

UK House Price Index

+1.3%

UK house price inflation
(July 2025)

+5%

Increase in
sales agreed
vs last year

2.4x

Extra time it takes to
sell a home where the
asking price is reduced

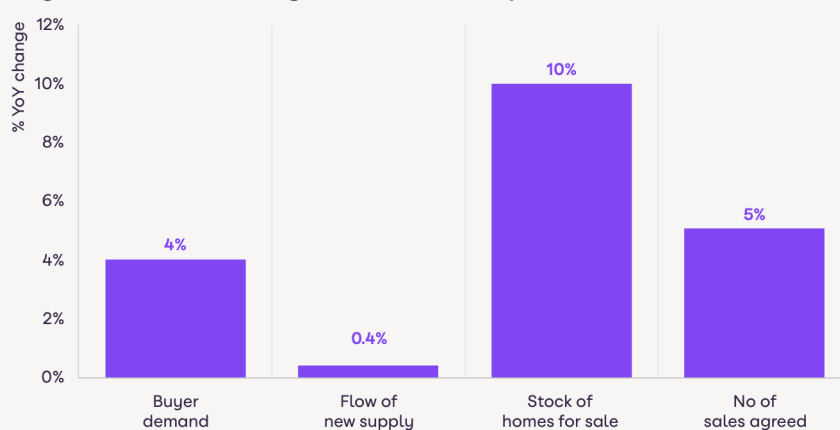
Executive summary

- Annual UK house price inflation is stabilising at 1.3%
- Demand (+4%) and sales agreed (+5%) are higher than last year
- Stronger buyers' market southern England is keeping price inflation in check while price inflation higher in northern England
- Homes are selling fastest in northern England (27 days) but taking longer to sell across southern England (39 days)
- It takes 2.4x longer to sell a home if the asking price is cut
- Sellers need to discuss sales strategies and pricing ahead of the autumn selling season that starts in September
- Property tax speculation in the media could make some buyers and sellers pause ahead of the Autumn Budget

“Housing market activity continues to grow alongside modest price inflation. Sellers looking to sell before the year end need to talk to their agent about the best strategy to achieve a sale”

Richard Donnell
Executive Director - Research

Buyer demand and sales agreed moderate over peak summer months



Source: Zoopla Research

% change - 4 weeks to 17 Aug 2025 compared to the same period in 2024

31

Number of months average earnings have been rising faster than house prices

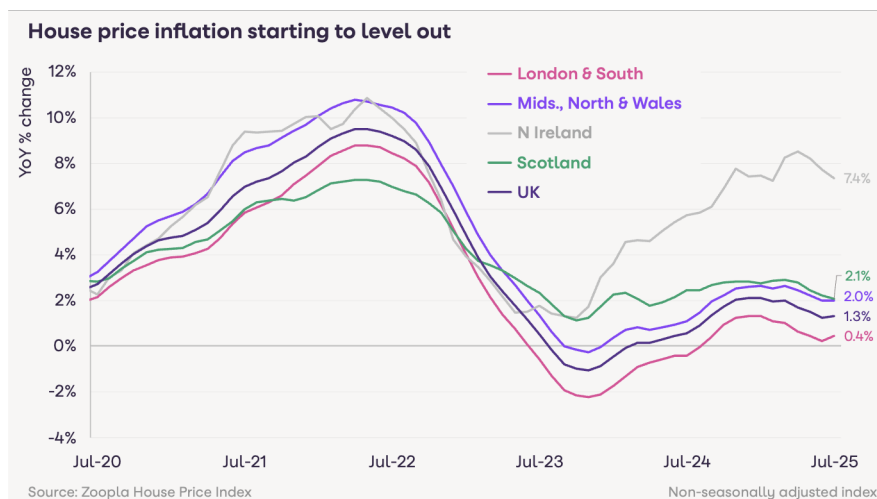
House price inflation stabilising at 1.3%

The lead indicators of housing market activity are all higher than a year ago. Buyer demand has cooled over the summer but remains 4% higher¹ than a year ago. This is supporting continued growth in the number sales agreed which are 5% higher¹.

The pace of house price growth has slowed over recent months, but the slowdown has bottomed out. Average UK house prices are +1.3% higher over the last year. This is below the +2.1% price inflation recorded at the start of 2025, but higher than +0.6% a year ago.

Slower price inflation is down to a greater choice of homes for sale (10% more than last year) while affordability continues to be a constraint on buying power, especially across southern England.

The current rate of price growth is low by long-run standards. House prices continue to rise more slowly than earnings (4.7%), a trend that has been running for almost 3 years. This is positive and steadily helping to repair housing affordability, supporting demand and sales.



