



House price growth remained weak in September

- House prices unchanged over the month, but remain down 5.3% year on year (c.£14,500)
- All regions recorded annual house price falls in Q3
- South West was the weakest performing region, with prices down 6.3% year-on-year

Headlines	Sep-23	Aug-23
Monthly Index*	511.7	511.9
Monthly Change*	-0.0%	-0.8%
Annual Change	-5.3%	-5.3%
Average Price (not seasonally adjusted)	£257,808	£259,153

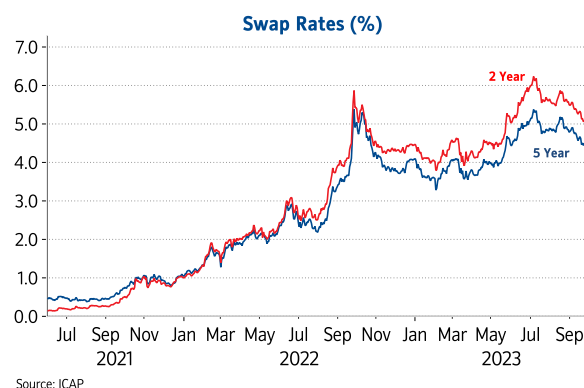
* Seasonally adjusted figure (note that monthly % changes are revised when seasonal adjustment factors are re-estimated)

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

“Annual house price growth was unchanged at -5.3% in September. Prices were also flat over the month, after taking account of seasonal effects, following the 0.8% decline seen in August.

“Housing market activity remains weak, with just 45,400 mortgages approved for house purchase in August, c.30% below the monthly average prevailing in 2019 before the pandemic struck. This relatively subdued picture is not surprising given the more challenging picture for housing affordability. For example, someone earning an average income and purchasing the typical first-time buyer home with a 20% deposit would spend 38% of their take home pay on their monthly mortgage payment – well above the long-run average of 29%.

“However, investors have marked down their expectations for the future path of Bank Rate in recent months amid signs that underlying inflation pressures in the UK economy are finally easing, and with labour market conditions softening. This in turn has put downward pressure on longer term interest rates which underpin fixed rate mortgage pricing (see chart below). If sustained, this will ease some of the pressure on those remortgaging or looking to buy a home.

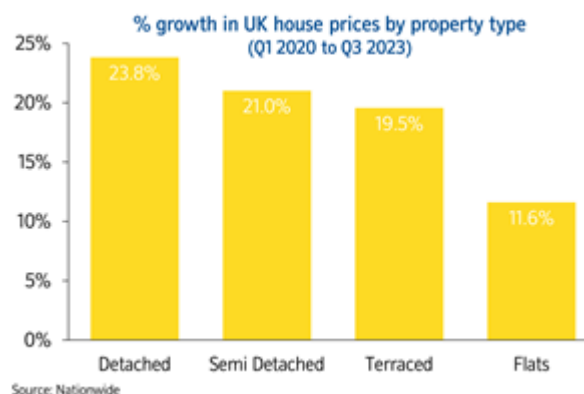


“Nevertheless, with Bank Rate not expected to decline significantly in the years ahead, borrowing costs are unlikely to return to the historic lows seen in the aftermath of the pandemic. Instead, it appears more likely that a combination of solid income growth together with modestly lower house prices and mortgage rates will gradually improve affordability over time, with housing market activity remaining fairly subdued in the interim.

Flats underperformed in recent years

“As we noted in our August report, there are signs that more buyers are looking towards smaller, less expensive properties, with transaction volumes for flats holding up better than other property types.

“This may be because affordability for flats has held up relatively better as they experienced less of a price increase over the pandemic period. This is illustrated in the chart below, where average prices for flats have increased by 12% since the start of the pandemic - half the 24% increase recorded for detached properties.

