

Annual house price growth rebounds in November

- UK house prices rose 1.2% month on month
- Annual growth rate rebounded to 3.7%, from 2.4% in October – fastest since November 2022
- House prices now just 1% below all-time peak

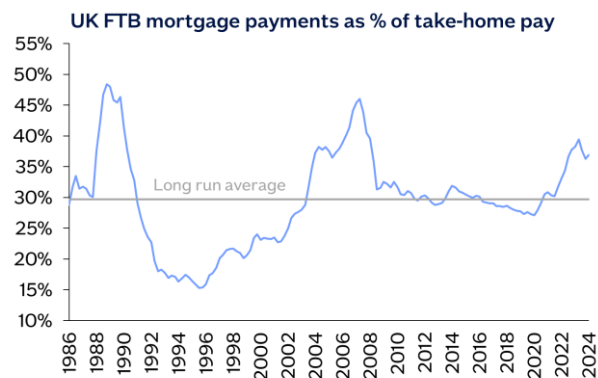
Headlines	Nov-24	Oct-24
Monthly Index*	536.6	530.4
Monthly Change*	1.2%	0.1%
Annual Change	3.7%	2.4%
Average Price (not seasonally adjusted)	£268,144	£265,738

* 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:

“The price of a typical UK home rose by 3.7% year on year in November, a strong rebound from the 2.4% recorded the previous month and marking the fastest rate of annual growth for two years (November 2022). House prices increased by a robust 1.2% month on month, after taking account of seasonal effects, the largest monthly gain since March 2022. House prices are just 1% below the all-time high recorded in the summer of 2022.

“The acceleration in house price growth is surprising, since affordability remains stretched by historic standards, with house prices still high relative to average incomes and interest rates well above pre-Covid levels.



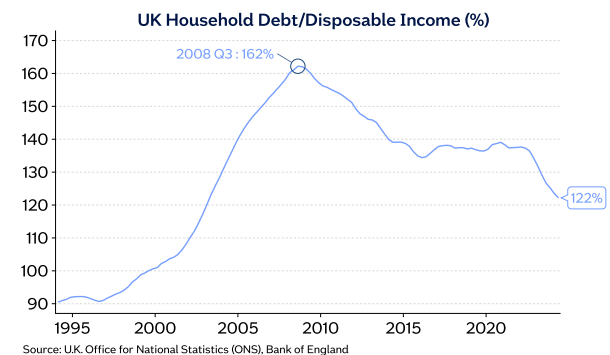
Source: Nationwide, UKF, ONS

“The pickup in price growth is unlikely to have been driven by upcoming stamp duty changes¹, since the majority of mortgage applications commenced before the Budget announcement.

¹ The temporary increase in the nil rate stamp duty thresholds (in England & Northern Ireland) will expire on 31 March 2025 and revert to their previous levels. For first time buyers purchasing a property of under £500,000, the nil rate band threshold will fall to £300,000 from £425,000 at present, while for other residential buyers, the nil rate band threshold will decline to £125,000, from £250,000.

“Housing market activity has remained relatively resilient in recent months, with the number of mortgage approvals approaching the levels seen pre-pandemic, despite the higher interest rate environment.

“Solid labour market conditions, with low levels of unemployment and strong income gains, even after taking account of inflation, have helped underpin a steady rise in activity and house prices since the start of the year. Household balance sheets are also in good shape with debt levels at their lowest levels relative to household income since the mid-2000s (see chart).



Source: UK Office for National Statistics (ONS), Bank of England

“Gauging the underlying strength of the market will be more difficult in the coming months as the upcoming stamp duty changes will provide an incentive for buyers to bring forward house purchases to avoid paying additional tax.

