

Nationwide HOUSE PRICE INDEX



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March 2022

UK house price growth surges to its highest level since 2004

- Annual house price growth increased to 14.3%, from 12.6% in February
- Wales remained strongest performing region in Q1 2022, while London remained weakest
- Detached properties have increased by nearly £68,000 since onset of pandemic, while average flat prices up £24,000

Headlines	Mar-22	Feb-22
Monthly Index*	529.6	523.8
Monthly Change*	1.1%	1.7%
Annual Change	14.3%	12.6%
Average Price (not seasonally adjusted)	£265,312	£260,230

* 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:

"March saw a further acceleration in annual house price growth to 14.3%, the strongest pace of increase since November 2004. Prices rose by 1.1% month-on-month, after taking account of seasonal effects, the eighth consecutive monthly increase.

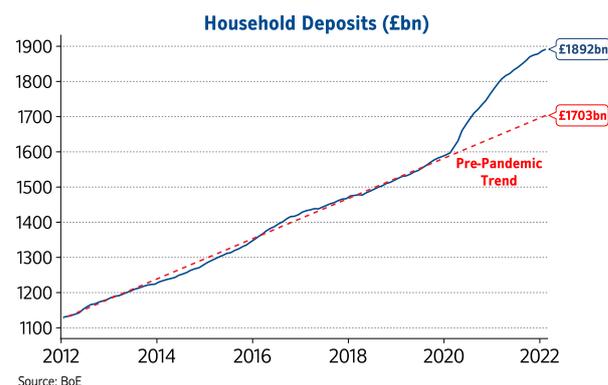
"The price of a typical UK home climbed to a new record high of £265,312, with prices increasing by over £33,000 in the past year. Prices are now 21% higher than before the pandemic struck in early 2020.

"The housing market has retained a surprising amount of momentum given the mounting pressure on household budgets and the steady rise in borrowing costs. The number of mortgages approved for house purchase remained high in February at around 71,000, nearly 10% above pre-pandemic levels. A combination of robust demand and limited stock of homes on the market has kept upward pressure on prices.

"The continued buoyancy of housing demand may in part be explained by strong labour market conditions. The unemployment rate has continued to trend down in recent months (to 3.9% in the three months to January) from

already low levels. Wage growth has accelerated, though it is running below inflation.

"The significant savings accrued during lockdowns is also likely to have helped prospective homebuyers raise a deposit. We estimate that households accrued an extra c£190bn of deposits over and above the pre-pandemic trend since early 2020, due to the impact of Covid on spending patterns. This is equivalent to around £6,500 per household, although it is important to note that these savings were not evenly spread, with older, wealthier households accruing more of the increase.



"Nevertheless, we still think that the housing market is likely to slow in the quarters ahead. The squeeze on household incomes is set to intensify, with inflation expected to rise further, perhaps reaching double digits in the quarters ahead if global energy prices remain high. Moreover, assuming that labour market conditions remain strong, the Bank of England is likely to raise interest rates further, which will also exert a drag on the market if this feeds through to mortgage rates.

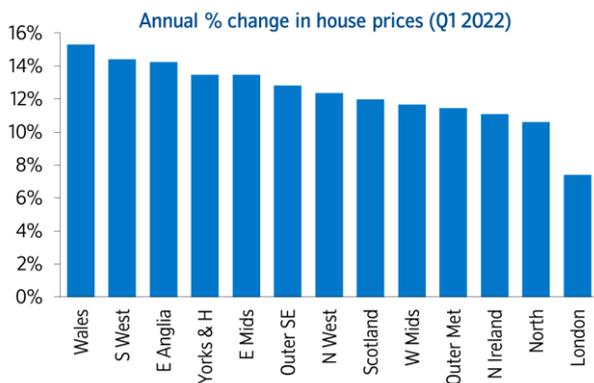
Most regions see price growth accelerate

"Our regional house price indices are produced quarterly, with data for Q1 (the three months to March) showing an acceleration in annual house price growth in all but two regions (Wales and Northern Ireland - see table on page 4).

