

# THE PROPERTY MARKET

A REVIEW OF THE KEY TRENDS IN THE  
NATIONAL AND LOCAL HOUSING MARKET.



**SOUTHERN HOME COUNTIES**

Analysis by PriceHubble | Autumn 2025

# SHIFTING MARKET DYNAMICS

## SALES



**↑3.7%**

UK House prices

**£259,585** June 2024 vs  
**£269,079** June 2025



**↑4.3%**

Property sales

**91,600** July 2024 vs  
**95,580** July 2025



**↑4.6%**

Mortgage approvals

**62,489** July 2024 vs  
**65,352** July 2025



**↓2.0%**

New private homes completions

**54,501** Q2 2024 vs  
**53,385** Q2 2025



**↑24.7%**

Gross mortgage lending

**£19.5bn\*** July 2024 vs  
**£24.3bn\*** July 2025

Source: Pricehubble, ONS, HMRC, Bank of England, DLUHC, HomeLet  
\*Figures rounded to nearest £0.1bn

2025 has been a year of steady momentum, with firm foundations supporting stability in the housing market. Prices remain steady, with modest but consistent gains expected through the year. Sustained summer demand has underpinned momentum, though price sensitivity, softer economic conditions, and policy uncertainty may temper growth.

### Outlook and inflation

The Bank of England has cut interest rates to 4%, the lowest level in over two years. Rates have now fallen five times since last August, boosting buyer and seller confidence, though a split vote at the latest meeting has clouded prospects for another cut previously expected in December 2025. Further reductions are anticipated, but the pace remains uncertain particularly given persistent inflation. Inflation remains above target, rising 3.8% in the 12 months to July 2025, driven particularly by higher air fares and food costs<sup>1</sup>. The Bank of England expects inflation to peak at 4% in September before easing gradually to its 2% target in 2027.

### Mortgage rates edge down

Following August's bank rate cut, mortgage rates have eased. The average two-year fixed deal is now 4.25%, down from 4.99% a year ago, while the five-year fixed sits at 4.18%, down from 4.49%<sup>2</sup>. Swap rates, which guide fixed-rate mortgage pricing, dipped ahead of the August meeting on expectations of cuts, fuelling competition in the mortgage market, with some deals as low as 3.7%. Mortgage rates are moving in line with the Bank's cuts, but a significant drop looks unlikely. Hundreds of thousands of borrowers are due to re-mortgage this year, with 900,000 fixed-rate deals expiring in the second half of 2025<sup>3</sup>.

### Robust activity

September marks the beginning of the busy autumn selling season, and despite the usual seasonal lull, demand over summer has remained firm, supported by easing rates and wider choice, with buyer demand up 4% year-on-year<sup>4</sup>. Mortgage approvals rose for the third month in a row, reaching 65,352 in July, 4.6% higher than last year<sup>2</sup>. Residential property transactions also gained momentum, with 95,580 in July, up 4.3% year-on-year and 5% above the five-year average<sup>5</sup>. While economic policy may temper these seasonal trends, realistic pricing is crucial, and the overall outlook for the housing market remains remarkably steady.

<sup>1</sup> ONS, <sup>2</sup> Bank of England, <sup>3</sup> UK Finance, <sup>4</sup> Zoopla, <sup>5</sup> HMRC

# LETTINGS



**↑0.2%**

Average rents  
August 2024 vs  
August 2025



**£1,328**

Average monthly  
rent across the UK  
August 2025

**15%**

more rental homes  
available compared to  
this time last year

Rightmove

## Moderating growth rates

After two years of unusually strong gains, the pace of rental growth is slowing. RICS data shows that demand has normalised, pointing to a return to more typical medium-term trends. There are also early signs of improving supply, with Rightmove reporting 15% more homes available to rent than a year ago<sup>1</sup>. Despite an improving balance between supply and demand, competition remains strong, with 45% of agents reporting that there are typically 6–10 applicants per listing and a further 35% reporting 11–20<sup>2</sup>. The average rent in August was £1,328, 0.2% higher than a year earlier<sup>3</sup>.

