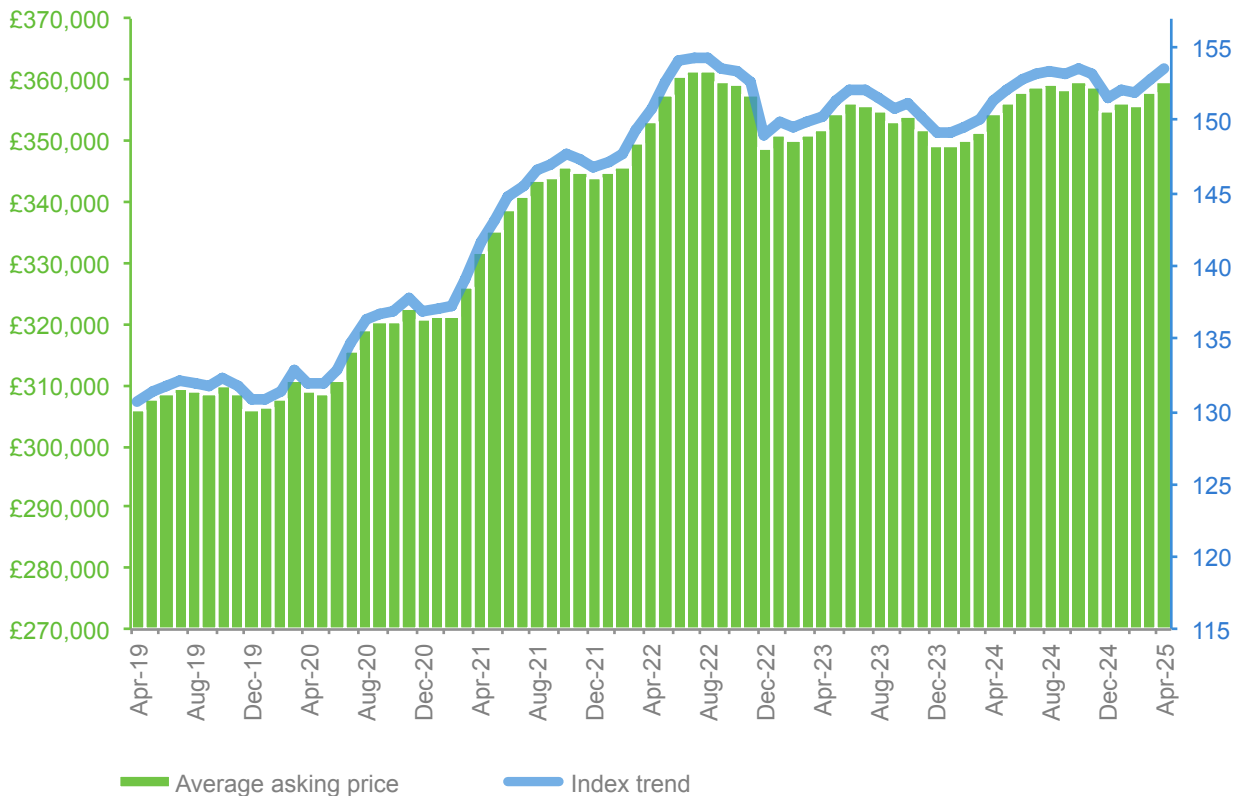


Home Prices Up in All Regions Except London Due to Oversupply

Headlines

- Asking prices rose in every English region (except Greater London), Scotland and Wales during March, making the national average rise by a further 0.5%. Such rises are typical for the time of year, so the slip in London prices attests to the level of oversupply.
- Overall, annualised home price growth across England and Wales remains well below the level of inflation at just 1.4% overall.
- Supply of new sales properties entering the market during March 2025 remains moderate in most areas except for London, the South West and Wales.
- The largest March price hikes are in Scotland, Wales and the East Midlands, posting month-on-month gains of 1.3%, 1.0% and 0.9% respectively.
- Scotland overtakes Yorkshire to become the top regional property market growth leader with an impressive year-on-year gain of 5.0%. Meanwhile, the South East retains its position as the worst regional performer with an abysmal annualised gain of 0.2%.
- Sales market momentum shows a significant increase over April 2024. A burst in activity has sent the property turnover rate higher than any of the previous ten years of April readings, while Typical Time on Market is just one day higher than in April last year despite higher stock levels.
- The unsold sales stock count for England and Wales increased by a massive 27,732 properties during the last month, which is far above seasonal expectations. The current total of 503,176 is relatively very high and is the largest April figure since 2013.
- The annualised national growth in asking rents has slipped into the negative (-0.7%), driven down by a rise in supply (22%). The national growth figure is in the red due to the negative performance of London, the West Midlands and Yorkshire. Meanwhile, the East Midlands continues to show exceptional performance, with rental growth of 9.3%.
- The City of London followed by Lambeth indicate the largest declines in asking rents of all London boroughs, with annualised rental falls of 10.5% and 8.6% respectively. Meanwhile, the best performers are Westminster and the tiny rental markets in the boroughs of Sutton and Bromley, with rents increasing by 13.5%, 6.5% and 6.2% respectively.

