



# MARKLAND HILL WEALTH

INDEPENDENT FINANCIAL ADVISERS

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## Residential Property Review

April 2025



### Most homeowners underestimate property value by tens of thousands

**Zoopla research says most homeowners are in the dark about their property's true value.**

While house prices have held steady in recent years, long-term growth has come as a surprise to many homeowners. Zoopla's data shows 64% of homeowners underestimate how much their property is worth. Over a third valued their home at least £100,000 too low, while nearly one in five missed the mark by £250,000 or more.

Undervaluing their biggest financial asset is especially common for homeowners in the North East, where 81% reported their property was worth more than expected, followed closely by Scotland and the South West. Many said rising demand in their area or home improvements had driven the increase in value. Owners who've held their property for 30 years or more tended to be most in tune with market trends, checking values more regularly.

### Prime London property market cools in early 2025

**Demand for high-end London homes dipped in Q1 2025, despite the strong finish to last year.**

While pockets of the market remain resilient, overall buyer appetite has softened across much of London's luxury property scene. Figures from estate agent Benham and Reeves show demand across prime London neighbourhoods fell nearly 4% compared to Q4 2024, with just under 16% of homes priced at £2m or more securing a buyer.

Richmond was the most sought-after area, with nearly 39% of homes finding a buyer. Chiswick saw the biggest quarterly boost in activity, while Clapham recorded the steepest decline.

Demand for 'super-prime' homes priced at £10m upwards slipped to just 3.1%. Wimbledon led the pack, with a third of properties finding buyers, although this was a sharp drop from the previous quarter. Victoria and Chelsea posted gains of 5.6% and 3.2%, respectively.

### Home moving costs climb sharply as Stamp Duty relief ends

**Moving costs have risen sharply over the past year, with Stamp Duty changes hiking buyers' bills.**

Estate agency Yopa says the average cost of moving is now £51,826, up nearly 11% in just 12 months. One year ago, the average mover paid around £1,400 in Stamp Duty. That jumped to just over £2,000 earlier this year, but with tax relief thresholds changing on 1 April, the typical bill has now more than tripled to £4,528. Conveyancing fees now average £1,364, up 12.5%, while average mortgage payments have risen 3% to £1,432. Removal costs have edged higher to just under £920. The largest cost incurred, averaging over £43,000, is a deposit.

Yopa's CEO Verona Frankish said, "Like house prices, [home ownership] costs have increased pretty much across the board and total as much as £52,000 depending on which UK nation you're looking to make your move within."

House prices  
headline statistics

House Price Index (Feb 2025)	102.8
Average House Price	£268,000
Monthly Change	0.0%
Annual Change	5.4%

\*(Jan 2023 = 100)

- Average house prices in the UK increased by **5.4%** in the year to February 2025
- House prices remained level at **0%** on average between January and February 2025
- The average property price in London is £555,625.

Source: The Land Registry  
Release date: 16/04/25  
Next data release: 21/05/25

House prices  
Price change by region

Region	Monthly change (%)	Annual change (%)	Average price (£)
England	0.3%	5.3%	£291,640
Northern Ireland (Quarter 4 - 2024)	1.5%	9.0%	£183,259
Scotland	-1.5%	5.7%	£185,870
Wales	-0.7%	4.1%	£207,382
East Midlands	0.4%	6.0%	£241,209
East of England	0.0%	4.2%	£338,468
London	-1.1%	1.7%	£555,625
North East	0.4%	7.9%	£160,452
North West	0.7%	8.0%	£211,977
South East	-0.3%	4.6%	£384,659
South West	0.7%	3.9%	£308,207
West Midlands Region	1.1%	6.0%	£246,636
Yorkshire and The Humber	1.6%	7.5%	£205,455

Average monthly price by  
property type – Feb 2025

Property Type	Annual Increase
Detached £438,255	5.5%
Semi-detached £270,925	6.1%
Terraced £225,486	6.2%
Flat / maisonette £196,110	3.0%

Source: The Land Registry  
Release date: 16/04/25

Mortgage borrowing slows despite falls in rates and inflation

Mortgage borrowing dipped in February, as affordability pressures weigh on homebuyers.

The Bank of England's latest Money and Credit report showed net mortgage lending fell to £3.3bn in February, down £0.9bn from January. Overall lending remained stable, with annual growth in mortgage borrowing at 1.9%.

Gross mortgage lending rose to £24.3bn in February, the highest since November 2022, while repayments also increased to £19.8bn. However, the number of mortgage approvals for house purchases edged down slightly to 65,500, hinting at subdued future borrowing. Approvals for remortgaging with a new lender also slipped to 32,000.

Karim Haji, UK Head of Financial Services at KPMG, said, “The surprising dip in mortgage approvals against a backdrop of lower inflation, interest and mortgage rates and the Stamp Duty increase, suggests that affordability continues to put pressure on household finances.”

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All details are correct at the time of writing (16 April 2025)

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