

Nationwide HOUSE PRICE INDEX



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September 2021

Annual house price growth slows in September, but remains in double digits

- Annual house price growth eased back to 10.0%, from 11.0% in August.
- Prices little changed month-on-month, after taking account of seasonal factors
- Wales and Northern Ireland the strongest performing regions in Q3, London the weakest
- Cost of typical mortgage as share of take home pay above long run average in 10 of 13 UK regions, up from 1 pre-pandemic (see p2)

Headlines	Sep-21	Aug-21
Monthly Index*	494.0	493.3
Monthly Change*	0.1%	2.0%
Annual Change	10.0%	11.0%
Average Price (not seasonally adjusted)	£248,742	£248,857

* 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:

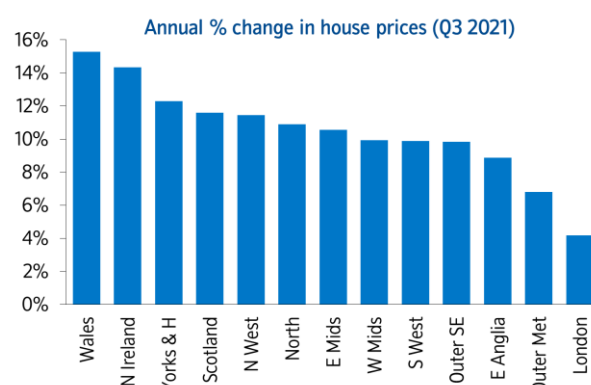
"Annual house price growth remained in double digits for the fifth month in a row in September, though there was a modest slowdown to 10.0%, from 11.0% in August. House prices rose by 0.1% month-on-month, after taking account of seasonal effects. As a result, house prices remain c13% higher than before the pandemic began in early 2020.

Mixed picture across the UK in Q3

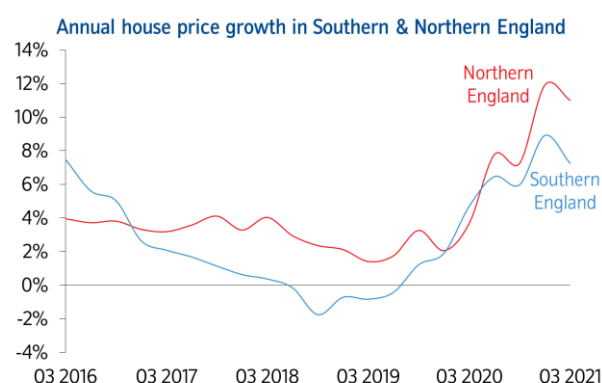
"Our regional house price data is produced quarterly and showed a mixed picture across the country in Q3 (the three months to September). While price growth accelerated in Wales, Northern Ireland and Scotland, most English regions recorded a slowdown.

"Wales was the strongest performing region with house prices up 15.3% year-on-year – the highest rate of growth since 2004. Price growth remained elevated in Northern Ireland at 14.3%. House price growth in Scotland picked up

to 11.6% in Q3, in contrast to the previous quarter when it was the weakest performing part of the UK (at 7.1%).



"England saw a slowing in annual house price growth to 8.5%, from 9.9% in Q2. Price growth in northern England (North, North West, Yorkshire & Humberside, East Midlands and West Midlands) continued to exceed that in southern England (London, Outer Metropolitan, Outer South East, East Anglia and South West).



"Yorkshire & Humberside was the strongest performing English region for the second quarter in a row, with prices up 12.3% year-on-year, followed by the North West, which saw an 11.4% rise.

"London was the weakest performer, with annual growth slowing to 4.2% from 7.3% last quarter. The surrounding Outer Metropolitan region, which includes places such as Luton, Watford, Sevenoaks and Woking, also saw a softening



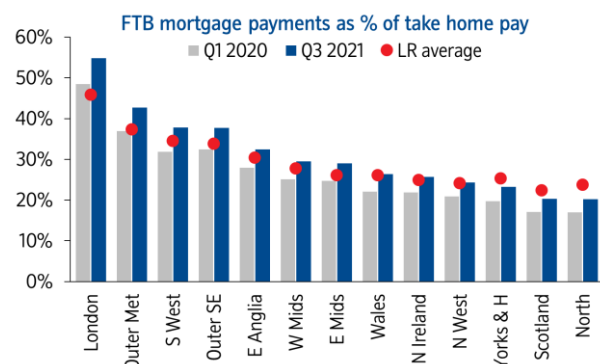
to 6.8%, down from 8.2% in Q2 (see full table of regional house price data on page 4).

