

Nationwide HOUSE PRICE INDEX



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September 2020

Annual house price growth gathers momentum in September as housing market recovery continues

- Annual price growth picked up to 5.0% in September, the highest rate since Sep 2016
- Prices rose 0.9% month-on-month, after taking account of seasonal factors
- Most regions saw a pickup in house price growth rates in Q3

Headlines	Sep-20	Aug-20
Monthly Index*	449.5	445.6
Monthly Change*	0.9%	2.0%
Annual Change	5.0%	3.7%
Average Price (not seasonally adjusted)	£226,129	£224,123

* 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:

"UK house prices increased by 0.9% month-on-month in September, after taking account of seasonal effects, following a 2.0% rise in August. As a result, there was a further pick up in annual house price growth from 3.7% in August to 5.0% in September - the highest level since September 2016.

"Housing market activity has recovered strongly in recent months. Mortgage approvals for house purchase rose from c66,000 in July to almost 85,000 in August - the highest since 2007, well above the monthly average of 66,000 prevailing in 2019.

"The rebound reflects a number of factors. Pent-up demand is coming through, with decisions taken to move before lockdown now progressing. The stamp duty holiday is adding to momentum by bringing purchases forward. Behavioural shifts may also be boosting activity as people reassess their housing needs and preferences as a result of life in lockdown.

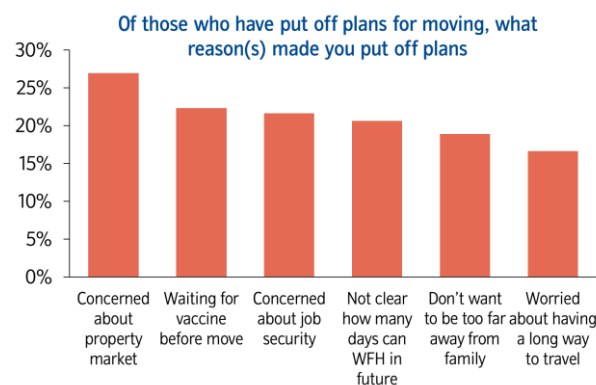
Pandemic leading some to put off moving home...

"Our recent market research¹ indicates that, of the people that had been considering a move before the pandemic, 19%

¹ Research conducted online by Censuswide, 9-14 September 2020, with a nationally representative 3,003 general consumers aged 18+ across the UK.

have put their plans on hold, with over a quarter (27%) of these citing concerns about the property market (see chart below).

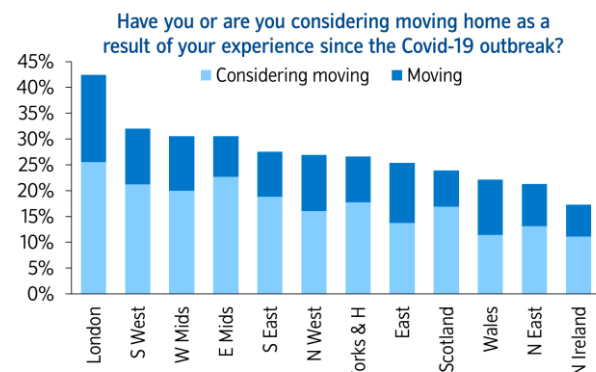
"Younger people were much more likely to have put off plans than older people, which may reflect concerns about employment prospects.



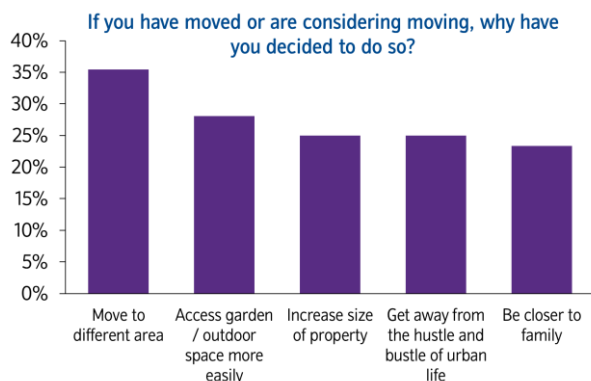
"Indeed, most forecasters expect labour market conditions to weaken significantly in the quarters ahead as tighter restrictions dampen economic activity and the furlough scheme winds down. While the recently announced jobs support scheme will provide some assistance, it is not as comprehensive as the furlough scheme it replaces.

