

RESEARCH

Housing Market Update

March 2025

Market Overview

Once again the various economic metrics show a mixed picture: GDP growth was positive in December at a robust 0.4%, but this level of growth was the exception rather than the rule as the total Q4 output came in at just 0.1%. Inflation also rose unexpectedly in January and is forecast to rise further this year, potentially complicating the Bank of England's decision-making over further interest rate cuts.

The housing market showed continued improvement in December, with rising sales

transactions and mortgage approvals. However, the more recent RICS residential survey suggests a loss of momentum in early 2025, indicating a stabilising rather than improving market. Recent price data from key private indices also points to market stability, with annual growth remaining positive but hovering between 3% and 4%. Early indications suggest that rental growth is finally easing, with asking rents rising at their slowest pace in several years according to both Zoopla and Rightmove.

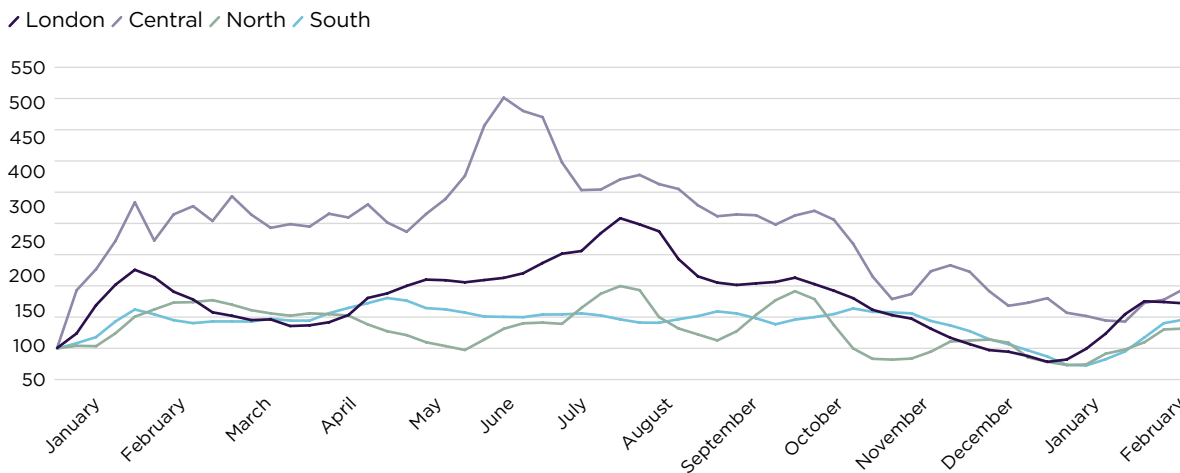
Sales and Lettings prices

- Nationwide reported house price growth of 4.1% annually in January, moderately slower than 4.7% in December. On a monthly basis prices rose by an average of 0.1%, also down from December where 0.7% growth was recorded. The average house price in the UK is now £268,213.
- Halifax also recorded a slowing rate of house price growth with prices rising by 3.0% over the 12 months to January, down from (a revised) 3.4% in December. On a monthly basis though prices were found to have grown by 0.7%, leading to an average property price of £299,138, the highest on record.
- Rightmove reported a 1.4% annual rise in asking prices in their February House Price Index report, down from 1.8% recorded last month and reflecting a monthly rise of 0.5%. The report notes that the upcoming stamp duty deadline may be contributing to a dearth of buyer demand, leading some vendors to lower their price expectations this month.
- Across the 19 tracked Carter Jonas locations none posted overall price falls in 2024, although Dorset saw nearly no growth at 0.4% for the year. South Oxfordshire saw the highest rates of growth of 9.3% followed by its neighbour Vale of White Horse at 8.1% and Leeds with 7.1%.
- Rental growth decelerated again in January, declining for the second month in a row, this time to 8.7%, from 9% in December according to the official Private Index of Private Rents (PIPR) from the ONS. London still saw the highest rate of growth of all the regions and countries with annual growth of 11%, although this is down from 11.5% the month before.
- Asking rents for new lets grew by an average of 4.7% according to Rightmove's Q4 rental report (UK, excluding London). This is down from 5.2% the previous quarter. Within Greater London rents were found to have increased by 2.4%, down slightly from 2.5% in Q3.





