

# Housing market overview

Produced 13 February 2025

This document provides the latest information available from various sources, with dates varying from November 2024 – January 2025

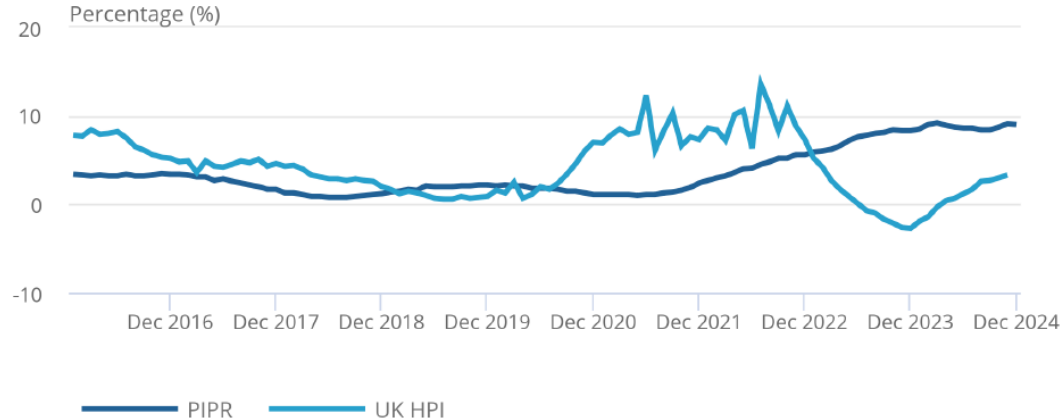
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- > House prices seem to be on an upward trajectory as this month sees all but one of our reported sources indicating month-on-month house price increases (in the range of 0.1% to 1.7%). Similarly, all but one of our sources reported year-on-year house price increases (in the range of 1.8% to 4.1%).
- > Halifax comments despite geopolitical uncertainties, and waning consumer confidence, other key indicators look fairly positive for the housing market. The Bank of England has made its first base rate cut of the year, and there are probably more to come.
- > Hometrack tells us that sales market activity is off to a stronger start in 2025 than what we saw in both 2024 and 2023. They say this bodes well for market activity over the rest of the year and is supported by more people looking to buy in the next 2 years. They go on to say house prices are up 2% versus -0.9% this time last year, and they report buyer demand is 13% higher than a year ago, with 10% more homes for sale and 12% more sales agreed.
- > Rightmove have reported a promising start to 2025, evident with average house prices being up 1.7%, a record number of early-bird new sellers coming to the market since Boxing Day, 9% more people contacting agents, and 11% more properties coming to the market. They say despite the positive start to the year, there are uncertainties over the pace and number of interest rate drops, and the stamp duty deadline on 31<sup>st</sup> March.
- > Nationwide reports the annual rate of house price growth slowed to 4.1% in January, compared with 4.7% in December. They comment the housing market continues to show resilience despite ongoing affordability pressures. We are still seeing house prices remaining high relative to average earnings, struggles with saving deposits (due to record increases in rents) and the need for a significant proportion of first-time buyers having to draw on help from friends and family to raise a deposit.
- > The GFK consumer confidence Overall Index Score decreased across all five measures in January to -22. The New Year has highlighted things are changing and not for the better. The figures underline that consumers are losing confidence in the UK's economic prospects and seeing the Saving Index (consumer's motivation to save money) increase substantially, it's another sign that people see dark days ahead and are therefore thinking of putting money aside for safety.

# Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	November '24	▼ 0.4	▲ 3.3	£290,000	15.01.2025
LSL Property Services	December '24	▲ 0.2	▼ 2.0	£357,365	13.01.2025
Halifax	January '25	▲ 0.7	▲ 3.0	£299,138	07.02.2025
home.co.uk	January '25	▲ 0.3	▲ 1.9	£356,167	15.01.2025
Hometrack	January '25	N/A	▲ 2.0	£267,700	30.01.2025
Nationwide	January '25	▲ 0.1	▲ 4.1	£268,213	01.2025
Rightmove	January '25	▲ 1.7	▲ 1.8	£366,189	20.01.2025

