RESEARCH

# Housing Market Update

August 2025

## Market Overview

Some mixed signals emerged in the housing market this month. While some indicators suggest an improvement in sales activity, house price growth remains modest. The Royal Institution of Chartered Surveyors (RICS) survey of estate agents points to a slight increase in buyer demand and agreed sales in June, marking the first positive movement since December 2024. This is supported by Zoopla's June report, which also noted increased levels of both supply and demand.

However, despite this increase in activity, house price growth is largely flat or slowing. This may be a consequence of the higher supply, as a wider selection of available properties limits price growth and gives buyers more choice. In the private rental market, recent reports from both RICS and Zoopla indicate that tenant demand is slowing, which has also led to an easing in the pace of rental growth.

## Sales and Lettings Prices

- Following weaker demand after the stamp duty price changes from April, house price growth slowed in June according to Nationwide, with annual growth of just 2.1%, from 3.5% in May. On a monthly basis prices were found to have fallen by -0.8%. The average UK house price is now £271,619.
- There was very little change in the pace of house price growth according to Halifax's latest index. With no monthly change in average prices this has led to annual growth of 2.5%, down from (a revised) 2.6% in May.
- Meanwhile, the average asking price of a new property to the market was reported to have risen by a minimal 0.1% over the last 12 months according to Rightmove. On a monthly basis prices fell by an average of -1.2%, the largest monthly decline for this time of year for at least the last 20 years.
- The pace of private rental growth has slowed substantially according to Zoopla's latest rental market report. With annual growth of 2.8% (UK, to April), the property portal notes this is less than half the rate one year earlier (6.4%). On a regional basis they note growth ranges from 1.1% in Yorkshire and the Humber to 5.3% in the North East, with some locations even reporting rental growth declines.
- Rental growth has also slowed, to 6.7% annually, according to the latest June data from the Price Index of Private Rents (PIPR) provided by the ONS. This is down from 7% in May and well below the average 8.6% growth in the same period one year ago.

**The average UK house price is now £271,619**

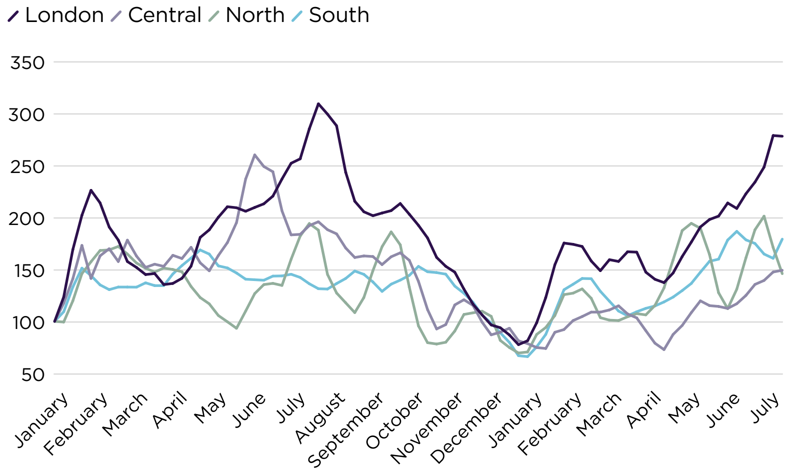
(Source: Nationwide)

**33%**

**rise in enquiries to our northern offices**

**Figure 1** Carter Jonas Enquiry level trend index, since January 2024

*Source: Carter Jonas. Enquiry levels are four-week rolling average*




## Activity

- Mortgage approvals rose in May, up 4% over April, to 63,032 according to the Bank of England. We expect this number to keep climbing over the coming months as the recent stamp duty changes begin to filter out and an anticipated interest rate cut later this summer or early autumn materialises.
- Total transaction volumes also saw a sharp increase in May, jumping 25% from April's very low figure, according to the latest HMRC data. At 81,470 transactions, this is still 10% below last year's figures for the same period.
- The Bank of England has relaxed mortgage rules recently, allowing banks and lenders to offer a greater number of high loan to income mortgages (4.5 times income or greater). Elevating this number could allow an estimated increase in mortgage approvals of over 36,000 each year, representing a 5% increase on the annual average of around 780,000 approvals per annum.
- Rightmove reports in their latest index that both supply and demand continued to rise, compared with the same month last year. The number of potential buyers contacting estate agents is up 6% and there has been an overall increase in the number of agreed sales by 5%.
- These trends are reinforced in Zoopla's latest housing report where they also note that both supply and demand of homes for sale have increased this year over last. Buyer demand is estimated to be 7% higher while the stock of new homes for sale is 14% higher. In all, this has led to a 6% rise in the number of sales agreed.
- Enquiry levels at Carter Jonas offices rose sharply across the board over the past four weeks. This increase was particularly notable in our northern locations, which reported a 33% rise. London offices also saw a significant 23% increase, with our Central locations seeing a 22% rise. Although our southern locations observed a slight dip of around 3% last month, the overall trend for enquiries has been upward since mid-April.