Figure 1 Carter Jonas Enquiry level trends, since January 2024
 Source: Carter Jonas. Enquiry levels are four-week rolling average



Activity

- Mortgage approvals rose slightly in December, increasing by around 1% over November, to 66,526. This is 27% higher than the figure in December 2023 (Bank of England). Total transactions also increased in December, rising to just over 96,300, reflecting a rise of 3% over November's figure and 18% more than the same month one year prior (HMRC).
- The number of available homes for sale reached a decade high this month, according to Rightmove's latest housing report, 13% higher than this time last year. Buyer demand is up 8% and the number of agreed sales is 15% more than the same period in 2024. They go on to estimate there are currently over half a million homes sold and awaiting completion, 25% more than this time last year as the stamp duty deadline of 31st March edges closer.
- In the lettings market, the latest Rightmove Rental Trends Tracker for Q4 2024 reported an overall reduction in the gap between supply and demand as the number of tenants looking to move declined by 16% year on year, while the number of available properties to let is 13%

higher. Despite this, the gap is still wide by historic standards with the average number of applications per available property standing at ten.

- Enquiry levels improved significantly from the last week of January into February, as the usual post-holiday lull subsided. Our London offices saw a sharp 78% increase in enquiries over the past four weeks, while our southern offices experienced a 61% rise, and Harrogate and York offices saw a 50% increase.



61%

**rise in enquiries
 in our southern
 offices from the last
 week of January**

Official House Price data

HM Land Registry
December 2024

Source: HM Land Registry

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
South Oxfordshire	£484,364	1.4%	9.3%
Vale of White Horse	£397,509	1.3%	8.1%
Leeds	£244,576	0.7%	7.1%
Winchester	£502,974	2.2%	6.2%
South Cambridgeshire	£450,557	1.5%	5.3%
North Yorkshire	£276,027	1.0%	5.3%
United Kingdom	£268,087	-0.1%	4.6%
Wiltshire	£331,255	-0.3%	4.6%
Cambridge	£514,897	-0.5%	4.4%
England	£290,564	0.0%	4.3%
Cambridgeshire	£344,176	0.5%	4.1%
West Berkshire	£395,553	1.6%	3.7%
Somerset	£282,374	0.4%	3.5%
Outer London	£506,678	-0.7%	3.3%
West Oxfordshire	£410,705	-1.8%	2.2%
York	£303,107	-1.7%	1.8%
Bath and North East Somerset	£410,413	-1.9%	1.7%
Suffolk	£286,772	-0.6%	1.2%
Oxford	£474,136	-3.5%	1.0%
London	£548,939	-0.3%	0.0%
Inner London	£628,335	-2.1%	-4.8%
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 January 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 (%)
Prime Central London	£3,453	1.1%	13.1%
South West London	£2,441	0.9%	12.2%
South Oxfordshire	£1,368	0.7%	12.0%
Bath and North East Somerset	£1,692	2.1%	11.3%
London	£2,227	0.3%	11.0%
England	£1,375	0.4%	8.9%
Oxford	£1,798	0.5%	8.8%
Cambridge	£1,755	0.5%	8.8%
Winchester	£1,416	0.4%	8.7%
South Cambridgeshire	£1,332	0.4%	8.1%
Wiltshire	£986	0.7%	7.2%
North Yorkshire	£811	0.6%	7.0%
Vale of White Horse	£1,286	0.5%	6.1%
West Oxfordshire	£1,278	0.3%	5.9%
York	£1,107	0.3%	5.8%
West Berkshire	£1,238	0.2%	5.5%



***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

78%

LONDON

61%

SOUTH

9%

CENTRAL

50%

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.

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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.

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