

UK House Price Index

+1.4%

Annual UK house price inflation (May 2025)

+14%

Annual increase in the number of homes for sale

45

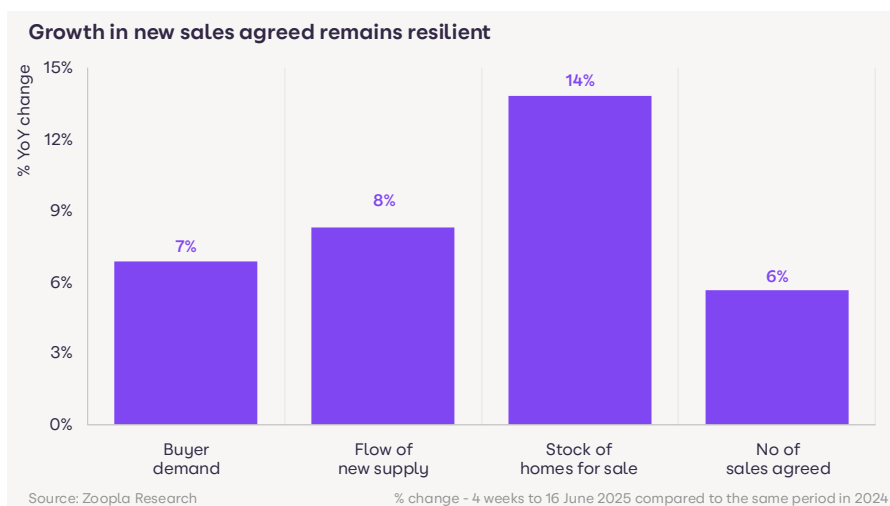
Days to agree a sale (4-weeks to 22 June 2025)

Executive summary

- Sales activity continues to run at the fastest rate for 4 years, with more homes for sale meaning more buyers in the market
- UK house price inflation slows to 1.4% as 14% more homes for sale boosts buyer choice and limits price growth
- Clear link between growth in supply and levels of price inflation
- House price inflation is higher in more affordable markets
- Modest price falls in markets with average values over £500,000
- Average time to sell is 45 days, in line with June 2024
- A fifth of homes have been on market for >6 months with no sale
- Setting the right price from the start is essential to achieving a sale

“There is plenty of demand to buy homes and more sales are being agreed than a year ago. Serious sellers need to be very realistic on pricing, as buyers have lots of homes to choose from.”

Richard Donnell
Executive Director



19%

Increase in number of homes for sale in London vs last year

Sales keep increasing but house price inflation slows

The number of sales being agreed between sellers and buyers continues to run at the fastest rate for 4 years. The pace of sales is slowing, and this will continue over the seasonal summer slowdown.

Sales agreed in the last 4 weeks are 6% up on last year¹, as more homes for sale means more buyers are looking to agree sales. Sales are higher year-on-year across all regions and countries of the UK.

More sales doesn't mean house prices are rising at a faster pace - in fact, house price inflation is slowing. A greater choice of homes for sale, 14% higher than a year ago¹, is amongst factors holding back house price inflation, which was 1.4% in the 12 months to May 2025. This is higher than the 0.3% increase recorded a year ago, but lower than the 2% recorded in February 2025.

While average earnings are rising at 5% a year, higher inflation means less scope for the Bank of England to cut interest rates in the coming months and households continue to face cost of living pressures.

