow.

Buyers in the capital pay an extra 9.4% to be within 500m of a station (equivalent to £42,900 on the price of an average home in London<sup>1</sup>) and 4.1% (c£18,800 extra) to be within a kilometre of a station. This probably reflects the greater reliance on public transport in the capital, with residents less likely to drive.

“London also has the densest network of stations and services, with 94% of properties within 1.5km of a station, compared with 72% in Glasgow (Strathclyde Partnership for Transport area) and 70% in Greater Manchester.

“Residents in Manchester are also willing to pay a significant premium to be near a station – 7.8% (c£12,600 based on average prices in the region) to be within 500m and 3.3% (c£5,300 extra) to be within a kilometre.

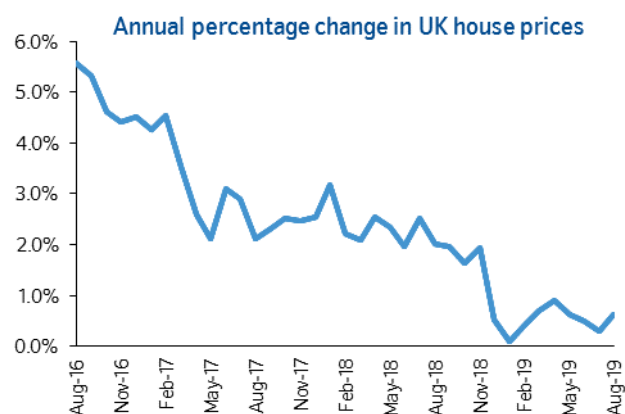
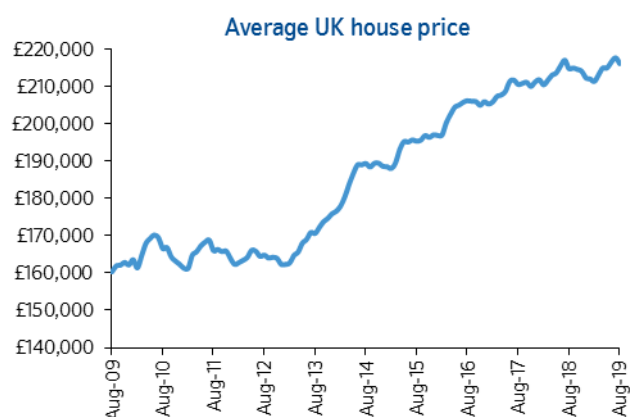
“Recent years have seen a further expansion of Manchester’s Metrolink network to the airport and the opening of the ‘Second City Crossing’. Metrolink saw a 9% increase in passenger journeys in 2017/18, the strongest growth amongst England’s light rail and tram systems<sup>2</sup>.

<sup>1</sup> The price premiums quoted relate to average prices in each region at Q1 2019, consistent with our special report.

<sup>2</sup> Department for Transport, Light rail & tram statistics 2017-18, <https://www.gov.uk/government/statistics/light-rail-and-tram-statistics-england-year-ending-march-2018>, Table LRT0101