Region and country level variation

House price inflation is highest in Northern Ireland (+7.4%), with prices +2.1% higher in Scotland and average growth of +2% across northern regions of England. Lower house prices in these areas improves affordability for buyers, while increased sales volume have reduced the number of homes for sale. There are fewer homes for sale than a year ago in Scotland (-1%) and northern England (-4%). Fewer homes for sale encourages competitive bids, supporting house price growth.

Southern regions of England continue to register the lowest annual price increases, averaging just +0.4%. The number of homes for sale in these regions is higher than a year ago, +18% in London and +12% across the South East and South West regions. Greater choice for buyers and higher prices are keeping house price inflation in check.

¹ Comparing 4 weeks to 17 August 2025 with the same period in 2024

2.4x

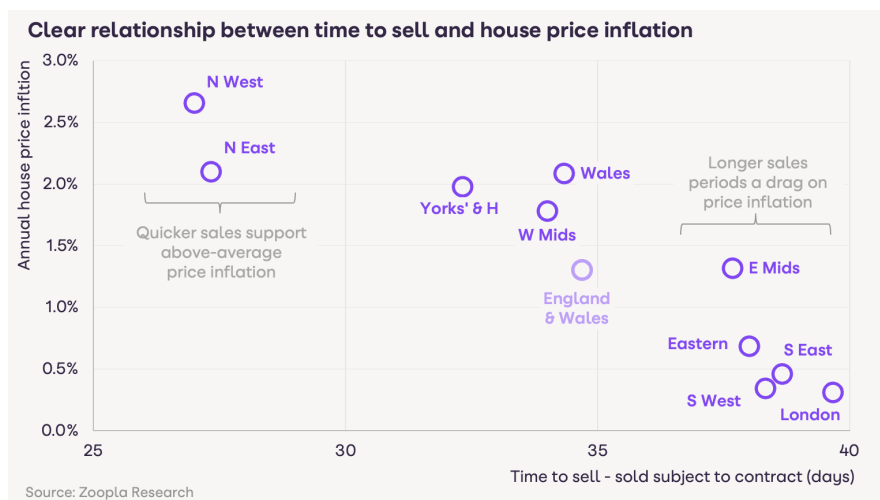
Extra time to sell a home if you cut the asking price to attract more interest

Time to agree a sale links to house price inflation

The time on market² is another important barometer of housing market health and there is a clear link to house price inflation.

In northern regions, fewer homes for sale and better affordability mean it takes fewer days to agree a sale. The average time on market for homes selling in July was 27 days in the North West and North East of England. This is 23% quicker than the 35-day national average.

In southern England, more homes for sale and higher prices are reinforcing a stronger buyers' market with an average time on market of 39 days for homes selling in July. This is 11% above average and generating less impetus for house price inflation.



Homes with wrong asking price take twice as long to sell

The time on market measure tells us about the time it takes from a home being first listed to a sale being agreed, subject to contract. It takes another 4-6 months to complete on a sale and for the buyer to move in once the legal process has run its course.

Homes that are well priced are attracting bids and selling in a timely manner albeit with some regional variations. 2 in 5 homes for sale in the first half of 2025 went on to sell. Three quarters of these homes did not require any price reduction to attract more buyer interest.

How much interest a home attracts depends upon local market conditions, how the property is presented, its overall condition and the price it is marketed at. Where the asking price is too high and needs to be cut to attract more interest, this impacts the time on market.

Setting the wrong price can mean it will take more than twice as long to find a buyer and sell your home. Homes that need a price reduction take 2.4x longer to find a buyer than homes that are correctly priced. This is an important consideration given the growth in homes for sale.

² The time to sell or time on market is the time from first listing for sale to a sale agreed or 'sold subject to contract' – it can take a further 4-6 months to move to a completed sale where the buyer can move in.

³ England and Wales only – Scotland has a different system for marketing and selling homes with more upfront information

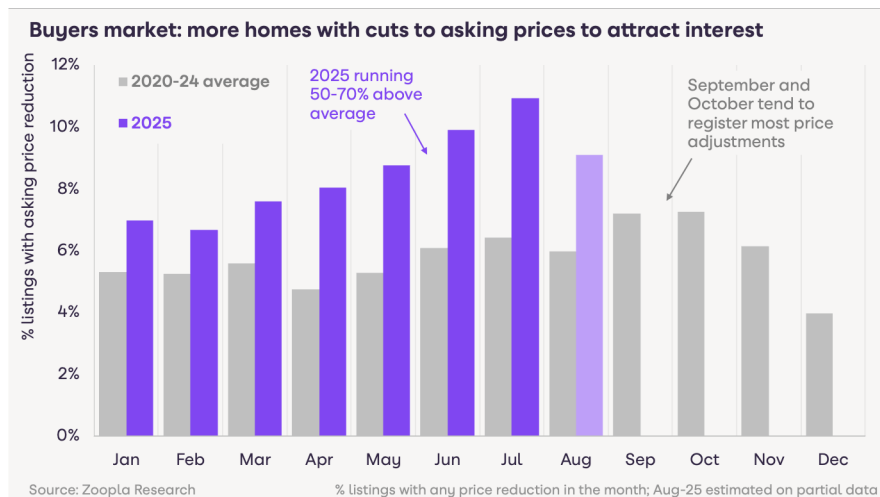
10%

Proportion of homes with an asking price cut to attract more interest in July 2025

