UK House Price Index

+1.3%
UK house price inflation (October 2025)

25%
Homes for sale over £500,000 and free from threat of new annual property tax

33%
Homebuyers paying >2.5% of purchase price in stamp duty

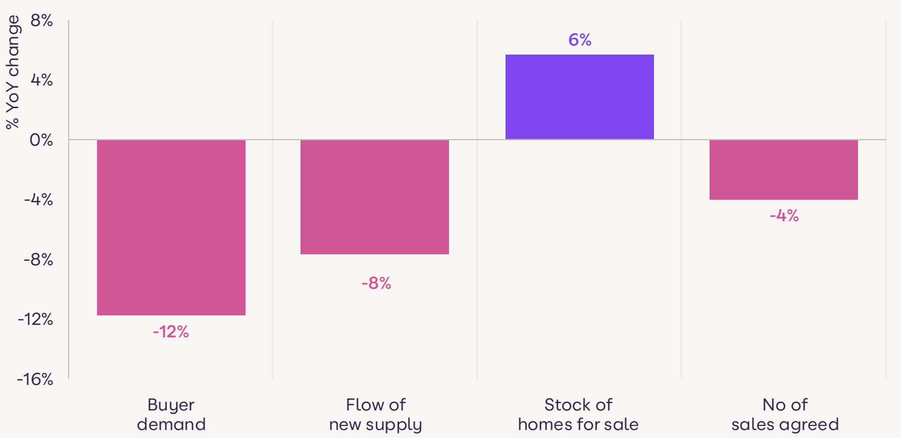
Executive summary

- First house price falls across southern England in 18 months
- Budget uncertainty and more homes for sale impact pricing
- House prices rising by up to 3% outside southern England where supply is largely unchanged and homes more affordable
- Post-Budget boost for southern England as a threat of annual property tax removed from 210,000 homes for sale
- Lack of widespread changes for property taxes and greater certainty to boost market activity in Q1 2026
- Fiscal drag for housing - no reforms to stamp duty mean more buyers paying higher tax - impacting prices and desire to move

"With the Budget uncertainty now lifted, buyers and sellers can return to making decisions about their next move. Removing the threat of a new annual property tax from 210,000 homes for sale will help revive market activity in higher-value areas. However, the lack of any stamp duty reform means homebuyers will continue to face rising purchase costs."

Richard Donnell
Executive Director

Buyer demand and sales fall on growing uncertainty



Source: Zoopla Research
% change - 4 weeks to 23 Nov 2025 compared to the same period in 2024

2.9%
House price inflation in North West

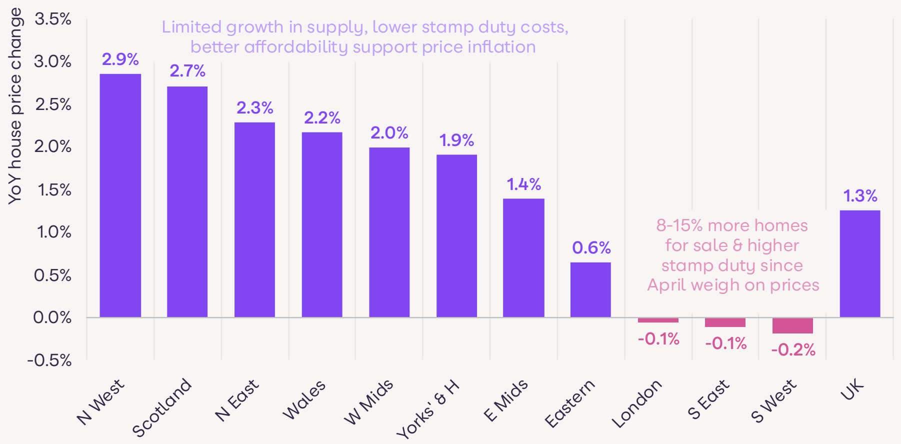
House prices falling across southern England

Budget speculation has cooled buyer demand and slowed market activity since the summer, leading to the first fall in house prices across southern England in 18 months. Meanwhile, prices are rising by up to 3% in the North West and by 2-3% across the rest of northern England, Scotland and Wales[1].

Speculation about new taxes on higher-value homes, over £500,000, has hit southern England where more than a third of homes for sale are priced above this level. Increased uncertainty, combined with wider market factors, has pushed prices lower. The number of homes for sale in southern regions is 8-15% higher than a year ago[2], increasing choice and strengthening the buyers' market. Buying costs have also risen following the end of stamp duty reliefs in April 2025, while mortgage rates have remained broadly unchanged.