Home Asking Price Trend for England & Wales



Source: Home.co.uk Asking Price Index, April 2025, Indexed to May 2004 (Value=100).

Summary

Whilst a burst in sales activity presents several positive metrics regarding the current UK housing market, it is important to also note some dark clouds on the horizon. A surge in buyer demand coupled with seasonal expectations and optimism regarding possible further reductions in mortgage rates has driven UK home prices higher. Prices during March have risen in Scotland, Wales and all English regions with the exception of Greater London, where oversupply has thwarted the expected seasonal uptick. Indeed, oversupply is a growing problem as ever greater numbers of vendors instruct agents across the UK.

Corresponding record sales stock levels (the highest April figure since 2013) gives much cause for concern given that in all likelihood demand will fall back now that the stamp duty dead-

line has passed. Annualised price growth remains weak overall and the mix-adjusted national average asking price has yet to regain the high set in 2022. The weakest price growth continues to be evident in the southern regions, where rental yields tend to be lower.

A further dark cloud menacing the market is the impending Renters' Rights Bill which is likely to become law in July and put into effect from October onwards. The various provisions within this legislation look set to reshape the private rented sector (PRS), favouring the rights of tenants over those of landlords. Understandably, such a fundamental shake-up of the PRS is causing concern and anxiety among landlords, many of whom are considering or actively quitting the sector. This negative sentiment is only adding to the numbers of properties being placed on an already bloated market.

Additionally, following the Chancellor's Spring Statement, which was widely condemned for being entirely at odds with reality, fears of further taxation on an already heavily burdened economy have become widespread. The Office for Budget Responsibility chimed in, warning that Rachel Reeves has left the economy "on a knife edge".

The property sector is far from immune to the Chancellor's seemingly insatiable appetite for tax revenue. Capital Gains Tax has already been vastly increased, much to the dismay of landlords and second home owners, and is profoundly unjust since indexation was completely removed in April 2008.

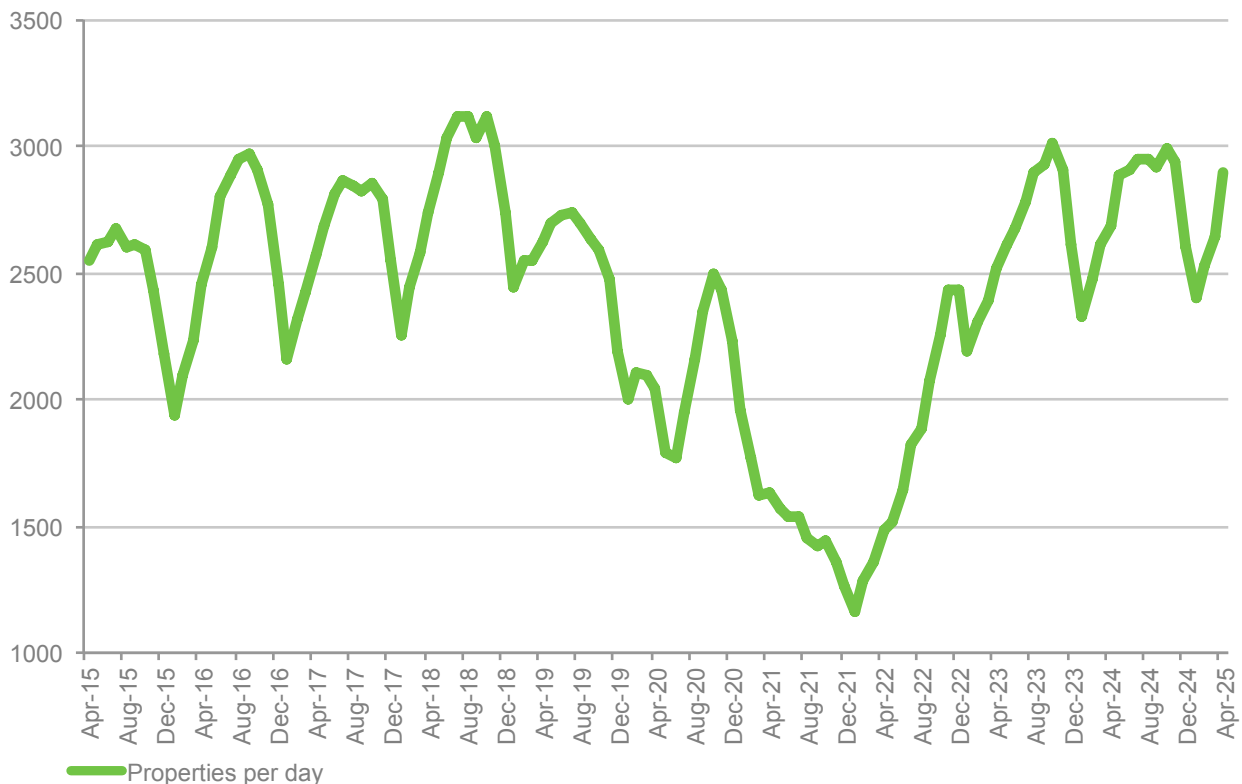
Looking ahead, the strong northern regions look set to continue to prosper thanks to residual demand, but home price growth in the South will likely be muted. London prices have already succumbed to the downward pressure of oversupply, and expectations are that adjacent regions and the South West will