Areas where sellers need to be cautious

Market conditions have softened since the end of the stamp duty holiday in March and this has led to a steady increase in the proportion of homes for sale with asking price reductions. In July, 1 in 10 homes for sale registered a cut to the asking price, well above a 6% average over the last 5 years. This highlights the need to accurately price homes for sale and speak to an agent with expertise in the local market. It also explains why house price inflation has slowed recently.

September is the start of the autumn selling season when sellers who haven't yet sold their home will speak to their estate agent about the strategy to find a buyer. One such strategy is adjusting the price lower or boosting the visibility of a property listing to a wider pool of buyers.



Markets with the most unsold homes

More homes for sale is factor behind longer sales times and lower price inflation. Coastal areas across southern England have the most unsold homes for sale meaning greater competition amongst sellers. In Truro, Exeter and Bournemouth more than a quarter of homes for sale have been on the market for more than 6 months, more than a third higher than average for this time of year. Greater choice and competition is also impacting prices which are between 1.1% and -1.4% lower in these markets than a year ago.

Other areas with an above-average stock of unsold homes include York, Torquay and Llandrindod Wells in Wales. These are markets where sellers need to be realistic on price if they want to sell this year.

In contrast, there are markets with a lack of supply including Dundee, Wolverhampton, and outer suburbs of London and Northampton.

Market conditions vary widely, and this shows the importance of sellers speaking to local agents to get the right advice for their home.

£36bn

Tax relief on capital gains from sales of main residence (HM Treasury)

Outlook

There is plenty of demand for homes and more people are looking to move. However, buyers also have much greater choice to choose from, especially in local areas across southern England.

Sellers need to understand local market conditions when considering how to market their home, setting the right price and how quickly they would like to sell. The risk of being too ambitious on price is your home taking more than twice as long to find a buyer - or not selling at all.

We expect UK house price inflation to continue in a range of 1.5-2% over the rest of the year. While low, there are signs that prices are firming across southern England. The market continues to record seasonally strong sales and remains on track for 1.15m sales in 2025.

Media speculation over possible changes to property taxes are unwelcome could see some buyers delay decisions in the short term until after the Budget. Media speculation often remains just speculation so buyers should be careful not to miss out.

Tax speculation

The media has been speculating over possible tax changes 'being considered by the Treasury' impacting the housing market. Ideas floated have included 1) the removal of stamp duty and replacement with an annual property tax for homes over £500,000 and 2) sellers of main residence's over £1.5m having to pay capital gains tax (CGT).

This is usual pre-Budget speculation but with some extra bite from think tank policy proposals. Reform of property taxes to remove the barriers to moving and support economic growth have been long promoted. There would be universal approval over the abolition of stamp duty. However, it is tax that generates over £10bn a year.