"Wales remained the strongest performing region with house prices up 15.3% year-on-year, down slightly from 15.8% in the previous quarter. Northern Ireland also saw a slight slowing in annual price growth to 11.1%. Meanwhile,

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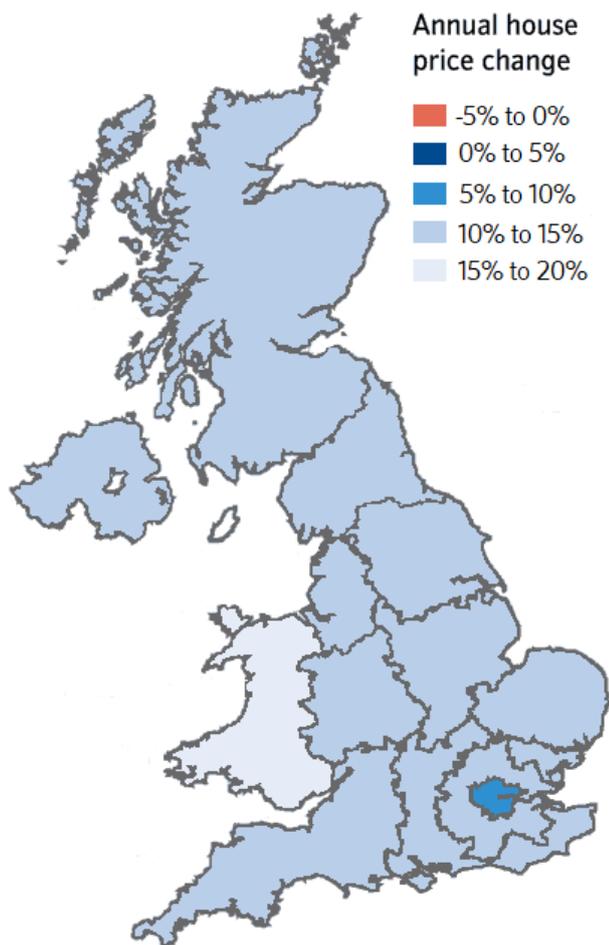
Scotland saw a 12% year-on-year rise in house prices, the strongest rate of growth since the third quarter of 2007.



“England saw annual price growth increase to 11.6%, from 9.0% in Q4 2021. All English regions saw an acceleration, with the South West remaining the strongest, recording annual house price growth of 14.4%, the highest since 2004. This was closely followed by East Anglia, which saw annual price growth of 14.2%, up from 10.4% in the previous quarter.

“Meanwhile in northern England, Yorkshire & Humberside was the strongest performing region, with prices up 13.5% year-on-year, the strongest rate of growth since Q1 2005.

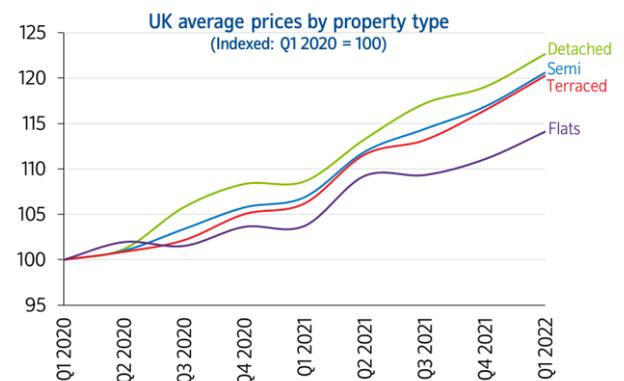
“London was again the weakest performer in the UK, although it did see a noticeable uptick in annual price growth in the first quarter to 7.4%, compared with 4.2% in Q4 2021.



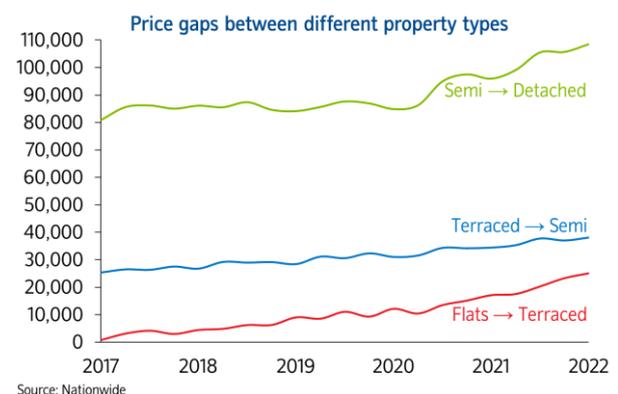
Detached properties have seen the strongest price growth through the pandemic

“Shifts in housing preferences as a result of the pandemic have been a significant driving factor of housing market activity over the past two years. Last year, our research identified a ‘race for space’ and this was reflected in price trends by property type, with detached homes seeing the strongest growth and flats the weakest.

