Housing market overview

Produced 08 October 2025

This document provides the latest information available from various sources, with dates varying from July – September 2025

Making sense of marketing in the digital age

Contents

Market overview

- We see a mixed bunch when it comes to house prices with two of our reported sources (Halifax and home.co.uk) reporting month-on-month house price decreases (of 0.3%). gov.uk, Nationwide and Rightmove all report increases while LSL reports no change from the previous month. Similar to last month, all but two of our sources continued to report annual house price increases (in the range of 0.8% to 2.8%). Rightmove and LSL were the only sources to record annual decreases (in the range of 0.1% to 2.8%).

- Halifax has announced a 0.3% decrease in house prices, following recorded growth in August. They say despite this slight decline, this indicates overall stability within the market. House prices continue to be influenced by characteristics such as location and property type. And while economic uncertainty remains, there are encouraging signs for buyers: improving affordability and growing confidence, largely driven by lower mortgage rates. They say looking ahead, there are expectations of growth in the housing marketing throughout the remainder of the year.

- Hometrack reports that while mortgage rates have stabilised between 4-5%, it is unlikely to see significant drops in the near future. They say buyer demand has seen a decrease of 11% for properties priced over £1million, with a decline in listings for homes valued above £500,000 suggesting a cooling for the higher end of the market, mainly driven by the weaker activity in the south.

- Rightmove reveals that after months of muted price growth, average asking prices from new sellers is 0.1% lower compared to the same time last year. However, they do say the number of agreed sales has increased by 4% year-on-year. And improved buyer availability and sensible pricing are helping to improve market activity, encouraging buyer activity.

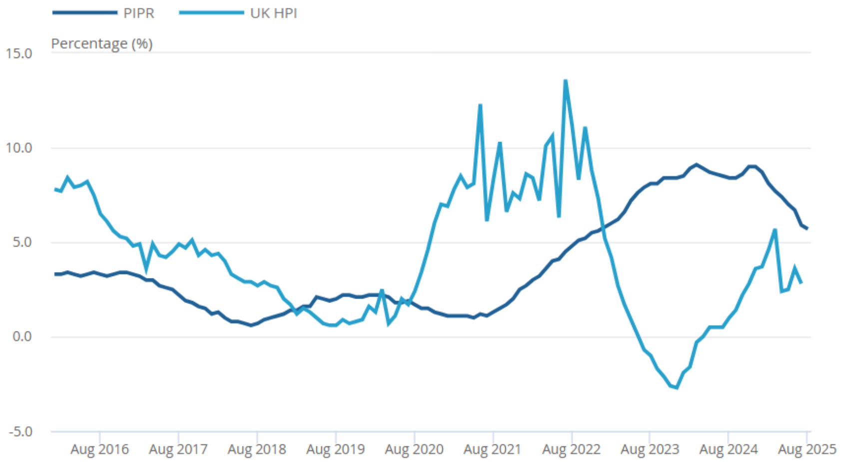
- Nationwide states little change in house price growth between August and September, with annual growth at 2.2%, up slightly from 2.1% in August. They say mortgage approvals for house purchases have returned to levels similar to pre-pandemic averages. And despite economic uncertainty, the housing market remains supportive for buyers. They go on to say this stability is expected to strengthen further, provided the economy remains steady.

- The GfK Consumer Confidence Overall Index decreased by two points to -19 in September. All measures were down in comparison to last month's announcement, reflecting a more negative outlook towards the economy and personal finances. They say despite a reduction in interest rates it does not appear to have provided any obvious boost to the financial mood of consumers or drawn attention away from day-to-day cost issues.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	July'25	^ 0.3	^ 2.8	£270,000	17.09.2025
LSL Property Services	August'25	> 0.0	v 2.8	£352,930	08.09.2025
Halifax	September'25	v 0.3	^ 1.3	£298,184	07.10.2025
home.co.uk	September'25	v 0.3	^ 0.8	£361,570	19.09.2025
Hometrack	September'25	N/A	^ 1.4	£271,000	29.09.2025
Nationwide	September'25	^ 0.5	^ 2.2	£271,995	09.2025
Rightmove	September'25	^ 0.4	v 0.1	£370,257	15.09.2025