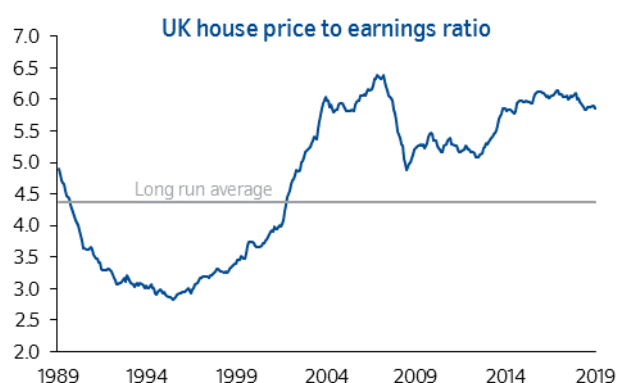
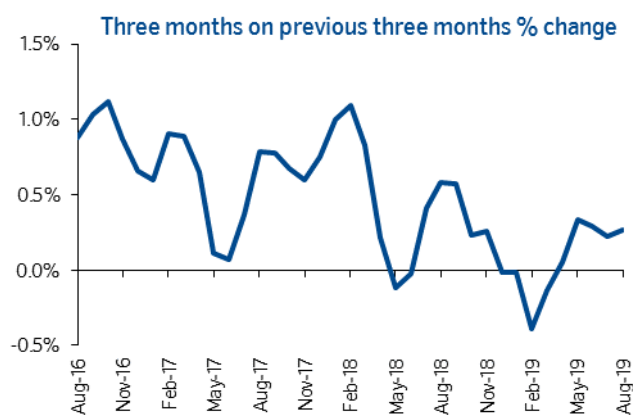
“The premiums paid to be near rail links in Glasgow are lower at 3.8% to be within 500m (approximately £5,700) and 1.7% to be within a kilometre (c£2,500). Glasgow has the largest network of suburban railway lines in the UK outside of London. The area covered by the Strathclyde Partnership for Transport (SPT) includes 185 railway stations with a further 15 subway stations in Glasgow city centre. The districts best served by the network include Glasgow City, Inverclyde and West Dunbartonshire, where over 80% of properties are within 1.5km of a station.”

For further details, please see our [Transport Special Report](#).



## Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Aug-17	0.1	0.8	2.1	210,495
Sep-17	0.4	0.8	2.3	210,801
Oct-17	0.2	0.7	2.5	211,085
Nov-17	0.1	0.6	2.5	209,988
Dec-17	0.6	0.8	2.6	211,156
Jan-18	0.7	1.0	3.2	211,756
Feb-18	-0.4	1.1	2.2	210,402
Mar-18	-0.2	0.8	2.1	211,625
Apr-18	0.1	0.2	2.6	213,000
May-18	0.0	-0.1	2.4	213,618
Jun-18	0.3	0.0	2.0	215,444
Jul-18	0.5	0.4	2.5	217,010
Aug-18	-0.3	0.6	2.0	214,745
Sep-18	0.2	0.6	2.0	214,922
Oct-18	0.0	0.2	1.6	214,534
Nov-18	0.4	0.3	1.9	214,044
Dec-18	-0.7	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	0.2	-0.1	0.7	213,102
Apr-19	0.3	0.1	0.9	214,920
May-19	-0.2	0.3	0.6	214,946
Jun-19	0.1	0.3	0.5	216,515
Jul-19	0.3	0.2	0.3	217,663
Aug-19	0.0	0.3	0.6	216,096



Source: Nationwide, ONS

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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>

### Additional notes in relation to transport research

The methodology correlates the price paid for a property against the set of property characteristics (including the property type, age, number of bedrooms and floor area), locality (local neighbourhood as described by ACORN) and the distance from the nearest station. For each case in the sample, the straight line distance to the nearest station. Our research is based on the proximity to the station and does not take account of the service provision or indeed the typical travel time to city centre. Only properties within 5km of a station were included.

The data was drawn from Nationwide's house purchase mortgage lending at the post survey approvals stage in 2018.

For London, the sample only includes properties located within the London boroughs, so excludes some of the outer extremes of the London Underground network (for example Metropolitan line stations in Hertfordshire). We include London Underground, Docklands Light Railway, London Overground and National Rail stations.

In Manchester, the sample covers properties located within the Greater Manchester metropolitan boroughs (Manchester, Bolton, Bury, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford & Wigan). We include Manchester Metrolink stops and National Rail stations within Greater Manchester, except Denton and Reddish South stations due to the exceptionally limited service provided.

In Glasgow, we use the Strathclyde Partnership for Transport area which covers Glasgow City, Inverclyde, West Dunbartonshire, East Dunbartonshire, East Renfrewshire, Renfrewshire, North Ayrshire, East Ayrshire, South Ayrshire, South Lanarkshire, North Lanarkshire and Helensburgh & Lomond. We include Glasgow Subway and National Rail stations within the SPT area.

The price premiums quoted relate to average prices in each region at Q1 2019.

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