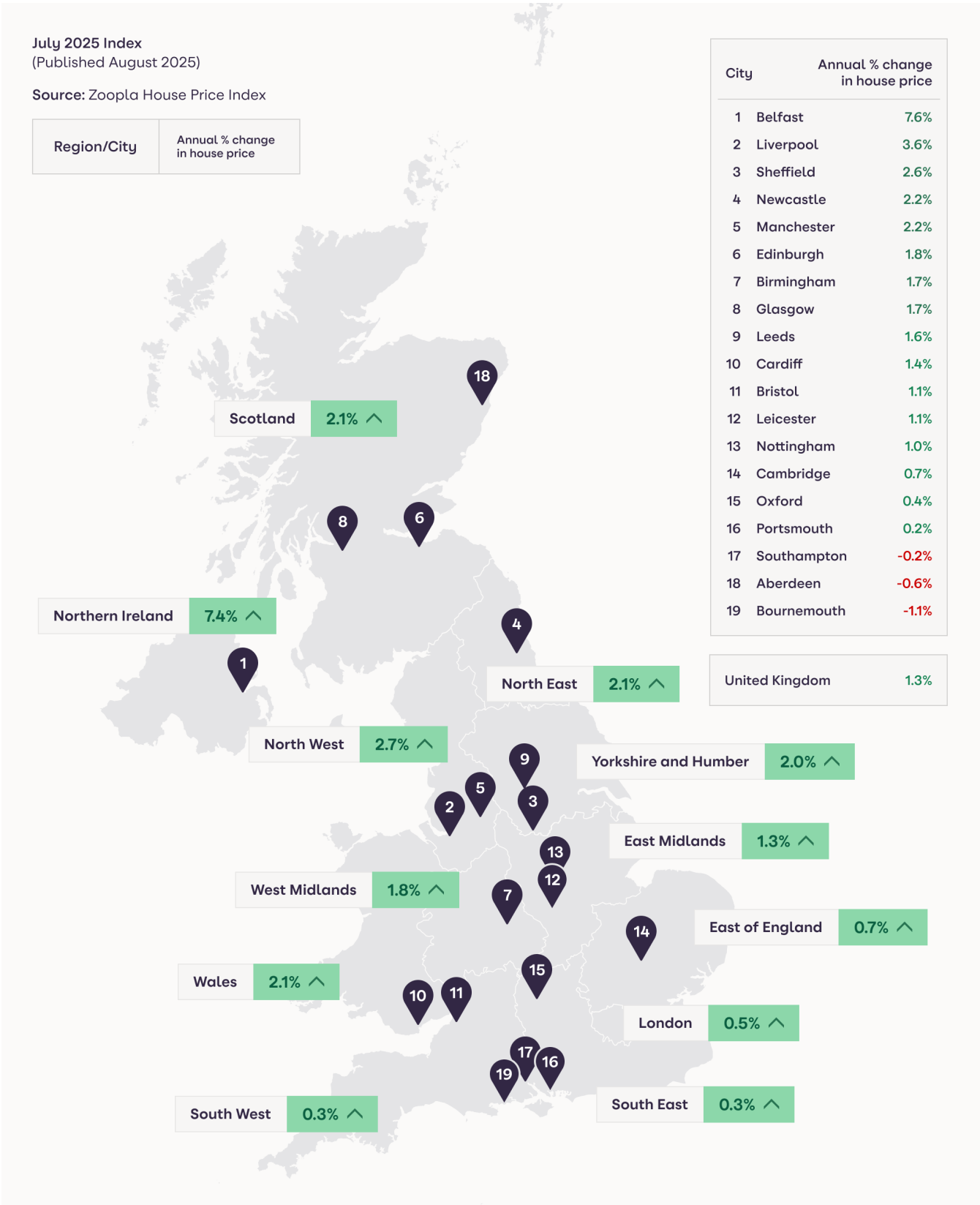
Removing stamp duty at a time when finances are tight seems a strange move when the alternative annual property tax would take c.10 years to replace the lost tax revenue. There are big transitional risks and uncertainties of how this might distort the market, while the political risks also appear high.

Tax free gains on the sale of a main residence is a core part of home ownership in the UK. Second home-owners and investors already pay CGT on gains. It's a large tax relief for home-owners worth £36bn a year on HM Treasury estimates. The media speculation is focused on taxing gains on the 4% of homes for sale that are worth over £1.5m. This would be a big change and send a strong signal that would have much bigger implications for the upper end of the property market.

The odds are that nothing changes but reducing the costs and barriers to moving home should remain a key Government priority.

House Price Index - Country, region and city summary

Note: The Zoopla house price index is a repeat sales-based price index, using sold prices, mortgage valuations and data for agreed sales. The index uses more input data than any other and is designed to accurately track the change in pricing for UK housing.



Zoopla House Price Index, city summary, July 2025 index

Sparklines show last 12 months trend in annual and monthly growth rates - red bars are a negative value - each series has its own axis settings providing a more granular view on price development.

	Average price	%YoY Jul-25	%YoY Jul-24	Monthly trend	Annual trend
United Kingdom	£270,600	1.3%	0.6%		
20 City Composite	£310,700	1.2%	0.8%		
Belfast	£192,200	7.6%	5.9%		
Liverpool	£165,700	3.6%	1.9%		
Sheffield	£176,400	2.6%	1.3%		
Manchester	£234,000	2.2%	2.6%		
Newcastle	£160,400	2.2%	1.8%		
Edinburgh	£279,300	1.8%	1.0%		
Birmingham	£214,000	1.7%	1.3%		
Glasgow	£157,900	1.7%	3.5%		
Leeds	£215,100	1.6%	1.6%		
Cardiff	£257,800	1.4%	1.3%		
Leicester	£229,700	1.1%	-0.2%		
Bristol	£342,900	1.1%	0.7%		
Nottingham	£205,400	1.0%	0.8%		
Cambridge	£468,400	0.7%	0.3%		
London	£536,300	0.5%	-0.1%		
Oxford	£451,500	0.4%	0.3%		
Portsmouth	£277,100	0.2%	-0.8%		
Southampton	£258,800	-0.2%	0.7%		
Aberdeen	£135,500	-0.6%	-2.6%		
Bournemouth	£323,900	-1.1%	-0.2%		

House price index report produced by

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