Private rent and house price annual inflation

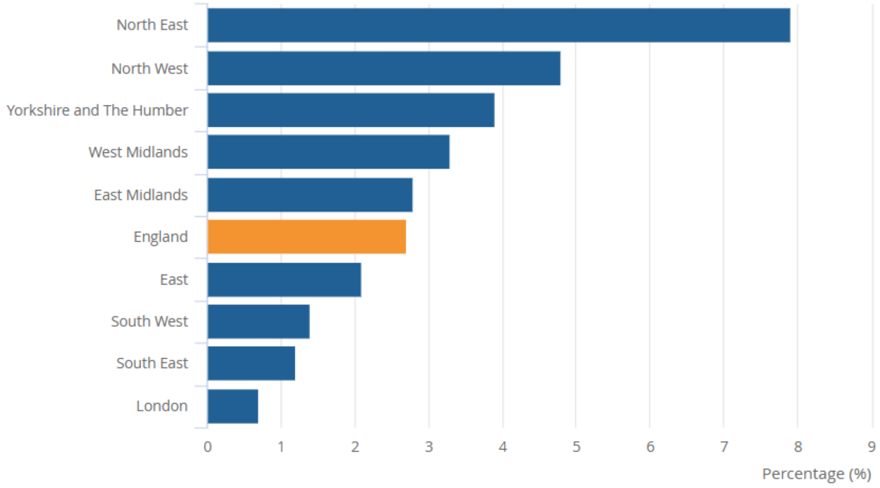


Source: gov.co.uk price index

> "UK house price inflation has been slowing in recent months. Average house prices in August were 1.4% higher than a year ago, down from 1.9% annual growth in December 2024. The average UK house price has increased by £4,350 over the last year, standing at £271,000 now."

Source: Hometrack price index

Private rent annual inflation – 12-month % change



Source: gov.co.uk price index

"The annualised national growth in asking rents slides even further into the negative (now -2.2%), driven down by increased supply (12.5% year-on-year). The national growth figure is in the red due mainly to the negative performance of London, but negative contributions also now come from Scotland, Wales and all English regions except the East Midlands and the North East."

Source: Home.co.uk price index

UK house-price rates of change: types of buyer

Type of buyer	Average price July 2025	Monthly change	Annual change
First time buyer	£228,233	0.3%	2.9%
Former owner occupier	£331,693	0.2%	2.6%

Source: gov.uk price index

"It's also important to remember that prices vary widely depending on characteristics like location and property type. As a result, many homes are available at a cost well below this headline figure. For example, for those looking to take their first step on the property ladder, the typical first-time buyer home costs £236,811, up +1.7% year on year, with pockets of even greater affordability to be found across different regions."

Source: Halifax price index

UK house-price rates of change: types of dwelling

Property status	Average price May 2025	Monthly change	Annual change
New build	£350,787	-4.0%	7.8%
Existing resold property	£260,607	1.3%	2.1%

Source: gov.uk price index

"Our most recent data by property type shows that semi-detached properties have seen the biggest percentage rise in prices over the last 12 months, with average prices up 3.4% year on year. Detached and terraced properties saw similar growth, at 2.5% and 2.4% respectively. However, flats saw a small year-on-year decline of 0.3%. Looking over the longer term, flats have seen noticeably weaker growth than other property types in recent years."

