

Housing market overview

Produced 10 March 2025

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

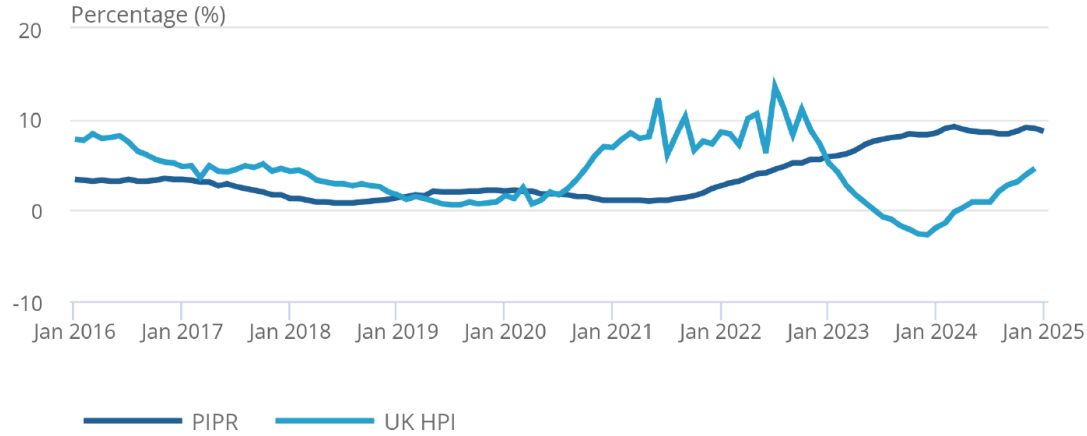
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- > This month again sees a mixed bunch, with three of our reported sources (LSL, Nationwide, and Rightmove) indicating month-on-month house price increases (in the range of 0.1% to 0.5%). Halifax, home.co.uk and gov.uk all report decreases. More positively, all but one of our sources reported annual house price increases (in the range of 1.4% to 4.6%). LSL is the only source to record an annual decrease (of 3.3%).
- > Halifax reports that whilst house pricing growth has slowed overall, the market remains strong and comparable. Property prices will continue to rise throughout the year though at a more measured pace in comparison to last year. They say while there was talk of a last-minute rush on new mortgages ahead of the changes to stamp duty, inevitably we've seen some of the demand that was brought forward start to fade as the April deadline ticks closer, given the time needed to complete a purchase.
- > Hometrack tells us that buyers are still prioritising houses over flats, despite lower prices of flats – mortgage repayments for a flat are 43% lower than rental costs. They report the average price of a house is now 67% higher than the average price of a flat. They say running costs and building safety were noted as the main concerns of impacting demand.
- > Rightmove says the average price of property has started to slow as the stamp duty deadline looms. They report the number of available homes for sale is at a 10-year high, moderating the New Year price surge. They say there are more than 550,000 homes sold yet awaiting legal completion, 25% more than at this time last year. Additionally, January was a record month for applications for a Mortgage in Principle on Rightmove, 49% more than January 2024.
- > Nationwide details the gradual increase in buy to let purchases. They say the ability to raise finances has been improved by the ease in buy-to-let mortgage rates and rental increases. They do say however, compared to historic levels, activity remains low. However, higher transaction costs, as a result of recent and upcoming stamp duty changes and uncertainty relating to the regulatory environment, also appear to be having a cooling effect on this segment of the market.
- > The GFK consumer confidence Overall Index Score positively saw an increase across all five core measures this month. The biggest improvement is in how consumers see their personal finances for the coming year. They say the Bank of England interest rate cut on February 6th will have brightened the mood for some people, but the majority are still struggling with a cost-of-living crisis that is far from over.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	December '24	▼ 0.1	▲ 4.6	£268,000	19.02.2025
LSL Property Services	January '25	▲ 0.1	▼ 3.3	£352,269	11.02.2025
Halifax	February '25	▼ 0.1	▲ 2.9	£298,602	07.03.2025
home.co.uk	February '25	▼ 0.1	▲ 1.7	£355,838	19.02.2025
Hometrack	February '25	N/A	▲ 1.9	£267,200	27.02.2025
Nationwide	February '25	▲ 0.4	▲ 3.9	£270,493	02.2025
Rightmove	February '25	▲ 0.5	▲ 1.4	£367,994	17.02.2025