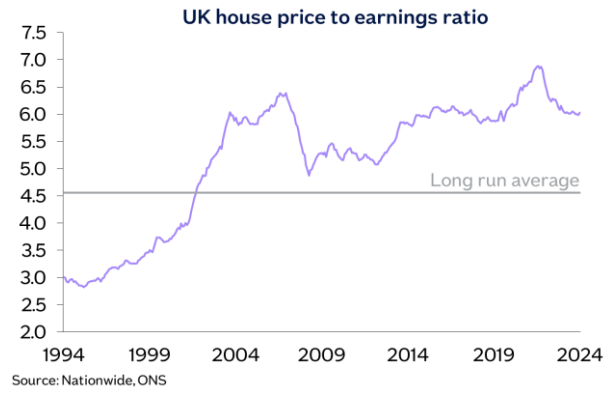
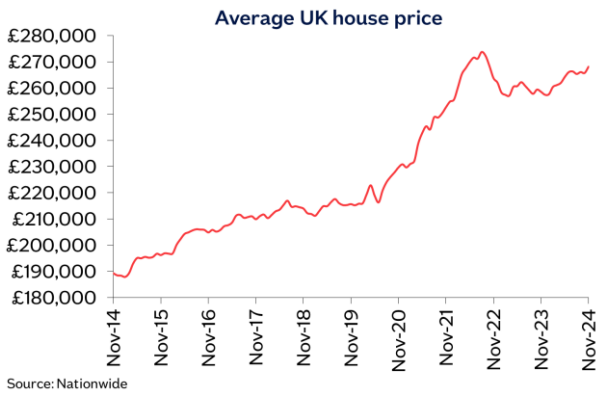
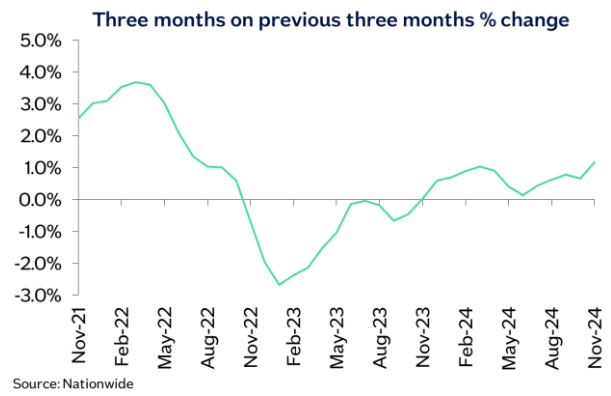
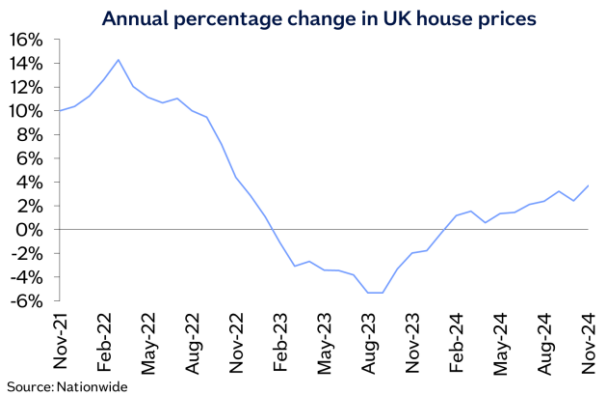
“This is likely to lead to a jump in transactions in the first three months of 2025 (especially in March) and a corresponding period of weakness in the following three to six months, as occurred in the wake of previous stamp duty changes. This has the potential to shift the demand/supply balance in the near term and impact price movements.

“But, providing the economy continues to recover steadily, as we expect, the underlying pace of housing market activity is likely to continue to strengthen gradually as affordability constraints ease through a combination of modestly lower interest rates and earnings outpacing house price growth.”

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 month on 3 month % Change	Annual % Change	Average Price
Nov-22	-1.4	-0.7	4.4	263,788
Dec-22	-0.3	-2.0	2.8	262,068
Jan-23	-0.8	-2.7	1.1	258,297
Feb-23	-0.6	-2.4	-1.1	257,406
Mar-23	-0.7	-2.1	-3.1	257,122
Apr-23	0.7	-1.5	-2.7	260,441
May-23	-0.2	-1.0	-3.4	260,736
Jun-23	0.1	-0.1	-3.5	262,239
Jul-23	-0.2	0.0	-3.8	260,828
Aug-23	-0.6	-0.2	-5.3	259,153
Sep-23	-0.1	-0.7	-5.3	257,808
Oct-23	0.9	-0.5	-3.3	259,423
Nov-23	-0.1	0.0	-2.0	258,557
Dec-23	-0.1	0.6	-1.8	257,443
Jan-24	0.7	0.7	-0.2	257,656
Feb-24	0.8	0.9	1.2	260,420
Mar-24	-0.2	1.0	1.6	261,142
Apr-24	-0.3	0.9	0.6	261,962
May-24	0.5	0.4	1.3	264,249
Jun-24	0.2	0.1	1.5	266,064
Jul-24	0.4	0.4	2.1	266,334
Aug-24	-0.1	0.6	2.4	265,375
Sep-24	0.6	0.8	3.2	266,094
Oct-24	0.1	0.7	2.4	265,738
Nov-24	1.2	1.2	3.7	268,144

Note that monthly % changes are revised when seasonal adjustment factors are re-estimated.



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.

Energy efficiency analysis based on data for the period July 2023 to June 2024 for England & Wales. The methodology correlates the price paid for a property against the set of property characteristics (including the property type, age, number of bedrooms), locality (local neighbourhood as described by ACORN) and its energy efficiency rating. Only properties where an Energy Performance Certificate (EPC) was available were included. EPC data sourced from the Energy Performance of Buildings Register published by the Ministry of Housing, Communities & Local Government

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

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