

Annual house price growth returns to positive territory for first time in over a year in February

- UK house prices rose 0.7% month on month in February
- Annual rate of change returned to positive territory for first time since January 2023 - prices up 1.2% year on year

| Headlines | Feb-24 | Jan-24 |
|--|----------|----------|
| Monthly Index* | 525.6 | 521.9 |
| Monthly Change* | 0.7% | 0.7% |
| Annual Change | 1.2% | -0.2% |
| Average Price (not seasonally adjusted) | £260,420 | £257,656 |

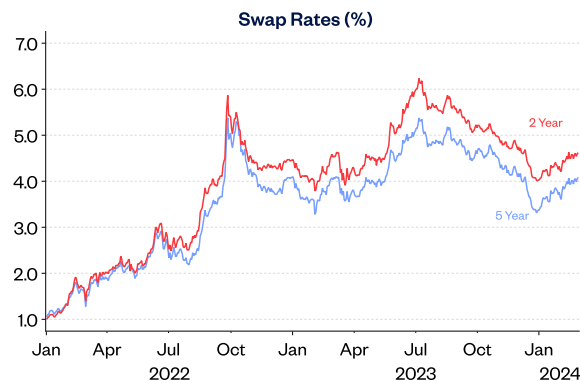
* Seasonally adjusted figure (note that monthly % changes are revised when seasonal adjustment factors are re-estimated)

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

“UK house prices rose by 0.7% in February, after taking account of seasonal effects. This resulted in an improvement in the annual rate of house price growth to 1.2% in February, from -0.2% the previous month. House prices are now around 3% below the all-time highs recorded in the summer of 2022, after taking account of seasonal effects.

Signs of easing in affordability pressures

“The decline in borrowing costs around the turn of the year appears to have prompted an uptick in the housing market. Indeed, industry data sources point to a noticeable increase in mortgage applications at the start of the year, while surveyors also reported a rise in new buyer enquiries.



“Nevertheless, near-term prospects remain highly uncertain, in part due to ongoing uncertainty about the future path of interest rates. After falling sharply in late December, swap rates, which underpin fixed rate mortgage pricing, have drifted back up (see chart).

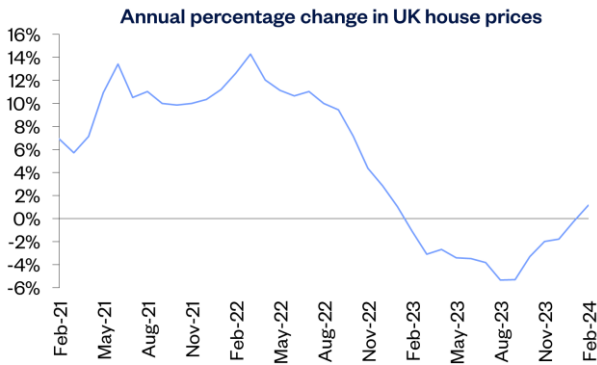
“Borrowing costs remain well below the highs recorded last summer but, if the recent upward trend is sustained, it threatens to restrain the pace of any housing market recovery.

“While the squeeze on household budgets is easing, with wage growth now outstripping inflation by a healthy margin, it will take time to make up for the ground lost over the past few years, especially given consumer confidence remains fragile.”

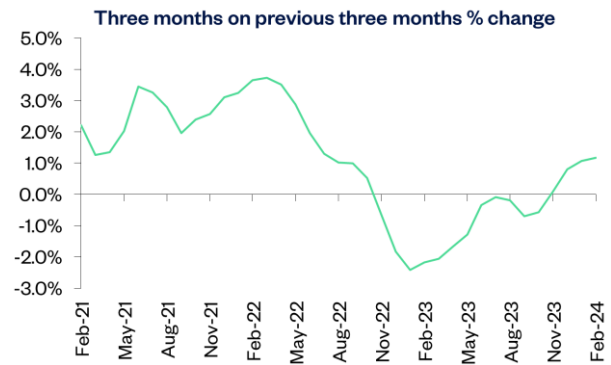
Monthly UK House Price Statistics

| | Monthly % Change Seasonally Adjusted | 3 month on 3 month % Change | Annual % Change | Average Price |
|--------|--------------------------------------|-----------------------------|-----------------|---------------|
| Feb-22 | 1.6 | 3.7 | 12.6 | 260,230 |
| Mar-22 | 1.1 | 3.7 | 14.3 | 265,312 |
| Apr-22 | 0.2 | 3.5 | 12.1 | 267,620 |
| May-22 | 0.7 | 2.9 | 11.2 | 269,914 |
| Jun-22 | 0.2 | 2.0 | 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 | -0.2 | -1.8 | 2.8 | 262,068 |
| Jan-23 | -0.8 | -2.4 | 1.1 | 258,297 |
| Feb-23 | -0.7 | -2.2 | -1.1 | 257,406 |
| Mar-23 | -0.9 | -2.1 | -3.1 | 257,122 |
| Apr-23 | 0.5 | -1.7 | -2.7 | 260,441 |
| May-23 | -0.2 | -1.3 | -3.4 | 260,736 |
| Jun-23 | 0.2 | -0.3 | -3.5 | 262,239 |
| Jul-23 | -0.3 | -0.1 | -3.8 | 260,828 |
| Aug-23 | -0.7 | -0.2 | -5.3 | 259,153 |
| Sep-23 | 0.0 | -0.7 | -5.3 | 257,808 |
| Oct-23 | 0.9 | -0.6 | -3.3 | 259,423 |
| Nov-23 | 0.2 | 0.1 | -2.0 | 258,557 |
| Dec-23 | -0.0 | 0.8 | -1.8 | 257,443 |
| Jan-24 | 0.7 | 1.1 | -0.2 | 257,656 |
| Feb-24 | 0.7 | 1.2 | 1.2 | 260,420 |

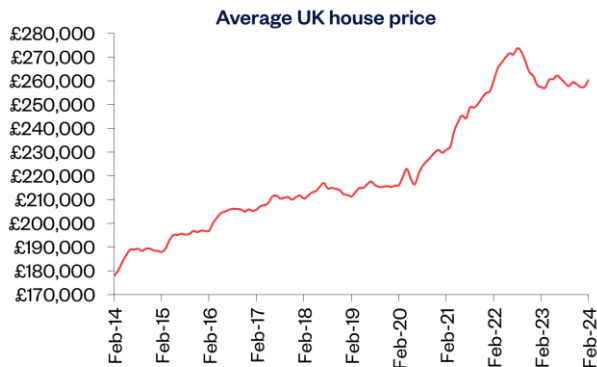
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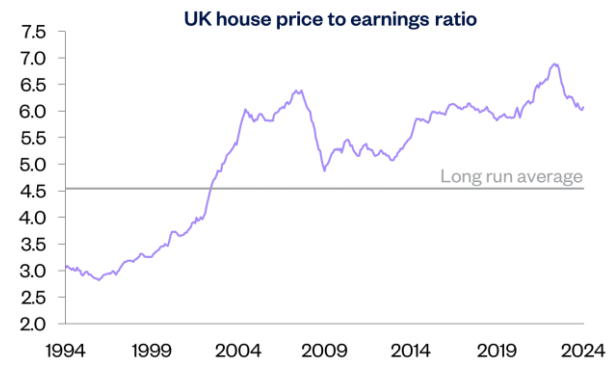
Source: Nationwide



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Source: Nationwide, ONS

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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