

www.nationwidehousepriceindex.co.uk

May 2025

## Annual house price growth edged higher in May

- Annual rate of house price growth increased marginally in May to 3.5%, compared to 3.4% in April
- House prices were up 0.5% month on month
- House prices in predominantly rural areas have risen by 23% over the last five years, compared to 18% in more urban areas

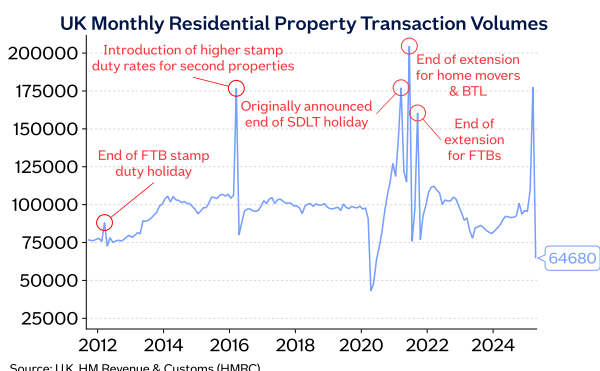
| Headlines                                  | May-25   | Apr-25   |
|--|----------|----------|
| Monthly Index*                             | 542.7    | 540.0    |
| Monthly Change*                            | 0.5%     | -0.6%    |
| Annual Change                              | 3.5%     | 3.4%     |
| Average Price<br>(not seasonally adjusted) | £273,427 | £270,752 |

\* Seasonally adjusted figure (note that monthly % changes are revised when seasonal adjustment factors are re-estimated)

### Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said:

"Annual UK house price growth was marginally stronger in May at 3.5%, compared with 3.4% in April. House prices rose by 0.5% month on month, after taking account of seasonal effects.

"Official data confirmed that there was a significant jump in residential property transactions in March, with buyers bringing forward their purchases to avoid additional stamp duty costs. Owner occupier house purchase completions were around twice as high as usual and the highest since June 2021 (which was also impacted by stamp duty changes).



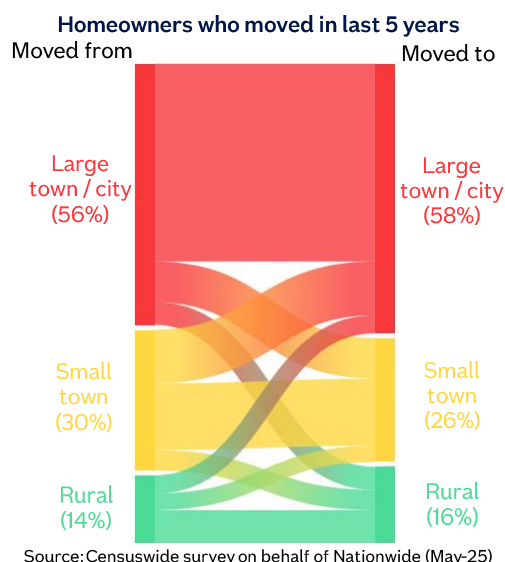
"Nevertheless, mortgage approvals data suggests that market activity appears to be holding up well following the end of the stamp duty holiday. Despite wider economic uncertainties in the global economy, underlying conditions for potential home buyers in the UK remain supportive.

"Unemployment remains low, earnings are rising at a healthy pace (even after accounting for inflation), household balance sheets are strong and borrowing costs are likely to moderate a little if Bank Rate is lowered further in the coming quarters as we, and most other analysts, expect.

### Price of countryside homes ploughs ahead of urban properties

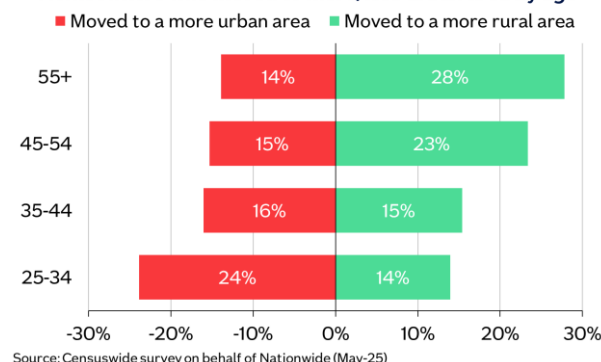
"Our recent [special report](#) identified that average house price growth in predominantly rural locations has continued to outpace more urban areas. Between December 2019 and December 2024, house prices in predominantly rural areas increased by 23%, compared with 18% in areas that are largely urban.

