

House Price Index

The largest monthly sample of residential property prices and housing market activity

+1.7%

Monthly average asking price increase, largest at this time of year since 2020

+1.8%

Prices are now 1.8% ahead of last year

+11%

Number of new properties coming to market versus same period last year

Record number of sellers in promising start to 2025, but uncertainties ahead

- The average price of property coming to market rises by 1.7% (+£5,992) this month to £366,189, the largest jump in prices at the start of the year since 2020:
 - New seller asking prices are still nearly £9,000 below May 2024's record, reflecting buyer affordability constraints
- A record number of early-bird new sellers have come to market since Boxing Day, giving buyers the highest level of choice at the start of a year since 2015, which has also contributed to an encouraging start to 2025 buyer activity:
 - The number of new properties coming to market is 11% ahead of the same start-of-the-year period last year
 - The number of buyers contacting agents about properties for sale since Boxing Day is 9% ahead of last year, and the number of sales being agreed over the same period is up by 11%
 - Rightmove has recorded its busiest start to a year for Mortgage In Principle applications, evidence of buyer intent
- However, despite the promising start to 2025 there are uncertainties ahead, including the pace and number of interest rate drops and the impact of the stamp duty deadline on 31st March
- Mortgage rates remain sticky, blocking many buyers from significant affordability improvements:
 - Rightmove's weekly mortgager tracker shows that the average five-year fixed mortgage rate is now 4.75% compared with 4.78% at this time last year

National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
January 2025	£366,189	+1.7%	+1.8%	283.1
December 2024	£360,197	-1.7%	+1.4%	278.5

National average asking price by market sector (excluding inner London)

Sector	January 2025	December 2024	Monthly change	Annual change
First time buyers	£227,212	£225,086	+0.9%	+2.1%
Second-steppers	£339,323	£335,900	+1.0%	+2.3%
Top of the ladder	£655,288	£643,182	+1.9%	+1.9%

Rightmove measured 75,761 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 8th December – 11th January and advertised on Rightmove.co.uk.

Overview

The average price of property coming to the market for sale rises by 1.7% this month (+£5,992) to £366,189. This is the largest monthly jump in prices at the start of the year since 2020, as new seller asking prices bounce back from the usual seasonal fall in December and begin 2025 with some new year optimism. Average asking prices are still £8,942 below May 2024's peak, reflecting buyer affordability constraints. However, with a record number of early-bird new sellers coming to market from Boxing Day and into January, there seems to be pent-up demand to move. The number of new properties coming to market is 11% ahead of the same period at the start of last year, while the average number of homes for sale per estate agency branch is currently at the highest for this time of year in 10 years. High buyer choice has contributed to increases in buyer enquiries and sales agreed compared to a year ago, but also means fierce seller competition to attract these new year buyers. Some sellers may find that they have been too optimistic on their initial pricing and get left on the shelf in favour of more competitively priced neighbours.



New sellers have started the year with a bang, with a record number coming to market not only on Boxing Day itself, but across the start of the year to date. We've also seen a strong start to the year in new seller asking prices, though given the higher-than-anticipated seller competition, we would expect this to slow down over the next few months. The record number of sellers we're seeing is a double-edged sword. It's encouraging to see so many sellers with the confidence to come to market, providing buyers with fresh choice. However, with lots of homes for buyers to consider, sellers will need to work even harder to stand out from the crowd and attract a buyer. This could be with a tempting asking price, standout home features, immaculate presentation of the home, or a combination of all of these. It's vital that in a competitive market, sellers take on the recommendations of their agent, particularly when it comes to setting a realistic price.

Colleen Babcock, property expert at Rightmove



Buyer activity is also starting the year encouragingly, as many festivity-distracted buyers return to make their move happen. Since Boxing Day, the number of buyers contacting estate agents about homes for sale is up by 9% on the same period last year. The combination of good choice and healthy buyer demand has kept the sales trend positive, with the number of sales being agreed between buyers and sellers now 11% ahead of this time last year. Rightmove has also recorded its busiest start to a year for prospective home-movers applying for a Mortgage in Principle to understand what they may be able to borrow from a lender, which is evidence of future buyer intent. All of these very early lead indicators at the start of this year point to a busier 2025. Rightmove forecasts a larger number of transactions this year of 1.15 million, and an average asking price increase of +4%.

