

Residential Property Review

October 2025

Residential market subdued

The housing market showed signs of subdued growth in September, according to the latest UK Residential Market Survey from the Royal Institution of Chartered Surveyors (RICS).

The report revealed that new buyer enquiries fell for the third consecutive month, with a net balance of -19% in September. Sales activity also remained in negative territory at -16%, although this marks an improvement on August's figure of -24%. Meanwhile, new listings declined for the second month in a row, reaching -15%. This caution among buyers and sellers is likely due to the upcoming Autumn Budget, which has caused widespread uncertainty.

In the rental market, tenant demand remained broadly flat at -1%, however landlord instructions fell sharply to -38%, the lowest level since May 2020. This reflects an ongoing trend of landlords leaving the sector, leading to a continued imbalance between supply and demand. As a result, RICS expects rents to rise by around 3% over the next year.

Government proposes home-buying reform

The government has launched a consultation to overhaul the home buying and selling system.

It currently takes an average of 120 days to complete a transaction after an offer has been accepted, hence the need to make the process simpler, faster and more reliable.

One key proposal is to ensure that comprehensive information about a property is available at the point of listing. The government notes that this approach has helped to deliver

'faster, more certain transactions in Scotland.' To support this, there is a proposal for the widespread use of digital property packs, which would store current and historic details about a home.

As things stand, buyers and sellers can withdraw from a transaction at any point up until the exchange of contracts. To reduce fall-throughs, proposed reforms could include the use of conditional contracts, which would make the transaction binding at an earlier stage. If a party withdrew, they would typically face a financial penalty.

Britain's best new building

Appleby Blue Almshouse in Southwark, south London, has won the 2025 Royal Institute of British Architects (RIBA) Stirling Prize for Britain's best new building.

Designed by Witherford Watson Mann, the development reimagines the traditional almshouse to address loneliness and provide affordable, high-quality housing for people over 65. The complex contains 59 flats alongside communal areas, including a courtyard, roof garden and community kitchen, all designed to foster connection and wellbeing.

Judges praised the project for *'setting an ambitious standard for social housing among older people,'* with jury member, Ingrid Schroder, highlighting its *"high-quality"* and *"thoughtful"* design that *"truly cares for its residents."*

Features such as terracotta-paved hallways with benches and plants, and a central water feature, create what RIBA described as an *'aspirational living environment'* that contrasts sharply with the *'institutional atmosphere often associated with older people's housing.'*

House prices headline statistics

House Price Index (Aug 2025)	104.6
Average House Price	£273,000
Monthly Change	0.8%
Annual Change	3.0%

* (Jan 2023 = 100)

- Average house prices in the UK increased by **3%** in the year to August 2025
- House prices increased by **0.8%** on average between July and August 2025
- The average house price in London was **£565,567**.

Source: The Land Registry
Release date: 22/10/25
Next data release: 19/11/25

Average monthly price by property type – August 2025

Property Type	Annual Increase
Detached £444,107	3.3%
Semi-detached £277,927	4.9%
Terraced £230,058	3.1%
Flat / maisonette £197,462	-0.2%

Source: The Land Registry
Release date: 22/10/25

House prices Price change by region

Region	Monthly change (%)	Annual change (%)	Average price (£)
England	0.9%	2.9%	£295,670
Northern Ireland (Quarter 2 – 2025)	0.3%	5.5%	£185,108
Scotland	0.3%	4.0%	£193,786
Wales	1.0%	2.0%	£211,361
East Midlands	1.2%	4.4%	£244,677
East of England	0.8%	3.0%	£342,521
London	0.1%	-0.3%	£565,567
North East	0.8%	6.6%	£163,534
North West	1.6%	4.5%	£216,789
South East	1.3%	1.8%	£388,812
South West	0.5%	2.4%	£310,480
West Midlands Region	0.7%	3.7%	£250,017
Yorkshire and The Humber	0.9%	2.7%	£207,330

Housing market outlook

“Despite ongoing uncertainties in the global economy, underlying conditions for potential home buyers in the UK remain supportive. Unemployment is low, earnings are rising at a healthy pace, household balance sheets are strong and borrowing costs are likely to moderate a little further if Bank Rate is lowered in the coming quarters as we, and most other analysts, expect. Providing the broader economic recovery is maintained, housing market activity is likely to strengthen gradually in the quarters ahead.”

Robert Gardner, Chief Economist, Nationwide

Source: Nationwide, October 2025

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All details are correct at the time of writing (22 October 2025)

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