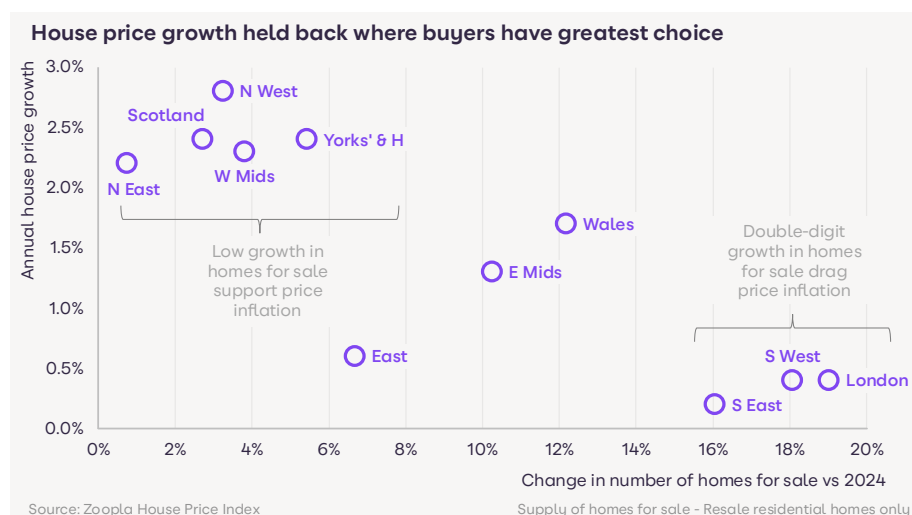
Demand for homes remains higher than a year ago but buyers remain price-sensitive, which is limiting house price inflation. This is particularly important in housing markets with higher average prices, creating an additional affordability hurdle for home buyers.

Link between price inflation and change in supply

There is a clear link between house price inflation and the change in the number of homes for sale over the last year.

In London, the South East and South West regions of England the number of homes for sale is 16-19% higher than a year ago, while house prices are barely rising by less than 0.5% over the last year.

In contrast, regions in the north, the West Midlands and Scotland have registered only a modest change in supply, creating an element of scarcity, which is supporting above-average price inflation of 2-3%.



¹ Comparing a week commencing 16 June 2025 with same period in 2024

-4.3%

Annual house price
inflation in WC
London postal area

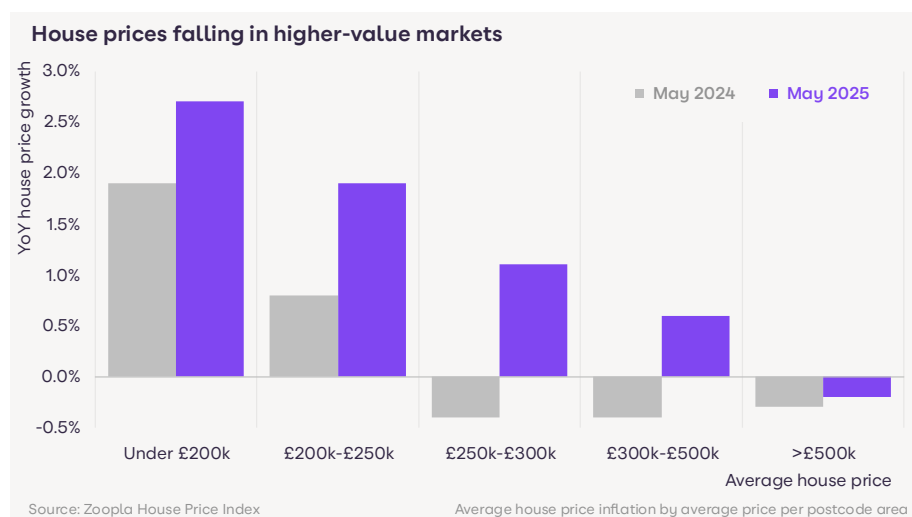
Most affordable areas record fastest price inflation

Affordability is the most important influence on house price inflation. House prices are rising more quickly in markets with below-average property values, and growth levels are lower in higher priced areas².

House prices are 2.7% higher in markets with average house prices below £200,000, and 1.9% higher in markets priced between £200,000 and £250,000. Together, these markets account for 50% of UK homes. Above-average house price inflation is supporting market activity.

Home values are currently increasing fastest, at over 3.5% per annum, in parts of the North West of England and Scotland, specifically Wigan (WN), Falkirk (FK) and Blackburn (BB) postal areas.

Lower-value housing markets did not register price falls over 2023 and early 2024 when mortgage rates reached 5-6%. The impact was greater in higher-value markets, where the income to buy and level of deposit required increased the most, impacting demand for homes.



Modest price falls continue in higher-value markets

House price inflation is lower in higher-value markets, with modest price falls (-0.2%) in areas with home values over £500,000. These markets account for 8% of UK homes.

Modest price falls are concentrated in pockets of inner London, the South West and, to a lesser degree, South East England. Prices are more than 1% lower over the last year in West Central London (WC, -4.3%) and West London (W, -1.3%) postal areas alongside Torquay (TQ, -1.7%) and Truro (TR, -1.3%) areas in the South West.