follow suit. Only a large drop in mortgage rates could boost demand sufficiently to avoid stagnation in the southern regions and unfortunately the best that potential buyers can hope for is two or three incremental cuts.

This month we see Scotland replace Yorkshire as the regional growth leader, with the mix-adjusted average asking price 5.0% higher than a year ago. Indications suggest that even the northern regional markets are gradually cooling although they are faring much better than the South East and the East of England, which registered negligible growth of 0.2% and 0.3% respectively.

UK annualised asking rent growth slipped into the negative this month (-0.7%), driven down by a rise in supply of 22% overall. This is a significant drop in real terms when inflation is factored in. The decline in the national average rent was driven by falls in London, the West Midlands and Yorkshire. Meanwhile, the East Midlands continues to outperform,

Sales Market Turnover Indicator



Source: Home.co.uk Asking Price Index, April 2025

indicating rental growth of 9.3% year-on-year.

The annualised mix-adjusted average asking price growth (sales) across England and Wales is now 1.4%; in April 2024, the annualised growth of home prices was 0.8%.

Asking Price Trend

The mix-adjusted average home price for England and Wales increased by a further 0.5% during March. This second consecutive rise is consistent with seasonal expectations and indicates that vendors remain bullish on pricing in most parts of the UK. Positive sentiment has driven prices higher but such optimism will be severely tested over the next few months as the vast number of new instructions await a buyer amidst a likely fall in demand now that the stamp duty deadline has passed.

A rate cut by the Bank of England would be most welcome at this juncture

but whether the MPC will vote for or against it at the next meeting remains to be seen. For the time being, the 2-year swap rate data, a proxy for mortgage rates, is encouraging in its downward trajectory.