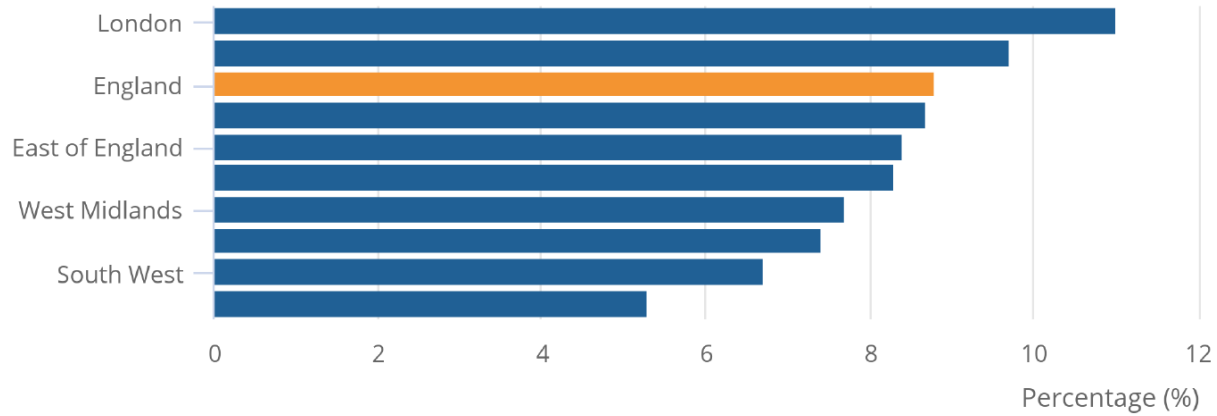
Private rent and house price annual inflation



“ Average UK house prices increased by 4.6% (provisional estimate), to £268,000, in the 12 months to December 2024. This annual growth was up from 3.9% in the 12 months to November 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://gov.uk/price-index)

Private rent annual inflation – 12-month % change



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

“ At just 1.9%, annualised national growth in asking rents is behind the rate of inflation. This mix-adjusted average is affected disproportionately by London’s rent falls (-0.5%). However, the best performing region, the East Midlands, indicates 10.2% rental 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 December 2024	Monthly change	Annual change
First time buyer	£226,744	-0.4%	4.7%
Former owner occupier	£329,952	0.2%	4.4%

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

“ The stamp duty deadline will impact some regions and movers more than others. First-time buyer purchases between £500,001 and £625,000 are most affected, with an extra £11,250 at risk for this group if the deadline is missed, with a log-jam expected as some scramble to complete before March 31st. ”

Source: [Rightmove price index](#)

UK house-price rates of change: types of dwelling

Property status	Average price October 2024	Monthly change	Annual change
New build	£384,787	-1.2%	17.7%
Existing resold property	£262,503	-0.1%	2.2%

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



While house price growth has slowed overall, market activity remains strong and comparable to pre-pandemic levels, demonstrating a resilience amongst buyers that's been evident in the face of higher borrowing costs.



Source: [Halifax Price Index](#)

Number of housing transactions per month

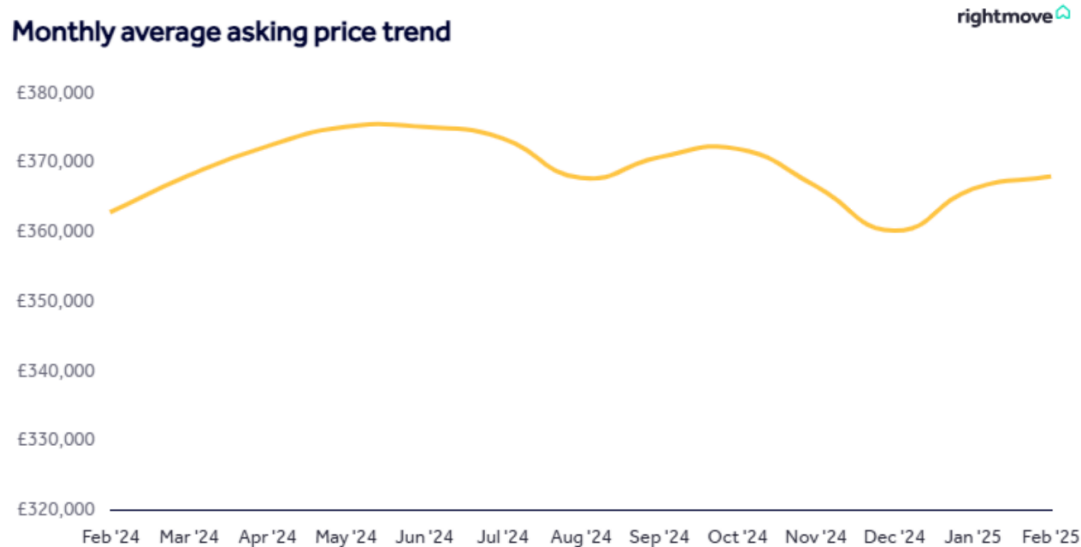
Country	October 2024	October 2023
England	46,318	55,937
Northern Ireland	2,116	1,914
Scotland	9,240	7,829
Wales	2,515	3,093