<sup>1</sup> Rightmove, <sup>2</sup>PriceHubble, Poll of Subscribers, <sup>3</sup>HomeLet

Analysis by PriceHubble



The rental market has shifted noticeably in 2025. After sharp post-pandemic rent rises, renters hit an affordability ceiling by late 2024. Growth is now slowing, and while affordability remains stretched, rising earnings alongside easing rental growth are offering gradual relief.

IAIN MCKENZIE  
CEO, THE GUILD OF PROPERTY  
PROFESSIONALS

# HOUSING TAX PROPOSALS

Potential changes and what they could mean for the market



**17%**

of sales in the past year  
were £500k+  
up from 8% a decade ago

Source: PriceHubble, LandRegistry,  
12 months to end June 2025

**51%**

of sales in Greater  
London in the past year  
were £500k+

PriceHubble, LandRegistry,  
12 months to end June 2025

**0.9%**

of sales in the past year  
were £1.5m+  
rising to 5.7% in Greater London

Sources: Source: PriceHubble, LandRegistry,  
12 months to end June 2025

## Potential reforms

In recent weeks, a series of possible housing tax changes have been floated ahead of the Autumn Budget. These include abolishing stamp duty and replacing it with an annual levy on homes instead. Another proposal is to apply Capital Gains Tax to main residences for properties over £1.5m. These remain draft ideas, with no clarity yet on which may progress. As with any policy shift, the prospect risks short- to medium-term disruption.

## Market impact

Ending stamp duty could remove barriers to homeownership and boost activity. But if replaced with an annual levy – dependent on thresholds – the saving could be eroded. Current proposals suggest the levy would be on homes over £500k. These made up 17% of sales last year but 51% in London. As with past stamp duty changes, such a threshold could distort the market, with movers near £500k keen to avoid the tax. Yet it would bring clear gains for those under £500k.

