

Nationwide HOUSE PRICE INDEX



www.nationwidehousepriceindex.co.uk

November 2021

House price growth edges back into double digits in November

- Annual house price growth increased slightly in November to 10.0%
- Prices up 0.9% month-on-month

Headlines	Nov-21	Oct-21
Monthly Index*	502.8	498.5
Monthly Change*	0.9%	0.7%
Annual Change	10.0%	9.9%
Average Price (not seasonally adjusted)	£252,687	£250,311

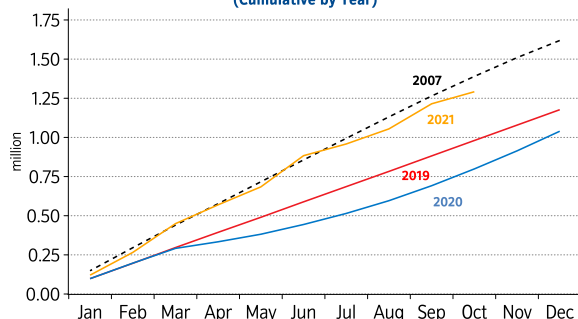
* Seasonally adjusted figure (note that monthly % changes are revised when seasonal adjustment factors are re-estimated)

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

"Annual house price growth remained strong in November at 10.0%, marginally higher than the 9.9% recorded in October. Prices rose 0.9% in month-on-month terms, after taking account of seasonal effects. As a result, house prices are now almost 15% above the level prevailing in March last year when the pandemic struck the UK.

"There have been some signs of cooling in housing market activity in recent months. For example, the number of housing transactions were down almost 30% year-on-year in October. But this was almost inevitable, given the expiry of the Stamp Duty holiday at the end of September, which gave buyers a strong incentive to bring forward their purchase to avoid additional tax.

UK Residential Property Transactions
(Cumulative by Year)

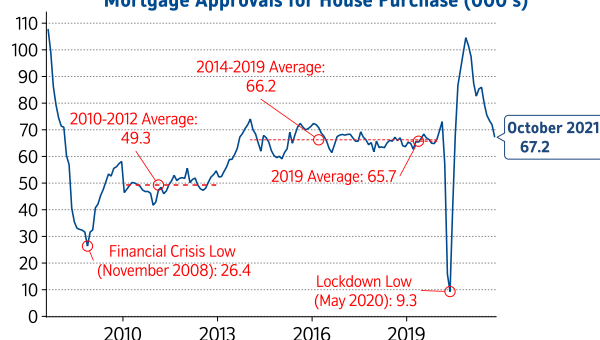


Source: HMRC

"Indeed, activity has been extremely buoyant in 2021. The number of housing transactions so far this year has already

exceeded the number recorded in 2020 with two months still to go and is actually tracking close to the number seen at the same stage in 2007, before the global financial crisis struck (see chart below left).

Mortgage Approvals for House Purchase (000's)



Source: Bank of England

"Moreover, underlying activity appears to be holding up well. The number of mortgages approved for house purchases in October was still running above the 2019 monthly average. Early indications also suggest that labour market conditions remain robust, despite the furlough scheme finishing at the end of September. If this is maintained, housing market conditions may remain fairly buoyant in the coming months, especially since the market has momentum and there is scope for ongoing shifts in housing preferences, as a result of the pandemic, to continue to support activity.

"But the outlook remains uncertain, where a number of factors suggest the pace of activity may slow. It is unclear what impact the new 'Omicron' variant will have on the wider economy. While consumer confidence stabilised in November, sentiment remains well below the levels seen during the summer, partly as a result of a sharp increase in the cost of living. Moreover, inflation is set to rise further, probably towards 5% in the coming quarters.

"Even if economic conditions continue to improve, rising interest rates may exert a cooling influence on the market. Indeed, house price growth has been outpacing income growth by a significant margin and, as a result, housing affordability is already less favourable than was the case before the pandemic struck (see our recent [affordability report](#) for more information)".

Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
Mike Pitcher, Media Relations Manager, mike.pitcher@nationwide.co.uk

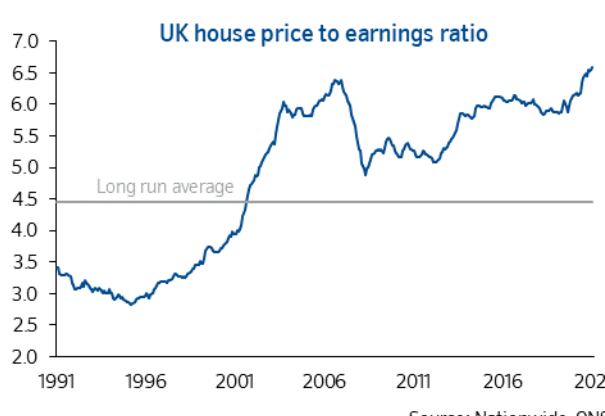
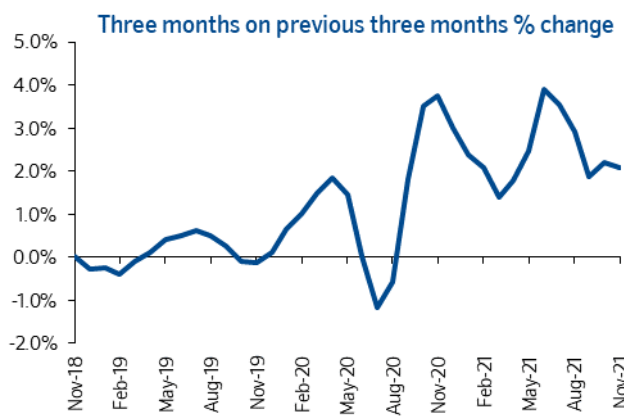
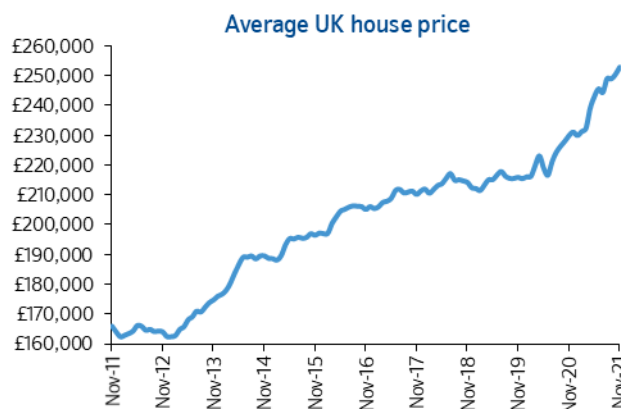
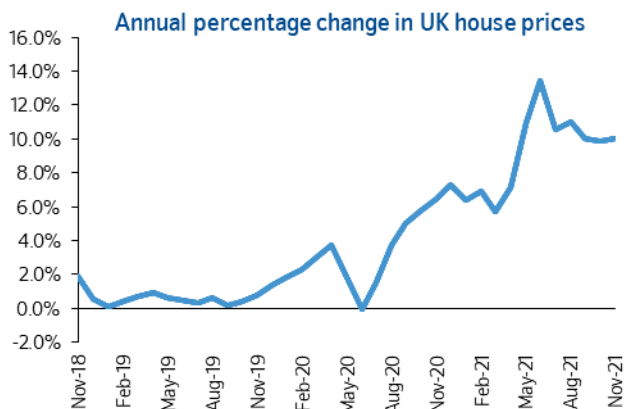


Building Society

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Nov-19	0.2	-0.1	0.8	215,734
Dec-19	0.2	0.1	1.4	215,282
Jan-20	0.7	0.6	1.9	215,897
Feb-20	0.3	1.0	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	1.5	1.8	218,902
Jun-20	-1.6	0.0	-0.1	216,403
Jul-20	2.0	-1.2	1.5	220,936
Aug-20	1.7	-0.6	3.7	224,123
Sep-20	1.1	1.8	5.0	226,129
Oct-20	0.8	3.5	5.8	227,826
Nov-20	0.8	3.7	6.5	229,721
Dec-20	1.0	3.0	7.3	230,920
Jan-21	0.0	2.4	6.4	229,748
Feb-21	0.9	2.1	6.9	231,068
Mar-21	-0.2	1.4	5.7	232,134
Apr-21	2.3	1.8	7.1	238,831
May-21	1.8	2.5	10.9	242,832
Jun-21	0.6	3.9	13.4	245,432
Jul-21	-0.6	3.5	10.5	244,229
Aug-21	2.0	2.9	11.0	248,857
Sep-21	0.2	1.9	10.0	248,742
Oct-21	0.7	2.2	9.9	250,311
Nov-21	0.9	2.1	10.0	252,687

Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
 Mike Pitcher, Media Relations Manager, mike.pitcher@nationwide.co.uk



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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