However, despite many positive activity metrics when compared with last year, there are uncertainties ahead, including the pace and number of future interest rate drops and the impact of increased stamp duty for many home-movers from 1st April. One market sector that Rightmove anticipates will be particularly affected is the smaller-homes, typical first-time-buyer sector. Since Boxing Day, the number of enquirers in this sector is up by 8%, the lowest increase of all market sectors. First-time buyers in cheaper parts of England will largely be unaffected. However, stamp duty charges rising for those buying above £300,000 will be a drag on the important bottom-of-the-ladder market in more expensive areas, unless some additional help for first-time buyers is announced soon.

Mortgage rates remain at unexpectedly high levels, which means that many buyers are not seeing significant affordability improvements. Rightmove's weekly mortgage tracker shows that the average five-year fixed mortgage rate is now 4.75% compared with 4.78% at this time last year. While the average two-year fixed mortgage rate has improved, it is still 4.97%, down only slightly on last year's 5.08%. There have been changing messages on how many Bank Rate cuts to expect this year, which are causing some uncertainty and will prevent some potential buyers from joining in the new year enthusiasm.



It's important to look at the bigger market picture, despite the positive early lead indicators that we're seeing. Many buyers are still affordability-stretched, with high mortgage rates restricting borrowing power and limiting what they can afford to pay. Meanwhile, first-time buyers have seen support schemes reduce and some also face higher stamp duty fees from April, all while contending with record rents and trying to save up for a deposit. Rightmove's early-year snapshot shows a promising start to 2025. However, the market needs a boost for that momentum to be sustained, in the form of early and ongoing Bank Rate cuts, which should hopefully help to reduce mortgage rates. Some further support for first-time buyers would also be welcomed, particularly in more expensive areas of the country.

Colleen Babcock, property expert at Rightmove



Experts' views



The message around how many Bank Rate cuts we should expect this year keeps changing, creating some uncertainty for movers. News of high government borrowing costs was swiftly followed by better-than-expected inflation figures, highlighting how quickly the mood can change. The markets are still banking on a cut in February, but after that it becomes uncertain. I think we'll need to get settled into the year a little more before the direction of travel for rates this year becomes clearer.

Matt Smith, mortgage expert at Rightmove

As we step into 2025, the housing market is already showing signs of robust activity, with demand from buyers increasing year on year. This growth is fuelled by a combination of economic stability, renewed consumer confidence, and slightly more favourable lending conditions.

The supply side of the market is also showing encouraging trends, with a good level of new instructions coming onto the market for sale. Sellers are responding to the strong buyer demand and stable property prices, taking advantage of an opportune moment to list their homes. This healthy balance between supply and demand is fostering a dynamic marketplace, benefiting both buyers and sellers. If mortgages rates reduce notably, it could be a positive year ahead.

Peter Lawrence, Founder at Lawrence Rand in Ruislip

We have high hopes for a strong year in 2025, with a larger pipeline of sales compared with the start of last year. We expect a solid first three months in exchanges and completions. After the cold snap we've just had, viewings, offers and sales being agreed are picking up again at a solid rate.

Sellers seem to be listening to our valuation recommendations more than previously, I think this down to expectations being more realistic, and an understanding that mortgage costs are now much higher. Lending is still a challenge with uncertainty in interest rates, but there is still hope mortgage rates will come down. This is causing some buyers to hesitate, hoping they will get a better deal.

All in all, we expect a better year than 2024, but know that challenges are still ahead, with a lot riding on the government and Bank of England being consistent in their approach.