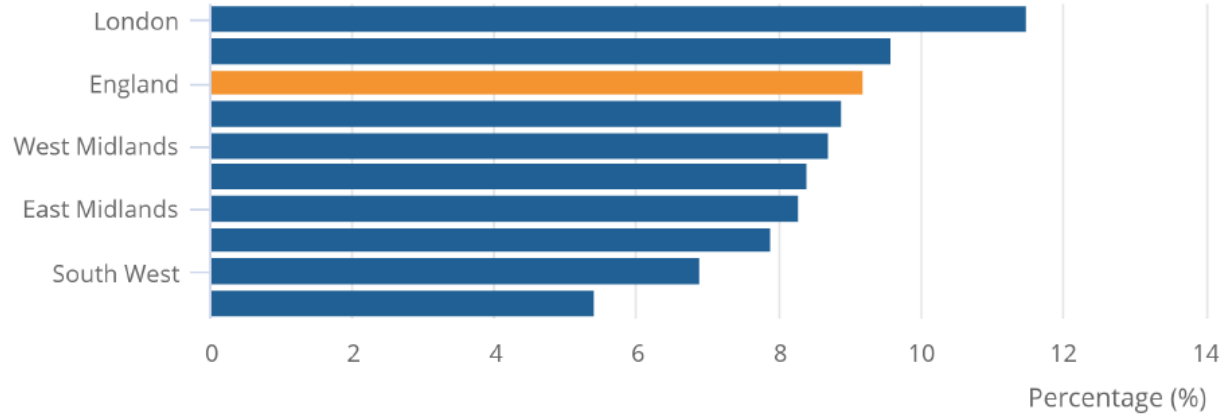
# Private rent and house price annual inflation



“ Average UK house prices increased by 3.3% (provisional estimate), to £290,000, in the 12 months to November 2024. This annual growth was up from 3.0% in the 12 months to October 2024. Annual inflation has been generally increasing since its low point of negative 2.7% in the 12 months to December 2023. ”

Source: [gov.uk price index](https://www.gov.uk/price-index)

## Private rent annual inflation – 12-month % change



Source: [gov.uk price index](https://www.gov.uk/price-index)



The annualised national growth for asking rents is just 1.5% overall. This mix-adjusted average is affected disproportionately by London's rent falls (-1.2%). However, the East Midlands and Yorkshire indicate double-digit growth year-on-year.



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

# UK house-price rates of change: types of buyer

Type of buyer	Average price November 2024	Monthly change	Annual change
First time buyer	£244,519	-0.1%	4.2%
Former owner occupier	£332,626	-0.8%	2.1%

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

“Affordability is still a challenge for many would-be buyers, but the market's resilience is noteworthy. There's strong demand for new mortgages and growth in lending. With a stamp duty increase looming, some of this demand may have come from first-time buyers eager to complete transactions before the end of March.”

Source: [Halifax price index](#)

# UK house-price rates of change: types of dwelling

Property status	Average price September 2024	Monthly change	Annual change
<b>New build</b>	£424,049	-0.2%	24.6%
<b>Existing resold property</b>	£285,458	-0.4%	1.4%

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



New sellers have started the year with a bang, with a record number coming to market not only on Boxing Day itself, but across the start of the year to date. We've also seen a strong start to the year in new seller asking prices, though given the higher-than-anticipated seller competition, we would expect this to slow down over the next few months.



Source: [Rightmove price index](#)



# Number of housing transactions per month

Country	September 2024	September 2023
England	37,258	57,425
Northern Ireland	1,991	1,998
Scotland	8,360	8,495
Wales	2,104	3,201

Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Rightmove has recorded its busiest start to a year for prospective home-movers applying for a Mortgage in Principle to understand what they may be able to borrow from a lender, which is evidence of future buyer intent. Rightmove forecasts a larger number of transactions this year of 1.15 million, and an average asking price increase of +4%. ”