Affordability becoming more stretched

“House prices have continued to rise more quickly than earnings in recent quarters, which means affordability is becoming more stretched. Raising a deposit remains the main barrier for most prospective first-time buyers. A 20% deposit on a typical first-time buyer home is now around 113% of gross income – a record high.

“Due to the historically low level of interest rates, the cost of servicing the typical mortgage is still well below the levels recorded in the run up to the financial crisis. However, even on this measure, affordability is becoming more challenging.

“For example, if we look at typical mortgage payments relative to take home pay across the country, it is notable that in the majority of UK regions (10 out of 13) this ratio is now above its long-run average. By contrast, pre-pandemic, this was only the case in one region (London).



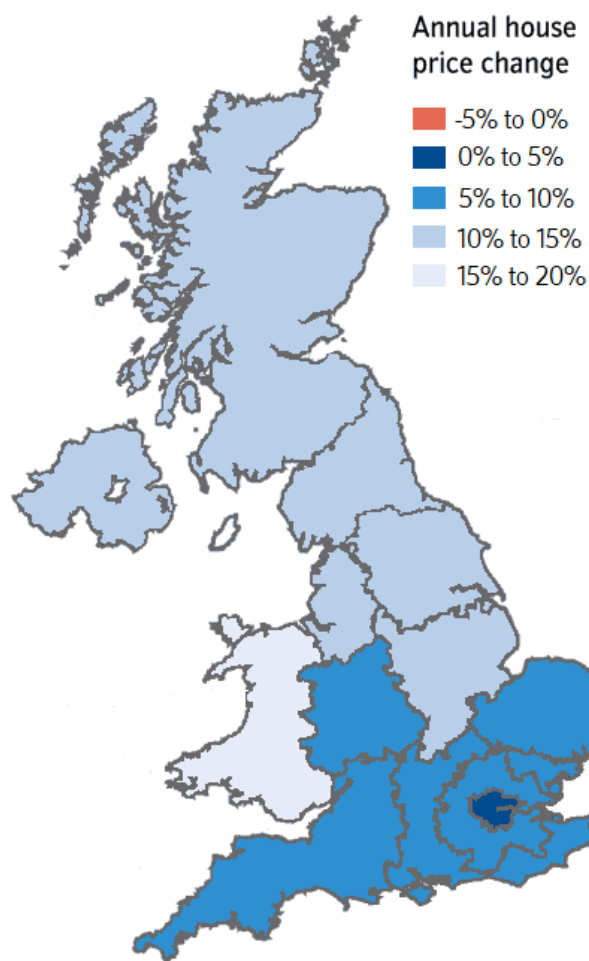
Source: Nationwide, ONS, UKF

“Recent price patterns suggest an element of rebalancing is occurring where most of the regions that have seen the strongest price growth are those in which affordability is still close to or below the long run average.