Source: Nationwide price index

Number of housing transactions per month

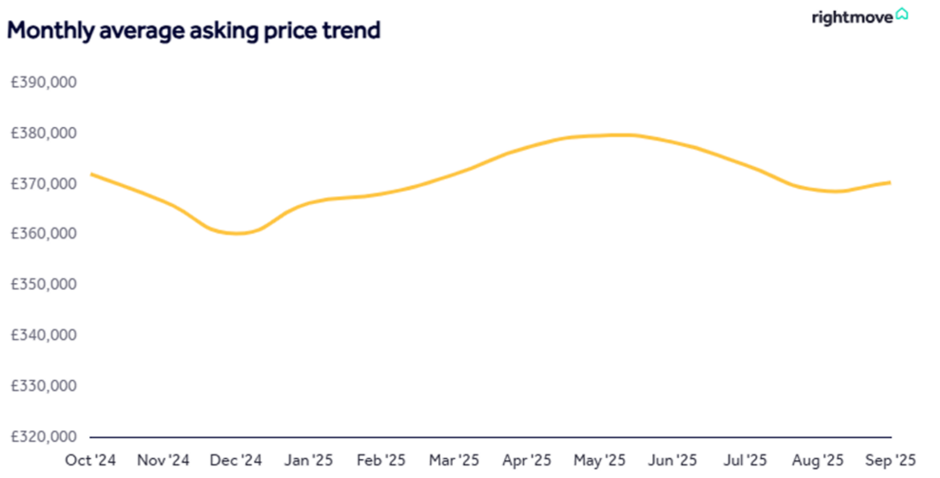
Country	May 2025	May 2024
England	32,404	59,419
Northern Ireland	1,498	1,838
Scotland	8,840	9,125
Wales	2,119	3,145

Source: gov.uk price index

"Property transactions in July returned to typical levels, with over 94,000 completions recorded— broadly in line with the 12-month average. This marks a recovery from earlier distortions in the market caused by changes to stamp duty, indicating that transactional momentum is gradually rebuilding."

Source: LSL price index

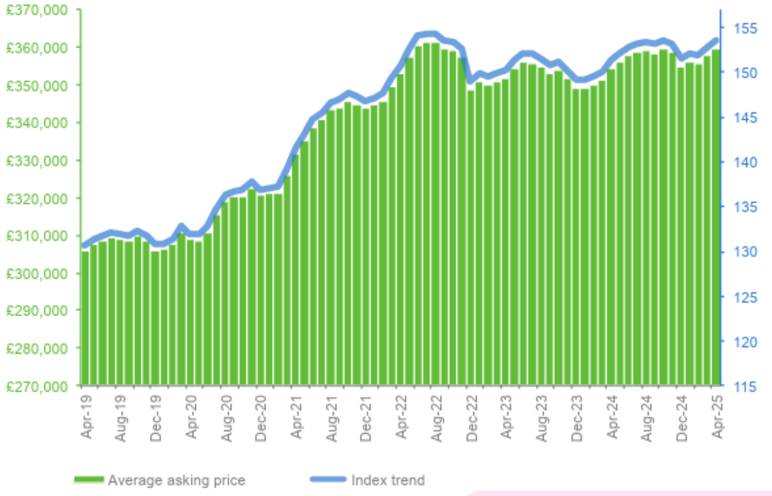
Monthly asking-price trend



"Sellers who reduced their price expectations over the summer are now creating more realistic conditions for sales, which is keeping things moving. We're finding that well-presented, competitively priced homes are still attracting strong interest, and the high choice of homes for sale is also encouraging buyers."

Source: [Rightmove price index]

