

UK House Price Index

+1.3%

UK house price inflation
(June 2025)

+8%

Increase in sales agreed
vs last year

41%

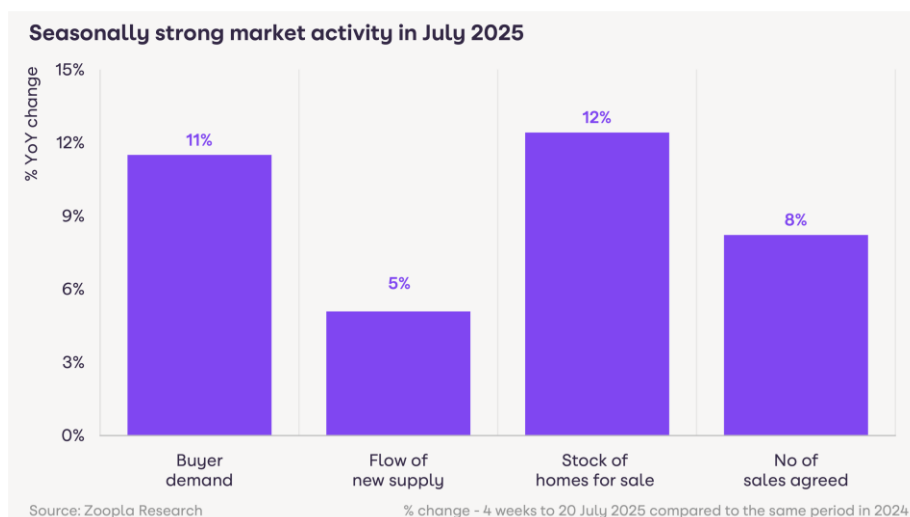
Proportion of first-time buyers paying stamp duty –
up from 19% pre-April

Executive summary

- Sales market activity is seasonally strong for July
- Buyer demand 11% higher than a year ago with 8% more sales agreed
- Market activity is higher across all regions and countries of the UK
- Changes to mortgage affordability testing are supporting demand
- Increased activity is not leading to faster house price inflation
- House price inflation slowing across country - UK rate +1.3%
- More homes for sale boosts choice and supports a buyers' market
- Stamp duty costs are higher for many buyers and reflected in prices
- On track for 5% more sales in 2025, but price rises to remain low

“The housing market is broadly in balance. There are more buyers and sales agreed as mortgage availability improves, but it remains a buyers' market with higher stamp duty costs a drag on house price inflation”

Richard Donnell
Executive Director - Research



11%

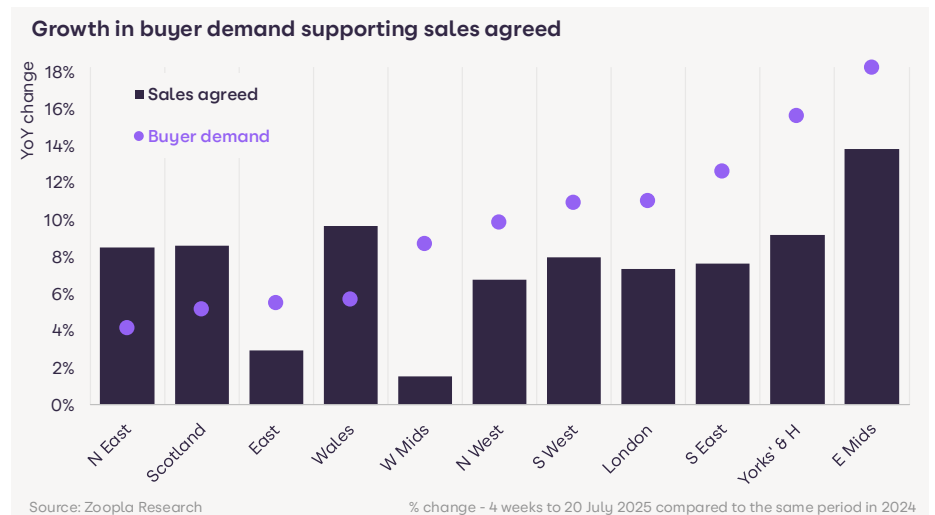
Buyer demand
in last 4 weeks
vs same time
last year

Seasonally strong July for sales market activity

Housing market activity is significantly stronger than it was a year ago, defying the usual seasonal slowdown seen during the summer. Buyer demand is 11% higher, accompanied by an 8% increase in agreed sales¹. With a record number of homes on the market, more buyers are actively seeking to finalise deals before the start of the school holidays and the August slowdown.

