

Nationwide HOUSE PRICE INDEX



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November 2019

House price growth marginally higher in November

- Annual house price growth remained subdued at 0.8%
- 0.5% rise month-on-month, after taking account of seasonal factors

Headlines	Nov-19	Oct-19
Monthly Index*	431.5	429.4
Monthly Change*	0.5%	0.2%
Annual Change	0.8%	0.4%
Average Price (not seasonally adjusted)	£215,734	£215,368

* 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 below 1% for the 12th month in a row in November, at 0.8%, though this was the strongest outturn since April.

"Indicators of UK economic activity have been fairly volatile in recent quarters, but the underlying pace of growth appears to have slowed as a result of weaker global growth and an intensification of Brexit uncertainty. To date, the slowdown has largely centred on business investment, while household spending has been more resilient.

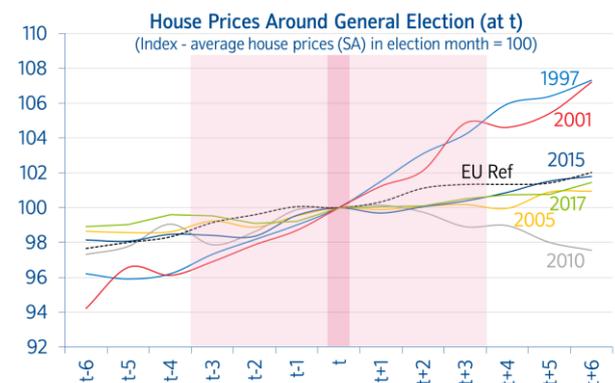
Will the election impact the housing market?

"With the UK general election due in a few week's time, we have analysed house price movements in the months around previous elections, and also the 2016 EU referendum.

"As the chart above right illustrates, past general elections do not appear to have generated volatility in house prices or resulted in a significant change in house price trends. In the chart we have indexed average house prices so they equal 100 in the election month in each of the years shown. We can then compare house price movements in the months leading up to each election (t-6 to t-1) and following each vote (t+1 to t+6).

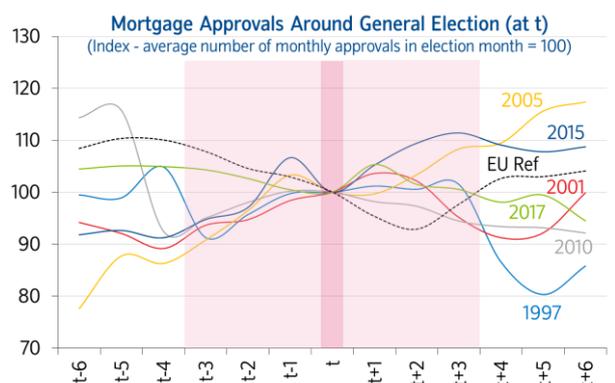
"On the whole, prevailing trends have been maintained just before, during and after UK general elections. Broader

economic trends appear to dominate any immediate election-related impacts.



"We also examined how activity, in particular mortgage approvals for house purchase, responded to past UK general elections (see chart below). Here the picture is less clear, but again there does not seem to be any clear impact in the three months either side of a general election.

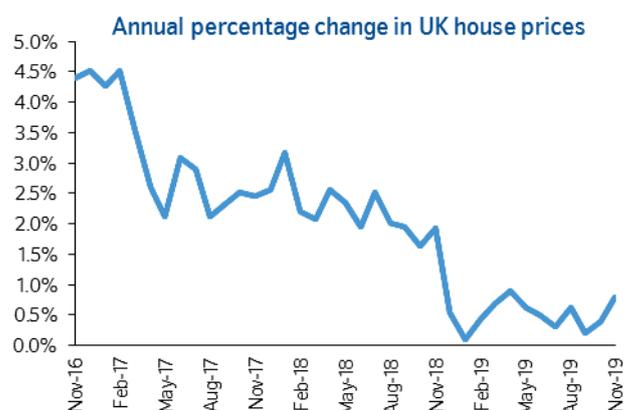
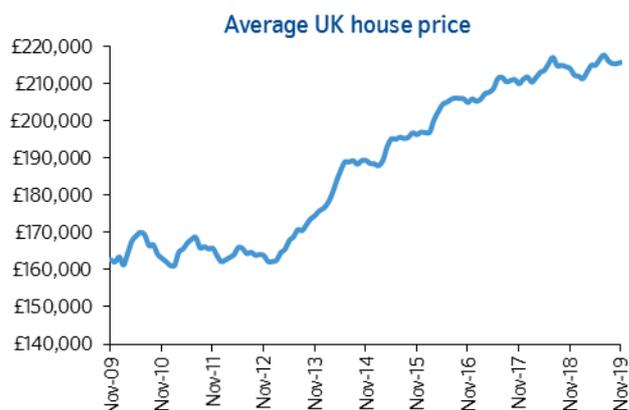
"While activity slowed in the period immediately following the EU referendum, this was a continuation of a trend that was driven by the introduction of additional stamp duty on second homes earlier in that year.



"It appears that housing market trends have not traditionally been impacted around the time of general elections. Rightly or wrongly, for most home buyers, elections are not foremost in their minds while buying or selling their home."

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 Month on 3 Month % Change	Annual % Change	Average Price
Nov-17	-0.1	0.6	2.5	209,988
Dec-17	0.7	0.7	2.6	211,156
Jan-18	0.7	0.9	3.2	211,756
Feb-18	-0.4	1.1	2.2	210,402
Mar-18	-0.2	0.8	2.1	211,625
Apr-18	0.1	0.2	2.6	213,000
May-18	0.0	-0.1	2.4	213,618
Jun-18	0.3	-0.1	2.0	215,444
Jul-18	0.5	0.4	2.5	217,010
Aug-18	-0.3	0.6	2.0	214,745
Sep-18	0.3	0.6	2.0	214,922
Oct-18	0.0	0.3	1.6	214,534
Nov-18	0.2	0.3	1.9	214,044
Dec-18	-0.6	-0.1	0.5	212,281
Jan-19	0.2	-0.1	0.1	211,966
Feb-19	-0.1	-0.4	0.4	211,304
Mar-19	0.2	-0.1	0.7	213,102
Apr-19	0.3	0.1	0.9	214,920
May-19	-0.2	0.3	0.6	214,946
Jun-19	0.1	0.3	0.5	216,515
Jul-19	0.3	0.2	0.3	217,663
Aug-19	0.0	0.3	0.6	216,096
Sep-19	-0.1	0.3	0.2	215,352
Oct-19	0.2	0.2	0.4	215,368
Nov-19	0.5	0.3	0.8	215,734



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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