Outlook – still clouded

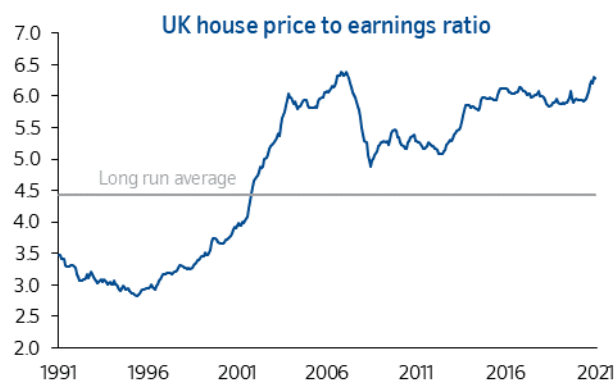
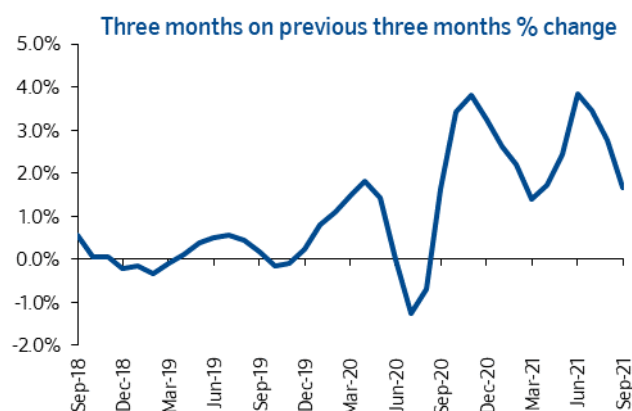
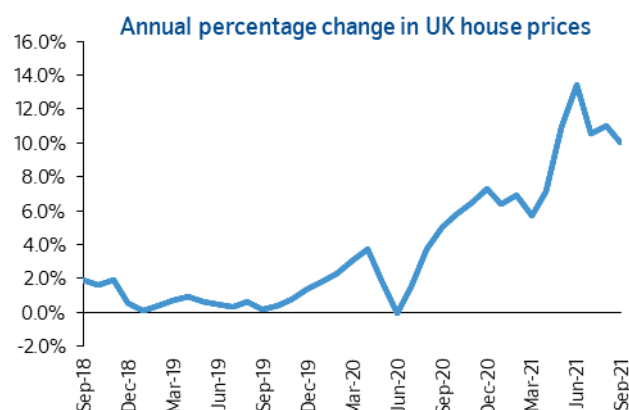
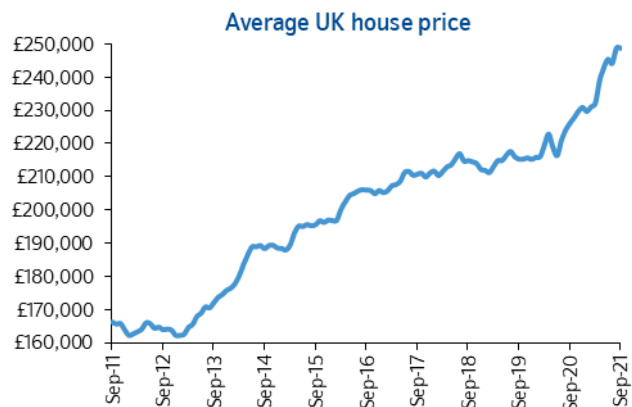
“As we look towards the end of the year, the outlook remains uncertain. Activity is likely to soften for a period after the stamp duty holiday expires at the end of September, given the incentive for people to bring forward their purchases to avoid the additional tax. Moreover, underlying demand is likely to soften around the turn of the year if unemployment rises as government support winds down, as seems likely.

“But this is far from assured. The labour market has remained remarkably resilient to date and, even if it does weaken, there is scope for shifts in housing preferences as a result of the pandemic – such as wanting more space or to relocate – to continue to support activity for some time yet.”



Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Sep-19	-0.2	0.2	0.2	215,352
Oct-19	0.2	-0.2	0.4	215,368
Nov-19	0.3	-0.1	0.8	215,734
Dec-19	0.2	0.2	1.4	215,282
Jan-20	0.7	0.8	1.9	215,897
Feb-20	0.3	1.1	2.3	216,092
Mar-20	0.9	1.5	3.0	219,583
Apr-20	1.0	1.8	3.7	222,915
May-20	-1.7	1.4	1.8	218,902
Jun-20	-1.7	0.0	-0.1	216,403
Jul-20	1.9	-1.3	1.5	220,936
Aug-20	1.7	-0.7	3.7	224,123
Sep-20	1.1	1.6	5.0	226,129
Oct-20	1.0	3.4	5.8	227,826
Nov-20	1.0	3.8	6.5	229,721
Dec-20	1.0	3.2	7.3	230,920
Jan-21	-0.1	2.6	6.4	229,748
Feb-21	0.8	2.2	6.9	231,068
Mar-21	-0.3	1.4	5.7	232,134
Apr-21	2.3	1.7	7.1	238,831
May-21	1.8	2.4	10.9	242,832
Jun-21	0.6	3.9	13.4	245,432
Jul-21	-0.7	3.4	10.5	244,229
Aug-21	2.0	2.8	11.0	248,857
Sep-21	0.1	1.7	10.0	248,742



Source: Nationwide, ONS

Quarterly Regional House Price Statistics

Q3 2021

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 2021)	Annual % change this quarter	Annual % change last quarter
Wales	£190,700	15.3%	13.4%
N Ireland	£167,103	14.3%	14.0%
Yorks & H'side	£188,457	12.3%	13.0%
Scotland	£171,134	11.6%	7.1%
North West	£191,326	11.4%	10.9%
North	£147,358	10.9%	11.2%
East Midlands	£215,284	10.5%	12.2%
West Midlands	£220,558	9.9%	12.2%
South West	£286,006	9.9%	10.4%
Outer S East	£320,050	9.8%	10.9%
East Anglia	£260,109	8.9%	9.7%
Outer Met	£402,317	6.8%	8.2%
London	£500,980	4.2%	7.3%
UK	£247,535	10.3%	10.3%

