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May 2024

Modest rebound in house price growth in May as market shows resilience

- UK house prices rose 0.4% month on month in May
- Annual growth rate picked up to 1.3%, from 0.6% in April

Headlines	May-24	Apr-24
Monthly Index*	523.7	521.4
Monthly Change*	0.4%	-0.4%
Annual Change	1.3%	0.6%
Average Price (not seasonally adjusted)	£264,249	£261,962

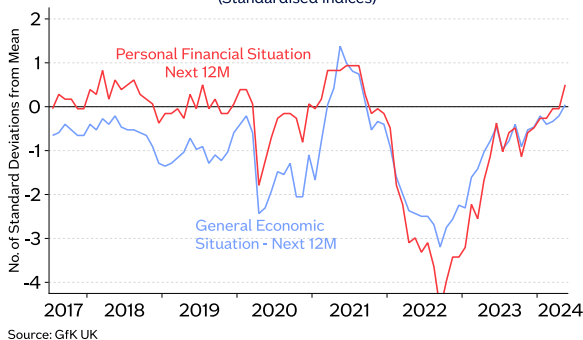
* Seasonally adjusted figure (note that monthly % changes are revised when seasonal adjustment factors are re-estimated)

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

“UK house prices increased by 0.4% in May, after taking account of seasonal effects. This resulted in a slight pickup in the annual rate of house price growth to 1.3% in April, from 0.6% the previous month.

“The market appears to be showing signs of resilience in the face of ongoing affordability pressures following the rise in longer term interest rates in recent months. Consumer confidence has improved noticeably over the last few months (see chart below), supported by solid wage gains and lower inflation.

UK Consumer Confidence Measures
(Standardised indices)



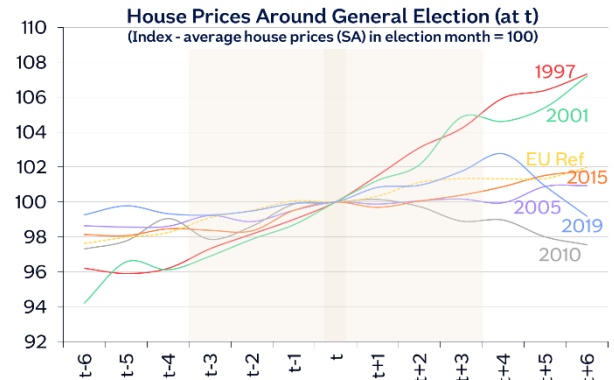
Will the election impact the housing market?

“With the recent announcement that the UK general election will take place on 4 July, we have analysed house price movements in the months around previous elections, and also the 2016 EU referendum.

“As the chart below illustrates, past general elections do not appear to have generated volatility in house prices or resulted in a significant change in house price trends.

“In the chart we have indexed average house prices so they equal 100 in the election months in each of the years shown. We can then compare house price

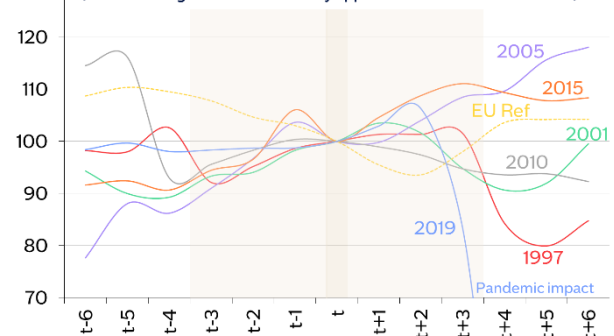
movements in the six months leading up to each election (t-6 to t-1) and following each vote (t+1 to t+6).



“On the whole, prevailing trends have been maintained just before, during and after UK general elections. Broader economic trends appear to dominate any immediate election-related impacts.

“We also examined how activity, in particular house purchase mortgage approvals, responded to past UK elections (see chart below). Here the picture is less clear but again there doesn't seem to be any tangible impact in the three months either side of a general election.