Home asking-price trend for England & Wales

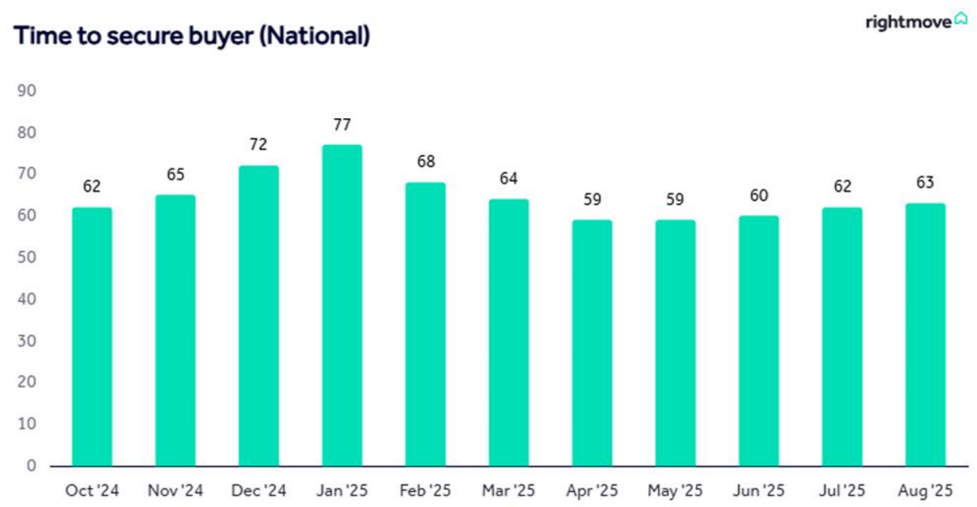


Source: [Home.co.uk price index]

“In England, the North East, recorded the strongest annual growth with prices up +4.8% to £180,443, followed by the North West (+3.9). The South West saw a second consecutive price fall by -0.2% over the past year (previously -0.7%) with prices now £303,067. Meanwhile, prices are up only very slightly on the year in London (+0.6%) and the South East (+0.2%), with the capital the most expensive part of the UK, with an average property value of £543,497”

Source: [Halifax price index]

Average-time-on-market indicator – National

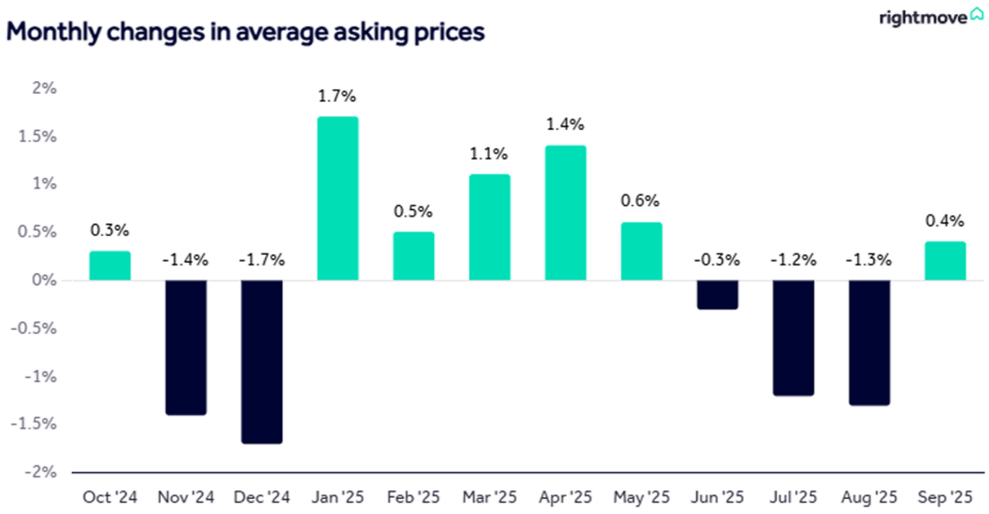


Source: [Rightmove price index]

"Sales market momentum remains elevated although this heightened throughput is not enough to significantly reduce the unsold stock total. Typical Time on Market is currently three days higher than in September last year and looks set to rise further."

Source: [Home.co.uk price index]

Asking-price fluctuation percentage



Source: [Rightmove price index]

"We'd expect to see a slight uptick in new seller asking prices in September, with the traditional back to school season boosting activity heading into autumn. This year's 0.4% September price rise is a little lower than the norm, which is an average of 0.6% at this time of year."