“Between Q1 2020 and Q1 2022, the average price of a detached property increased by 22.6%, nearly £68,000 in cash terms. Meanwhile, over the same period, flats only increased by 14.1%, around £24,000 in cash terms. The chart below illustrates how the price of different property types has evolved since the pandemic began.



“Consequently, it is becoming more difficult for existing homeowners to trade up, with the price gaps between different property types now at a record high. This is particularly acute for those looking to move from flats to terraced houses, where the price gap has more than doubled since the onset of the pandemic (from around £12,000 to over £25,000).

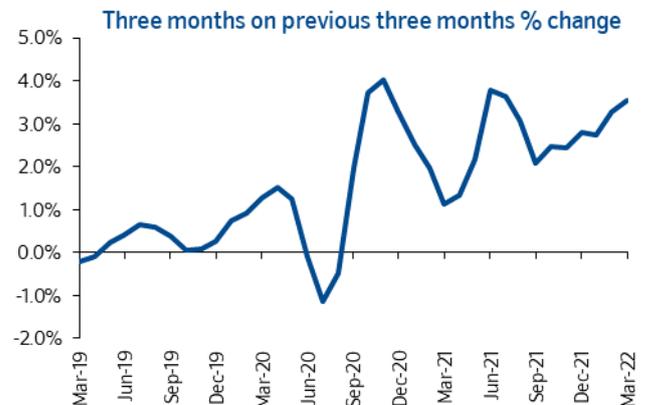
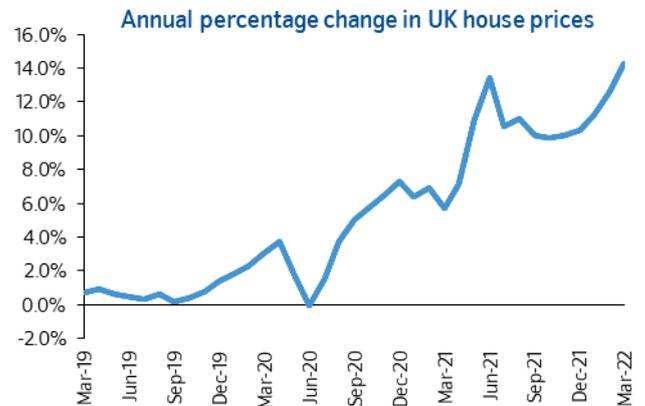
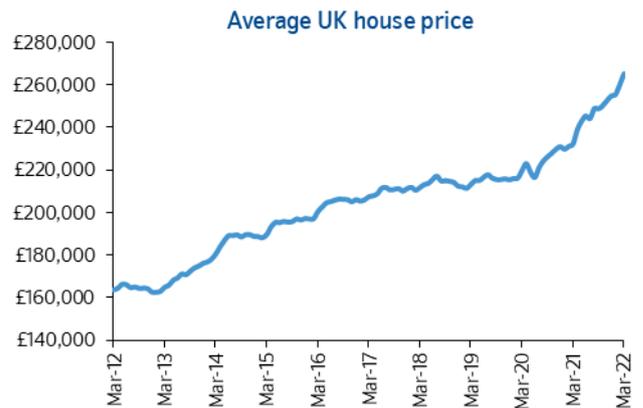


“However, in many cases households have managed to bridge this gap by moving to a cheaper region. For example ONS / Land Registry data¹ shows that the price of a typical flat in London is around £428,000, while a detached property in the East Midlands costs around £350,000.”

¹ The UK HPI is a joint production by HM Land Registry, Land and Property Services Northern Ireland, Office for National Statistics and Registers of Scotland. Contains HM Land Registry data © Crown copyright and database right 2022. This data is licensed under the Open Government License v3.0.

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Mar-20	0.8	1.3	3.0	219,583
Apr-20	0.9	1.5	3.7	222,915
May-20	-1.6	1.2	1.8	218,902
Jun-20	-1.6	-0.1	-0.1	216,403
Jul-20	2.0	-1.1	1.5	220,936
Aug-20	1.8	-0.5	3.7	224,123
Sep-20	1.2	2.0	5.0	226,129
Oct-20	0.9	3.7	5.8	227,826
Nov-20	0.9	4.0	6.5	229,721
Dec-20	0.8	3.2	7.3	230,920
Jan-21	0.0	2.5	6.4	229,748
Feb-21	0.5	2.0	6.9	231,068
Mar-21	-0.4	1.1	5.7	232,134
Apr-21	2.3	1.3	7.1	238,831
May-21	2.0	2.2	10.9	242,832
Jun-21	0.6	3.8	13.4	245,432
Jul-21	-0.5	3.6	10.5	244,229
Aug-21	2.1	3.1	11.0	248,857
Sep-21	0.3	2.1	10.0	248,742
Oct-21	0.8	2.5	9.9	250,311
Nov-21	1.0	2.4	10.0	252,687
Dec-21	1.1	2.8	10.4	254,822
Jan-22	0.9	2.7	11.2	255,556
Feb-22	1.7	3.3	12.6	260,230
Mar-22	1.1	3.5	14.3	265,312