...but the pandemic may be spurring an even greater number of potential home movers into action...

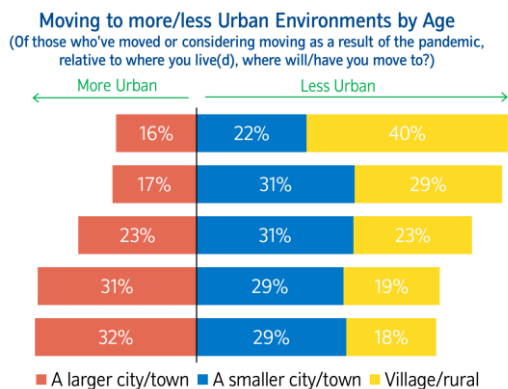
"Interestingly, around 10% of those surveyed in September said they were in the process of moving as a result of the pandemic, with a further 18% considering a move for the same reason. This pattern was evident across the country, especially in London, as shown in the chart below.



“Of those moving or considering a move, around a third (35%) were looking to move to a different area, while nearly 30% were doing so to access a garden or outdoor space more easily (see chart below).

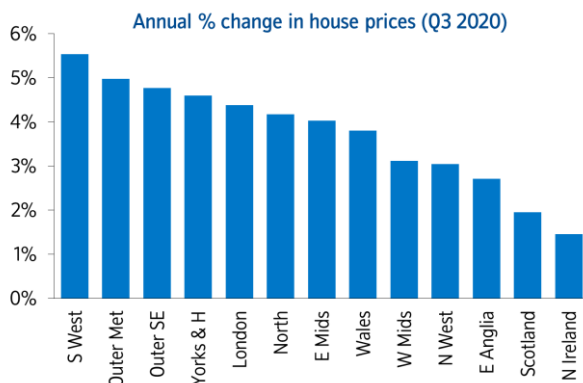


“As you might expect, the majority of people are looking to move to less urban areas, with this trend becoming increasingly evident among older age cohorts, as shown in the chart below.

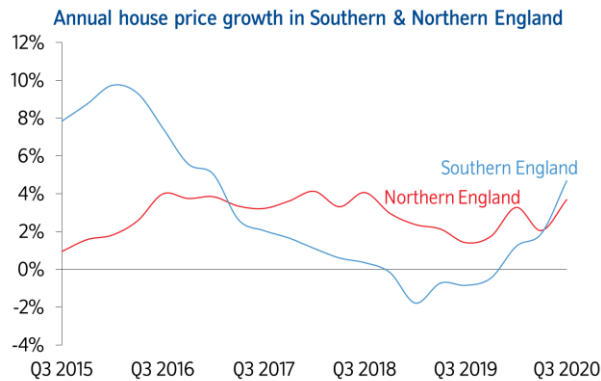


Annual price growth edges higher in most regions in Q3

“Most UK regions saw a slight pickup in annual price growth in Q3 (July, August & September) compared with Q2 (April, May & June), with prices in all areas higher than a year ago.