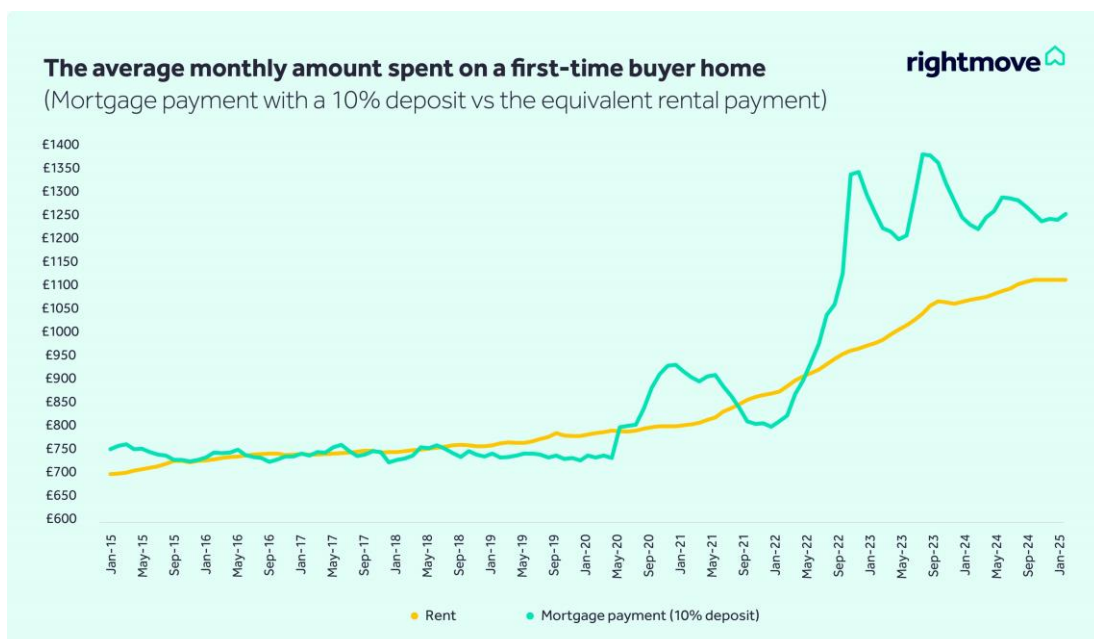
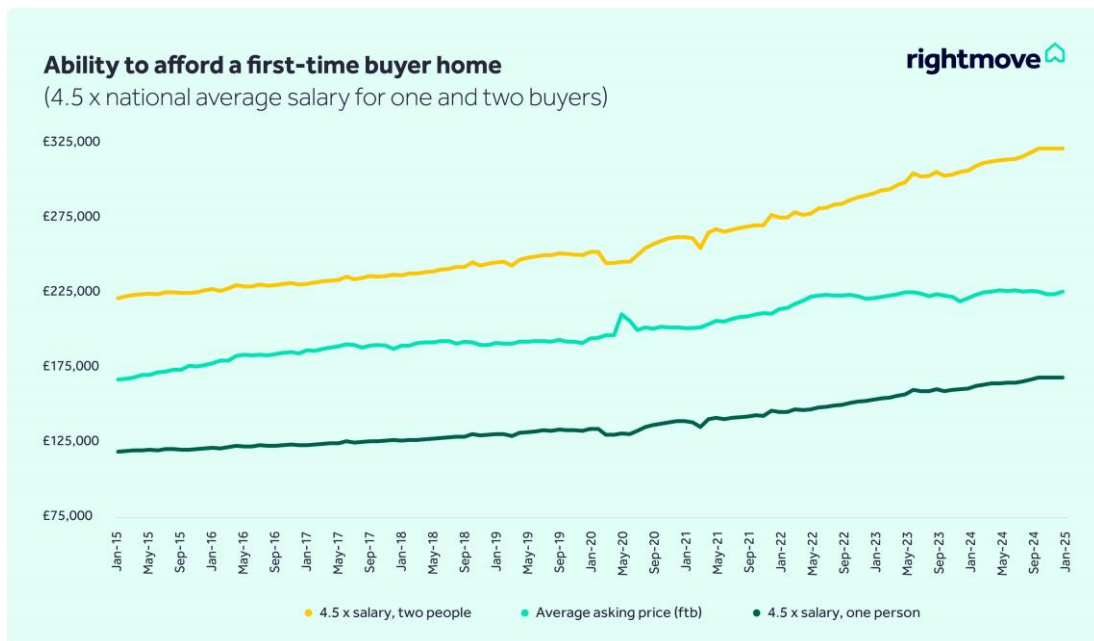
Jordan Halstead, CEO at Jordan & Halstead Estate Agents in Chester