"The pandemic had a significant impact on housing demand during 2021 and 2022, with a shift in preferences towards more rural areas, particularly amongst older age groups. Whilst these effects have now faded, less urban areas have continued to hold the edge in terms of house price growth.



"In our latest housing market survey<sup>1</sup>, we focused on homeowners who have moved in the last five years. Our findings indicate that the majority (63%) of house moves were within the same type of area, with the biggest flow being within large towns or cities (as shown in the diagram above). Around 9% of moves were from towns/cities to rural areas (villages or hamlets)<sup>2</sup>, although this was partially offset by 7% who moved from rural to more urban areas<sup>3</sup>.

### Homeowners who moved to more/less urban area by age



“However, amongst those who moved to a different type of area, there was a significant difference by age group, with younger people (those aged 25-34) tending to move to more urban areas, and older age groups, particularly 55+, favouring more rural areas (see chart at the bottom of the previous page).”

## Footnotes

1. The research was conducted by Censuswide, among a sample of 2,000 respondents who have moved within the past 5 years and own a home with a mortgage or own outright (18+). The data was collected between 30.04.2025 - 06.05.2025.
2. Combination of those moving from large town / city to rural & from small town to rural. See table below for full details.
3. Combination of those moving from rural to large town city & from rural to small town. See table below for full details.

## Homeowners who moved in last 5 years

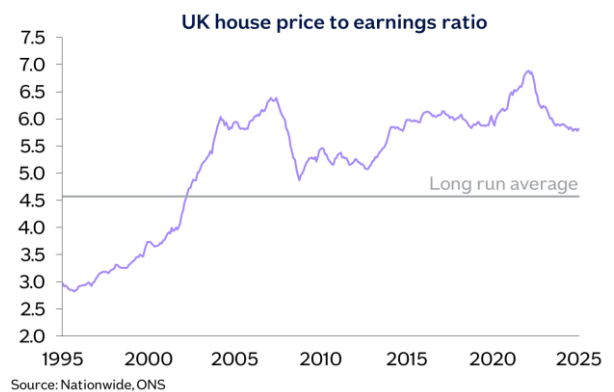
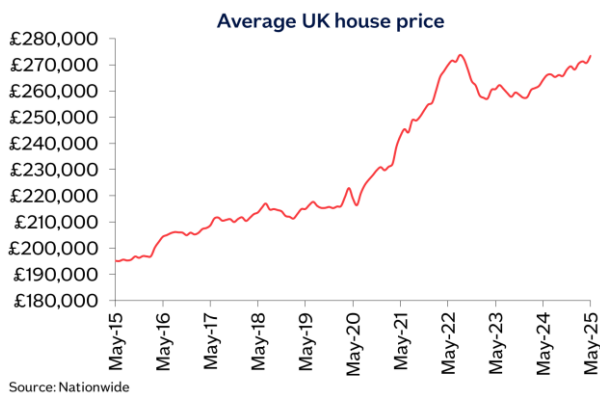
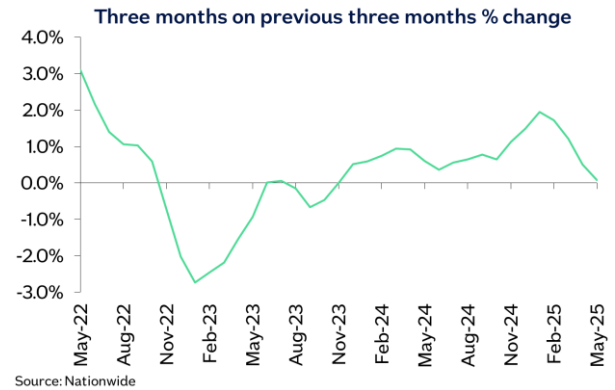
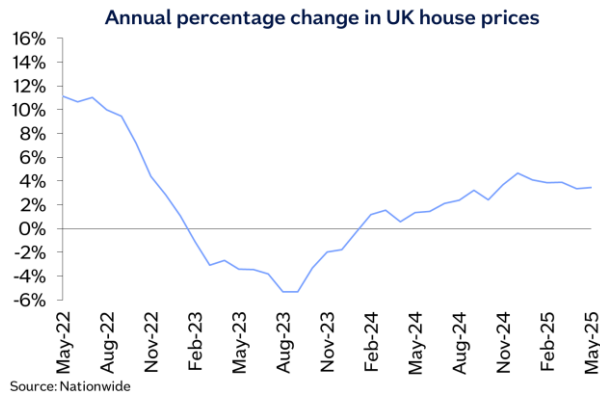
| Moved from        | Moved to          |            |       |
|-------------------|-------------------|------------|-------|
|                   | Large town / city | Small town | Rural |
| Large town / city | 42%               | 9%         | 5%    |
| Small town        | 11%               | 14%        | 4%    |
| Rural             | 4%                | 4%         | 7%    |

