



MARKLAND HILL WEALTH

INDEPENDENT FINANCIAL ADVISERS

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Residential Property Review

January 2025



What to expect in 2025...

Property experts Savills are hopeful that 2025 will be a positive year for the housing market, despite some challenges.

The average house price is expected to increase by 4% over the course of this year, partly due to improved mortgage affordability restoring confidence among potential buyers. In 2024, performance in London was better than expected; more people returned to work in the capital, reversing the pandemic's 'race for space'. As a result, house price growth in the South West, and East of England is expected to fall below London in 2025.

Challenges are expected to persist for the rental market because demand continues to exceed supply. Savills expect that rents will increase by 4.0%, outpacing income growth. Also, the prime housing market is likely to display slower recovery due to the abolition of the 'non-dom' tax status plus the increased Stamp Duty surcharge on second homes.

Uptick in property listings in January

The number of property listings surged at the start of 2025, according to online estate agents Yopa.

There is often a spike in housing stock in January, as many homeowners make new year's resolutions to move. This year was no exception, with 25,837 new homes listed within the first week of 2025. Bristol experienced the most significant rise, with the number of properties for sale going up by 12.3%.

There was also a notable increase of 9.4% in both Merseyside and Norfolk. This flurry of activity could be attributed to the upcoming Stamp Duty deadline, which is expected to prompt a busy Q1.

On the other hand, the City of London has seen the weakest seller activity of 2025 thus far, with property listings increasing by only 2.3%. Similarly, Cornwall (3.3%) and Cumbria (3.6%) experienced marginal rises in owners putting their homes up for sale.

How long do people live in their homes?

Zoopla has revealed the average time spent in a property before moving out.

According to Zoopla's research, the typical UK homeowner will live in their home for nine years. Of the homes sold over the last 18 months, two trends were found. Firstly, there was a peak in sales from owners who moved in between 2005-2007, before the global financial crisis. Also, there was a spike in activity amongst sellers who bought their homes three to six years ago (before or during the pandemic). The key factors motivating people to move are changes to lifestyle, fire safety issues and affordability challenges.

The length of time spent in a property varies depending on region. Those living in Scotland and the North East are more likely to sell within five years because the cost of moving is cheaper, meanwhile Londoners stay put the longest.

House prices headline statistics

House Price Index (Nov 2024)	151.9
Average House Price	£290,000
Monthly Change	-0.4%
Annual Change	3.3%

*(Jan 2015 = 100)

- Average house prices in the UK increased by **3.3%** in the year to November 2024
- House prices fell by **0.4%** on average since October
- The average price in London was **£511,279**.

Source: The Land Registry
Release date: 15/01/25
Next data release: 19/02/25

House prices Price change by region

Region	Monthly change (%)	Annual change (%)	Average price (£)
England	-0.4%	3.0%	£306,494
Northern Ireland (Quarter 3 - 2024)	2.8%	6.2%	£190,553
Scotland	-0.8%	4.7%	£195,036
Wales	-0.7%	3.0%	£219,446
East Midlands	-0.4%	2.7%	£248,561
East of England	-1.0%	2.0%	£339,560
London	-1.0%	-0.1%	£511,279
North East	1.1%	5.9%	£168,791
North West	0.6%	5.7%	£226,627
South East	-0.7%	1.4%	£377,822
South West	-1.8%	2.2%	£317,608
West Midlands Region	0.0%	3.7%	£254,912
Yorkshire and The Humber	0.8%	5.7%	£217,939

Average monthly price by property type – Nov 2024

Property Type	Annual Increase
Detached £436,949	1.5%
Semi-detached £283,546	4.3%
Terraced £242,598	4.7%
Flat / maisonette £233,230	2.1%

Source: The Land Registry
Release date: 15/01/25

Housing market outlook

"While the housing market has been supported in recent months by falling mortgage rates, income growth and the announcement on upcoming Stamp Duty policy changes, mortgage affordability will remain a challenge for many, especially as the Bank Rate is likely to come down more slowly than previously predicted. However, providing employment conditions don't deteriorate markedly from a more recent softening, buyer demand should hold up relatively well and, taking all this into account, we're continuing to anticipate modest house price growth this year."

Amanda Bryden, Head of Mortgages, Halifax

Source: Halifax, January 2025

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

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