Buyer demand and sales agreed are higher across all regions and countries of the UK. Recent changes to the way lenders assess mortgage affordability are another catalyst for increased activity.

Home buyers using a mortgage can borrow up to 20% more than they could just three months ago - for the same household income and mortgage rate. This will encourage more buyers to try and secure a home purchase before the summer.



... but more activity isn't translating into faster price rises

While levels of market activity are higher, this is not translating into faster house price growth. Our latest UK house price index to June 2025 shows a continued slowdown in the annual rate of price inflation, which is currently running at 1.3%. At £268,400, the average house price is £3,350 higher than a year ago.

House prices are increasing at a faster rate than last June (0.4%), but lower than the 2.1% increase six months ago (December 2024).

While mortgage rates are broadly stable, averaging c. 4.3%², house price inflation is being impacted by a greater supply of homes for sale. There are 12% more homes for sale at a national level, which boosts choice and supports a buyers' market where bids can be kept competitive, keeping price inflation in check.

¹ Comparing 4 weeks to 20 July 2025 with the same period in 2024

² Bank of England's Bank Stats - average for a new 5-year fixed rate 75% LTV mortgage

14%

YoY change in sales agreed in the North West (w/c 12 July 2025)

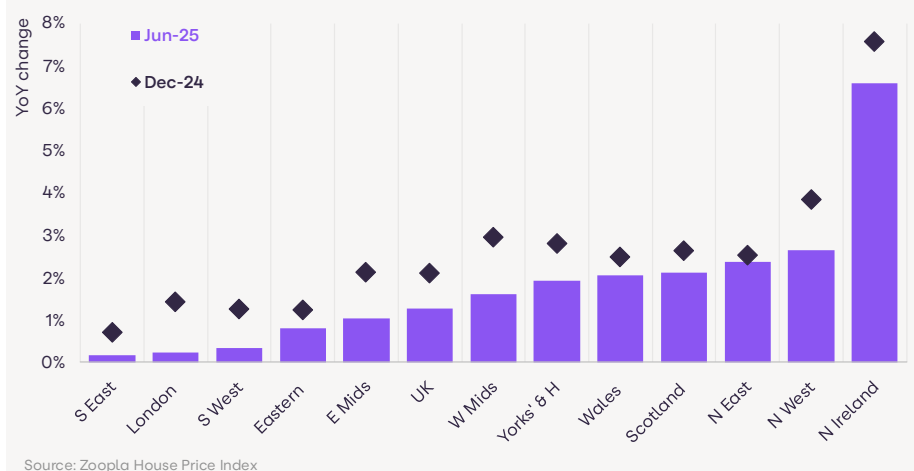
North-south divide in house price inflation

House price inflation is running at a faster rate of 2-3% a year in northern regions of England, Scotland and Wales. House prices are rising quickly off a low base in Northern Ireland, up by 6.1%.

Price inflation is the weakest and below 1% a year across southern regions of England, ranging from 0.2% in the South East and London to 0.8% in the Eastern region.

House price inflation increased over 2024 as stable mortgage rates and lower stamp duty boosted demand, but momentum is now fading, with slower price growth seen across all areas of the UK.

House price inflation slowing across all regions and countries



Higher stamp duty costs a drag on price inflation

While more homes for sale is one factor behind slower price inflation, the other big change has been higher stamp duty costs in England and Northern Ireland as temporary reliefs ended in April. Buyers will seek to reflect higher buying costs in what they bid for, which impacts agreed house prices.

Stamp duty costs also vary between existing homeowners and first-time buyers. As it's a tax based on property value, stamp duty has a greater impact on buyers in southern England more than other areas, providing an additional drag on price inflation.