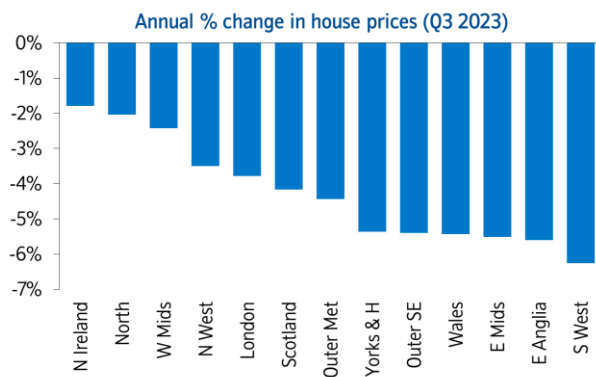


“Despite signs of demand for flats holding up a little better more recently, the price underperformance has continued in the most recent quarterly data, with flats seeing the largest year-on-year fall (-5.7%), compared to -3.6% for detached, -4.6% for semi-detached and -5.3% for terraced properties.

All regions saw annual price falls in Q3

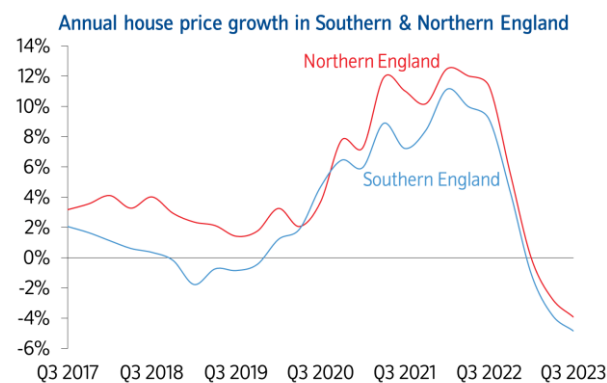
“Our regional house price indices are produced quarterly with data for Q3 (three months to September) showing annual price declines in all regions (see full table on page 4).

“The South West was the weakest performing region, with prices down 6.3% year-on-year, while Northern Ireland remained the best performing region, with a modest 1.8% fall.



“Wales saw a sharp slowing in the annual rate of change to -5.4%, from -1.4% last quarter. While Scotland also saw a slowing in annual house price growth to -4.2%, from -1.5% in Q2.