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

“ Even the Bank of England’s cut in the base rate, which was arguably already priced into mortgage rates, was not enough to bolster confidence in a property market plagued by increasing taxation and regulation. Consequently, vendors in these regions are increasingly willing to take a hit on their expectations in order to secure a sale. ”

Source: [Home.co.uk Price Index](#)

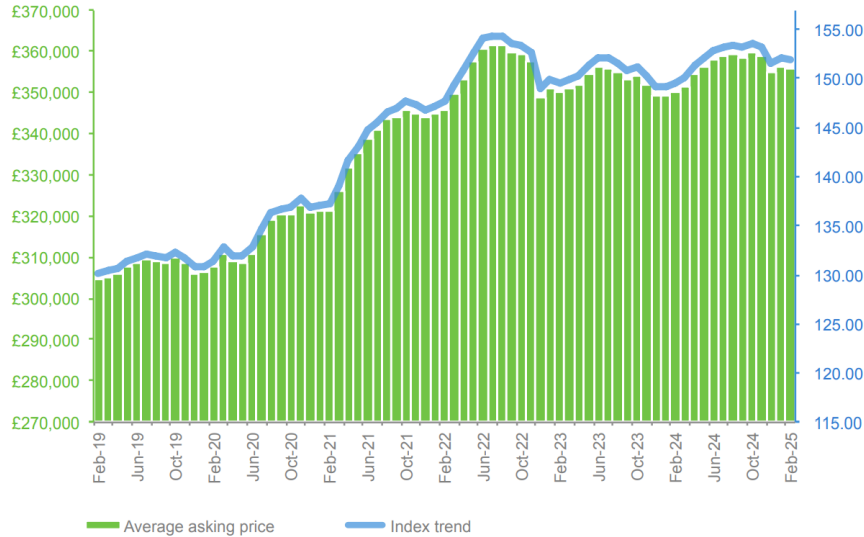
Monthly asking-price trend



“ The average price of property coming to market for sale rises by 0.5% (+£1,805) this month to £367,994, a muted price rise for this time of year as new sellers lower price expectations, due to the looming stamp duty deadline and high competition. ”

Source: [Rightmove price index](#)

Home asking-price trend for England & Wales

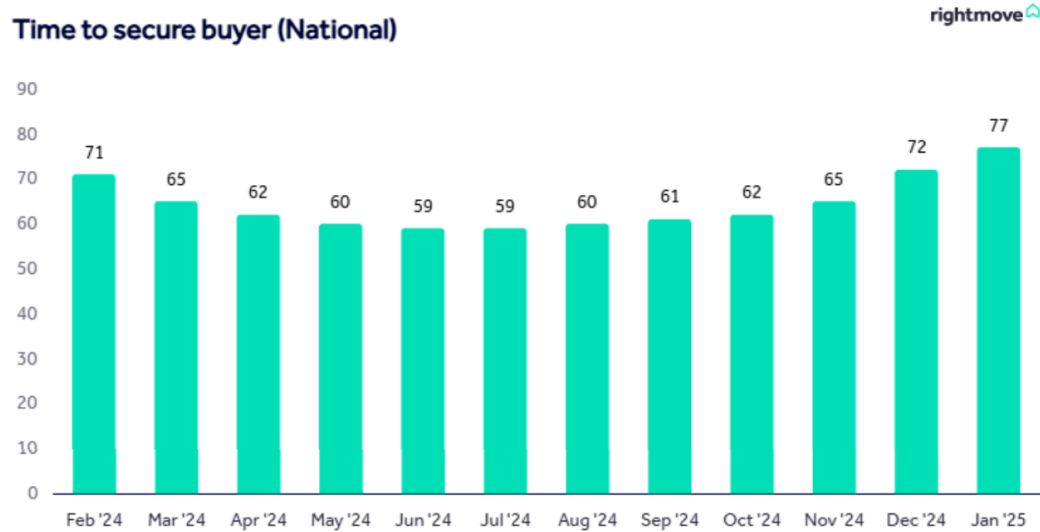


Source: [Home.co.uk Price Index](https://www.home.co.uk/price-index/)