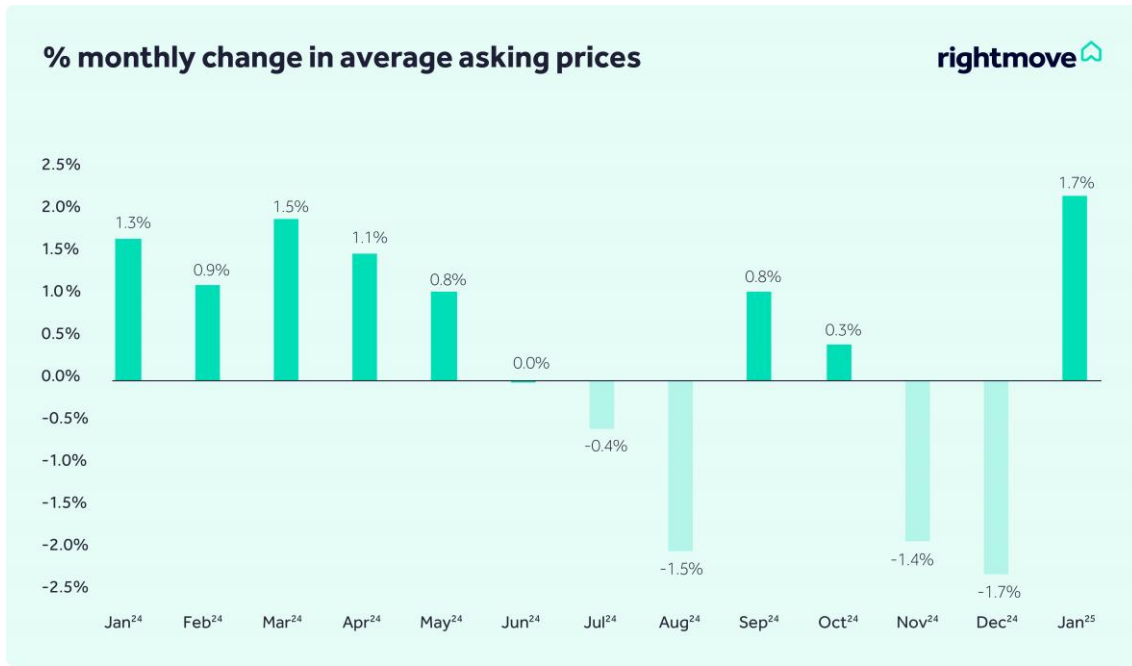
Affordability trends

The first-time buyer monthly mortgage payment is based on Bank of England data of the averages for 90% LTV two-year fixed mortgages from lenders, and the average asking price of a typical first-time buyer home (two bedrooms or fewer) using the Rightmove House Price Index. The equivalent monthly rent is calculated using the same property types (two bedrooms or fewer).

The affordability to buy a first home is based on the Average Weekly Earnings (AWE) dataset from ONS multiplied by 4.5 to get the typical maximum that a person can borrow from a lender. The average asking price of a typical first-time buyer home is taken from the Rightmove House Price Index.