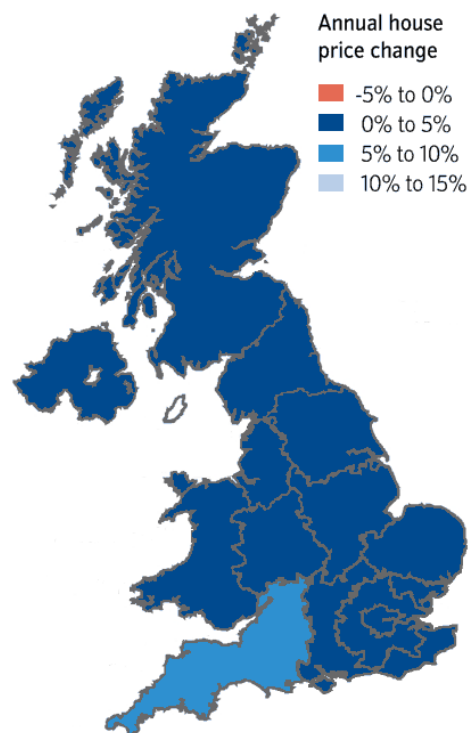
“The South West was the strongest performing region, with annual price growth rising from 2.3% to 5.5% (see full table of regional house price data on page 4). For the first time since 2017, house price growth in southern England (London, Outer Metropolitan, Outer South East, East Anglia and South West) exceeded that in northern England (North, North West, Yorkshire & Humberside, East Midlands and West Midlands).



“Annual house price growth in London continued to edge higher, with prices up 4.4% in Q3. Average prices in the capital hit a record high of £480,857 and are now 57% above their 2007 levels (UK prices are 21% higher than their 2007 peak).

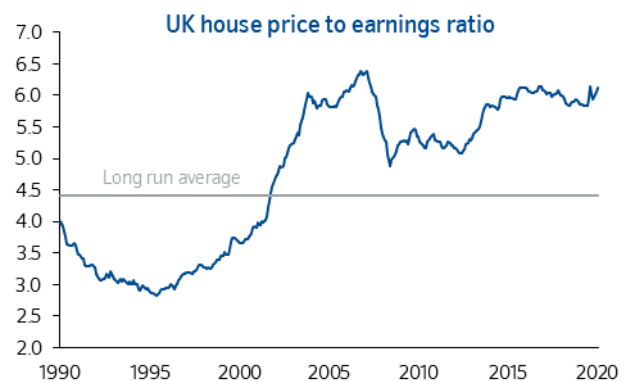
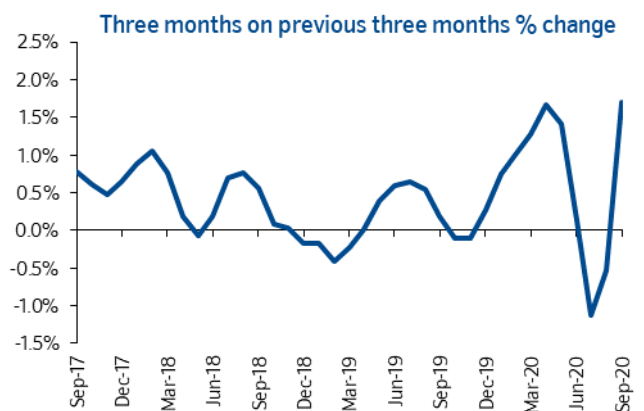
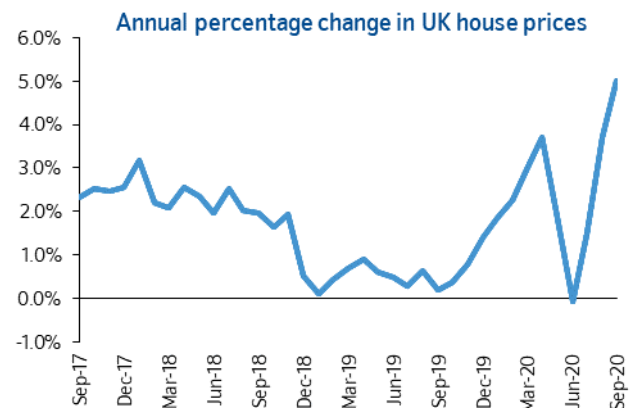
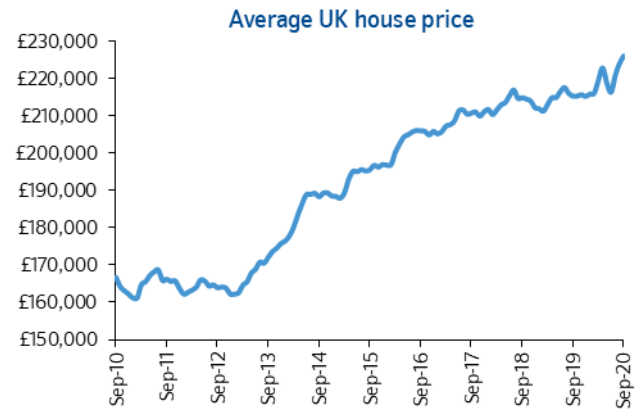
“The surrounding Outer Metropolitan region also saw a rise in annual price growth to 5.0%, while the neighbouring Outer South East region saw a 4.8% rise. Northern Ireland was the weakest performing region, with prices up 1.5% year-on-year. Average prices in the province are still 36% below their 2007 peak.

