

Housing market overview

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

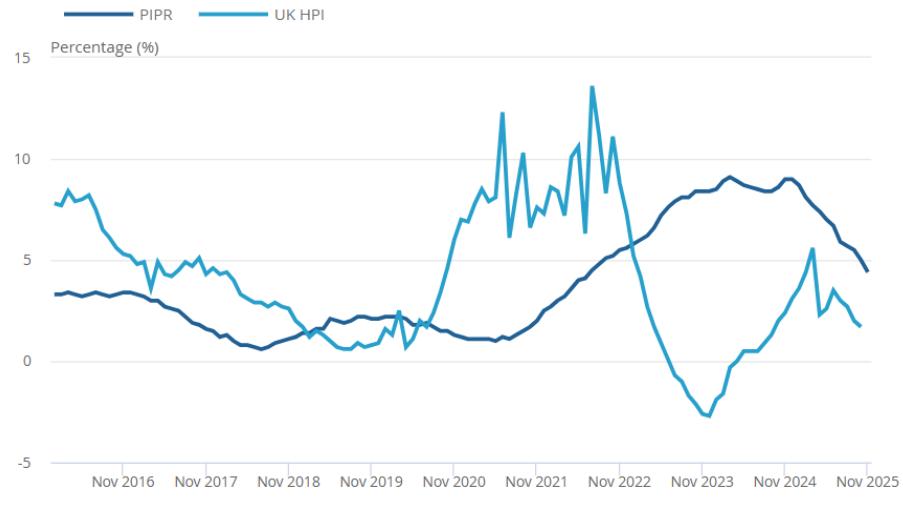
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- > This month most of our sources reported month-on-month house price decreases (ranging from 0.1% to 1.8%), LSL doesn't report any change from the previous month. The majority of our sources continue to record annual house price increases (in the range of 0.3% to 1.7%). Rightmove & LSL were the only sources to record annual decreases of 0.6% & 4.0% respectively.
- > Halifax announced a 0.6% decrease in annual house prices in December, bringing the average property price to £297,755 - the lowest level since June 2025. They say this decline may reflect uncertainty surrounding the Autumn Budget. But despite this, the housing market has shown resilience throughout the year, and on a positive note, December recorded the lowest house price to income ratio in a decade. And looking ahead to 2026, they say house prices are expected to increase between 1% and 3%.
- > Hometrack reveals that housing sales hit 1.2m in 2025 – the highest level in three years. They say stabilised mortgage rates and rising incomes have supported the increase in sales. First-time buyers were the largest purchaser group in 2025, accounting for 39% of sales. And buyer demand remains positive, although dependent on availability of homes. They predict housing transactions are set to reach 1.18m in 2026.
- > Rightmove announced a 1.8% fall (-£6,695) in new seller asking prices this month to £358,138. They say despite this decline, a Boxing Day boost is anticipated following the Autumn Budget announcement. They report a more positive year overall for sales, with the number of sales agreed 3% higher than in 2024. And improved buyer affordability and plenty of choice for buyers suggests a more encouraging market, with the portal predicting that new seller asking prices will rise by 2%.
- > Nationwide reports that house price growth eased from 1.8% in November to 0.6% in December. They say despite this slowdown, the 2025 housing market has been labelled as "resilient". Even though consumer sentiment was relatively subdued, with households reluctant to spend and mortgage rates around three times their post pandemic lows, mortgage approvals remained near pre-Covid levels.
- > The GfK Consumer Confidence Overall Index rose by two points in December to -17. All measures were up compared to last month's announcement. The Major Purchase Index increased by four points to -11; five points better than this time last year. While the Savings Index remained unchanged at 24; this is still three points higher than this time last year. Overall, these movements suggest some relief following the Budget announcement.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	October'25	▼ 0.1	▲ 1.7	£270,000	17.11.2025
LSL Property Services	November'25	> 0.0	▼ 4.0	£352,498	12.12.2025
Halifax	December'25	▼ 0.6	▲ 0.3	£297,755	08.01.2026
home.co.uk	December'25	▼ 0.5	▲ 1.0	£358,419	15.12.2025
Hometrack	December'25	N/A	▲ 1.1	£270,300	19.12.2025
Nationwide	December'25	▼ 0.4	▲ 0.6	£271,068	12.2025
Rightmove	December'25	▼ 1.8	▼ 0.6	£358,138	15.12.2025