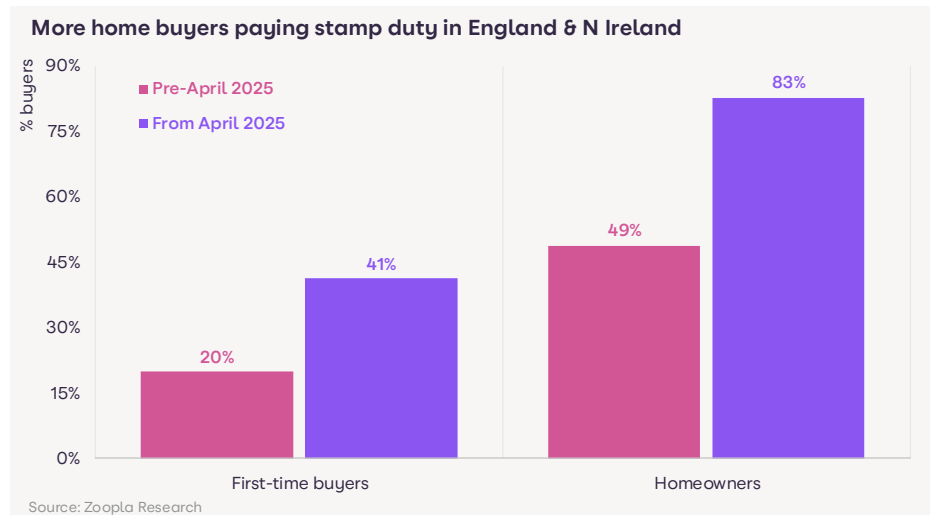
Our latest data³ shows 83% of homeowners pay stamp duty on new purchases, compared to less than half (49%) before April 2025. The extra cost is up to £2,500 per sale, c.1% of the average UK home price.

First-time buyers (FTBs) are charged lower rates and tend to buy cheaper homes. Some 41% are now liable for stamp duty, compared to just 19% before April 2025. The greatest impact is on those buying in London and higher value parts of the South East. Based on the average FTB price in London, the stamp duty cost is £6,100 compared to £0 before April.

³ Analysis of buyer enquiries data by SDLT price band between 1 April 2025 and 20 July 2025

83%

Proportion of homeowners paying stamp duty - up from 49% pre-April 2025



Outlook

The housing market is broadly in balance. More people are agreeing sales and selling homes, but this is not leading to faster price inflation, which would stifle market activity and lead to fewer home moves.

Sellers in southern regions of England must be very mindful of how they price their homes. The number of homes for sale is much higher in these areas compared to a year ago, reinforcing a buyers' market and keeping price inflation in check. London has 19% more homes for sale than a year ago and available supply is 16% higher in the South East and South West.