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

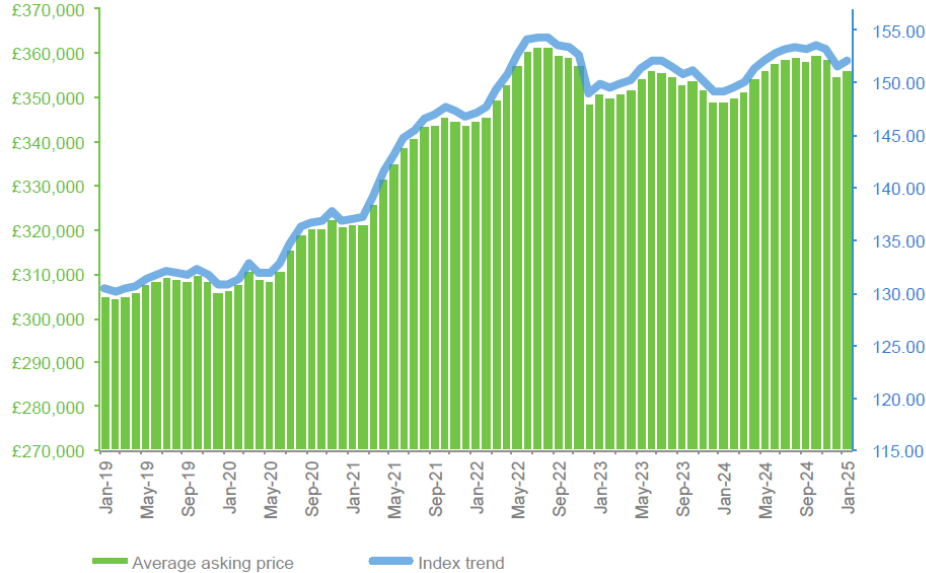
# Monthly asking-price trend



“ The average price of property coming to market rises by 1.7% (+£5,992) this month to £366,189, the largest jump in prices at the start of the year since 2020. ”

Source: [Rightmove price index](#)

# Home asking-price trend for England & Wales



“ The UK property market begins the new year on a note of cautious optimism. Prices are rising in line with seasonal expectations and buyer activity is picking up. Increased supply attests to the fact that greater numbers of vendors are willing to commit, especially in London. Whether or not demand will be able to match this level of supply is uncertain, especially after the increase in stamp duty from 1st April 2025. ”

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

# Average-time-on-market indicator – National

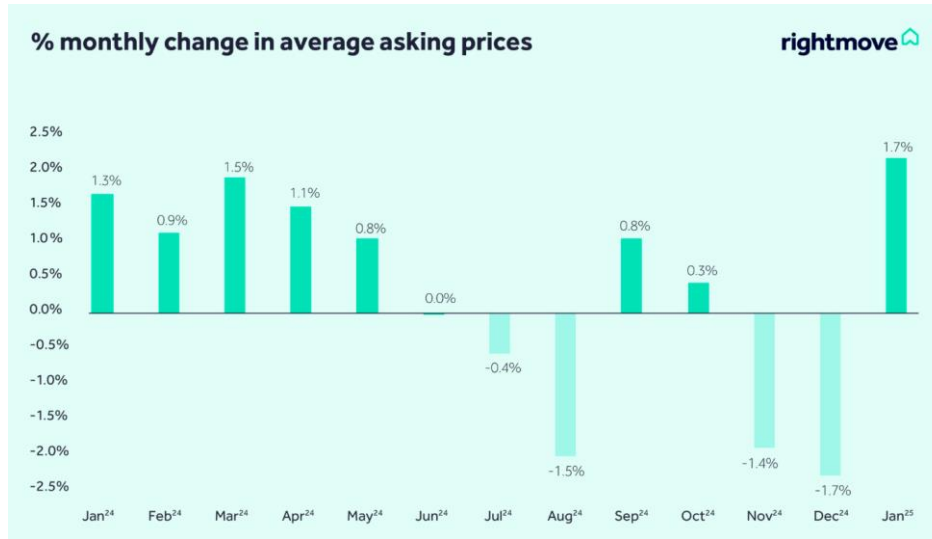


Source: [Rightmove price index](#)

“ The UK property market continues to indicate significant momentum. Property turnover remains higher than during most of the last ten years and the Typical Time on Market is significantly lower than in pre-lockdown January 2020. ”

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

# Asking-price fluctuation percentage



Source: [Rightmove price index](#)