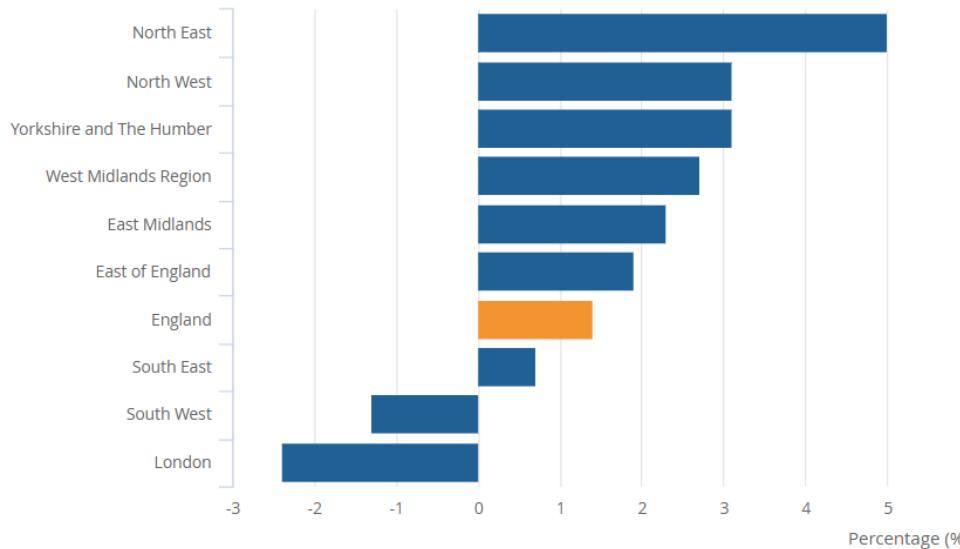
Private rent and house price annual inflation



Average UK monthly private rents increased by 4.4%, in the 12 months to November 2025 (provisional estimate). This was down from 5.0% in the 12 months to October 2025 and is the lowest annual inflation rate since June 2022. Average UK house prices increased by 1.7% (provisional estimate) to £270,000, in the 12 months to October 2025. This annual growth was down from 2.0% in the 12 months to September 2025.



Private rent annual inflation – 12-month % change



Source: gov.co.uk price index

“ The annualised national growth in asking rents trends further into the negative (now -3.8%). Scotland, Wales and all English regions (apart from the North West which shows no change) indicate year-on-year declines in the mix-adjusted average asking rent. The worst performer is the East Midlands with an annualised decline of 13.4%. ”

Source: Home.co.uk price index

UK house-price rates of change: types of buyer

Type of buyer	Average price October 2025	Monthly change	Annual change
First time buyer	£228,231	0.1%	1.9%
Former owner occupier	£331,095	-0.4%	1.3%

Source: [gov.uk price index](https://www.gov.uk/government/statistics/house-prices-in-england-and-wales)

“ First-time buyers (FTBs) have been a driving force for increased sales and account for 2 in 5 sales. Existing homeowners buying a home with a mortgage account for 1 in 3 sales. Cash buyers account for just over 1 in 5 sales, while landlords using a mortgage account for 7% of sales. ”

Source: [Hometrack price index](https://www.hometrack.com/price-index)

UK house-price rates of change: types of dwelling

Property status	Average price August 2025	Monthly change	Annual change
New build	£370,908	0.8%	12.9%
Existing resold property	£267,112	0.6%	1.9%

Source: [gov.uk price index](https://www.gov.uk/government/statistics/house-prices-in-england-and-wales)

“ Our most recent data by property type shows that semi-detached properties saw the biggest percentage rise in prices during 2025, with average prices up 2.4% year on year. However, detached properties saw similar growth of 2.2%, with terraced only marginally weaker at 1.8%. However, flats saw a small year-on-year decline of 0.9%. ”

Source: [Nationwide price index](https://www.nationwide.co.uk/research/house-prices)

Number of housing transactions per month

Country	August 2025	August 2024
England	45,479	70,500
Northern Ireland	1,923	2,152
Scotland	9,972	9,989
Wales	2,474	3,790

Source: [gov.uk price index](https://www.gov.uk/government/statistics/housing-transaction-statistics)