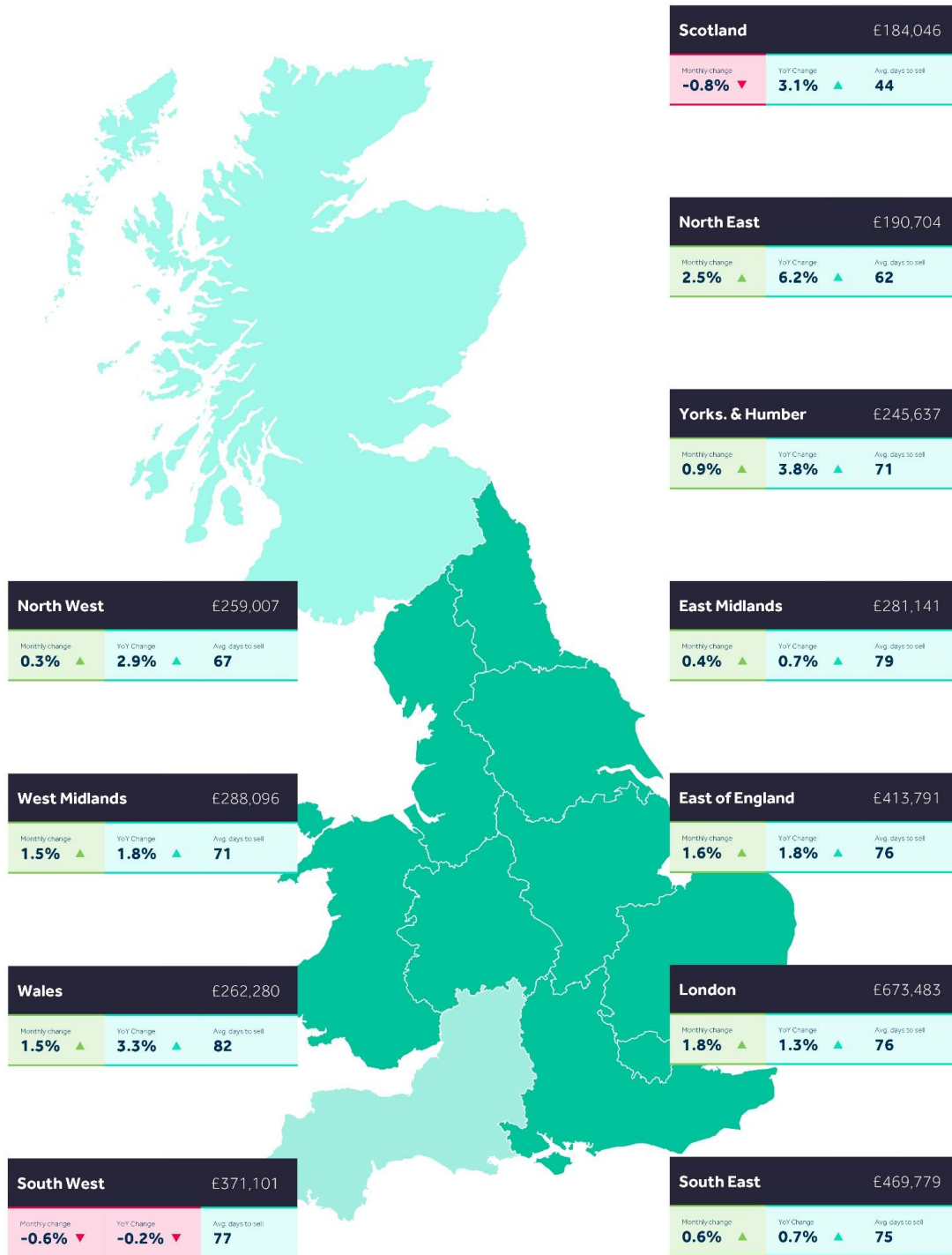
Price & activity trends





Regional trends

● Increase from previous month ● Decrease from previous month



London boroughs

Borough data is based on a three-month rolling average and can be used as an indicator of overall price trends in each borough over time. It is not directly comparable with the overall London monthly figures.

