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February 2025

House price growth remains solid in February

- Annual rate of house price growth remained broadly stable in February at 3.9%, compared with 4.1% in January
- House prices up 0.4% month on month
- Recovery in housing market transactions in 2024

Headlines	Feb-25	Jan-25
Monthly Index*	543.7	541.6
Monthly Change*	0.4%	0.1%
Annual Change	3.9%	4.1%
Average Price (not seasonally adjusted)	£270,493	£268,213

* Seasonally adjusted figure (note that monthly % changes are revised when seasonal adjustment factors are re-estimated)

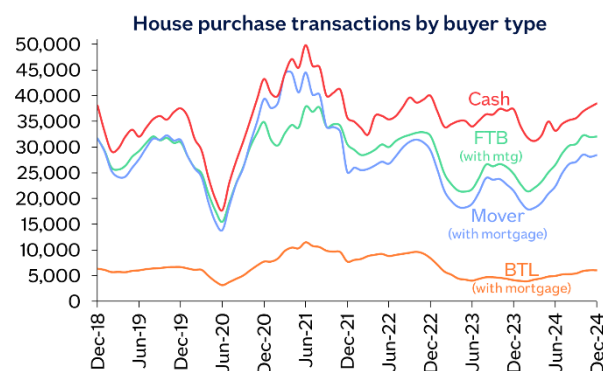
Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said:

"The price of a typical UK home rose by 3.9% year on year in February, similar to the annual pace of growth seen in January. House prices increased by 0.4% month on month, after taking account of seasonal effects - the sixth consecutive monthly gain.

"Housing market activity has also remained resilient in recent months, despite ongoing affordability challenges. Indeed, the second half of 2024 saw a noticeable pick up in total housing transactions, which were up 14% compared with the same period in 2023. However, taking 2024 as a whole, transactions were still modestly (6%) lower than the levels prevailing before the pandemic struck in 2019.

"In terms of the pattern of transactions, it is notable that first-time buyer activity continued to recover, with mortgage completions in 2024 just 5% below 2019 levels. This represents a solid performance, given the interest rate environment - for example, five-year fixed mortgage rates are currently around 4.4% (for borrowers with a 25% deposit) compared to c2% in 2019.

"Cash transactions remained particularly robust, with activity 2% above pre-pandemic levels.

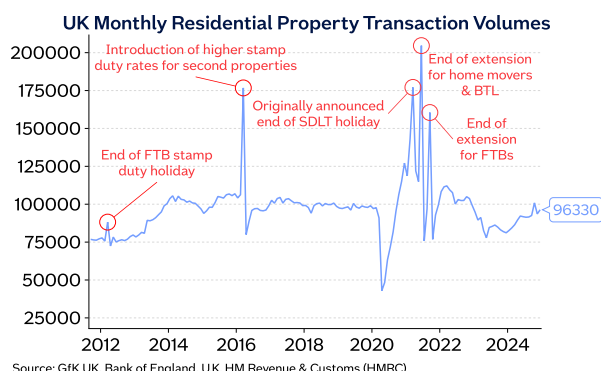


Source: HMRC, UK Finance, Nationwide estimates (3m rolling average)

"The last 12 months have seen a gradual increase in the number of buy to let purchases involving a mortgage, with rental increases and an easing in buy to let mortgage rates improving the ability to raise finance. Nonetheless, activity remains quite subdued compared to historic levels.

"However, it is important to note that some cash purchases are also undertaken by landlords and that activity in this space appears to have remained more buoyant. However, higher transaction costs, as a result of recent and upcoming stamp duty changes and uncertainty relating to the regulatory environment, also appear to be having a cooling effect on this segment of the market.

"Looking ahead, the changes to stamp duty at the start of April are likely to generate volatility in transactions in the near term, as buyers bring forward their purchases to avoid the additional tax. This will likely lead to a jump in transactions in March, and a corresponding period of weakness in the following months, as occurred in the wake of previous stamp duty changes."