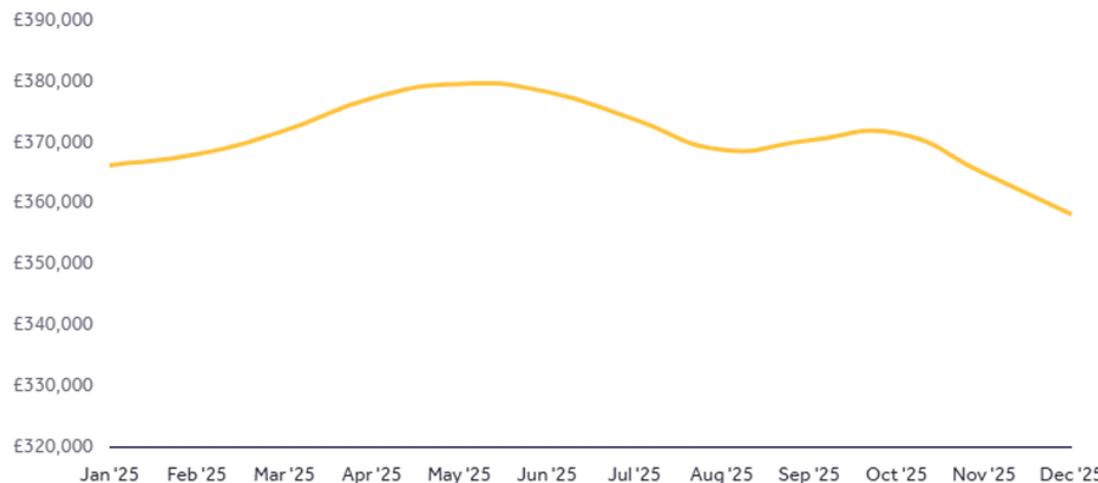
“ While property transactions enjoyed a seasonal uplift in October, more recent indicators suggest market sentiment was unsettled ahead of November’s Budget. While the prime parts of central London and other high-value residential areas were particularly vulnerable to this, the housing market in much of the country had also been in a state of relative torpor. ”

Source: [LSL price index](https://www.lsl.co.uk/price-index)

Monthly asking-price trend

Monthly average asking price trend

rightmove



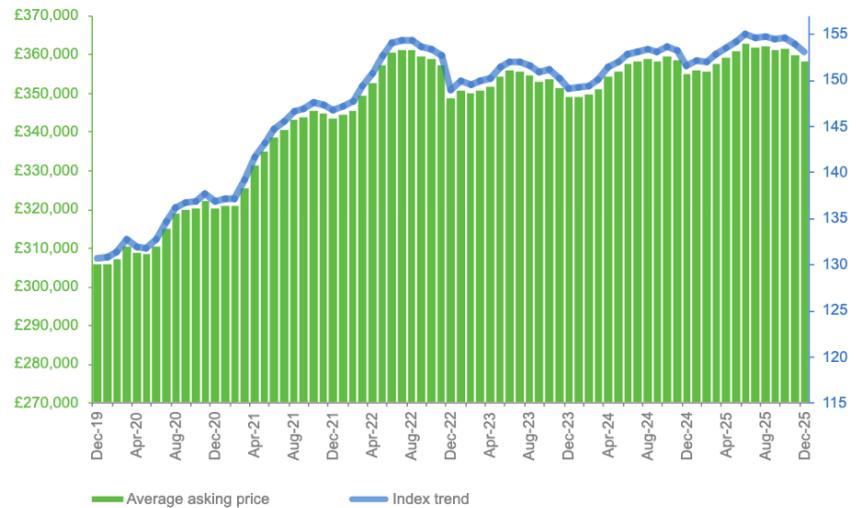
Source: [Rightmove price index](#)

December is typically a very slow month in price terms, and the market is still coming to terms with how the new Council Tax surcharge on homes worth over £2 million might impact once it comes into force in April 2028.

Source: [LSL price index](#)

Home asking-price trend for England & Wales

Home Asking Price Trend for England & Wales

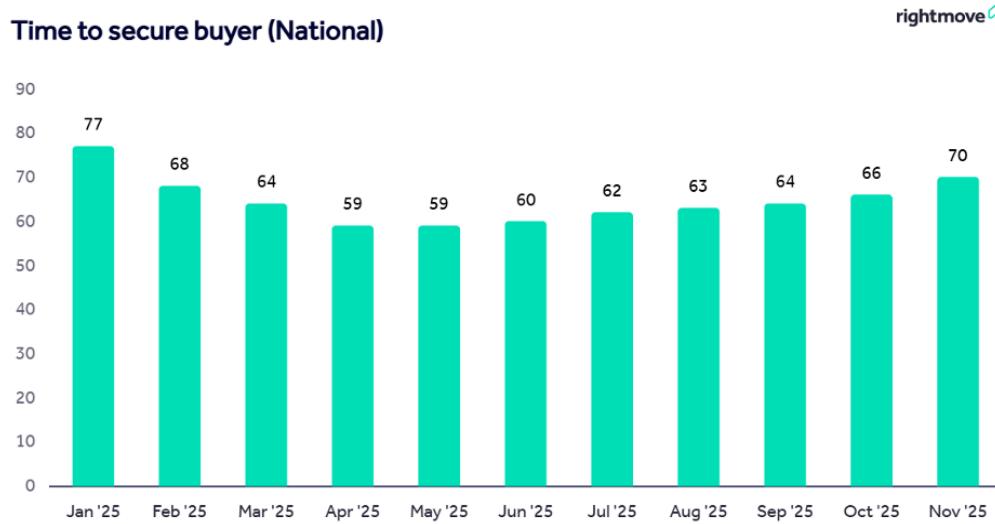


Source: [Home.co.uk price index](https://www.home.co.uk/price-index)