## High-end homes

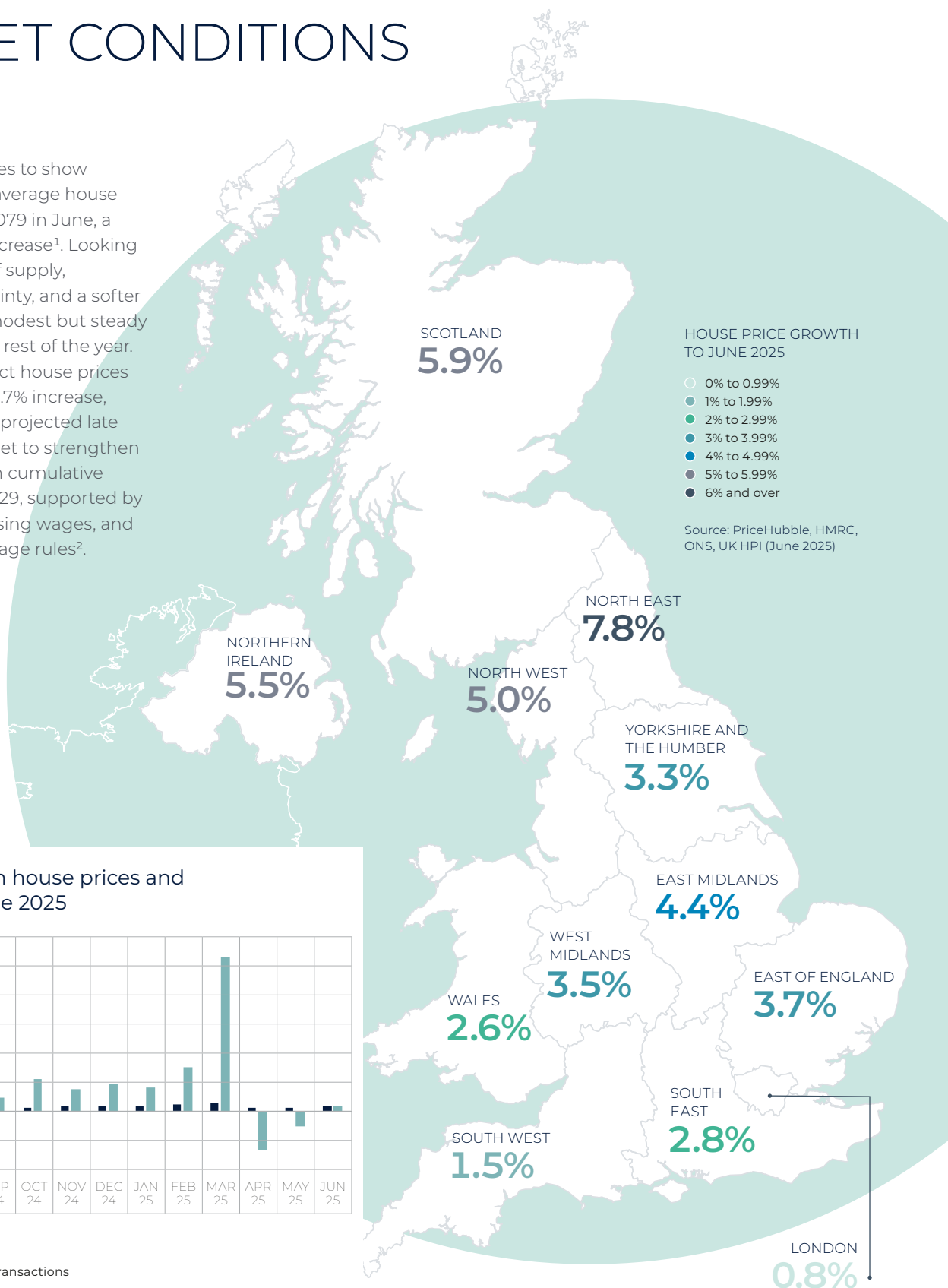
The proposal to charge capital gains tax on primary residences is rumoured to target homes over £1.5m. After a short-term rush of sellers trying to get sales through initially, this may be a dampener on long term transaction activity in regions with many high-value homes. Just 0.9% of transactions in the past year were £1.5m+, though they made up a larger share of the market in London (5.7%).



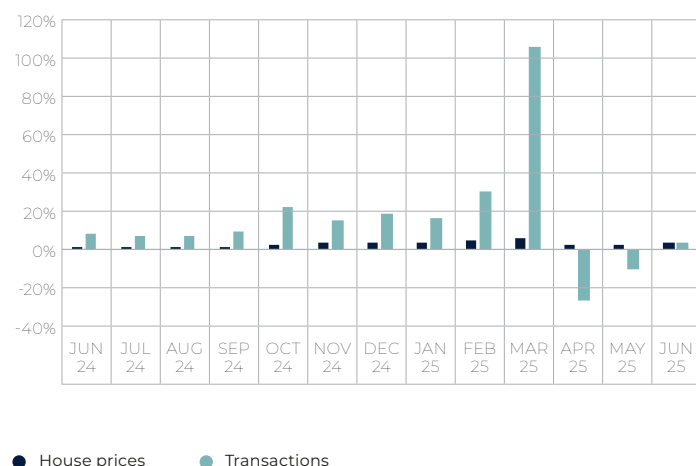
# NATIONAL

## MARKET CONDITIONS

The market continues to show resilience, with the average house price rising to £269,079 in June, a 3.7% year-on-year increase<sup>1</sup>. Looking ahead, high levels of supply, geopolitical uncertainty, and a softer economy point to modest but steady price growth for the rest of the year. Forecasts now expect house prices to end 2025 with a 2.7% increase, lower than the 3.3% projected late last year. Growth is set to strengthen to 4.0% in 2026, with cumulative gains of 22.4% by 2029, supported by firmer conditions, rising wages, and more flexible mortgage rules<sup>2</sup>.