Source: Censuswide survey on behalf of Nationwide

## Monthly UK House Price Statistics

|        | Monthly % Change Seasonally Adjusted | 3 month on 3 month % Change | Annual % Change | Average Price |
|--------|--------------------------------------|-----------------------------|-----------------|---------------|
| May-23 | -0.3                                 | -0.9                        | -3.4            | 260,736       |
| Jun-23 | 0.1                                  | 0.0                         | -3.5            | 262,239       |
| Jul-23 | -0.2                                 | 0.1                         | -3.8            | 260,828       |
| Aug-23 | -0.6                                 | -0.1                        | -5.3            | 259,153       |
| Sep-23 | -0.1                                 | -0.7                        | -5.3            | 257,808       |
| Oct-23 | 0.9                                  | -0.5                        | -3.3            | 259,423       |
| Nov-23 | -0.1                                 | 0.0                         | -2.0            | 258,557       |
| Dec-23 | -0.2                                 | 0.5                         | -1.8            | 257,443       |
| Jan-24 | 0.7                                  | 0.6                         | -0.2            | 257,656       |
| Feb-24 | 0.6                                  | 0.7                         | 1.2             | 260,420       |
| Mar-24 | -0.1                                 | 0.9                         | 1.6             | 261,142       |
| Apr-24 | -0.1                                 | 0.9                         | 0.6             | 261,962       |
| May-24 | 0.4                                  | 0.6                         | 1.3             | 264,249       |
| Jun-24 | 0.2                                  | 0.4                         | 1.5             | 266,064       |
| Jul-24 | 0.4                                  | 0.6                         | 2.1             | 266,334       |
| Aug-24 | -0.1                                 | 0.6                         | 2.4             | 265,375       |
| Sep-24 | 0.6                                  | 0.8                         | 3.2             | 266,094       |
| Oct-24 | 0.1                                  | 0.6                         | 2.4             | 265,738       |
| Nov-24 | 1.1                                  | 1.1                         | 3.7             | 268,144       |
| Dec-24 | 0.7                                  | 1.5                         | 4.7             | 269,426       |
| Jan-25 | 0.1                                  | 1.9                         | 4.1             | 268,213       |
| Feb-25 | 0.4                                  | 1.7                         | 3.9             | 270,493       |
| Mar-25 | -0.0                                 | 1.2                         | 3.9             | 271,316       |
| Apr-25 | -0.6                                 | 0.5                         | 3.4             | 270,752       |
| May-25 | 0.5                                  | 0.1                         | 3.5             | 273,427       |

Note that monthly % changes are revised when seasonal adjustment factors are re-estimated.



## Notes

Indices and average prices are produced using Nationwide's updated mix adjusted House Price Methodology, which was introduced with effect from the first quarter of 1995. The data is drawn from Nationwide's house purchase mortgage lending at the post survey approvals stage. Price indices are seasonally adjusted using the US Bureau of the Census X12 method. Currently the calculations are based on a monthly data series starting from January 1991. Figures are recalculated each month which may result in revisions to historical data.

More information on the house price index methodology along with time series data and archives of housing research can be found at [www.nationwidehousepriceindex.co.uk](http://www.nationwidehousepriceindex.co.uk)

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