

# Nationwide HOUSE PRICE INDEX



[www.nationwide.co.uk/hpi](http://www.nationwide.co.uk/hpi)

April 2020

## Annual house price growth was gaining momentum before the pandemic struck the UK

- Annual house price growth edges up to 3.7%, the strongest since February 2017
- Impact of pandemic will not be fully captured in this month's data
- 0.7% rise month-on-month, after taking account of seasonal factors

Headlines	Apr-20	Mar-20
Monthly Index*	443.1	439.9
Monthly Change*	0.7%	0.8%
Annual Change	3.7%	3.0%
Average Price (not seasonally adjusted)	£222,915	£219,583

\* 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 increased to 3.7% in April, up from 3% in March - the fastest pace since February 2017 (when annual growth was 4.5%). There have been month-on-month gains for the last seven months in a row, after taking account of seasonal effects.

"It's important to note that the impact of the pandemic is not fully captured in this month's figures. This is because our index is constructed using mortgage approval data, and there is a lag between mortgage applications being submitted and approved.

"Indeed, c80% of cases in the April sample relate to mortgage applications that commenced prior to the lock-down, and hence before the full extent of the impact of the pandemic became clear.

"In the opening months of 2020, before the pandemic struck the UK, the housing market had been steadily gathering momentum. Activity levels and price growth were edging up thanks to continued robust labour market conditions, low borrowing costs and a more stable political backdrop following the general election.

"But housing market activity is now grinding to a halt as a result of the measures implemented to control the spread of the virus, and where the government has recommended not entering into housing transactions during this period.

"Indeed, a lack of transactions will make gauging house price trends difficult in the coming months. Our ability to produce the index in the months ahead will depend on there being sufficient transactions which are representative of the wider housing market.

### Where next?

"The medium-term outlook for the housing market is also highly uncertain, where much will depend on the performance of the wider economy.

"Economic activity is set to contract significantly in the near term as a direct result of the necessary measures adopted to suppress the spread of the virus.

"But the raft of policies adopted to support the economy, including to protect businesses and jobs, to support peoples' incomes and keep borrowing costs down, should set the stage for a rebound once the shock passes, and help limit long-term damage to the economy.

"These same measures should also help ensure the impact on the housing market will ultimately be much less than would normally be associated with an economic shock of this magnitude."

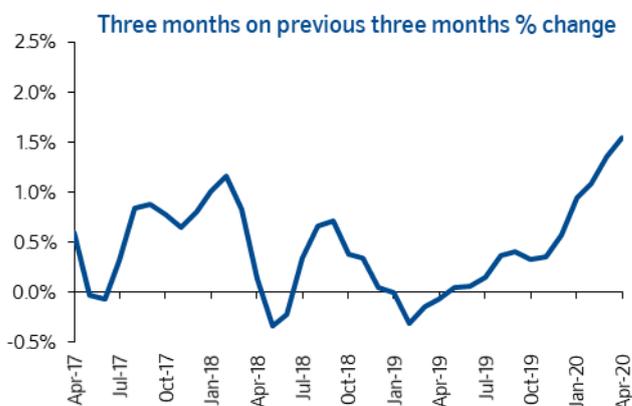
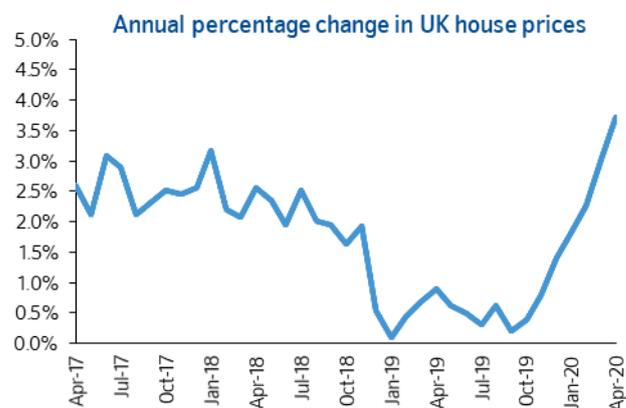
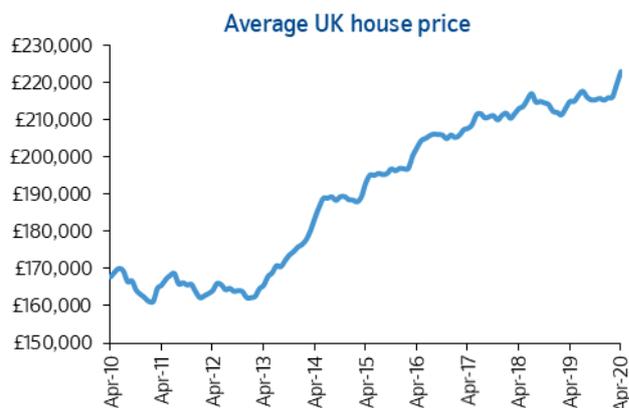
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## Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Apr-18	-0.1	0.1	2.6	213,000
May-18	0.0	-0.3	2.4	213,618
Jun-18	0.4	-0.2	2.0	215,444
Jul-18	0.6	0.3	2.5	217,010
Aug-18	-0.3	0.7	2.0	214,745
Sep-18	0.3	0.7	2.0	214,922
Oct-18	0.0	0.4	1.6	214,534
Nov-18	0.2	0.3	1.9	214,044
Dec-18	-0.5	0.1	0.5	212,281
Jan-19	0.2	0.0	0.1	211,966
Feb-19	0.0	-0.3	0.4	211,304
Mar-19	0.0	-0.1	0.7	213,102
Apr-19	0.1	-0.1	0.9	214,920
May-19	-0.2	0.1	0.6	214,946
Jun-19	0.2	0.1	0.5	216,515
Jul-19	0.3	0.2	0.3	217,663
Aug-19	0.0	0.4	0.6	216,096
Sep-19	-0.1	0.4	0.2	215,352
Oct-19	0.2	0.3	0.4	215,368
Nov-19	0.5	0.4	0.8	215,734
Dec-19	0.2	0.6	1.4	215,282
Jan-20	0.6	0.9	1.9	215,897
Feb-20	0.4	1.1	2.3	216,092
Mar-20	0.8	1.3	3.0	219,583
Apr-20	0.7	1.5	3.7	222,915



Source: Nationwide, ONS

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## 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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