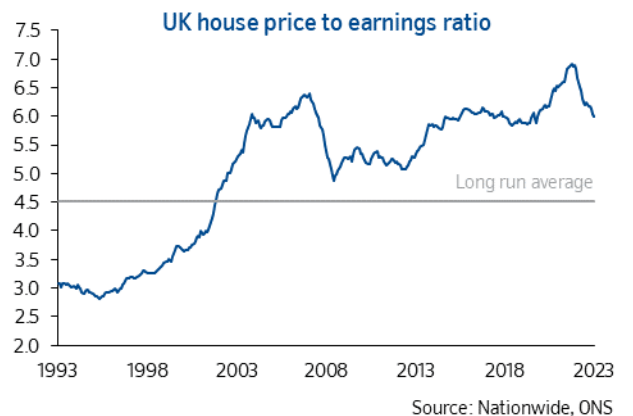
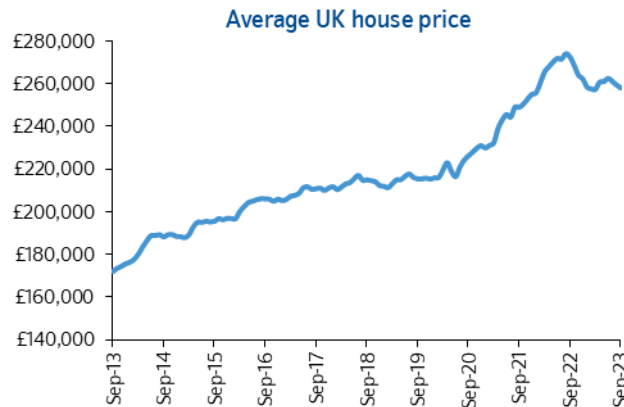
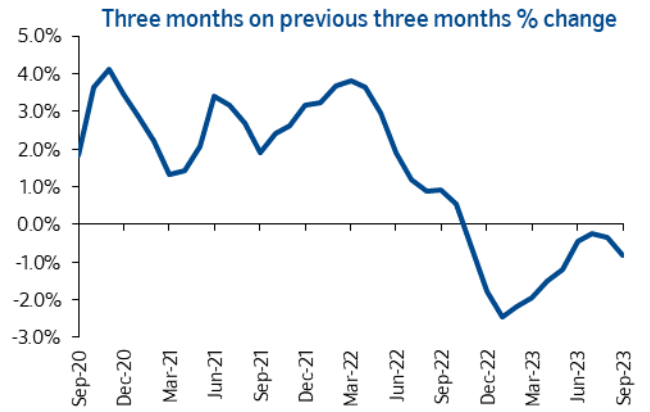
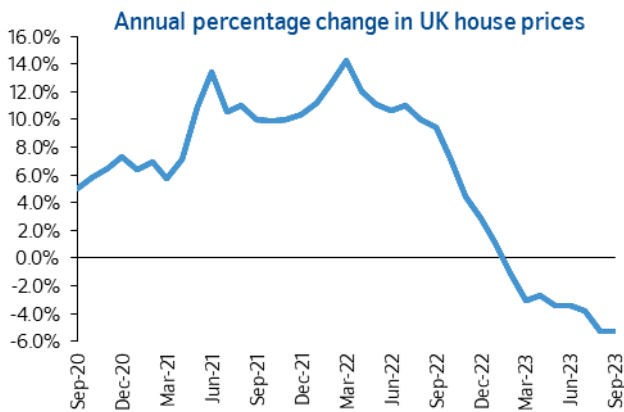
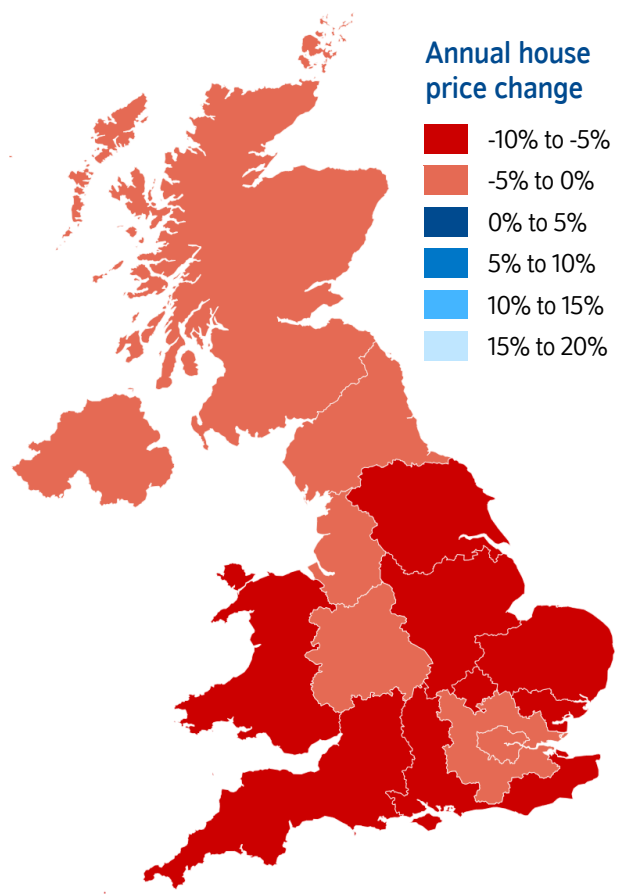
“Across northern England (which comprises North, North West, Yorkshire & The Humber, East Midlands and West Midlands), prices were down 3.9% compared with Q3 2022. The North was the strongest performing northern region, with the annual rate of change improving from -3.3% to -2.0%, while the East Midlands was the weakest, with a 5.5% decline.