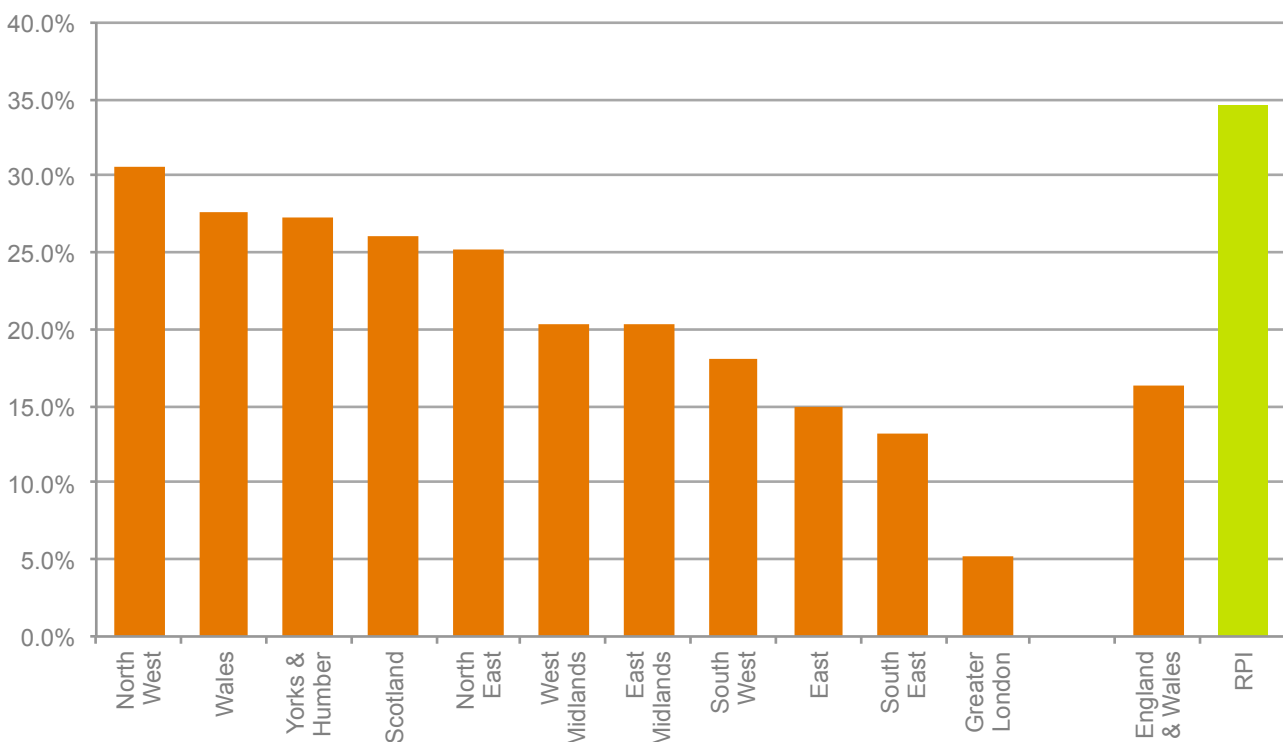
Market Turnover

Our property turnover indicator shows a huge burst in activity, reflecting the scramble to buy before the rise in stamp duty. This month's reading is significantly up on April 2024, although questions arise around the sustainability of such a large flux of sales properties moving through the market. Expectations are for demand to diminish and therefore a slower-paced market going forward.

Regional Roundup

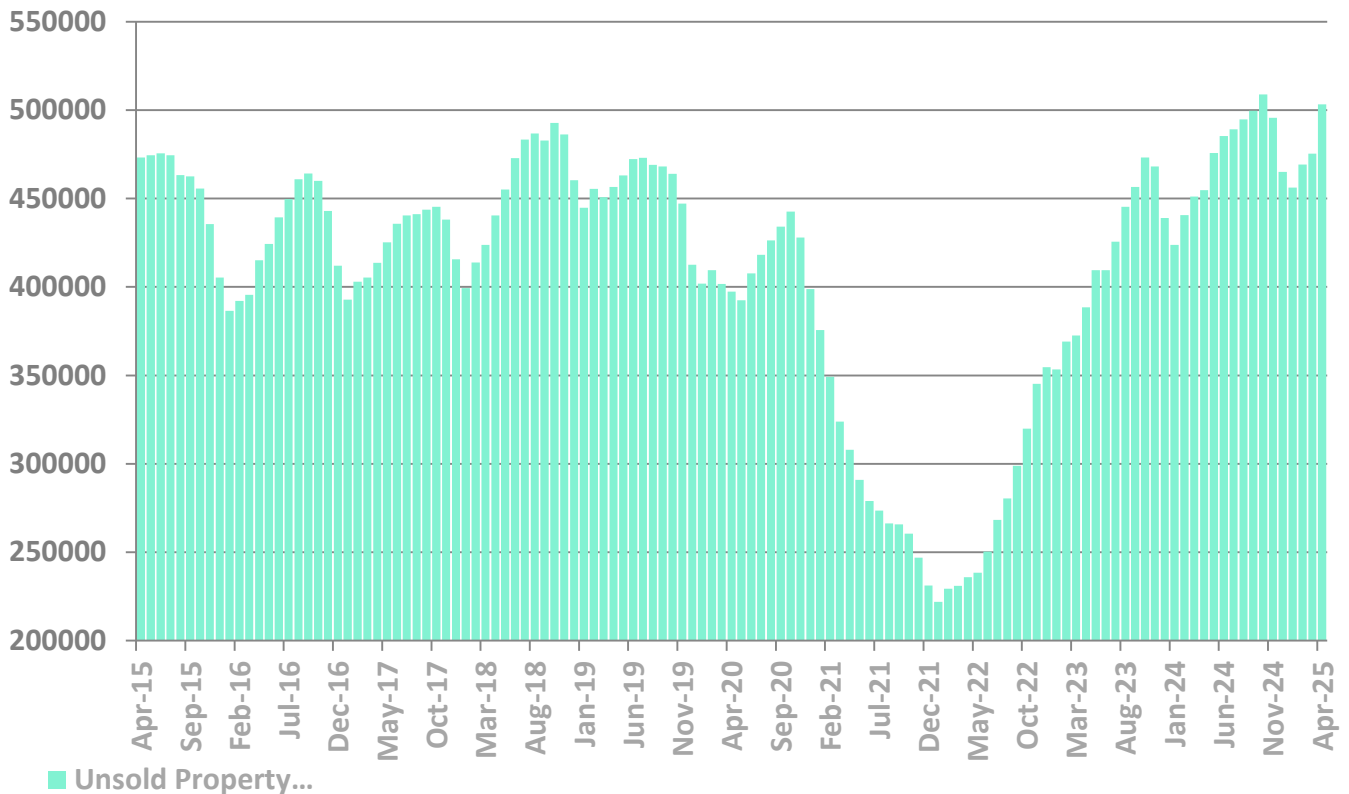
The North West remains the regional price growth leader over the last five years but even this outperforming region was outpaced by inflation as measured