“Scotland was one of the few areas to see a slowing in the annual rate of price growth, to 2% in Q3, compared to 4.0% in Q2. Meanwhile, Wales saw annual growth accelerate to 3.8%, from 1.0% in Q2.”



Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Sep-18	0.2	0.6	2.0	214,922
Oct-18	0.0	0.1	1.6	214,534
Nov-18	0.1	0.0	1.9	214,044
Dec-18	-0.5	-0.2	0.5	212,281
Jan-19	0.1	-0.2	0.1	211,966
Feb-19	-0.1	-0.4	0.4	211,304
Mar-19	0.1	-0.2	0.7	213,102
Apr-19	0.4	0.0	0.9	214,920
May-19	0.1	0.4	0.6	214,946
Jun-19	0.2	0.6	0.5	216,515
Jul-19	0.2	0.6	0.3	217,663
Aug-19	-0.1	0.5	0.6	216,096
Sep-19	-0.3	0.2	0.2	215,352
Oct-19	0.2	-0.1	0.4	215,368
Nov-19	0.5	-0.1	0.8	215,734
Dec-19	0.2	0.3	1.4	215,282
Jan-20	0.5	0.8	1.9	215,897
Feb-20	0.4	1.0	2.3	216,092
Mar-20	0.8	1.3	3.0	219,583
Apr-20	1.1	1.7	3.7	222,915
May-20	-1.6	1.4	1.8	218,902
Jun-20	-1.6	0.1	-0.1	216,403
Jul-20	1.7	-1.1	1.5	220,936
Aug-20	2.0	-0.5	3.7	224,123
Sep-20	0.9	1.7	5.0	226,129



Source: Nationwide, ONS

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Quarterly Regional House Price Statistics

Q3 2020

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 2020)	Annual % change this quarter	Annual % change last quarter
South West	£260,316	5.5%	2.3%
Outer Met	£376,682	5.0%	1.6%
Outer S East	£291,404	4.8%	2.1%
Yorks & H'side	£167,816	4.6%	1.9%
London	£480,857	4.4%	2.1%
North	£132,898	4.2%	0.0%
East Midlands	£194,749	4.0%	1.5%
Wales	£165,423	3.8%	1.0%
West Midlands	£200,622	3.1%	0.6%
North West	£171,675	3.0%	4.8%
East Anglia	£238,896	2.7%	0.7%
Scotland	£153,347	2.0%	4.0%
N Ireland	£146,152	1.5%	0.1%
UK	£224,337	3.5%	2.0%