Budget uncertainty has had less impact in other parts of the country. Lower house prices and better affordability, combined with stock levels that are the same as a year ago, or lower, are creating scarcity and underpinning price growth. Our UK House Price Index[1] shows average prices are now 1.3% higher than a year ago, broadly unchanged from last month but down from the 1.7% annual growth recorded last year.

House prices falling in southern England



Source: Zoopla House Price Index
Northern Ireland HPI running at 7.6%. October 2025

Buyer demand down 12% with sales agreed 4% lower

The usual Christmas slowdown has started earlier than usual with buyer demand now 12% lower than a year ago[2]. Even so, sales agreed are only 4% lower, as committed buyers push to secure deals before the end of the year.

Sales agreed remain the clearest measure of market health: activity is slightly down across most regions, and up to 9% lower in Eastern England. However, sales agreed are holding steady year-on-year in Scotland, East Midlands and Yorkshire & the Humber.

1 The UK House Price index is October 2025

2 Four weeks to 23 November 2025 vs same period in 2024

51%

Homes for sale in London priced over £500,000

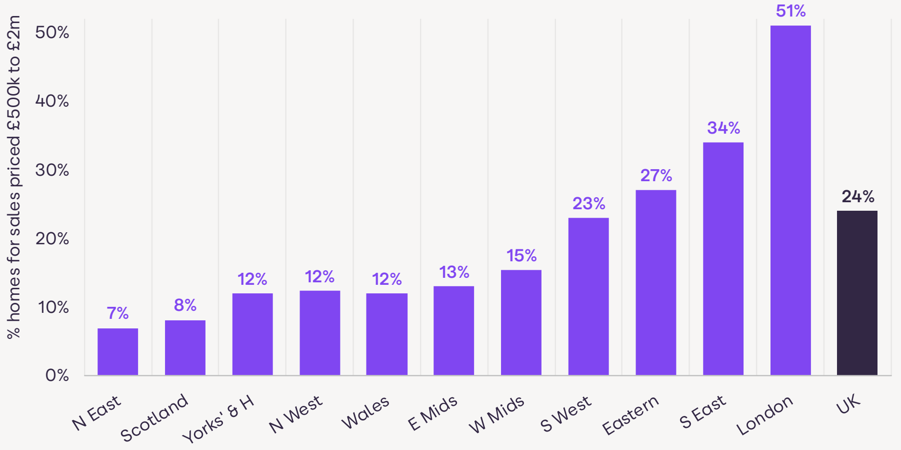
Post-budget boost for southern England in 2026

The key housing measure in the Budget is a new tax on the most expensive homes over £2m, affecting the top 0.5% of homes.

More broadly, the removal of the threat of an annual property tax on homes purchased at over £500,000 offers important relief to home sellers and buyers. More than 210,000 homes are listed for sale above this level - around a quarter of all UK sales listings. These homes are mostly concentrated in southern England and account for half of all homes for sale in London.

With greater clarity on the future of property taxation for buyers and sellers, we expect market activity to pick up as we enter 2026, following what has been almost a four-month slowdown in late 2025.

Threat of a new annual property tax removed from 210,000 homes for sale



Source: Zoopla Research November 2025

Stamp duty is adding to costs for homebuyers

The Budget proposed no changes or reforms to stamp duty land tax (SDLT), despite a strong case for abolition as part of wider property tax reforms that would support home moves and economic growth.

Current stamp duty thresholds for main residence purchases in England and Northern Ireland were last set in 2014. House prices have risen 47% since, pulling more buyers into paying stamp duty and increasing the share of the purchase price paid in SDLT. Modest stamp duty costs do not impact activity. However, where SDLT costs relative to the purchase price are higher, this weighs on household mobility and influences what price buyers are willing to offer for property, impacting price inflation.

Stamp duty reliefs for first-time buyers (FTBs) soften the impact in most regions. However, over half of FTBs in southern England pay SDLT, rising to 80% in London, compared to fewer than 10% elsewhere.

Among existing homeowners - who receive no reliefs - over 90% of buyers across southern England and the Midlands pay SDLT, with the costs rising the most where home values are highest.