5-Year Regional Price Growth, Apr. 2025 vs. Apr. 2020



Source: Home.co.uk Asking Price Index, April 2025 and www.hl.co.uk/tools/calculators/inflation-calculator

Total Stock of Property for Sale, England and Wales



Source: Home.co.uk Asking Price Index, April 2025

by the Retail Price Index (RPI). However, what is clear is that the northern regions, Scotland and Wales have significantly outperformed the rest of the UK. Greater London is by far the worst performer over the last five years with growth a mere 5.2%, meaning that, in real terms, the average London property has lost 29.4% over the same period. See our map for all the regional annualised gains.

Stock Levels

This is probably the most important chart in the current market. Stock levels have shot up during the last month, vastly higher than seasonal expectations. The unsold total increased by an unprecedented 27,732 properties during March, strongly suggesting that demand is already waning, as the supply of new instructions during the same month was little changed compared to March 2024. Stock levels haven't been this high in April since the dark days of 2013 when

the market was still recovering from the 2008 financial crisis.

This shock rise could be the first sign of a much-feared glut of unsold stock. The inevitable market correction would be very painful for home prices, especially for London and the southern regions. Our previously voiced expectations are partially confirmed: without significant cuts in mortgage interest rates, excessive amounts of sales stock will accumulate on the market in Q2, which will then lead to price falls in Q3 and Q4.

“ In addition to the dark clouds of oversupply and the Renters’ Rights Bill, there’s the disastrous performance of the wider UK economy.

What little is left of the UK’s manufacturing base is being shut down. Car factories, chemical plants and steel plants are all being sacrificed on the altar of Net Zero. Billionaire chairman of Ineos Sir Jim Ratcliffe pointed out that: ‘Deindustrialising Britain achieves nothing for the environment. It merely shifts production and emissions elsewhere. The UK, and particularly the north, needs high-quality manufacturing and the associated manufacturing jobs.

‘We are witnessing the extinction of our major industries as chemical manufacture has the life squeezed out of it.’ Ratcliffe went on to say that the UK’s emissions trading scheme has effectively served as a tax on UK producers, favouring imported products from countries without such a scheme. He also added that energy prices in the UK have more than doubled in the last five years which has incentivised imports from the US where energy prices are five times lower.

If sky-high energy prices weren’t bad enough for UK competitiveness, it’s now become too expensive to employ people due to the rise in National Insurance Contributions. Consequently, production is being moved overseas to where the cost of labour is less. Taxing jobs is also hitting the high street hard. Shadow Chancellor Mel Stride said the NICs hike will be the ‘final nail in the coffin’ for many British pubs.

The Tory added: ‘Pubs, restaurants, and low-wage sectors are facing job cuts, higher costs and reduced growth, having already been clobbered with a 140 per cent rise in business rates. The Chancellor’s reckless anti-business jobs tax will cost pubs £4,000 on average, threatening their future everywhere.’