Please see page 5 for definitions of English regions

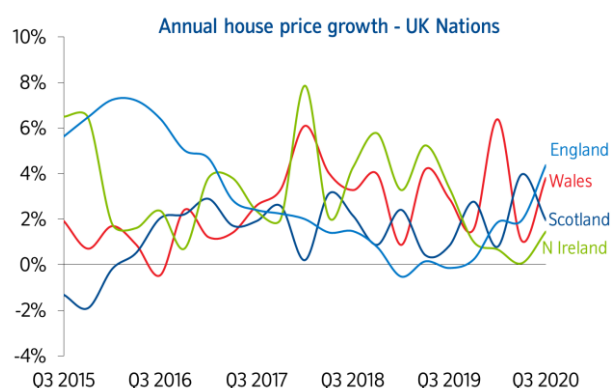
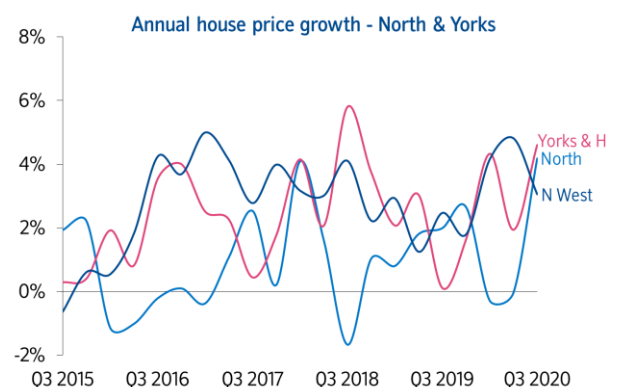
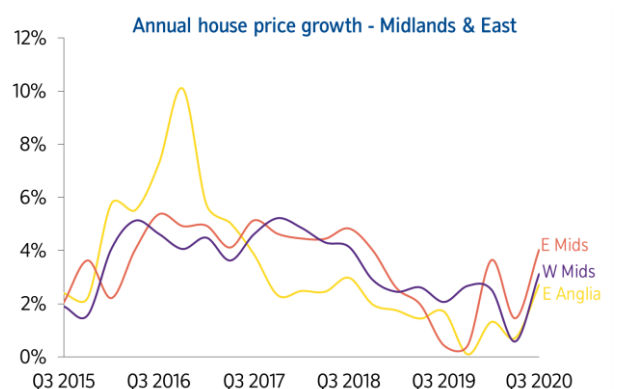
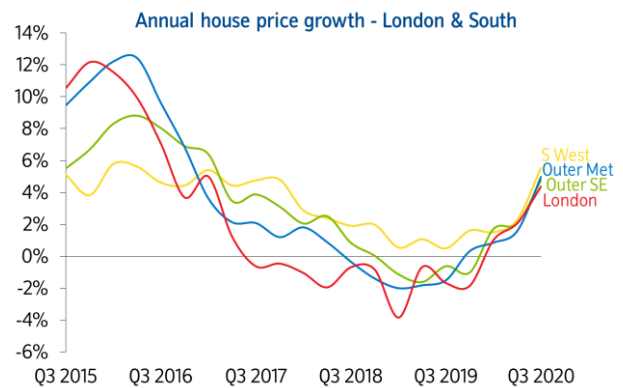
UK Fact File (Q3 2020)	
Quarterly average UK house price	£224,337
Annual percentage change	3.5%
Quarterly change*	1.7%
Most expensive region	London
Least expensive region	North
Strongest annual price change	South West
Weakest annual price change	Northern Ireland

* Seasonally adjusted

Nations – annual & quarterly price change

Nation	Average Price (Q3 2020)	Annual % change this quarter	Quarterly % change*
England	£264,886	4.4%	2.2%
Wales	£165,423	3.8%	2.4%
Scotland	£153,347	2.0%	-1.0%
N Ireland	£146,152	1.5%	1.4%

* Seasonally adjusted



Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
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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), Northamptonshire (Corby, Daventry, East Northamptonshire, Kettering, Northampton, South Northamptonshire, Wellingborough), Nottinghamshire (Ashfield, Bassetlaw, Broxtowe, Gedling, Mansfield, Newark & Sherwood, Rushcliffe), Rutland

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, Castle Point, Chelmsford, Chiltern, 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, South Bucks, 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, Wycombe

Outer South East: Adur, Arun, Ashford, Aylesbury Vale, 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 & Humberside: 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 <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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