“Meanwhile southern England (South West, Outer South East, Outer Metropolitan, London and East Anglia) saw a 4.8% year-on-year fall. London was the best performing southern region, although still saw a 3.8% annual decline.”

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Sep-21	0.4	1.9	10.0	248,742
Oct-21	1.0	2.4	9.9	250,311
Nov-21	1.2	2.6	10.0	252,687
Dec-21	1.2	3.2	10.4	254,822
Jan-22	1.0	3.2	11.2	255,556
Feb-22	1.7	3.7	12.6	260,230
Mar-22	1.2	3.8	14.3	265,312
Apr-22	0.1	3.6	12.1	267,620
May-22	0.6	3.0	11.2	269,914
Jun-22	0.1	1.9	10.7	271,613
Jul-22	0.1	1.2	11.0	271,209
Aug-22	0.8	0.9	10.0	273,751
Sep-22	-0.1	0.9	9.5	272,259
Oct-22	-1.0	0.5	7.2	268,282
Nov-22	-1.3	-0.6	4.4	263,788
Dec-22	-0.3	-1.8	2.8	262,068
Jan-23	-0.7	-2.5	1.1	258,297
Feb-23	-0.5	-2.2	-1.1	257,406
Mar-23	-0.8	-2.0	-3.1	257,122
Apr-23	0.4	-1.5	-2.7	260,441
May-23	-0.2	-1.2	-3.4	260,736
Jun-23	0.1	-0.4	-3.5	262,239
Jul-23	-0.3	-0.3	-3.8	260,828
Aug-23	-0.8	-0.4	-5.3	259,153
Sep-23	-0.0	-0.8	-5.3	257,808



Source: Nationwide, ONS

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Quarterly Regional House Price Statistics

Q3 2023

Please note that these figures are for the three months to September, 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 (Q3 2023)	Annual % change this quarter	Annual % change last quarter
N Ireland	£180,668	-1.8%	0.7%
North	£156,051	-2.0%	-3.3%
West Midlands	£241,130	-2.4%	-1.9%
North West	£205,553	-3.5%	-4.1%
London	£514,325	-3.8%	-4.3%
Scotland	£176,814	-4.2%	-1.5%
Outer Met	£416,365	-4.4%	-2.9%
Yorks & H	£198,030	-5.4%	-3.2%
Outer S East	£334,215	-5.4%	-3.7%
Wales	£202,065	-5.4%	-1.7%
East Midlands	£228,373	-5.5%	-1.1%
East Anglia	£273,066	-5.6%	-4.7%
South West	£301,600	-6.3%	-4.0%
UK	£260,181	-4.7%	-3.1%

Please see page 5 for definitions of English regions

UK Fact File (Q3 2023)