Iceland frozen foods boss Richard Walker told Ms Reeves: ‘We do not have bottomless

reserves of cash put aside in a piggy bank for the Government to draw on.’ Mr Walker further warned there will be dire consequences for small businesses unable to absorb costs.



UK Hospitality estimates the new NICs changes will cost the sector £1billion. And that is only part of a total £3.4billion cost to the industry from other increases this month. It says 774,000 hospitality workers will be sucked into employer NICs for the first time: a fifth of the entire sector’s workforce. Moreover, 70 per cent of hospitality business leaders think they will be forced to reduce employment levels.

And if all that wasn’t bad enough, Labour have a controversial workers’ rights plan which will hand sweeping powers to unions and stifle business. Shevaun Haviland of the British Chambers of Commerce said the Employment Rights Bill ‘risks unintended consequences’. And Tina McKenzie of the Federation of Small Businesses said it will ‘hold back job creation’.

Demand for property clearly depends on people retaining their jobs. Current trends suggest that demand will be eroded increasingly quickly as more and more businesses shed workers in an attempt to cut costs and survive. Starmer’s government must wake up and listen to the dire warning coming from the business sector before it is too late. This economic downward spiral will take everything down with it, including the property market, unless Labour make radical changes to their economic policy.

Doug Shephard
Director at Home.co.uk



UK Asking Prices

Scotland	Apr-25
Average Asking Price	£237,577
Monthly % change	1.3%
Annual % change	5.0%

North East	Apr-25
Average Asking Price	£202,073
Monthly % change	0.5%
Annual % change	3.7%

Yorks & The Humber	Apr-25
Average Asking Price	£260,863
Monthly % change	0.5%
Annual % change	4.2%

North West	Apr-25
Average Asking Price	£274,592
Monthly % change	0.3%
Annual % change	2.3%

West Midlands	Apr-25
Average Asking Price	£308,624
Monthly % change	0.6%
Annual % change	2.3%

East Midlands	Apr-25
Average Asking Price	£287,272
Monthly % change	0.9%
Annual % change	2.0%

East	Apr-25
Average Asking Price	£394,926
Monthly % change	0.7%
Annual % change	0.3%

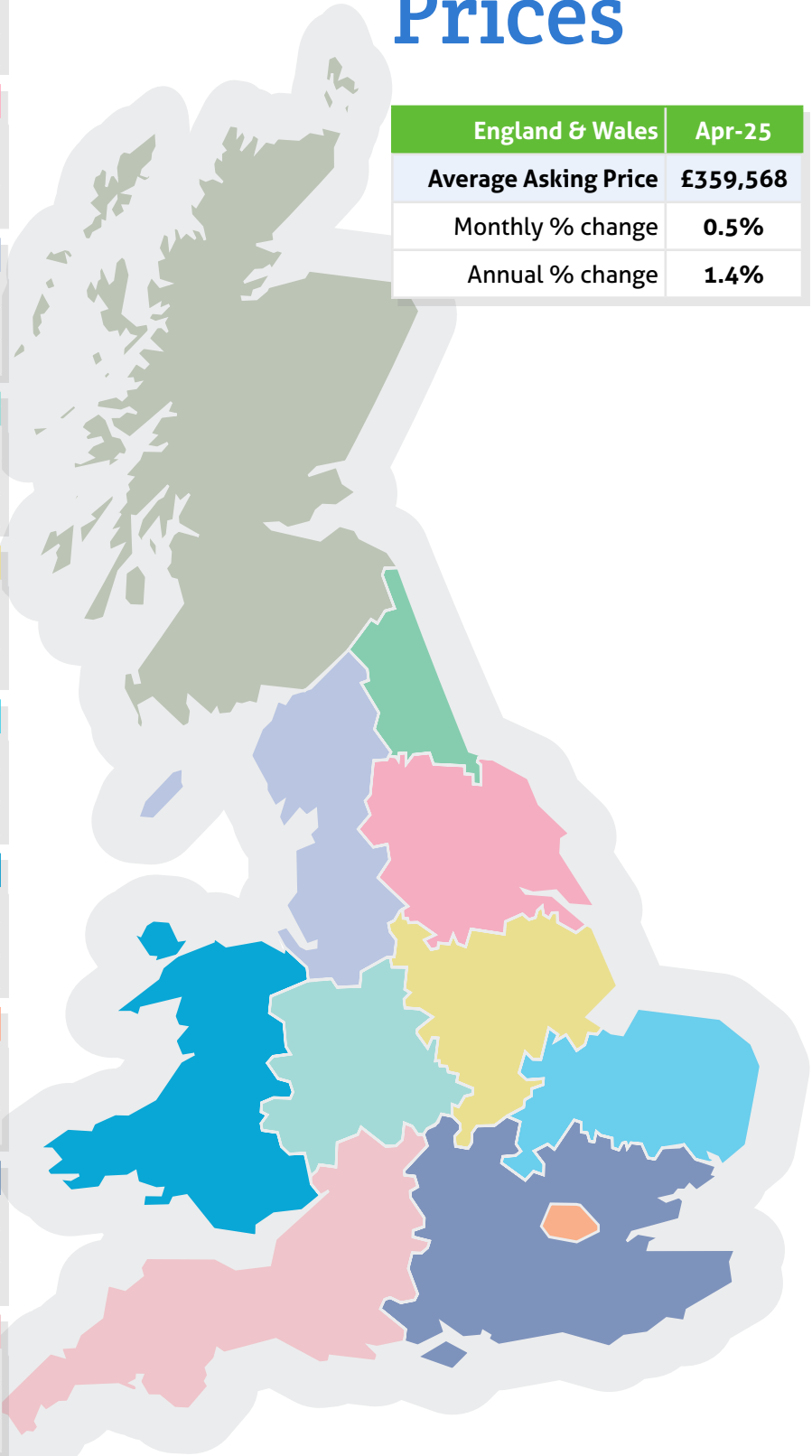
Wales	Apr-25
Average Asking Price	£273,821
Monthly % change	1.0%
Annual % change	1.8%