Please see page 4 for definitions of English regions

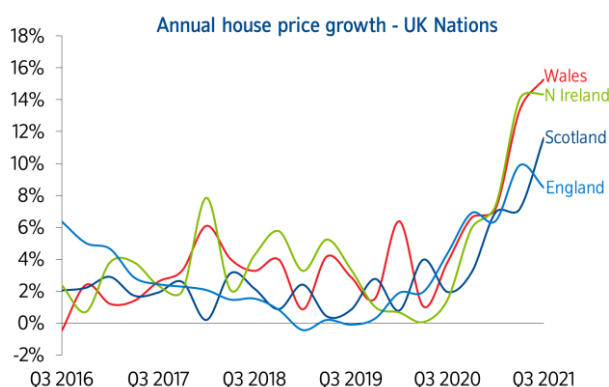
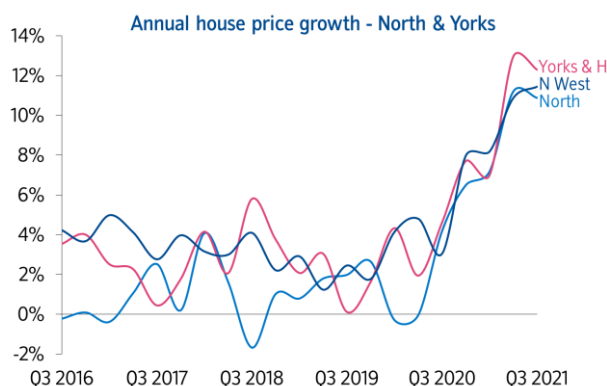
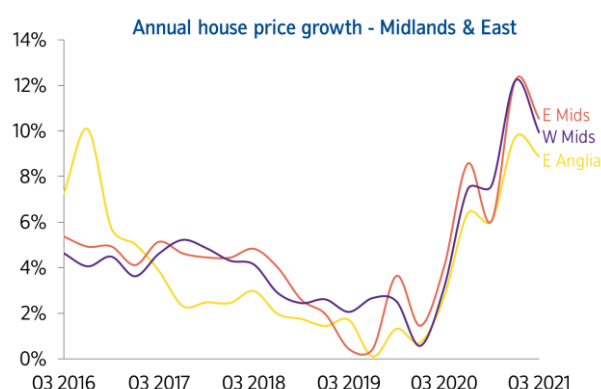
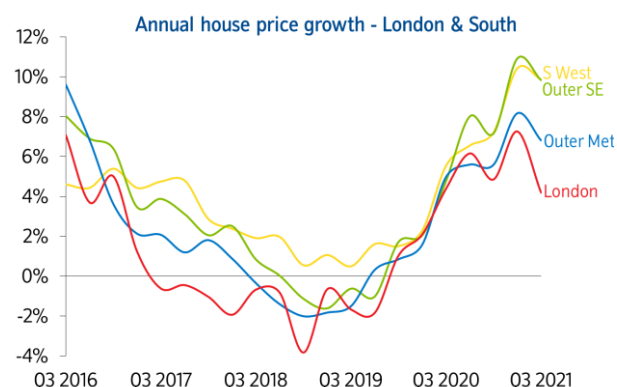
UK Fact File (Q3 2021)	
Quarterly average UK house price	£247,535
Annual percentage change	10.3%
Quarterly change*	1.8%
Most expensive region	London
Least expensive region	North
Strongest annual price change	Wales
Weakest annual price change	London

* Seasonally adjusted

Nations – annual & quarterly price change

Nation	Average Price (Q3 2021)	Annual % change this quarter	Quarterly % change*
Wales	£190,700	15.3%	3.7%
N Ireland	£167,103	14.3%	2.0%
Scotland	£171,134	11.6%	3.0%
England	£283,455	8.5%	1.0%

* 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), Northamptonshire (Corby, Daventry, East Northamptonshire, Kettering, Northampton, South Northamptonshire, Wellingborough), Nottingham, 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, Buckinghamshire, Castle Point, Chelmsford, Crawley, Dartford, Epping Forest, Gravesham, Harlow, Hart, Hertfordshire (Bromsbourne, 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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