# Official House Price data

HM Land Registry

May 2025

*Source: HM Land Registry*

| Carter Jonas location | Average Price | Monthly Change (%) | Annual Change (%) |
|---|---|---|---|
| West Oxfordshire | £429,186 | 2.1% | 7.1% |
| Leeds | £241,163 | -1.1% | 7.1% |
| Wiltshire | £333,837 | 0.1% | 7.0% |
| Cambridge | £508,195 | -1.6% | 6.9% |
| Somerset | £281,265 | -0.4% | 6.4% |
| Vale of White Horse | £403,510 | -0.8% | 6.3% |
| Cambridgeshire | £343,650 | -0.1% | 6.2% |
| North Yorkshire | £272,463 | -0.3% | 5.1% |
| Outer London | £511,258 | 0.0% | 4.5% |
| Winchester | £499,517 | -1.2% | 4.3% |
| Suffolk | £289,394 | 0.0% | 4.0% |
| **United Kingdom** | **£268,652** | **1.1%** | **3.9%** |
| West Berkshire | £396,108 | -0.7% | 3.7% |
| **England** | **£290,395** | **1.3%** | **3.4%** |
| South Oxfordshire | £456,554 | -2.3% | 3.4% |
| London | £565,637 | -1.4% | 2.2% |
| South Cambridgeshire | £432,540 | 0.9% | 2.0% |
| York | £307,347 | -0.1% | 0.6% |
| Inner London | £659,263 | 0.9% | -0.1% |
| Oxford | £476,655 | 1.5% | -0.7% |
| South West London | £764,265 | 0.7% | -1.6% |
| Prime Central London | £1,212,472 | 3.5% | -2.9% |
| Bath and North East Somerset | £394,487 | -0.9% | -5.9% |

# Official Price Index of Private Rents

ONS June 2025

*Source: ONS*

*Note: Rents are for all property types and bedroom numbers, £ per calendar month*

| Carter Jonas location | Average Rent (pcm) | Monthly Change (%) | Annual Change (%) |
|---|---|---|---|
| Bath and North East Somerset | £1,747 | 0.3% | 11.4% |
| Oxford | £1,853 | 0.9% | 11.1% |
| South West London | £2,500 | 0.5% | 9.9% |
| South Oxfordshire | £1,382 | -0.2% | 8.3% |
| Vale of White Horse | £1,329 | 0.5% | 8.2% |
| London | £2,235 | 0.2% | 7.3% |
| Cambridge | £1,773 | 0.2% | 7.1% |
| Winchester | £1,451 | 0.1% | 7.0% |
| South Cambridgeshire | £1,357 | 0.3% | 6.8% |
| England | £1,399 | 0.3% | 6.7% |
| Wiltshire | £1,003 | 0.9% | 6.6% |
| Prime Central London | £3,434 | -0.5% | 6.5% |
| North Yorkshire | £823 | 0.3% | 5.6% |
| West Berkshire | £1,266 | 0.9% | 4.9% |
| West Oxfordshire | £1,291 | 0.2% | 3.8% |
| York | £1,122 | -0.1% | 1.3% |

***A note on rental growth rate differences between the official PIPR and other private sector measures such as Zoopla and Rightmove: PIPR measures all stock of rents and compares achieved rents in the current month with the same month one year prior. Private sector measures only count **asking** rents for **new let** properties. The PIPR measure covers a much greater number of properties and will always lag by around 6 months or more as the new let rental prices take time to filter into the whole rental market stock.*


# Monthly change in enquiry levels

| 23% | -3% | 22% | 33% |
|---|---|---|---|
| LONDON | SOUTH | CENTRAL | NORTH |

### We're closely analysing what happens next

We're monitoring the market so we can get you the best possible price for your property. If you're keen to sell your property as soon as possible or simply curious to know what it's worth during these changing times **CLICK HERE** to book a complimentary market appraisal.

**Lisa Simon** Partner,
Head of Residential
lisa.simon@carterjonas.co.uk

**Leslie Schroeder**
Head of Residential Research
leslie.schroeder@carterjonas.co.uk

**020 7518 3200**
**One Chapel Place**
**London**
**W1G 0BG**
**chapelplace@carterjonas.co.uk**

Sources: Carter Jonas Research, Halifax, Nationwide, ONS, Rightmove, Zoopla

## About Carter Jonas

Carter Jonas LLP is a leading UK property consultancy supported by a national network of 34 offices and 1,000 property professionals. Our team is renowned for their quality of service, expertise and the **simply better property advice** they offer their clients.



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