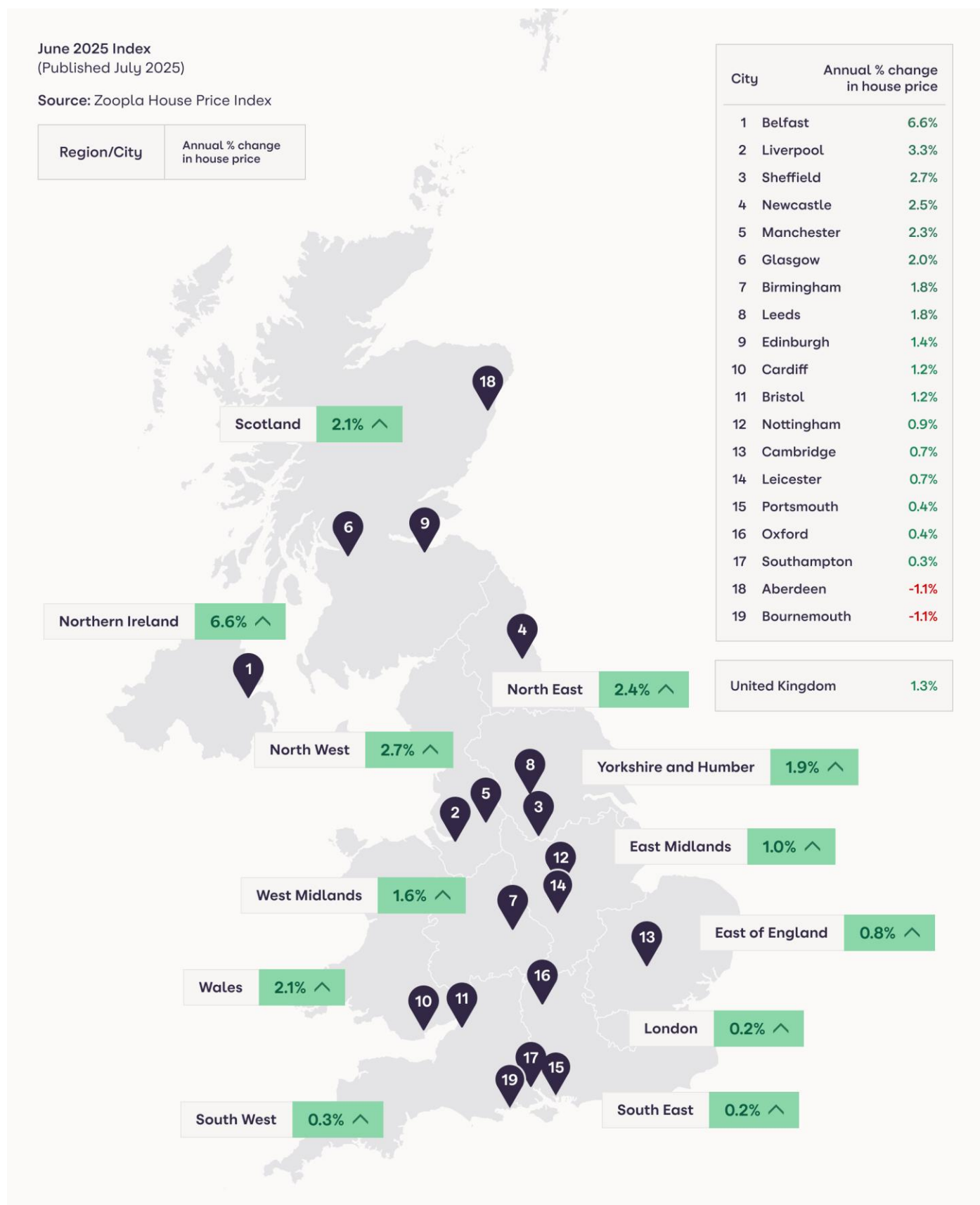
While many hoped for lower mortgage rates to improve affordability, high inflation means mortgage rates are likely to stay around current levels, between 4% and 5% over the second half of the year. However, changes to mortgage affordability testing have delivered the boost to buying power without the need for lower rates.

We expect sales to continue to be agreed at a steady rate. There has been a slowing in the number of homes being listed for sale in recent weeks. Overall, we expect 5% more homes to sell in 2025 than last year, but price growth will remain in low single digits.

At the start of the year, we predicted house prices would rise just 2%, at the lower end of forecasts for house price inflation. Growth is set to be c1% over 2025, half the level forecast. Greater supply of homes for sale and mortgage rates remaining higher than expected are the key reasons for weaker growth. Low house price inflation is not a bad thing as long as there is enough market confidence for people to list their homes and make bids to buy homes.

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, June 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 Jun-25	%YoY Jun-24	Monthly trend	Annual trend
United Kingdom	£268,400	1.3%	0.4%		
20 City Composite	£309,400	1.1%	0.7%		
Belfast	£189,600	6.6%	6.0%		
Liverpool	£163,800	3.3%	1.7%		
Sheffield	£175,800	2.7%	1.4%		
Newcastle	£159,100	2.5%	1.7%		
Manchester	£232,200	2.3%	2.4%		
Glasgow	£156,600	2.0%	3.2%		
Birmingham	£213,500	1.8%	1.1%		
Leeds	£213,100	1.8%	1.3%		
Edinburgh	£277,700	1.4%	1.0%		
Cardiff	£255,800	1.2%	1.3%		
Bristol	£342,600	1.2%	0.4%		
Nottingham	£205,800	0.9%	0.5%		
Cambridge	£472,500	0.7%	0.3%		
Leicester	£228,100	0.7%	-0.2%		
Portsmouth	£276,900	0.4%	-0.9%		
Oxford	£452,700	0.4%	0.2%		
Southampton	£260,400	0.3%	0.0%		
London	£534,000	0.2%	-0.1%		
Aberdeen	£132,200	-1.1%	-2.7%		
Bournemouth	£324,300	-1.1%	-0.6%		

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.

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