“ However, with buyer choice remaining high, sellers will still need to come to the market at tempting prices to attract attention and do all that they can to ensure that their property is presented as well as possible. A more stable 2026 would be good for buyer confidence, which in turn would further boost activity levels, leading to a modest price increase ”

Source: [Rightmove price index](https://www.rightmove.co.uk/price-index)

Average-time-on-market indicator – National



Source: [Rightmove price index](#)

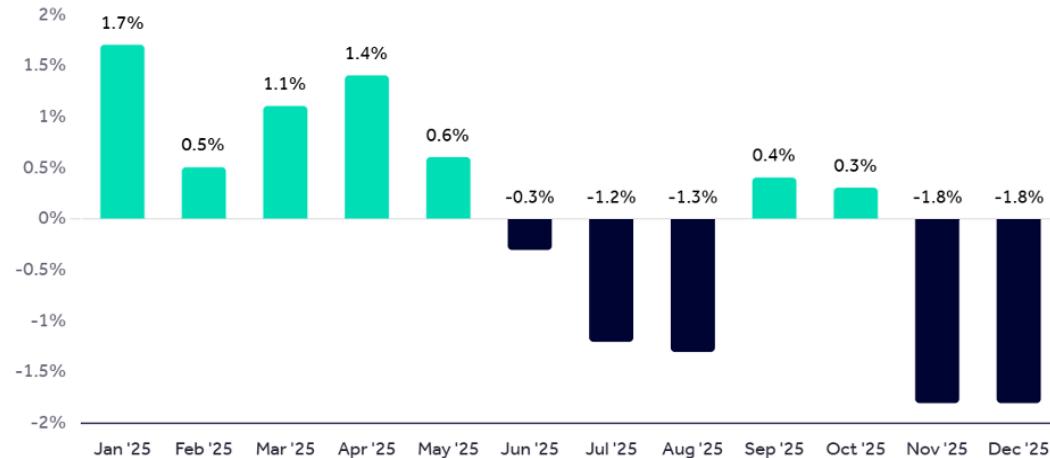
Typical Time on Market (TTM) for unsold properties continues to trend higher and is currently seven days more than in December last year.

Source: [Home.co.uk price index](#)

Asking-price fluctuation percentage

Monthly changes in average asking prices

rightmove



“ In the second half of 2025, uncertainty caused by rumours of property tax changes in November's Budget swirled, some from as early as August. This had an impact on pricing and activity, as sellers tried to entice nervous buyers. The market will soon benefit from the traditional boost in home-moving activity from Boxing Day. Rightmove's Boxing Day Bounce is an annual event where we see many begin or resume their plans to move after the distraction of Christmas. ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

Funding status	Average price October 2025	Monthly change	Annual change
Cash	£256,431	-0.3%	0.9%
Mortgage	£279,112	-0.1%	1.9%

Source: [gov.uk price index](#)

With price growth well below the rate of earnings growth and a steady decline in mortgage rates, affordability constraints eased somewhat, helping to underpin buyer demand. Indeed, the first-time buyer share of house purchase activity was above the long run average, supported by easier credit availability, with the share of high loan to value lending (i.e. with a deposit of 15% or less) reaching its highest level for over a decade.

Source: [Nationwide price index](#)

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

The outlook for transactions and house prices in 2026 is largely down to the economic outlook, in particular the jobs market and incomes growth. The jobs market has softened over 2025 and while disposable incomes have been increasing at a faster pace, this is now starting to slow. Fierce competition in the mortgage market is keeping average borrowing costs close to 4% and rates are likely to edge lower in 2026.

Source: [Hometrack price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

Over 2025, estate agents had had the highest numbers of homes for sale in 7 years. Many of these sellers were also buyers, which has supported the recovery in sales.

Source: [Hometrack price index](#)

UK consumer confidence

UK Measures	↑↔↓	December 2025	November 2025	October 2025	December 2024
Overall Index Score	↑ 2	-17	-19	-17	-17
Personal Financial Situation over last 12 months	↑ 1	-6	-7	-5	-7
Personal Financial Situation over next 12 months	↑ 1	2	1	3	1
General Economic Situation over last 12 months	↑ 3	-40	-43	-42	-39
General Economic Situation over next 12 months	↑ 3	-29	-32	-30	-26
Major Purchase Index	↑ 4	-11	-15	-12	-16
Savings Index <small>(commented on but not used in Overall Index Score)</small>	↔	24	24	29	21



Nuremberg Institute
for Market Decisions



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

Looking at the full year, the December headline score of -17 is the same as 12 months ago, and on that basis 2025 has been a year of no progress. UK households still face cost-of-living pressures, despite the recent softening in inflation, along with rising economic uncertainty, and those conditions result in weaker consumer confidence.

Source: [GfK consumer confidence index](#)

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