

RESEARCH

Housing Market Update

April 2025

Market Overview

The UK economy continues to present some disappointing figures this month with GDP contracting in January and data from construction and manufacturing discouragingly low. Higher-than-target inflation and strong wage pressures also complicate the timing of potential interest rate cuts by the Bank of England, which would otherwise be a welcome boost. Furthermore, global economic uncertainties, including aggressive US trade policies and ongoing geopolitical tensions in Europe and the Middle East, plus the potential impact of increased Employer's National Insurance

Contributions, are weighing heavily on the UK economy and consumer confidence. What's more, in the March Spring Statement the Office for Budget Responsibility (OBR) revised its growth forecast, notably halving the 2025 GDP growth prediction to 1.0% and adjusting forecasts for subsequent years. There is clearly now weaker predictions for the UK economy this year, although it is expected to strengthen in the following years.

These wider uncertainties may be now having an impact on the residential market, where a

softening in the market seems to be emerging. Although the number of properties coming to the market is on the rise, buyer activity seems to be declining, although this may also be an effect of the upcoming stamp duty changes from 1 April. Overall house price growth has also begun to slow as both Halifax and Nationwide reported a slight slowing in the annual pace of growth. In the rental market rental growth does finally seem to be easing with an average increase of 8.1% over the last year, this is slowest rate of growth in almost 2½ years.

Sales and Lettings prices

- The annual rate of house price growth dipped slightly to 3.9% in February, down from 4.1% in January but for the most part remains broadly stable, according to Nationwide's latest index. On a monthly basis prices grew by 0.4%, to reach an average of £270,493.
- Meanwhile Halifax reported a monthly dip in house prices, down -0.1% in February to reach an average of £298,602. On an annual basis this

represents growth of 2.9%, unchanged from the (revised) January figure.

- Asking prices meanwhile increased by an average of 1.1% on a monthly basis, according to Rightmove's latest report. This added an additional £3,876 to the price of a property coming to the market over the last four weeks (£371,870). Annually, this equates to a 1.0% rise, down from 1.4% in February.

- This month's rental growth data shows a continued deceleration in the pace of growth with overall UK rents rising by an average of 8.1% in the 12 months to February, down from 8.7% the month before, according to the ONS's Price Index of Private Rents (PIPR). This is the slowest rate of growth since September 2023. London saw the highest rate of growth of all the regions at 9.9%, but in our Carter Jonas tracked locations some areas

- saw higher rates of growth like Bath which posted an average increase of over 12% and South Oxfordshire where 10.3% rental growth was recorded.
- Rental inflation on new lets was just 3.0% in the last 12 months according to Zoopla's latest UK Rental Market Report (March), although this is a higher 3.9% when London is excluded.



Activity

- In January, mortgage approvals remained remarkably consistent, with the Bank of England's figures showing 66,189 approvals, representing a negligible decrease from December's 66,505 and remains in line with the pre-pandemic monthly average of 66,216. Of total transactions, HMRC recorded just over 95,000 sales in January, just below the pre-COVID monthly average of 100,000 per month (HMRC data).
- Rightmove's latest house price report suggests some resilience in the sales market as they note there is currently the highest number of properties for sale at this time of year since 2015. They go on to say that the number of sales agreed is 9% higher than in the same period last year. These figures may be distorted due to the upcoming stamp duty deadline though.
- In the lettings market, Zoopla's Rental Tracker for March says that the supply and demand gap is narrowing, but it is still wide by long-run standards. They note there are around 13 available properties for rent per agent, up from 10 in 2023