Annual change in house prices and transactions, June 2025



Source: PriceHubble, HMRC, ONS, UK HPI (June 2025)

<sup>1</sup> ONS, <sup>2</sup> PriceHubble, Consensus across agents, forecasts published August 2025

# REGIONAL ACTIVITY

## SOUTHERN HOME COUNTIES

Average asking prices slipped 1.3% this month to £368,740, matching the typical July–August dip seen over the past five years<sup>1</sup>. All regions saw declines except Wales, where prices held firm. While many sellers are pricing sensibly, 34% of homes have still seen reductions – a figure only higher at this point of the year in 2023. With high levels of buyer choice, pricing realistically is crucial to securing a sale, with the average time to find a buyer now 62 days.

Homes without a price cut sell in just 32 days, compared with 99 days for those that do<sup>1</sup>.

Pricing at the local level remains distinct from national trends, influenced by a range of localised factors. Average property values in the South East have risen by 2.8% compared to last year. The sharpest price increase was seen in Elmbridge, where values climbed by more than 7%.



CURRENT ANNUAL RATE OF HOUSE PRICE CHANGE (%)

- Less than 0%
- 0% to 1.99%
- 2.0% to 3.99%
- 4.0% to 5.99%
- 6.0 to 7.99%
- Over 8.0%

Source: PriceHubble, ONS,  
UK HPI June 2025  
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## Prices in balance

<sup>1</sup> Rightmove

# 4.0%

Mid Sussex

% of private  
stock turnover

PriceHubble, DLUHC,  
ONS, UK HPI (June 2025)

## Most active housing markets across the region

RANK		% OF PRIVATE STOCK TURNOVER	AVERAGE HOUSE PRICE
1	MID SUSSEX	4.0%	£428,081
2	ELMBRIDGE	3.6%	£755,879
3	ARUN	3.5%	£322,453
4	REIGATE AND BANSTEAD	3.5%	£489,313
5	WAVERLEY	3.5%	£569,329
6	SURREY HEATH	3.5%	£440,534
7	WORTHING	3.3%	£309,328
8	GUILDFORD	3.3%	£535,855
9	WOKING	3.3%	£449,108
10	EPSOM AND EWELL	3.2%	£564,431
11	HORSHAM	3.2%	£449,169
12	RUNNYMEDE	3.2%	£478,469
13	MOLE VALLEY	3.2%	£542,272
14	TANDRIDGE	3.2%	£505,258
15	SPELTHORNE	3.1%	£448,741
16	CHICHESTER	3.0%	£428,589
17	ADUR	3.0%	£370,630
18	CRAWLEY	2.9%	£323,955

PriceHubble, DLUHC, ONS, UK HPI (June 2025)

Analysis by PriceHubble

## Buoyant market

Market buoyancy is evident, with sales agreed rising across all UK regions (except for Inner London) over the past year. A wider choice of available properties for buyers, together with price growth running below the pace of average earnings<sup>1</sup>, is supporting affordability and helping to sustain steady activity. Momentum looks set to continue through the rest of the year, but ongoing uncertainty around policy (particularly taxation) could add some caution. However, regional variation remains, with affordability-stretched markets showing slower growth.

# 5%

## Rise in sales agreed in the South East

Source: TwentyCi Q2 2025 v Q2 2024

## Autumn bounce

Autumn typically brings a pick-up in completed housing market sales, with the season accounting for 24.7% of transactions, just ahead of summer's 24.2%<sup>1</sup>. With summer holidays behind them, buyers often re-enter the market and sellers look to complete before Christmas and the onset of colder weather. Over the past five years, sales have risen by an average of 17% between August and September as schools return and households refocus on moving plans.