Borough	Avg. price Jan. 25	Monthly change	Annual change
Merton	£716,300	-4.9%	7.5%
Barking and Dagenham	£378,764	0.6%	5.3%
Hillingdon	£570,532	1.8%	5.3%
Sutton	£549,399	-0.2%	3.9%
Redbridge	£512,057	0.0%	3.7%
Newham	£469,975	-1.2%	3.4%
Enfield	£499,902	-0.6%	3.0%
Waltham Forest	£562,321	-1.2%	2.9%
Bromley	£624,433	-0.5%	2.9%
Tower Hamlets	£594,253	-1.3%	2.6%
Kingston upon Thames	£689,679	-1.1%	2.5%
Islington	£805,358	-1.5%	2.4%
Croydon	£485,893	0.1%	2.1%
Greenwich	£497,124	-0.6%	2.0%
Barnet	£715,831	-0.7%	1.8%
Hounslow	£591,992	-0.6%	1.8%
Ealing	£612,063	0.5%	1.7%
Southwark	£653,477	-2.0%	1.1%
Hackney	£694,033	-0.3%	0.8%
Hammersmith and Fulham	£995,638	-1.0%	0.8%
Bexley	£476,338	-1.4%	0.8%
Lambeth	£670,989	-0.8%	0.6%
Lewisham	£516,313	0.1%	0.0%
Haringey	£661,785	-2.9%	-0.1%
Havering	£477,188	0.4%	-0.4%
Camden	£1,031,176	-2.6%	-1.1%
Harrow	£609,991	-1.3%	-1.6%
Wandsworth	£846,866	-0.9%	-2.1%
Brent	£607,371	-0.3%	-2.8%
Kensington and Chelsea	£1,568,103	-5.0%	-3.8%
Richmond upon Thames	£896,828	-4.1%	-4.3%
Westminster	£1,398,520	-4.8%	-4.8%

About the Index

The Index includes asking price breakdowns in the housing market to offer trends at three different sectors of the market: first-time buyer, second-stepper and top of the ladder. Inner London prices have been excluded from this categorisation as the normal housing ladder is not really applicable. The Rightmove House Price Index methodology was last updated and restated in January 2018.

Advertising property for over 90% of all UK estate agents, Rightmove is in a unique position to identify any immediate changes in the market. Rightmove's House Price Index is compiled from the asking prices of properties coming onto the market via over 13,000 estate agency branches listing on Rightmove.co.uk. Rather than being a survey of opinions as with some other indices, it is produced from factual data of actual asking prices of properties currently on the market. The sample includes up to 200,000 homes each month – representing circa 95% of the market, the largest and most up-to-date monthly sample of any house price indicator in the UK. The Index differs from other house price indicators in that it reflects asking prices when properties first come onto the market, rather than those recorded by lenders during the mortgage application process or final sales prices reported to the Land Registry. In essence, Rightmove's Index measures prices at the very beginning of the home buying and selling process while other indices measure prices at points later in the process. Having a large sample size and providing real-time data, the Rightmove Index has established itself as a reliable indicator of current and future trends in the housing market.

First-time buyer: This figure represents the typical property a first-time buyer would purchase, covering all two bed properties and smaller that come to market (houses and flats).

Second-stepper: This figure represents the typical property of a person moving from their first home, covering all three and four bed properties that come to market (houses and flats) excluding four bed detached houses.

Top of the ladder: This figure represents asking prices at the top end of the market, covering all five bed properties and above (houses and flats), as well as four bed detached houses.

Rightmove is the UK's leading property portal, advertising homes and commercial property for Estate Agents, Lettings Agents and New Home Developers from the UK and Overseas. Rightmove's vision is to give everyone the belief that they can make their move by giving people the best place to turn and return to for access to tools and expertise to make it happen, including a Mortgage in Principle, local sold prices, property valuations, market trends, maps and schools.

Average mortgage rates to be credited to Rightmove. The data is provided by specialist mortgage technology provider Podium Solutions. The data covers 95% of mortgage lending, to exclude specialist lenders. If you would like further data on different LTVs or fixed terms, please contact us.