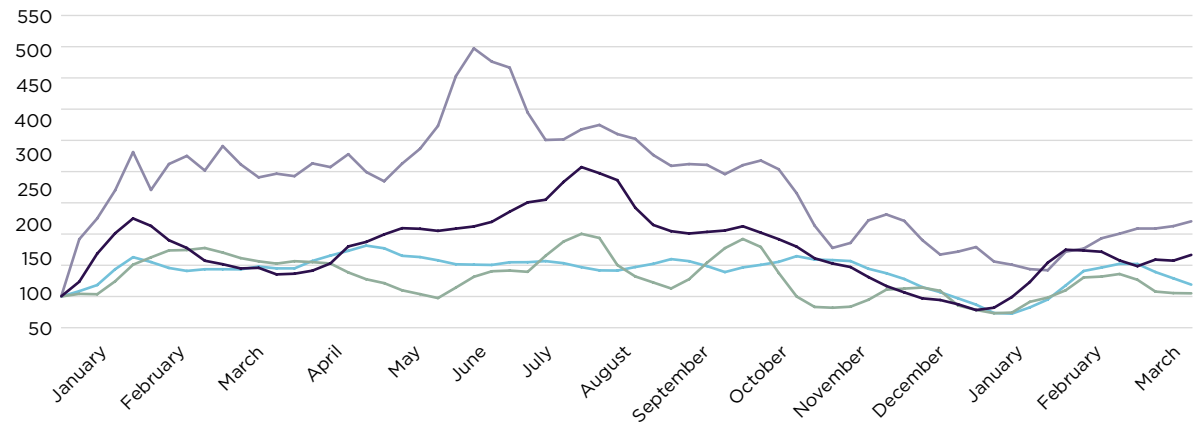
but still 22% below the pre-pandemic average. They go on to say that rental demand is also around 17% lower than it was over the same period last year, although it is still twice as high as pre-pandemic levels.


- While our London and Central offices experienced a slight increase in enquiries over the past four weeks, overall enquiries across all office locations declined by approximately 1%. This slight decrease is likely due to the recent stamp duty deadline. With the deadline now passed, many potential buyers over the previous few weeks may have felt it as too late to complete a purchase before the changes took effect. As a result, they may be postponing their searches, anticipating further interest rate reductions expected later this year.

Figure 1 Carter Jonas Enquiry level trends, since January 2024

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

London / Central / North / South





Official House Price data

HM Land Registry
January 2025

Source: HM Land Registry

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Vale of White Horse	£409,605	3.1%	9.5%
South Oxfordshire	£484,663	-0.3%	9.3%
West Oxfordshire	£424,402	3.8%	6.8%
West Berkshire	£397,353	0.8%	6.1%
Leeds	£242,315	-0.7%	5.9%
North Yorkshire	£275,935	-0.1%	5.5%
South Cambridgeshire	£446,232	-0.2%	5.4%
Oxford	£483,403	1.5%	5.3%
United Kingdom	£268,548	0.2%	4.9%
England	£291,397	0.2%	4.8%
Cambridge	£509,054	-0.8%	4.7%
Wiltshire	£328,464	-0.5%	4.2%
Cambridgeshire	£342,408	0.0%	4.1%
Outer London	£509,562	0.4%	4.0%
Somerset	£279,212	-0.8%	3.3%
London	£563,899	2.3%	2.3%
Winchester	£480,490	-2.2%	1.8%
Bath and North East Somerset	£409,166	-0.4%	1.5%
Suffolk	£286,250	0.2%	1.4%
York	£302,634	-0.5%	-0.2%
Inner London	£636,281	0.3%	-3.1%
South West London	£731,602	-2.1%	-6.0%
Prime Central London	£969,352	-10.7%	-22.6%

Official Price Index of Private Rents

ONS February 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	£1,722	1.8%	12.6%
Prime Central London	£3,466	0.3%	12.4%
South West London	£2,452	0.4%	11.4%
South Oxfordshire	£1,369	0.2%	10.3%
London	£2,235	0.3%	9.9%
Oxford	£1,816	0.6%	9.4%
Winchester	£1,425	0.7%	9.3%
England	£1,381	0.4%	8.3%
Cambridge	£1,760	0.1%	8.0%
South Cambridgeshire	£1,336	0.2%	7.9%
Wiltshire	£989	0.4%	7.1%
Vale of White Horse	£1,300	1.0%	6.8%
North Yorkshire	£814	0.5%	6.8%
West Oxfordshire	£1,282	0.4%	6.3%
York	£1,110	0.3%	4.1%
West Berkshire	£1,241	0.1%	4.1%



***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

-7%

LONDON

-3%

SOUTH

15%

CENTRAL

-13%

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.

Lisa Simon Partner,
Head of Residential
lisa.simon@carterjonas.co.uk

Leslie Schroeder
Head of Residential Research
leslie.schroeder@carterjonas.co.uk

020 7518 3200

**One Chapel Place
London
W1G 0BG**

chapelplace@carterjonas.co.uk

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.

© Carter Jonas 2025. The information given in this publication is believed to be correct at the time of going to press. We do not however accept any liability for any decisions taken following this report. We always recommend that professional advice is taken.

Exclusive UK affiliate of

CHRISTIE'S
INTERNATIONAL REAL ESTATE