In addition to affordability factors, tax and policy changes aimed at second homeowners and landlords are leading to weaker demand and more sales by these owners, which is compounding the impact on house price growth at a localised level.

² Analysis of average house price inflation in May 2025 by postal area, grouped by average price for the postal area

22%

Homes that have been on the market for over 6 months & remain unsold ⁵

Serious sellers need to price realistically

Our data shows that sales continue to be agreed, but house price inflation is slowing across the country. The key message for sellers is the need to be realistic on pricing if they are serious about finding a buyer and moving home in 2025.

The average time to sell is 45 days³, broadly in line with this time last year. This ranges from 35 days in the North East to 57 days in Wales. All the southern regions of England have an average of over 50 days due to a greater choice of homes for sale. The market operates differently in Scotland⁴, where the time to sell is just 18 days. After an offer is accepted and the property is taken off the market, it can take another 4-5 months completing a purchase and moving in.

The average time to sell shows the possible speed when there is a willing buyer and willing seller that agree on a purchase price within 4-7 weeks of a property being listed. However, some homes can stay on the market much longer, failing to attract enough interest.

Over 1 in 5 homes (22%) currently listed for sale have been on the market for over 6 months and remain unsold⁵. Many sellers have a price in mind that they want to secure a sale for their home, or a price they need to achieve in order to unlock their next home move. They may eventually get this price but may have to wait a long time to achieve it. Ultimately, it's a choice between sellers prioritising a specific sale price or agreeing a sale in a timely manner.

Recent changes to how mortgage lenders assess mortgage affordability have delivered a 20% boost to the borrowing capacity of home buyers using a mortgage. This will help close the affordability gap for some buyers and support more sales.

Homeowners keen to sell in 2025 who have been on the market for some months need to discuss the marketing strategy with their agent and realistically look to adjust the price to attract more interest. There is a demand for homes and a desire to move, but careful pricing is key.

Outlook

The momentum in the number of sales being agreed is positive and clearly demonstrates an underlying desire of households to move home. Improved mortgage affordability will support buying power in the second half of the year. Buyers remain price-sensitive, especially in higher-value markets, where the number of homes for sale has grown the most in the last year, boosting choice.

The market remains on track for 5% more sales in 2025 but house price inflation will remain between 1 and 2%. Setting the right price is essential to improving the chances of achieving a sale, for both homeowners and housebuilders.

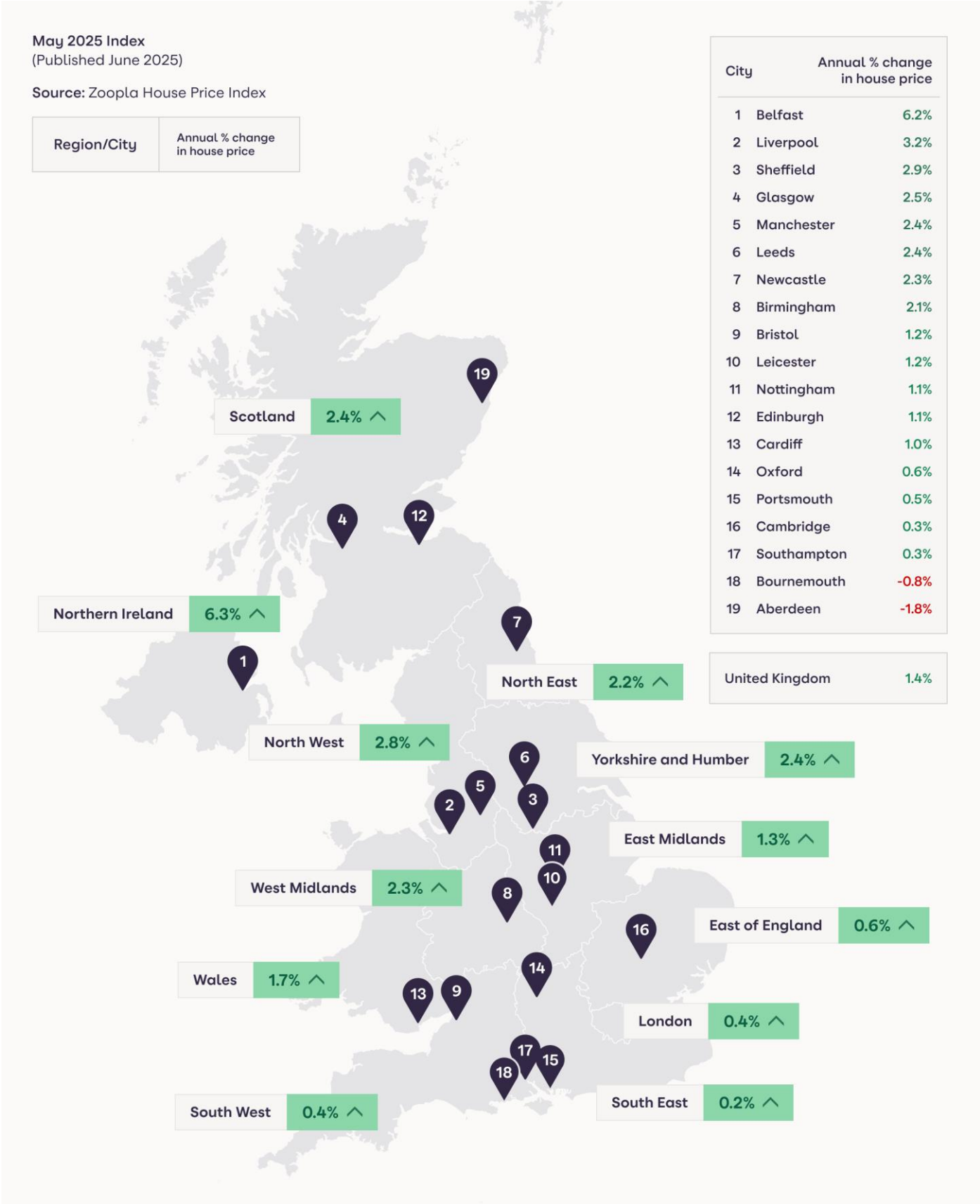
³ 4-weeks to 22 June 2025 median number of days from listing to sold STC

⁴ The Scottish and English home buying systems have several key differences, such as homes in Scotland being marketed with a 'Home Report' and listed as "offers over"

⁵ Snapshot – 22 June 2025













































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, May 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 May-25	%YoY May-24	Monthly trend	Annual trend
United Kingdom	£268,400	1.4%	0.3%		
20 City Composite	£309,000	1.2%	0.7%		
Belfast	£188,400	6.2%	5.8%		
Liverpool	£163,100	3.2%	1.8%		
Sheffield	£175,700	2.9%	1.3%		
Glasgow	£156,400	2.5%	3.2%		
Manchester	£231,300	2.4%	2.2%		
Leeds	£212,700	2.4%	1.0%		
Newcastle	£158,800	2.3%	2.2%		
Birmingham	£213,200	2.1%	0.9%		
Leicester	£227,700	1.2%	-0.3%		
Bristol	£341,500	1.2%	0.5%		
Nottingham	£205,600	1.1%	0.2%		
Edinburgh	£277,000	1.1%	1.3%		
Cardiff	£255,100	1.0%	1.5%		
Oxford	£452,300	0.6%	-0.4%		
Portsmouth	£277,000	0.5%	-1.1%		
London	£534,400	0.4%	-0.1%		
Southampton	£260,400	0.3%	-0.2%		
Cambridge	£471,800	0.3%	1.1%		
Bournemouth	£324,600	-0.8%	-0.8%		
Aberdeen	£131,900	-1.8%	-1.5%		

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

UK Rental Market Report Jun 2025

ZOOPLA

Richard Donnell

Executive Director - Research

richard.donnell@zoopla.co.uk

Izabella Lubowiecka

Senior Property Researcher

Recent publications

Sign up for all the latest research from Zoopla at advantage.zpg.co.uk

The information and data in this report was correct at the time of publishing and high standards are employed to ensure its accuracy. However, no reliance should be placed on the information contained in this report and Zoopla Ltd and its group companies make no representation or warranty of any kind regarding the content of this article and accept no responsibility or liability for any decisions made by the reader based on the information and/or data shown here.