Greater London	Apr-25
Average Asking Price	£546,845
Monthly % change	-0.1%
Annual % change	1.0%

South East	Apr-25
Average Asking Price	£444,650
Monthly % change	0.8%
Annual % change	0.2%

South West	Apr-25
Average Asking Price	£381,854
Monthly % change	0.8%
Annual % change	0.9%

England & Wales	Apr-25
Average Asking Price	£359,568
Monthly % change	0.5%
Annual % change	1.4%



Source: Home.co.uk Asking Price Index, April 2025

UK Time on Market

Scotland	Apr-25
Average Time on Market	207
Typical Time on Market	79
Annualised % supply change	2%

North East	Apr-25
Average Time on Market	165
Typical Time on Market	76
Annualised % supply change	0%

Yorks & The Humber	Apr-25
Average Time on Market	158
Typical Time on Market	80
Annualised % supply change	3%

North West	Apr-25
Average Time on Market	162
Typical Time on Market	81
Annualised % supply change	2%

West Midlands	Apr-25
Average Time on Market	159
Typical Time on Market	76
Annualised % supply change	4%

East Midlands	Apr-25
Average Time on Market	156
Typical Time on Market	78
Annualised % supply change	3%

East	Apr-25
Average Time on Market	156
Typical Time on Market	76
Annualised % supply change	3%

