

Residential Property Review

February 2025

Our monthly property market review is intended to provide background to recent developments in property markets as well as to give an indication of how some key issues could impact in the future.

We are not responsible or authorised to provide advice on investment decisions concerning property, only for the provision of mortgage advice. We hope you will find this review to be of interest.



Falling Bank Rate offers boost to mortgage holders

The Bank of England cut Bank Rate from 4.75% to 4.5% at the latest meeting of its Monetary Policy Committee (MPC) in early February.

Although the 0.25 basis point cut had been widely expected, many mortgage holders will have breathed a sigh of relief. While the MPC voted by a majority 7-2 to reduce Bank Rate to 4.5%, the two dissenting members favoured a larger drop, potentially signalling more cuts to come. Indeed, analysts were already predicting further quarter-point falls throughout 2025.

Mortgage holders on tracker deals will see an immediate benefit, while those with fixed rates will have to wait until their current deal ends to access lower rates. On the other hand, the move is a blow to those saving for a deposit, with the rates on many Lifetime ISA accounts quick to drop in line with Bank Rate.

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Buyers busy in active housing market

Housing market activity in January 2025 was around 13% higher than the same time last year, new figures from TwentyCi reveal, with analysts pointing to a favourable landscape for buyers.

After a strong showing at the end of 2024, momentum has been carried forward into the new year, partly in response to upcoming changes to Stamp Duty Land Tax thresholds in England and Northern Ireland.

The changes, due in April 2025, could briefly dampen buyers' enthusiasm, though speculation around a possible relaxation of mortgage regulation has the potential to further amplify buyers' power, analysts note.

In the plus £1m market, activity was less frenzied but still a healthy 10% higher than a year ago. Elsewhere, a significant development for landlords and renters continues to edge ever closer, as the Renters' Rights Bill has now had its second reading in the House of Lords.

Government plans to shake up homebuying process

The government has announced new plans to simplify the homebuying process, which it says can speed things up and reduce the risk of fall-throughs.

The update comes after the government revealed one in three housing transactions currently falls through, at a cost of £400m a year to buyers and sellers.

Part of the plan involves the digitisation of the homebuying process, which the government believes can improve data sharing between conveyancers, lenders and other parties. Similarly, efforts to address issues with paper-based data will also quicken the process.

Announcing the plans, Housing and Planning Minister Matthew Pennycook said, *"We are streamlining the cumbersome homebuying process so that it is fit for the twenty-first century, helping homebuyers save money, gain time and reduce stress while also cutting the number of house sales that fall through."*

House prices Headline statistics

House Price Index (Dec 2024)	102.7
Average House Price	£268,000
Monthly Change	-0.1%
Annual Change	4.6%

*(Jan 2023 = 100)

– Average house prices in the UK increased by **4.6%** in the year to December 2024

– House prices fell by **0.1%** on average between November and December 2024

– From Feb 2025, Jan 2025 is the new reference period – **Jan 2023 = 100**

Source: The Land Registry

Release date: 19/02/25

Next data release: 26/03/25

Average monthly price by property type – December 2024

Property Type	Annual Increase
Detached £440,190	5.2%
Semi-detached £270,847	5.6%
Terraced £223,808	4.9%
Flat / maisonette £196,361	2.3%

Source: The Land Registry

Release date: 19/02/25

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House prices Price change by region

Region	Monthly change (%)	Annual change (%)	Average price (£)
England	0.0%	4.3%	£290,564
Northern Ireland (Quarter 4 - 2024)	1.5%	9.0%	£183,259
Scotland	-0.5%	6.9%	£188,807
Wales	-0.5%	3.0%	£208,197
East Midlands	0.5%	5.3%	£242,036
East of England	0.6%	4.4%	£340,385
London	-0.3%	0.0%	£548,939
North East	0.5%	6.7%	£161,389
North West	-0.4%	5.4%	£211,030
South East	0.6%	4.4%	£383,605
South West	-0.3%	3.8%	£305,843
West Midlands Region	-0.4%	4.2%	£244,369
Yorkshire and The Humber	-0.8%	5.9%	£203,983

When is the best time to list a home?

New research from Rightmove reveals that February and March are the best months to list a home.

The finding is based on data showing that the chances of a home making it to completion are highest during these months. Almost seven in ten homes listed in February and March have gone on to complete, higher than the success rate at other times of year.

Moreover, houses listed in February tend to find a buyer more quickly too. At a speedy 51 days, February is the joint fastest month along with January, while March and April are not far behind at 52 days.

The start of 2025 has already seen a busy period for the housing market. Buyer demand has risen by 8% compared to the same period a year earlier and sales agreed have soared by 15%.

All details are correct at the time of writing (19 February 2025)

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK.