RESEARCH

Housing Market Update

December 2025

Market Overview

This month, the UK economy returned figures indicating subdued growth and a softening labour market, despite an easing of inflationary pressures. GDP has struggled, with a minor contraction of -0.1% in September following no growth in August, driven in part by a sharp fall in the production sector. Although inflation eased slightly in October, the labour market is weakening: the unemployment rate has risen to 5.0% in the three months to September, and the number of payrolled employees continues to fall. Consumer confidence remains downbeat, reflecting ongoing concerns about personal finances and the economy, particularly ahead of the Budget.

The residential sales market shows modest but steady price growth in the 2%-2.5% range, according to the latest indices, while transaction volumes and mortgage approvals data remain robust. But there are many signs of caution as well. The latest RICS report notes that both buyer enquiries and listings are falling, while Rightmove has found that agreed sales of properties in some of the highest price brackets are down, amid ongoing uncertainty related to the Autumn Budget.

The average UK house price is now £272,226

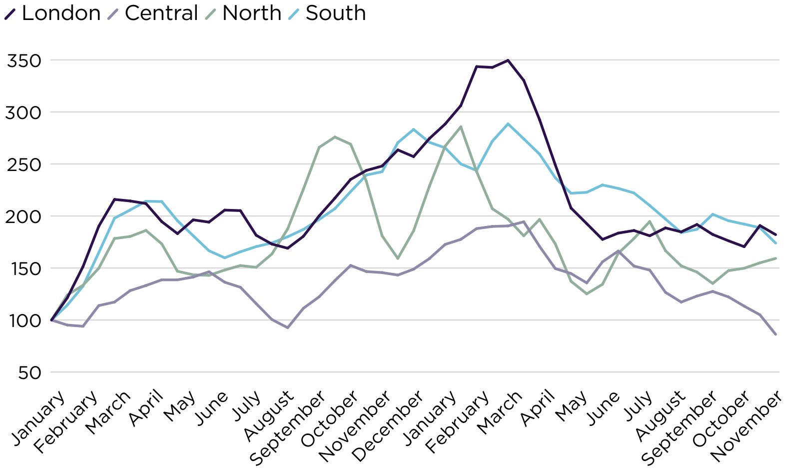
(Source: Nationwide)

Sales and Lettings Prices

- House price growth edged up slightly in October, according to Nationwide's latest figures. With an annual increase of 2.4% this is up slightly from 2.2% in September and brings the average house price to £272,226 according to the lender.
- October's data from Halifax is not too dissimilar with annual price growth also rising to 1.9%, above September's figure of 1.3%. On a monthly basis the bank notes prices grew by a rather strong 0.6% bringing the average house price to just below £300,000.
- Rightmove's latest House Price Index (released mid-November) reports that asking prices fell by around -1.8% month on month while on an annual basis they are down around -0.5%. They note that this monthly fall is much larger than would normally be seen at this time of year. The 'Budget hiatus' is likely accounting for this higher rate of asking price reductions.
- The latest Rental Trends Tracker report from Rightmove (Q3, released November) notes that rents for new properties (outside of London) are growing by around 3.1% over the last 12 months. This is down from the recorded 3.9% annual growth during Q2. Within London rents are growing by an average of 1.6% year on year.

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

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



Across our Carter Jonas offices, we've seen a relatively steady level of enquiries over the last four weeks

Activity

- The number of mortgage approvals recorded in September rose slightly over August, increasing by 1.5% to just under 66,000, according to the Bank of England. Year to date approvals are now 4% above the same period last year and 3% more than the long-term average for the time of year.
- Total sales volumes also rose slightly in September, according to HMRC's latest figures. Reaching just under 96,000 transactions this is an increase of 1.1% over August. This brings total transactions so far this year to 912,530, still 14% above the same period last year.
- Rightmove's latest House Price Index data suggests that speculation surrounding the Budget is fuelling uncertainty and a market slowdown. Agreed sales for properties priced over £2 million are down 13% year-on-year. Sales for properties priced between £500,000 and £2 million are also down by around 8%. These higher price brackets are likely the most sensitive to any potential changes in Stamp Duty or Capital Gains Tax.
- Enquiry levels across our Carter Jonas offices remained largely steady through the last four weeks, declining by an average of 4% over the previous four-week average. When compared to the same period last year, enquiries were down by a modest 3% across all our offices; notably, our northern locations actually saw an increase of over 10% year-on-year. We suspect that much of the decline in market confidence often seen before the Autumn Budget likely occurred throughout September and October. This pre-emptive fall means that current enquiry levels are not as low as they otherwise might seem on a like-for-like basis, as the main 'fall-off' in demand has already been absorbed by the figures from the previous months.

Official House Price data

HM Land Registry

September 2025

Source: HM Land Registry

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Vale of White Horse	£417,878	1.8%	9.8%
West Oxfordshire	£432,211	0.5%	5.8%
West Berkshire	£404,752	0.9%	5.1%
North Yorkshire	£277,082	1.8%	4.5%
Leeds	£246,348	1.6%	4.4%
South Cambridgeshire	£452,613	2.2%	4.1%
Cambridgeshire	£345,060	1.1%	3.7%
Wiltshire	£335,024	1.0%	3.1%
United Kingdom	**£271,531**	**-0.6%**	**2.6%**
Somerset	£282,232	0.8%	2.4%
Suffolk	£291,147	0.9%	2.2%
South Oxfordshire	£480,580	1.2%	2.2%
England	**£293,292**	**-0.8%**	**2.0%**
Outer London	£512,699	-0.3%	1.3%
Bath and North East Somerset	£417,817	2.1%	-0.1%
Cambridge	£497,899	-0.3%	-0.3%
Oxford	£509,269	0.9%	-1.5%
London	£556,454	-1.1%	-1.8%
Winchester	£466,869	-0.4%	-2.0%
York	£309,657	-1.1%	-2.3%
Inner London	£646,890	-0.5%	-3.1%
South West London	£753,544	-1.1%	-3.8%
Prime Central London	£1,074,753	-3.4%	-12.8%

Official Price Index of Private Rents

ONS October 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 (%)
Oxford	£1,915	0.2%	9.1%
Bath and North East Somerset	£1,770	0.5%	9.0%
Wiltshire	£1,042	1.0%	7.7%
South West London	£2,502	0.2%	6.1%
England	£1,416	0.4%	5.0%
South Cambridgeshire	£1,373	0.5%	4.9%
North Yorkshire	£835	0.4%	4.7%
London	£2,235	0.2%	4.3%
Prime Central London	£3,428	0.1%	4.0%
Vale of White Horse	£1,311	0.4%	3.9%
Winchester	£1,453	0.5%	3.8%
West Berkshire	£1,277	0.0%	3.7%
Cambridge	£1,774	0.1%	3.2%
York	£1,134	0.3%	2.5%
South Oxfordshire	£1,348	0.0%	1.5%
West Oxfordshire	£1,258	-0.9%	-0.2%

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

-4%	-3%	-14%	2%
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.

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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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