# 17%

## Average uptick in transactions between August and September

Source: PriceHubble, HMRC seasonally  
adjusted transactions between August and  
September 2020–2025

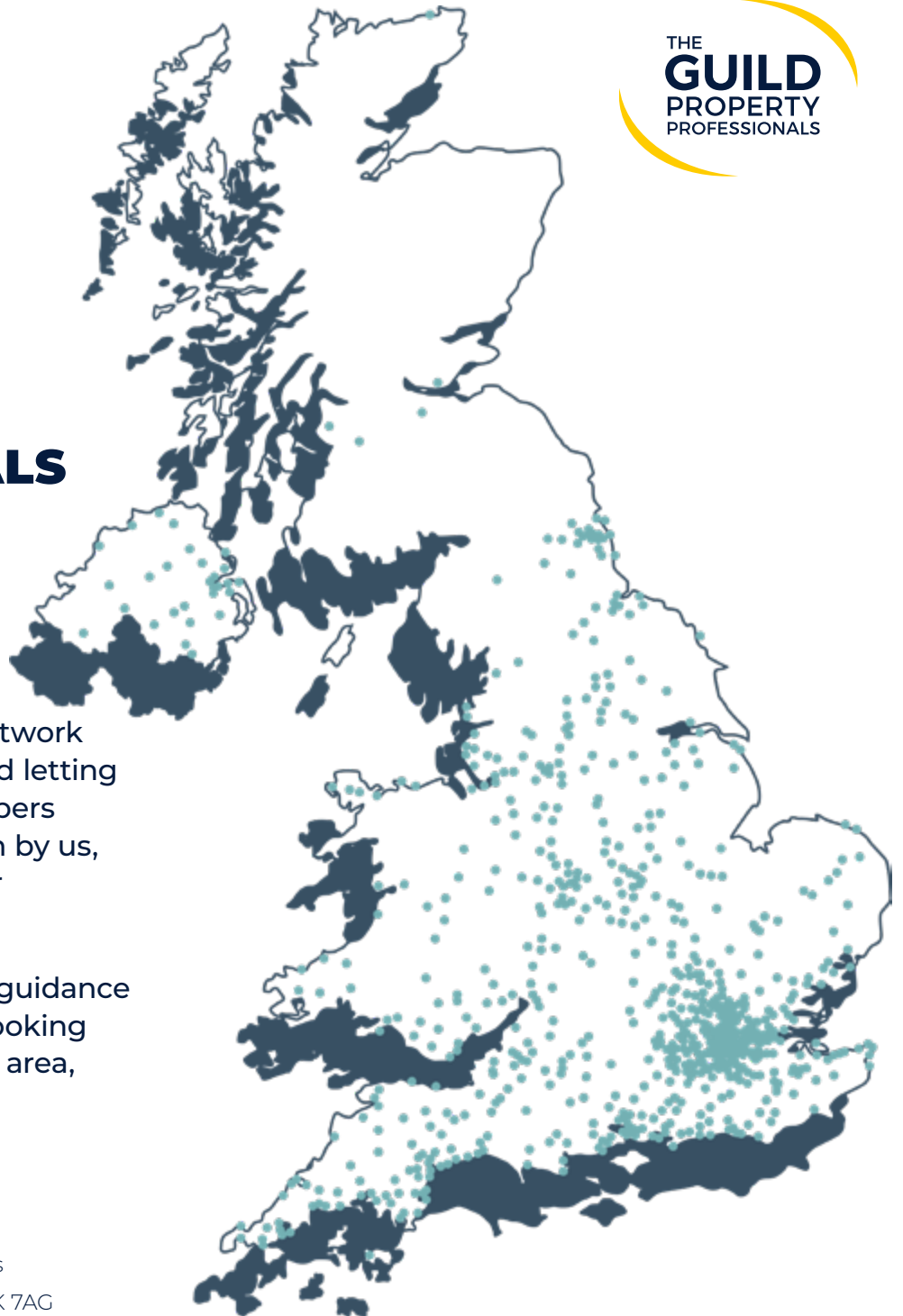
<sup>1</sup> PriceHubble, HMRC seasonally adjusted transactions  
July 2020 to June 2025, summer is June, July, August

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Date of publication: September 2025  
Analysis, editorial, design, graphics and charts by Dataloft.