“ New sellers are showing some pricing restraint after a fast start to the year, being mindful of both the high level of seller competition, and in England also of the looming stamp duty deadline and extra costs for some buyers. Agents report that some of the steam is coming out of new sellers’ price expectations to fit the changing market conditions, which is a sensible reaction to attract buyer interest, and it will also help to support activity level ”

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

Average-time-on-market indicator – National

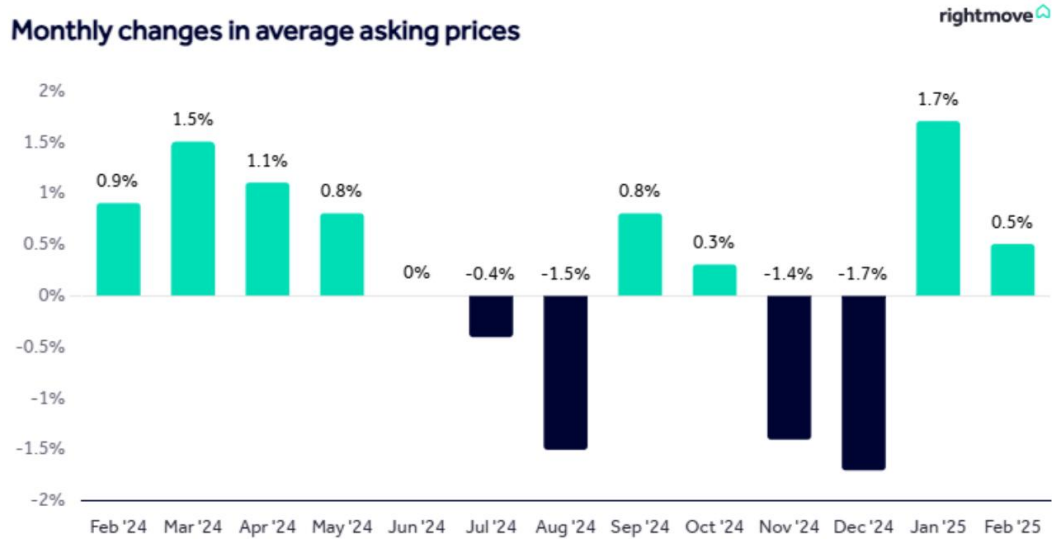


Source: [Rightmove price index](#)

“ Properties continue to move through the market at a significant pace for the time being. In fact, this month’s measure of the market flux is slightly better than in February 2024 and compares very favourably against most of the last ten years of data. However, the risk of a market slowdown later in the year appears significant. ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

“ The price of a typical UK home rose by 3.9% year on year in February, similar to the annual pace of growth seen in January. House prices increased by 0.4% month on month, after taking account of seasonal effects - the sixth consecutive monthly gain. ”

Source: [Nationwide Price Index](#)

UK sales volumes by funding status

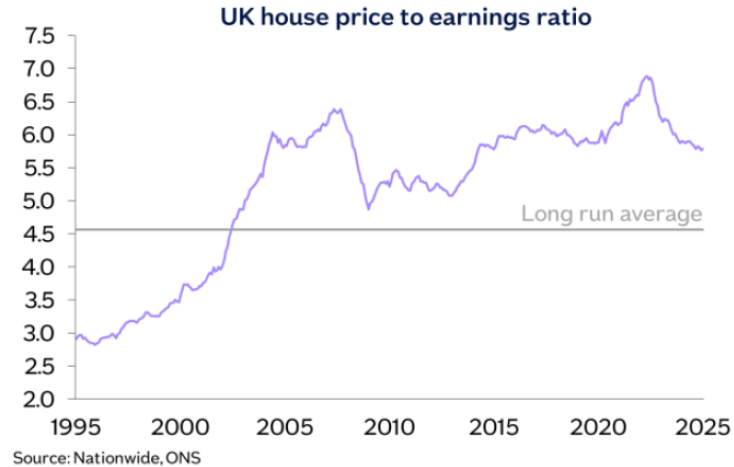
Funding status	Average price December 2024	Monthly change	Annual change
Cash	£255,497	-0.1%	3.9%
Mortgage	£277,471	-0.1%	4.8%