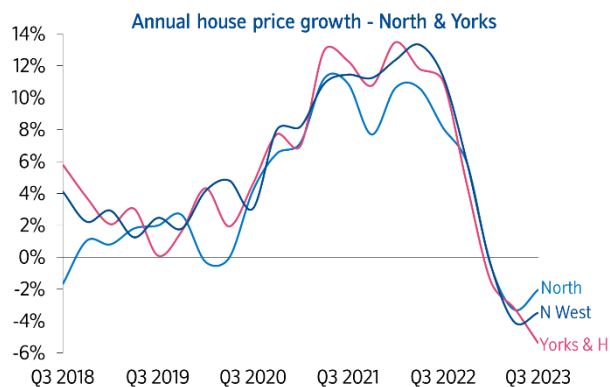
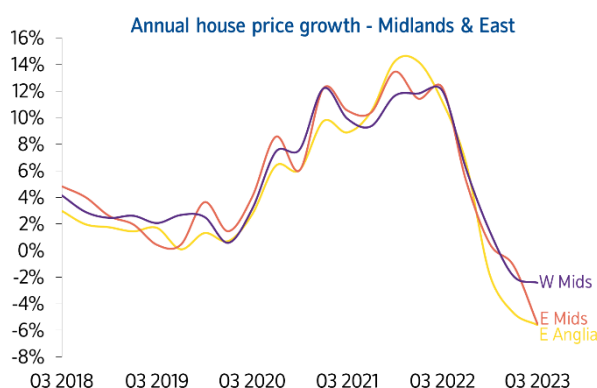
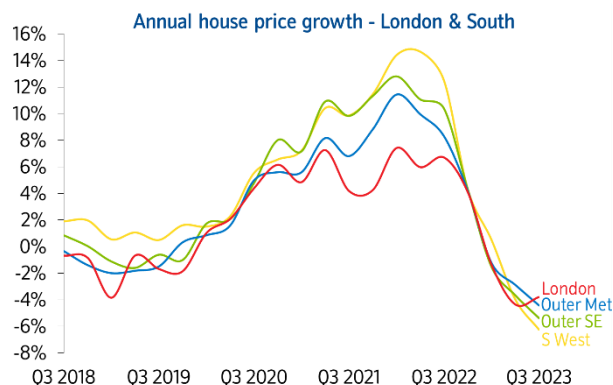
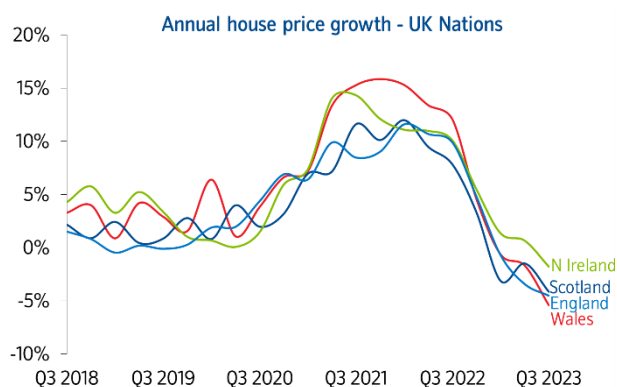
Quarterly average UK house price	£260,181
Annual percentage change	-4.7%
Quarterly change*	-0.7%
Most expensive region	London
Least expensive region	North
Strongest annual price change	Northern Ireland
Weakest annual price change	South West

* Seasonally adjusted

Nations – annual & quarterly price change

Nation	Average Price (Q3 2023)	Annual % change this quarter	Quarterly % change*
N Ireland	£180,668	-1.8%	-1.3%
Scotland	£176,814	-4.2%	-1.4%
England	£298,441	-4.5%	-0.6%
Wales	£202,065	-5.4%	-1.6%

* Seasonally adjusted



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English Region Definitions

East Anglia: Cambridgeshire (Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, South Cambridgeshire), Norfolk (Breckland, Broadland, Great Yarmouth, King's Lynn & West Norfolk, North Norfolk, Norwich, South Norfolk), Peterborough, Suffolk (Babergh, East Suffolk, Ipswich, Mid Suffolk, West Suffolk)

East Midlands: Derby, Derbyshire (Amber Valley, Bolsover, Chesterfield, Derbyshire Dales, Erewash, High Peak, North East Derbyshire, South Derbyshire), Leicester, Leicestershire (Blaby, Charnwood, Harborough, Hinckley & Bosworth, Melton, North West Leicestershire, Oadby & Wigston), Lincolnshire (Boston, East Lindsey, Lincoln, North Kesteven, South Holland, South Kesteven, West Lindsey), North Northamptonshire, Nottingham, Nottinghamshire (Ashfield, Bassetlaw, Broxtowe, Gedling, Mansfield, Newark & Sherwood, Rushcliffe), Rutland, West Northamptonshire

London: Barking & Dagenham, Barnet, Bexley, Brent, Bromley, Camden, City of London, Croydon, Ealing, Enfield, Greenwich, Hackney, Hammersmith & Fulham, Haringey, Harrow, Havering, Hillingdon, Hounslow, Islington, Kensington & Chelsea, Kingston upon Thames, Lambeth, Lewisham, Merton, Newham, Redbridge, Richmond upon Thames, Southwark, Sutton, Tower Hamlets, Waltham Forest, Wandsworth, Westminster