“ Despite geopolitical uncertainties, and waning consumer confidence, other key indicators look fairly positive for the housing market. The Bank of England has made its first base rate cut of the year, and there are probably more to come. Household earnings are expected to continue outpacing inflation – albeit that gap may narrow – easing some of the financial pressure still being felt from the cost-of-living squeeze. ”

Source: [Halifax price index](#)

## UK sales volumes by funding status

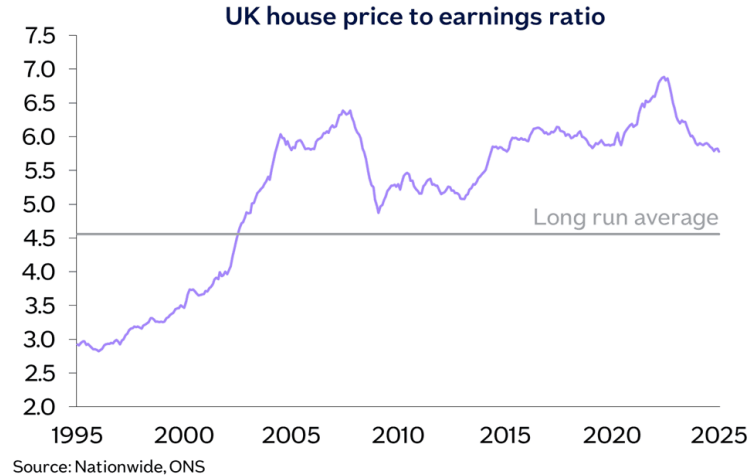
Funding status	Average price November 2024	Monthly change	Annual change
Cash	£273,498	-0.7%	2.5%
Mortgage	£301,749	-0.3%	3.5%

Source: [gov.uk price index](https://www.gov.uk/price-index)

“ The number of households in England owning their homes outright has increased by 1.3 million over the past ten years to reach 8.7 million. This reflects demographic developments, in particular a rise in the number of older households (aged 65+), where the number owning outright has increased from 4.5 million to 5.4 million over the last decade. ”

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

# UK house-price-to-earnings ratio



“ A prospective buyer earning the average UK income and buying a typical first-time buyer property with a 20% deposit would have a monthly mortgage payment equivalent to 36% of their take-home pay – well above the long-run average of 30%. Furthermore, house prices remain high relative to average earnings, with the first-time buyer house price to earnings ratio standing at 5.0 at the end of 2024, still well above the long run average of 3.9. Consequently, the deposit hurdle remains high. ”

Source: [Nationwide price index](#)

# Average properties for sale per estate agent



“ The number of new properties coming to market is 11% ahead of the same period at the start of last year, while the average number of homes for sale per estate agency branch is currently at the highest for this time of year in 10 years. High buyer choice has contributed to increases in buyer enquiries and sales agreed compared to a year ago, but also means fierce seller competition to attract these new year buyers.”

Source: [Rightmove price index](#)



# UK consumer confidence

Measure	↑↔↓	January 2025	December 2024	November 2024	January 2024
Overall Index Score	↓ 5	-22	-17	-18	-19
Personal Financial Situation over last 12 months	↓ 3	-10	-7	-9	-12
Personal Financial Situation over next 12 months	↓ 3	-2	1	-1	0
General Economic Situation over last 12 months	↓ 7	-46	-39	-39	-41
General Economic Situation over next 12 months	↓ 8	-34	-26	-26	-21
Major Purchase Index	↓ 4	-20	-16	-16	-20
Savings Index <small>(commented on but not used in Overall Index Score)</small>	↑ 9	30	21	24	27

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

This month's results show a decline in all five measures that make up the Overall Index Score. There are particularly steep falls in consumer views on the wider UK economy, both looking back a year (-7) and at what's in store for the next 12 months (-8). These figures underline that consumers are losing confidence in the UK's economic prospects. While the Savings Index is not included in the calculation of the Overall Index Score, it's notable that it has leapt nine points in January to +30. This sharp increase is unwelcome because it's another sign that people see dark days ahead and are therefore thinking of putting money aside for safety.

Source: [GfK consumer confidence index](#)

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