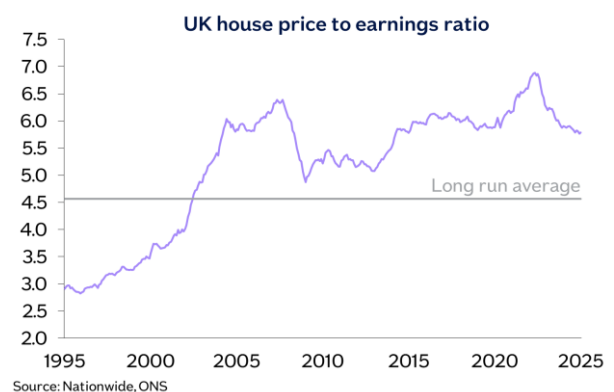
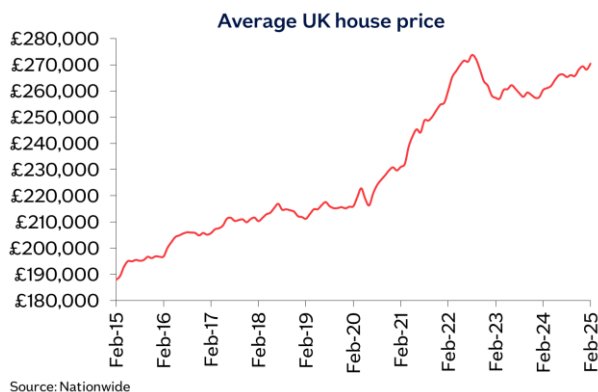
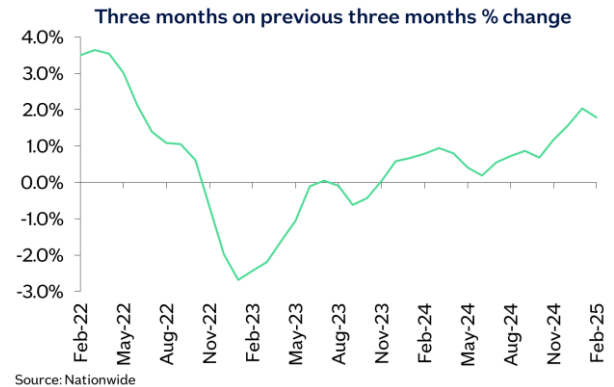
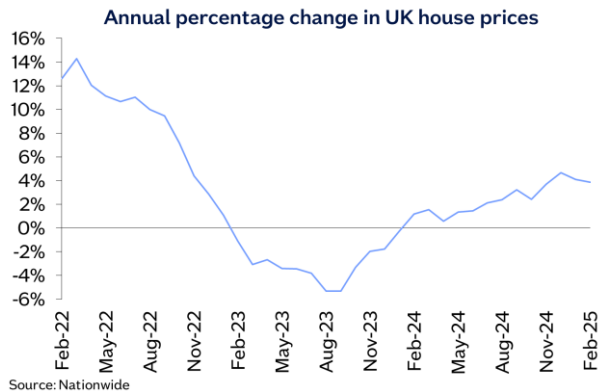


Source: GfK UK, Bank of England, UK HM Revenue & Customs (HMRC)

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 month on 3 month % Change	Annual % Change	Average Price
Feb-23	-0.7	-2.4	-1.1	257,406
Mar-23	-0.7	-2.2	-3.1	257,122
Apr-23	0.7	-1.6	-2.7	260,441
May-23	-0.2	-1.1	-3.4	260,736
Jun-23	0.1	-0.1	-3.5	262,239
Jul-23	-0.2	0.1	-3.8	260,828
Aug-23	-0.6	-0.1	-5.3	259,153
Sep-23	-0.1	-0.6	-5.3	257,808
Oct-23	0.9	-0.4	-3.3	259,423
Nov-23	-0.0	0.0	-2.0	258,557
Dec-23	-0.2	0.6	-1.8	257,443
Jan-24	0.7	0.7	-0.2	257,656
Feb-24	0.6	0.8	1.2	260,420
Mar-24	-0.2	0.9	1.6	261,142
Apr-24	-0.3	0.8	0.6	261,962
May-24	0.5	0.4	1.3	264,249
Jun-24	0.3	0.2	1.5	266,064
Jul-24	0.4	0.6	2.1	266,334
Aug-24	-0.1	0.7	2.4	265,375
Sep-24	0.6	0.9	3.2	266,094
Oct-24	0.1	0.7	2.4	265,738
Nov-24	1.2	1.2	3.7	268,144
Dec-24	0.7	1.6	4.7	269,426
Jan-25	0.1	2.0	4.1	268,213
Feb-25	0.4	1.8	3.9	270,493

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.

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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