64%

Proportion of homeowners paying >1% of the purchase price in stamp duty

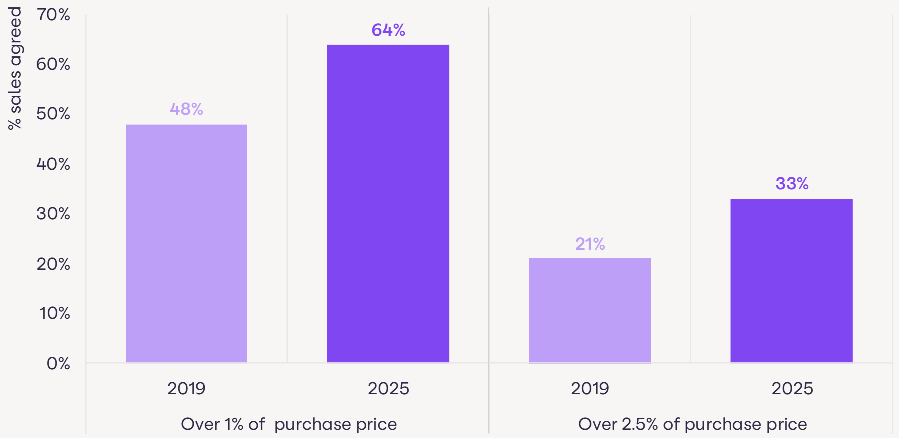
A third of buyers pay >2.5% of house price on stamp duty

A decade of frozen stamp duty thresholds has created a form of fiscal drag, with buyers paying more stamp duty simply because house prices have risen while the price bands remain static.

Our analysis of sales agreed by existing homeowners in 2019 and 2025 shows a sharp increase in the share of buyers paying higher effective rates of stamp duty - over a third are now paying more than 2.5% of the purchase price in stamp duty, up from just a fifth in 2019. At these levels, stamp duty is increasingly influencing both pricing and households' willingness to move.

Buyers of average-priced homes in many southern towns are now paying 3% or more in stamp duty - for example, £9,500 (2.5%) in Aldershot and £10,650 (2.6%) in Crawley. The case for the abolition of stamp duty as part of wider tax reforms remains strong.

'Fiscal drag' for home buyers as more buyers pay higher stamp duty



Source: Zoopla Research
% non-FTB sales agreed by scale of stamp duty as % price

Outlook

After a long lead-in, the Budget bark was worse than its bite for the housing market. Homebuyers and sellers will welcome the end of the uncertainty that stalled housing market activity since the late summer.

Our data shows the underlying demand to move home remains strong. With greater certainty, we expect a rebound in housing market activity that builds into the new year, with households who paused home-moving decisions over recent months return with greater confidence.