Source: Nationwide, ONS

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Building Society

Quarterly Regional House Price Statistics

Q1 2022

Please note that these figures are for the three months to March, 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 (Q1 2022)	Annual % change this quarter	Annual % change last quarter
Wales	£201,502	15.3%	15.8%
South West	£300,936	14.4%	11.5%
East Anglia	£277,332	14.2%	10.4%
Yorks & H'side	£199,235	13.5%	10.8%
East Midlands	£227,275	13.5%	10.4%
Outer S East	£337,094	12.8%	11.3%
North West	£204,511	12.4%	11.2%
Scotland	£178,289	12.0%	10.1%
West Midlands	£233,136	11.7%	9.4%
Outer Met	£422,428	11.4%	8.8%
N Ireland	£171,095	11.1%	12.1%
North	£153,029	10.6%	7.7%
London	£518,333	7.4%	4.2%
UK	£260,771	12.6%	10.1%

Please see page 5 for definitions of English regions

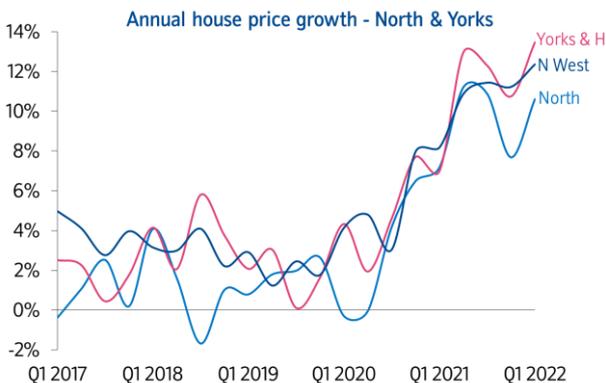
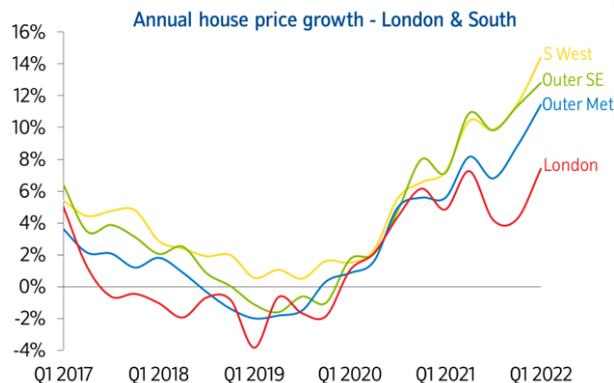
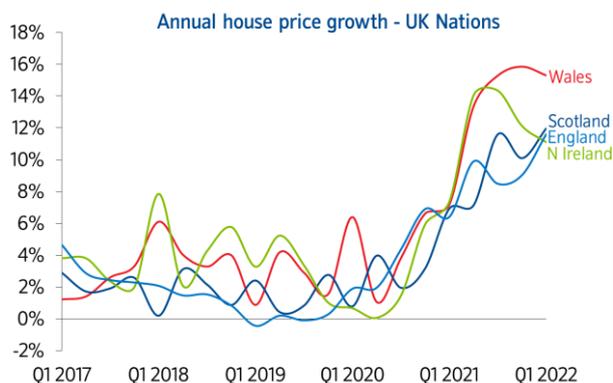
UK Fact File (Q1 2022)	
Quarterly average UK house price	£260,771
Annual percentage change	12.6%
Quarterly change*	3.0%
Most expensive region	London
Least expensive region	North
Strongest annual price change	Wales
Weakest annual price change	London

* Seasonally adjusted

Nations – annual & quarterly price change

Nation	Average Price (Q1 2022)	Annual % change this quarter	Quarterly % change*
Wales	£201,502	15.3%	2.8%
Scotland	£178,289	12.0%	4.1%
England	£297,928	11.6%	2.8%
N Ireland	£171,095	11.1%	1.8%

* 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, Wokingham

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 www.nationwidehousepriceindex.co.uk

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