Mortgage Approvals Around General Election (at t)
(Index - average number of monthly approvals in election month = 100)



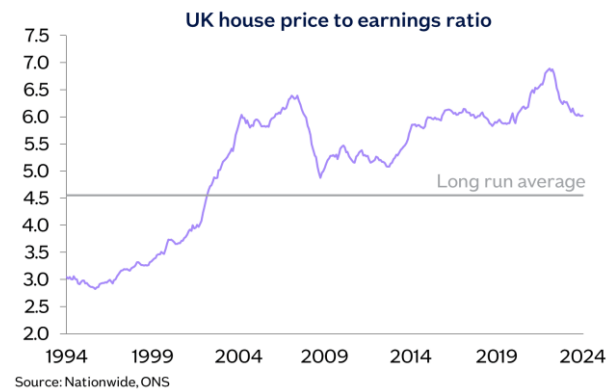
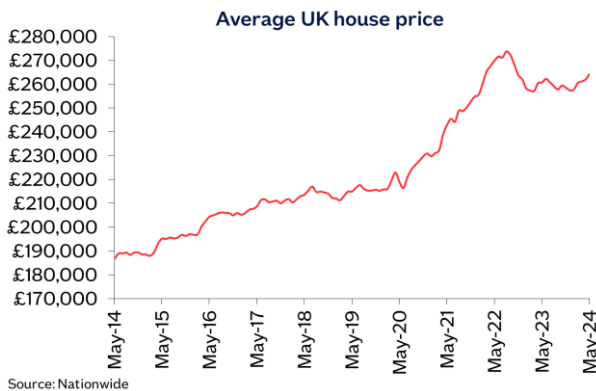
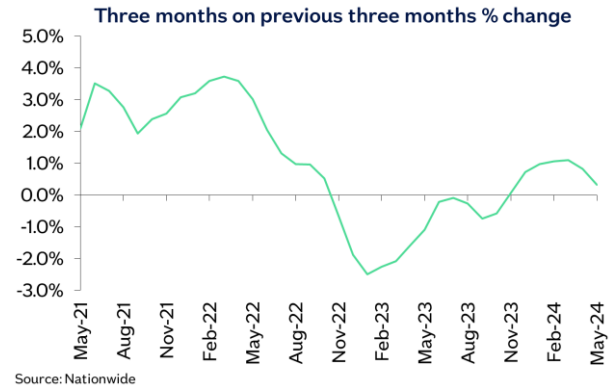
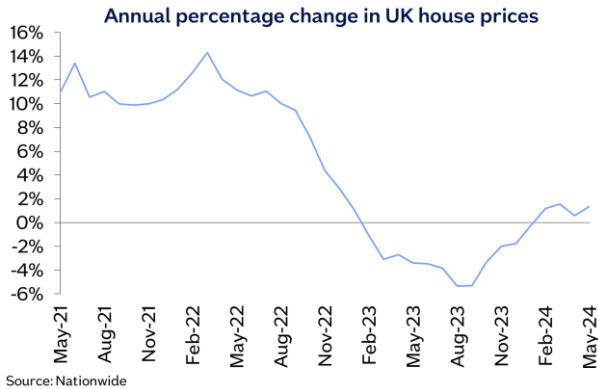
“2019 is a notable exception, but this was due to the impact of the pandemic, with the initial lockdown in 2020 suppressing housing market activity. Activity subsequently bounced back once restrictions began to be lifted.

“It appears that housing market trends have not traditionally been impacted around the time of general elections. Rightly or wrongly, for most homebuyers, elections are not foremost in their minds while buying or selling property.”

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 month on 3 month % Change	Annual % Change	Average Price
May-22	0.6	3.0	11.2	269,914
Jun-22	0.1	2.1	10.7	271,613
Jul-22	0.1	1.3	11.0	271,209
Aug-22	0.8	1.0	10.0	273,751
Sep-22	-0.0	1.0	9.5	272,259
Oct-22	-1.2	0.5	7.2	268,282
Nov-22	-1.2	-0.7	4.4	263,788
Dec-22	-0.3	-1.9	2.8	262,068
Jan-23	-0.8	-2.5	1.1	258,297
Feb-23	-0.7	-2.3	-1.1	257,406
Mar-23	-0.7	-2.1	-3.1	257,122
Apr-23	0.6	-1.6	-2.7	260,441
May-23	-0.3	-1.1	-3.4	260,736
Jun-23	0.1	-0.2	-3.5	262,239
Jul-23	-0.2	-0.1	-3.8	260,828
Aug-23	-0.7	-0.3	-5.3	259,153
Sep-23	-0.0	-0.7	-5.3	257,808
Oct-23	0.8	-0.6	-3.3	259,423
Nov-23	0.2	0.1	-2.0	258,557
Dec-23	-0.1	0.7	-1.8	257,443
Jan-24	0.7	1.0	-0.2	257,656
Feb-24	0.7	1.1	1.2	260,420
Mar-24	-0.2	1.1	1.6	261,142
Apr-24	-0.4	0.8	0.6	261,962
May-24	0.4	0.3	1.3	264,249

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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