North: County Durham, Cumbria (Allerdale, Barrow-in-Furness, Carlisle, Copeland, Eden, South Lakeland), Darlington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar & Cleveland, South Tyneside, Stockton-on-Tees, Sunderland

North West: Blackburn with Darwen, Blackpool, Bolton, Bury, Cheshire East, Chester West & Chester, Halton, Knowsley, Lancashire (Burnley, Chorley, Fylde, Hyndburn, Lancaster, Pendle, Preston, Ribble Valley, Rossendale, South Ribble, West Lancashire, Wyre), Liverpool, Manchester, Oldham, Rochdale, Salford, Sefton, St. Helens, Stockport, Tameside, Trafford, Warrington, Wigan, Wirral

Outer Metropolitan: Basildon, Bracknell Forest, Brentwood, Buckinghamshire, Castle Point, Chelmsford, Crawley, Dartford, Epping Forest, Gravesham, Harlow, Hart, Hertfordshire (Broxbourne, Dacorum, East Hertfordshire, Hertsmere, North Hertfordshire, St Albans, Stevenage, Three Rivers, Watford, Welwyn Hatfield), Horsham, Luton, Maidstone, Medway, Mid Sussex, Reading, Rochford, Rushmoor, Sevenoaks, Slough, Southend-on-Sea, Surrey (Elmbridge, Epsom & Ewell, Guildford, Mole Valley, Reigate & Banstead, Runnymede, Spelthorne, Surrey Heath, Tandridge, Waverley, Woking), Thurrock, Tonbridge & Malling, Tunbridge Wells, Windsor & Maidenhead, Wokingham

Outer South East: Adur, Arun, Ashford, Basingstoke & Deane, Bedford, Braintree, Brighton & Hove, Canterbury, Central Bedfordshire, Chichester, Colchester, Dover, East Hampshire, Eastleigh, East Sussex (Eastbourne, Hastings, Lewes, Rother, Wealden), Fareham, Folkestone & Hythe, Gosport, Havant, Isle of Wight, Maldon, Milton Keynes, New Forest, Oxfordshire (Cherwell, Oxford, South Oxfordshire, Vale of White Horse, West Oxfordshire), Portsmouth, Southampton, Swale, Tendring, Test Valley, Thanet, Uttlesford, West Berkshire, West Oxfordshire, Winchester, Worthing

South West: Bath & North East Somerset, Bournemouth, Christchurch & Poole, Bristol, Cornwall, Dorset, Devon (East Devon, Exeter, Mid Devon, North Devon, South Hams, Teignbridge, Torridge, West Devon), Gloucestershire (Cheltenham, Cotswold, Forest of Dean, Gloucester, Stroud, Tewkesbury), Isles of Scilly, North Somerset, Plymouth, Somerset (Mendip, Sedgemoor, Somerset West & Taunton, South Somerset), South Gloucestershire, Swindon, Torbay, Wiltshire

West Midlands: Birmingham, Coventry, Dudley, Herefordshire, Sandwell, Shropshire, Solihull, Staffordshire (Cannock Chase, East Staffordshire, Lichfield, Newcastle-under-Lyme, South Staffordshire, Stafford, Staffordshire Moorlands, Tamworth), Stoke-on-Trent, Telford & Wrekin, Walsall, Warwickshire (North Warwickshire, Nuneaton & Bedworth, Rugby, Stratford-on-Avon, Warwick), Wolverhampton, Worcestershire (Bromsgrove, Malvern Hills, Redditch, Worcester, Wychavon, Wyre Forest)

Yorkshire & The Humber: Barnsley, Bradford, Calderdale, Doncaster, East Riding of Yorkshire, Kingston upon Hull, Kirklees, Leeds, North East Lincolnshire, North Lincolnshire, North Yorkshire (Craven, Hambleton, Harrogate, Richmondshire, Ryedale, Scarborough, Selby), Rotherham, Sheffield, Wakefield, York

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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