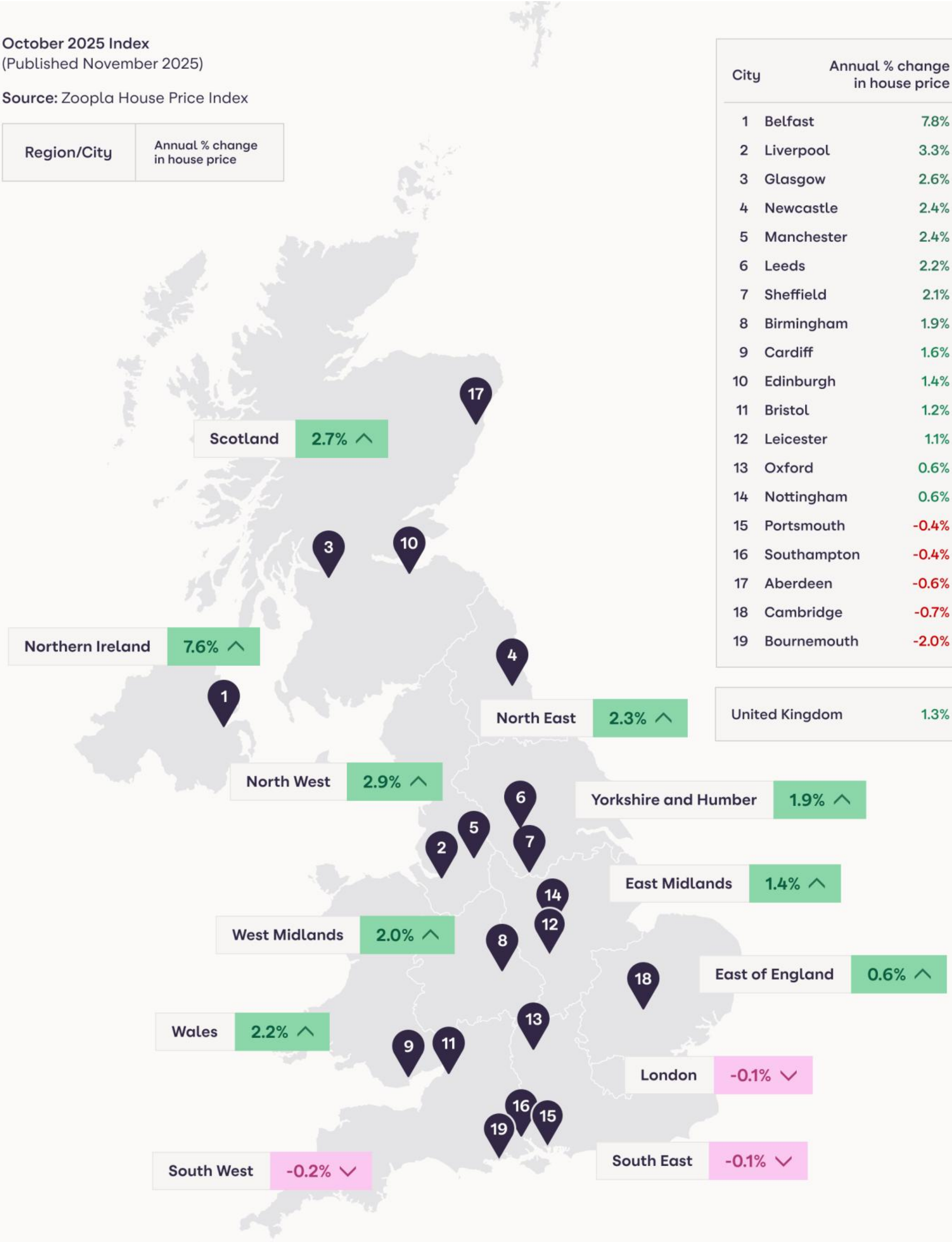
We expect the variance in price inflation between the South and the rest of the country to remain, and income growth is key to helping reset housing affordability and unlocking more home moves.

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.

October 2025 Index
(Published November 2025)

Source: Zoopla House Price Index



	City	Annual % change in house price
1	Belfast	7.8%
2	Liverpool	3.3%
3	Glasgow	2.6%
4	Newcastle	2.4%
5	Manchester	2.4%
6	Leeds	2.2%
7	Sheffield	2.1%
8	Birmingham	1.9%
9	Cardiff	1.6%
10	Edinburgh	1.4%
11	Bristol	1.2%
12	Leicester	1.1%
13	Oxford	0.6%
14	Nottingham	0.6%
15	Portsmouth	-0.4%
16	Southampton	-0.4%
17	Aberdeen	-0.6%
18	Cambridge	-0.7%
19	Bournemouth	-2.0%

United Kingdom	1.3%

Zoopla House Price Index, city summary, October 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 Oct-25	%YoY Oct-24	Monthly trend	Annual trend
United Kingdom	**£270,200**	**1.3%**	**1.7%**		
20 City Composite	**£310,000**	**1.0%**	**1.7%**		
Belfast	£195,500	7.8%	7.2%		
Liverpool	£166,700	3.3%	3.3%		
Glasgow	£158,800	2.6%	3.3%		
Manchester	£234,500	2.4%	3.3%		
Newcastle	£160,900	2.4%	2.8%		
Leeds	£216,000	2.2%	2.4%		
Sheffield	£176,800	2.1%	2.4%		
Birmingham	£215,000	1.9%	2.0%		
Cardiff	£260,700	1.6%	2.0%		
Edinburgh	£278,900	1.4%	2.0%		
Bristol	£342,900	1.2%	1.7%		
Leicester	£228,500	1.1%	0.8%		
Nottingham	£206,500	0.6%	2.0%		
Oxford	£448,100	0.6%	1.9%		
London	£530,000	-0.1%	1.3%		
Portsmouth	£276,500	-0.4%	0.4%		
Southampton	£258,300	-0.4%	1.4%		
Aberdeen	£138,300	-0.6%	-0.7%		
Cambridge	£469,100	-0.7%	1.7%		
Bournemouth	£317,800	-2.0%	0.8%		

Source: Zoopla House Price 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.

House price index report produced by

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