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

“ The number of people applying for a Mortgage in Principle on Rightmove hit a record in January 2025, a 49% increase on the same month last year, and a lead indicator of mortgage market activity. However, global and economic news could temper this momentum and affect sentiment and outlook for the market, with attention turning to upcoming inflation and earnings figures. Mortgage rates, while still high, are hopefully now on a sustained downward trajectory following February’s Bank Rate cut. ”

Source: [Rightmove price index](#)

UK house-price-to-earnings ratio

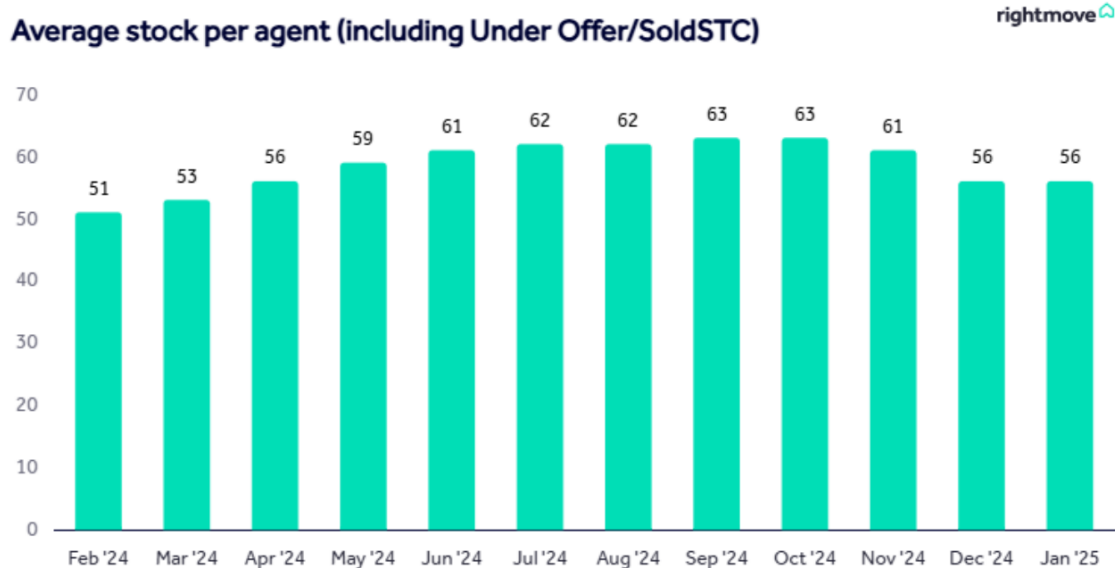


Source: [Nationwide Price Index](#)

“ The sales market continues to register positive momentum, with all key measures of market activity running 10-11% higher than a year ago. The number of sales agreed are 10% higher, and 11% more homes are for sale than a year ago, meaning there are more buyers in the market. Increased levels of housing market activity mirrors other measures of economic activity, including robust earnings growth, higher retail sales and signs that consumer confidence is on the rise. ”

Source: [Hometrack Price Index](#)

Average properties for sale per estate agent



“ The number of new sellers coming to market has slowed since the record Boxing Day surge and has now settled at 13% ahead of this time in 2024. In addition, the number of potential buyers contacting agents about homes for sale is 8% ahead of this time last year, and the number of sales being agreed is 15% ahead. Slower price rises are helping to support activity levels, with no major drop-off in activity expected from April, after the stamp duty deadline. ”

Source: [Rightmove Price Index](#)

UK consumer confidence

Measure	↕↔↘	February 2025	January 2025	December 2024	February 2024
Overall Index Score	↑ 2	-20	-22	-17	-21
Personal Financial Situation over last 12 months	↑ 3	-7	-10	-7	-14
Personal Financial Situation over next 12 months	↑ 4	2	-2	1	0
General Economic Situation over last 12 months	↑ 2	-44	-46	-39	-43
General Economic Situation over next 12 months	↑ 3	-31	-34	-26	-24
Major Purchase Index	↑ 3	-17	-20	-16	-25
Savings Index <small>(commented on but not used in Overall Index Score)</small>	↔	30	30	21	29



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

“ In contrast to last month when all five core measures were down, this month they are all up. The biggest improvement is in how consumers see their personal finances for the coming year. The Bank of England interest rate cut on February 6th will have brightened the mood for some people, but the majority are still struggling with a cost-of-living crisis that is far from over. ”

Source: [GfK consumer confidence index](#)

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