Source: [Rightmove price index]

UK sales volumes by funding status

Funding status	Average price July 2025	Monthly change	Annual change
Cash	£256,908	0.2%	2.3%
Mortgage	£279,203	0.3%	3.0%

Source: gov.uk price index

“While mortgage rates remain stable, homebuyers can afford to borrow 20% more than six months ago with the same mortgage rate and with the same income as lenders have changed their affordability criteria. This has supported demand for homes in recent months, especially amongst first-time buyers and in areas with more affordable house prices.”

Source: Hometrack price index

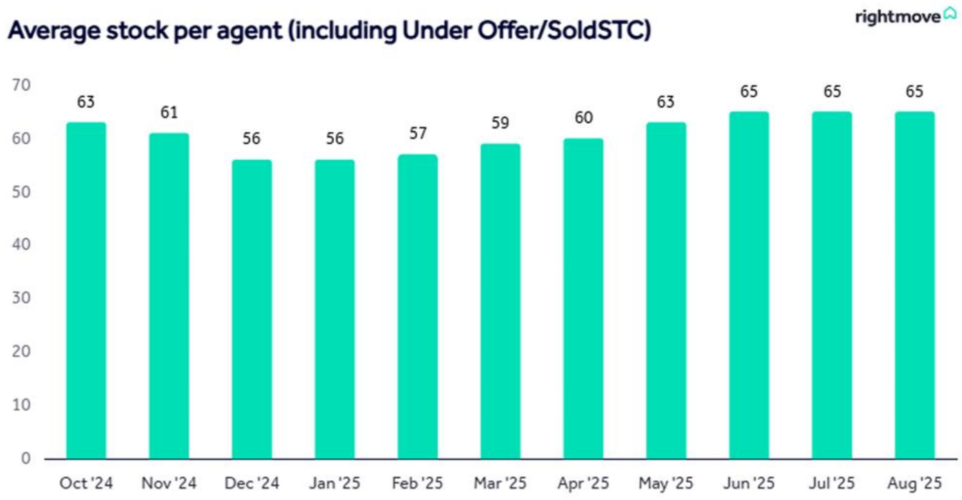
UK house-price-to-earnings ratio

Source: [Nationwide price index]

“In addition, there is unease about rising unemployment, job security and persistent price inflation. Consumer confidence is weak. It is no surprise, therefore, that a number of analysts have revised down their house price forecasts for 2025 even after allowing for the boost given by an easing of mortgage regulations.”

Source: [LSL price index]

Average properties for sale per estate agent



Source: [Rightmove price index]

"UK homebuyers have returned to the market in strength over the past two years, fuelling a sustained recovery in housing sales. The average agent has 36 homes for sale, a fifth more than in 2023 and 8% higher than this time last year."

Source: [Hometrack price index]

UK consumer confidence

UK Measures	↑↔↓	September 2025	August 2025	July 2025	September 2024
Overall Index Score	↓2	-19	-17	-19	-20
Personal Financial Situation over last 12 months	↓3	-7	-4	-7	-9
Personal Financial Situation over next 12 months	↓1	4	5	2	-3
General Economic Situation over last 12 months	↓3	-45	-42	-44	-37
General Economic Situation over next 12 months	↓2	-32	-30	-29	-27
Major Purchase Index	↓3	-16	-13	-15	-23
Savings Index (commented on but not used in Overall Index Score)	↓8	22	30	34	23

NIM Nuremberg Institute for Market Decisions | GfK An NIQ Company

Source: GfK Consumer Confidence Barometer *powered by NIM* (September 2025)

"The August 7th decrease in interest rates does not appear to have provided any obvious boost to the financial mood of consumers or drawn attention away from day-to-day cost issues. Both personal finance measures – past and future – are lower, while our major purchases measure has dropped three points to -16."

Source: [GFK consumer confidence index]

MMS>

Did you find this useful?

You can receive this report directly into your inbox each month by signing up at mms-marketing.co.uk/contact.

Got feedback?

If there's anything you think we can be doing better with this report we'd love to hear from you. You can email us at hello@mms-marketing.co.uk with any feedback.