

Nationwide HOUSE PRICE INDEX



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January 2016

House price growth remains steady in January

- House prices increased by 0.3% in January
- Annual house price growth broadly stable at 4.4%

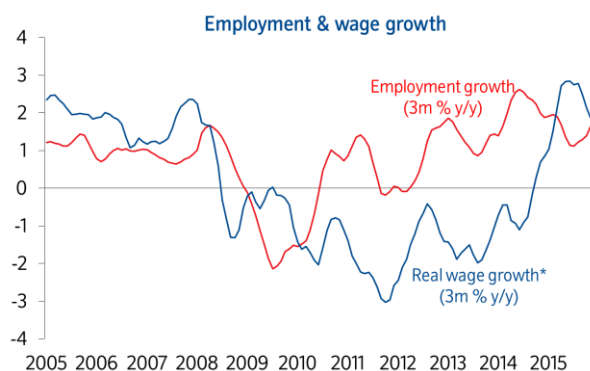
Headlines	Jan-16	Dec-15
Monthly Index*	396.9	395.6
Monthly Change*	0.3%	0.8%
Annual Change	4.4%	4.5%
Average Price (not seasonally adjusted)	£196,829	£196,999

* 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:

"The pace of UK house price growth remained broadly stable during January. Indeed, annual house price growth has remained in a fairly narrow range between 3% and 5% since the summer of 2015. This trend was maintained in January, with house prices up 4.4% over the year, broadly in line with the 4.5% increase recorded in December.

"As we look ahead, the risks are skewed towards a modest acceleration in house price growth, at least at the national level. The labour market appears to have significant forward momentum. Employment has continued to rise at a robust rate in recent months and, while the pace of earnings growth has slowed somewhat, in inflation-adjusted terms regular wages continue to rise at a healthy pace (see chart below).



"With this trend expected to continue and with interest rates also likely to stay on hold for longer than previously anticipated, the demand for homes is likely to strengthen in the months ahead.

"The concern remains that construction activity will lag behind strengthening demand, putting upward pressure on house prices and eventually reducing affordability. Indeed, the market is already characterised by a shortage of stock, with the Royal Institute of Chartered Surveyors reporting that the number of properties on estate agents' books remains close to all-time lows."

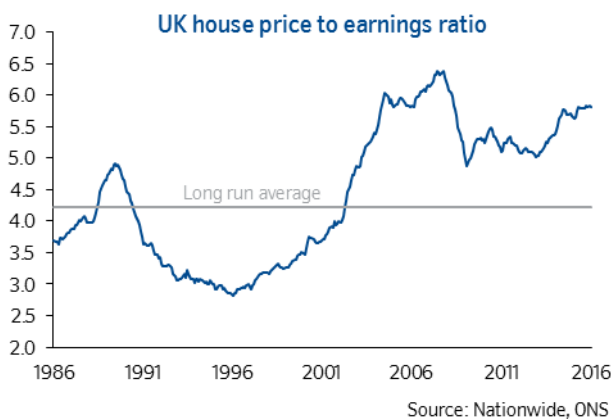
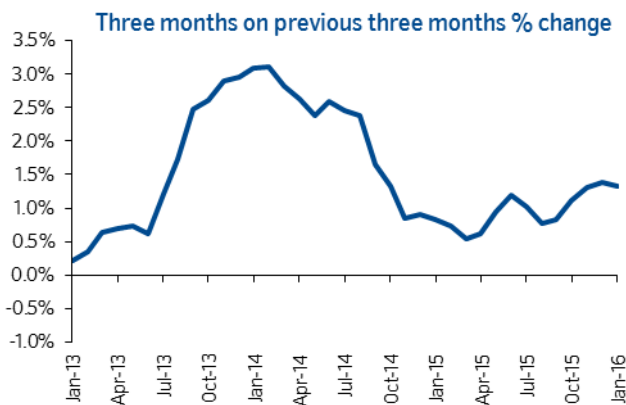
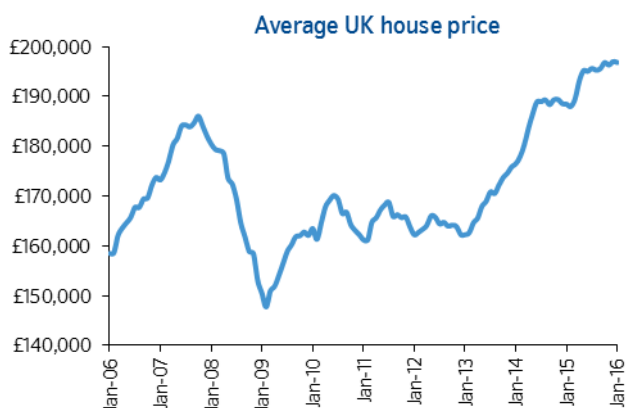
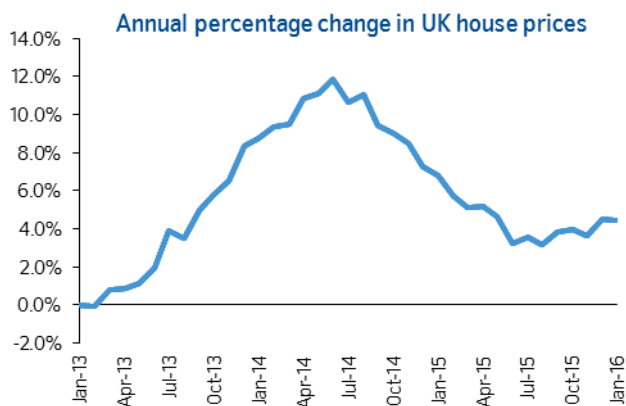
Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Jan-14	0.8	3.1	8.8	176,491
Feb-14	0.9	3.1	9.4	177,846
Mar-14	0.5	2.8	9.5	180,264
Apr-14	1.0	2.6	10.9	183,577
May-14	0.7	2.4	11.1	186,512
Jun-14	1.2	2.6	11.8	188,903
Jul-14	0.2	2.5	10.6	188,949
Aug-14	0.8	2.4	11.0	189,306
Sep-14	-0.2	1.7	9.4	188,374
Oct-14	0.5	1.3	9.0	189,333
Nov-14	0.4	0.8	8.5	189,388
Dec-14	0.1	0.9	7.2	188,559
Jan-15	0.4	0.8	6.8	188,446
Feb-15	0.0	0.7	5.7	187,964
Mar-15	0.1	0.5	5.1	189,454
Apr-15	1.0	0.6	5.2	193,048
May-15	0.3	0.9	4.6	195,166
Jun-15	-0.2	1.2	3.3	195,055
Jul-15	0.4	1.0	3.5	195,621
Aug-15	0.4	0.8	3.2	195,279
Sep-15	0.5	0.8	3.8	195,585
Oct-15	0.6	1.1	3.9	196,807
Nov-15	0.1	1.3	3.7	196,305
Dec-15	0.8	1.4	4.5	196,999
Jan-16	0.3	1.3	4.4	196,829

Media enquiries to: Robert Gardner, Chief Economist, robert.gardner@nationwide.co.uk
Mike Pitcher, 01793 657225, mike.pitcher@nationwide.co.uk



Charts



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/>

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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The application of the IOSCO Principles on financial benchmarks to the NHPI is more fully set out in our [statement regarding IOSCO Principles](#). Nationwide considers that its arrangements for administration of the NHPI comply with the IOSCO Principles in a proportionate manner having regard to the nature of the index.

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