RESEARCH

Housing Market Update

February 2025

Market Overview

This month we find a UK economy that is still in a slightly fragile state. Despite the 0.3% rise in GDP during November, there has been an uptick in inflation to 3.4% and a four-year high in the unemployment rate at 5.1%. While modest growth has been observed in services and manufacturing, the construction sector shows a protracted and persistent slump, and firms are still hesitant to hire as they come to grips with high input and labour costs generally.

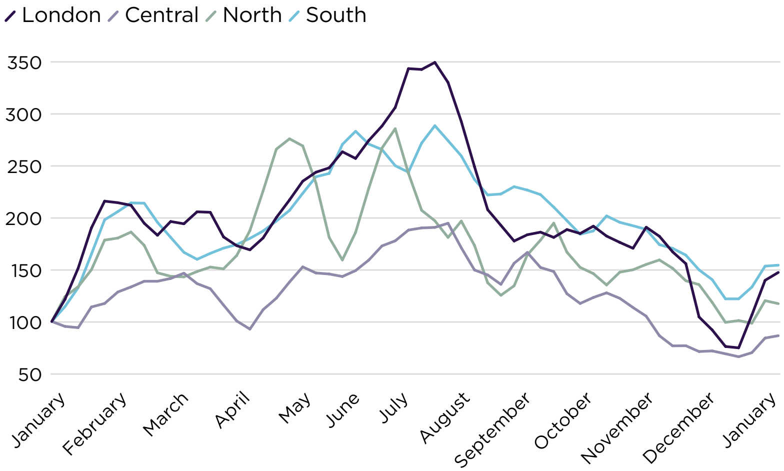
In the housing market, house price growth continued to decelerate in December, with Nationwide reporting an annual increase of just 0.6%. Both Halifax and Nationwide recorded monthly declines of -0.6% and -0.4%, respectively. Much of this late-2025 stagnation can be attributed to Budget uncertainty; however, with that impact now beginning to fade, the outlook for the start of 2026 is likely to show greater optimism. This is reflected in the latest RICS survey and Rightmove Price Index, both of which record an uptick in buyer demand and a return to stable or rising supply levels.

Sales and Lettings Prices

- The average UK house price fell by -0.4% in December (month on month), according to Nationwide's latest price index report. This is down from +0.3% in November and brings the annual rate of growth to 0.6%. This is now the slowest rate of growth for the last 21 months with the average UK house price now £271,068.
- Annual house price growth also slowed according to Halifax's latest index report, easing to just 0.3% in the 12 months to December. This marks the slowest rate of growth since March 2024 according to their index.
- The average price of a home coming to the market for sale jumped a sharp 2.8% in January (month on month), according to the latest Rightmove House Price Index. This is the largest price increase ever seen in the month of January and the strongest rise of any month since 2015, according to the web portal. Furthermore, on an annual basis prices were found to have increased 0.5%, the first positive growth for this figure in five months.
- Annual rental growth continued to ease, according to the latest figures from the ONS Price Index of Private Rents (PIPR). At 4.0% annually (UK), this is the lowest rate of growth since April 2022 and is down from 4.4% just the month before. As has been the case all year though, rental growth remains varied across both the regional and national markets. London for example is currently posting just 2.1% annual growth while the North East continues to see strong levels of just under 8%.

Figure 1 Carter Jonas Enquiry level trend index, since January 2025

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



Activity

- Mortgage approvals stayed buoyant in November, reaching just over 64,500 on the month. Although this is down slightly from October (-0.7%) it is still within a healthy range of between 63,000 and 65,000 where it has remained virtually all year. Mortgage approvals year to date are now 7% more than the same period last year at just under 740,000.
- Sales transactions increased slightly in November according to HMRC's first estimates. Sales rose by 1.3% over October's figure and breached the 100,000 mark for only the fourth time in the last three years. This brings total transaction volumes to 1.1 million year to date, 12% more than the same time last year.
- According to Rightmove's January House Price Index, the number of homes for sale has reached its highest level for this time of year since 2014. Activity surged in the two weeks following Christmas, with buyer demand rising by 57% and new listings increasing by 81% compared to the previous fortnight. Although demand in the most recent week has levelled off to match 2024 levels, the post-Budget uncertainty appears to have dissipated, resulting in a clear improvement in both buyer and seller sentiment.
- In a similar vein, enquiries across our Carter Jonas offices have risen sharply during the first three weeks of the year. London recorded the strongest growth, with enquiries increasing by 62% compared to December levels. Our central and southern offices followed, recording rises of 16% and 15%, respectively. This annual 'January bounce' has been further bolstered by improved market confidence following the autumn Budget.

Enquiries across our Carter Jonas offices have risen sharply during the first three weeks of the year

Official House Price data

HM Land Registry

November 2025

Source: HM Land Registry

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Vale of White Horse	£415,172	0.2%	9.2%
West Berkshire	£406,529	-1.1%	6.0%
Leeds	£247,217	0.9%	4.0%
Cambridgeshire	£343,734	0.2%	3.3%
South Oxfordshire	£480,141	0.4%	3.3%
South Cambridgeshire	£438,971	-0.6%	2.6%
United Kingdom	**£271,188**	**0.3%**	**2.5%**
West Oxfordshire	£422,746	-0.5%	2.5%
Bath and North East Somerset	£420,801	0.2%	2.3%
Suffolk	£289,197	-0.1%	2.2%
England	**£293,131**	**0.4%**	**2.2%**
Somerset	£279,275	-0.4%	1.9%
Wiltshire	£328,071	-0.2%	1.4%
North Yorkshire	£272,167	-0.5%	1.4%
Outer London	£507,843	-0.2%	0.1%
Oxford	£490,633	-2.7%	-0.7%
York	£302,931	-0.4%	-0.9%
London	£553,258	1.3%	-1.2%
Winchester	£465,404	-0.6%	-2.9%
Cambridge	£489,565	-1.5%	-3.0%
Inner London	£631,062	-1.0%	-4.6%
South West London	£731,708	-1.0%	-5.2%
Prime Central London	£1,025,491	-1.5%	-15.9%

Official Price Index of Private Rents

ONS December 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	£1,812	1.2%	9.3%
Wiltshire	£1,056	0.4%	7.9%
Oxford	£1,913	-0.1%	6.6%
South Cambridgeshire	£1,393	0.7%	4.9%
York	£1,157	1.0%	4.8%
Winchester	£1,473	1.0%	4.5%
South West London	£2,513	0.1%	4.0%
England	**£1,424**	**0.1%**	**3.9%**
Vale of White Horse	£1,317	0.2%	2.9%
North Yorkshire	£828	-0.4%	2.8%
West Berkshire	£1,270	-0.3%	2.6%
Cambridge	£1,793	0.5%	2.4%
London	£2,235	-0.2%	2.1%
Prime Central London	£3,446	0.0%	0.9%
South Oxfordshire	£1,358	0.5%	0.0%
West Oxfordshire	£1,261	0.1%	-0.9%

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

9%	-2%	6%	-11%
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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