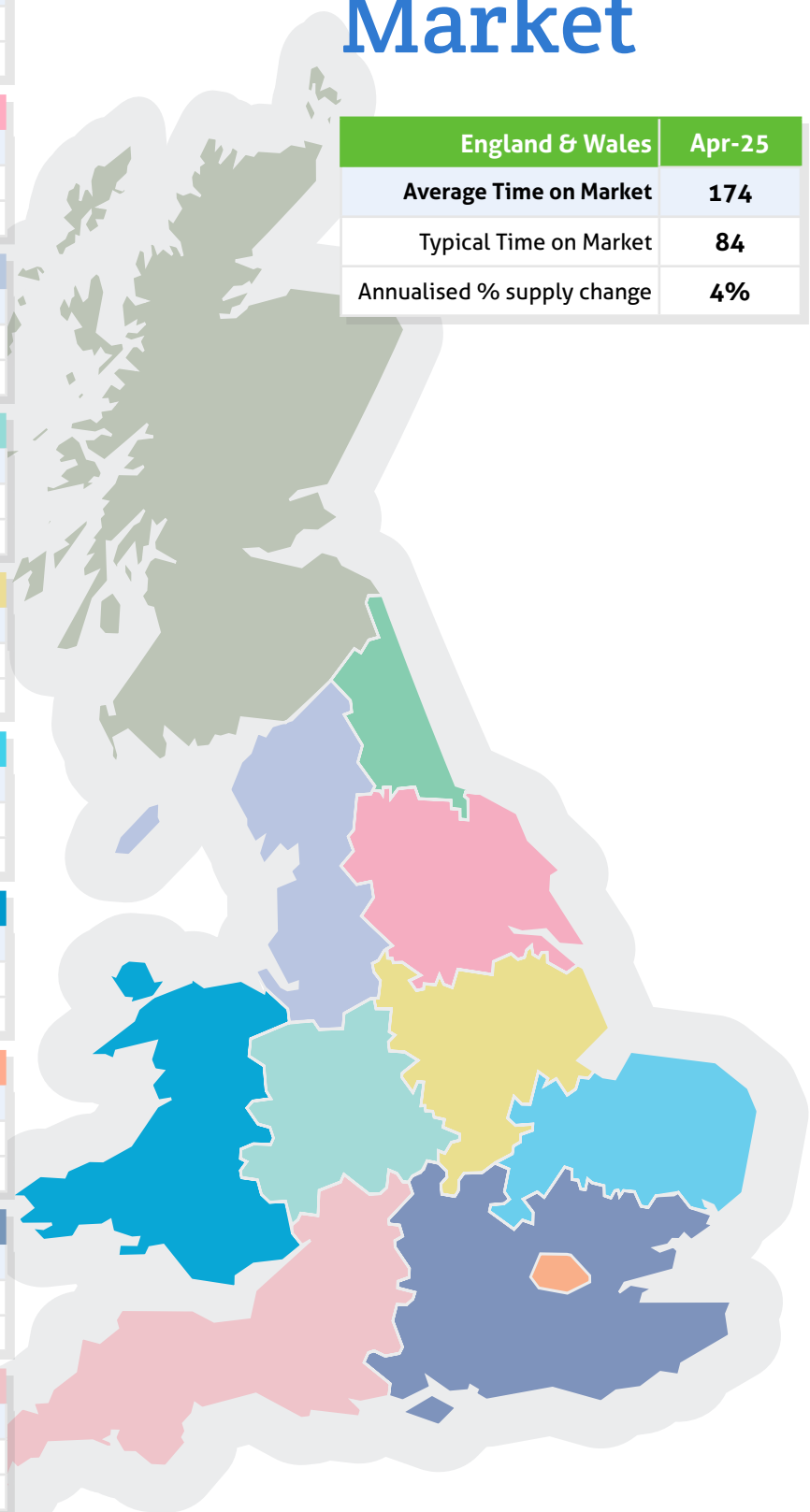
Wales	Apr-25
Average Time on Market	194
Typical Time on Market	112
Annualised % supply change	7%

Greater London	Apr-25
Average Time on Market	195
Typical Time on Market	81
Annualised % supply change	8%

South East	Apr-25
Average Time on Market	164
Typical Time on Market	77
Annualised % supply change	2%

South West	Apr-25
Average Time on Market	170
Typical Time on Market	86
Annualised % supply change	8%

England & Wales	Apr-25
Average Time on Market	174
Typical Time on Market	84
Annualised % supply change	4%



Source: Home.co.uk Asking Price Index, April 2025. Average = Mean (days), Typical = Median (days).



About the Home.co.uk Asking Price Index

- The Home.co.uk Asking Price Index was originally devised in association with Calnea Analytics: the statistical consultancy responsible for the production of the official Land Registry House Price Index.
- The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) Survey of English Housing Stock (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the Office of National Statistics.
- The HAPI is the UK's only independent forward market indicator. The published figures reflect current and historic confidence of buyers and sellers of UK property on the open market. The HAPI is calculated every month using around 500,000 UK property house prices found in the Home.co.uk Property Search Index. This figure represents the majority of the property for sale on the open market in the UK at any given time.
- The HAPI is based on asking price data which means the index can provide insights into price movements around 5 months ahead of mortgage completion and actual sales data – thus making it the most forward looking of all house price indices. Properties above £1m and below £20k are excluded from the calculations.

Contact details and further information

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- To learn more about Home.co.uk please visit:
<https://www.home.co.uk/company/about.htm>
- For further details on the methodology used in the calculation of the HAPI please visit:
https://www.home.co.uk/asking_price_index/Mix-Adj_Methodology.pdf
- To learn more about Home.co.uk data services please visit:
<https://www.home.co.uk/company/data/>

Future release dates:

- Wednesday 14th May
- Thursday 12th June
- Wednesday 16th July