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July 2025

Annual house price growth edges higher in July

- Annual rate of house price growth increased modestly in July to 2.4%, from 2.1% in June
- House prices were up 0.6% month on month
- UK house price to earnings ratio at lowest level in over a decade at c5.75

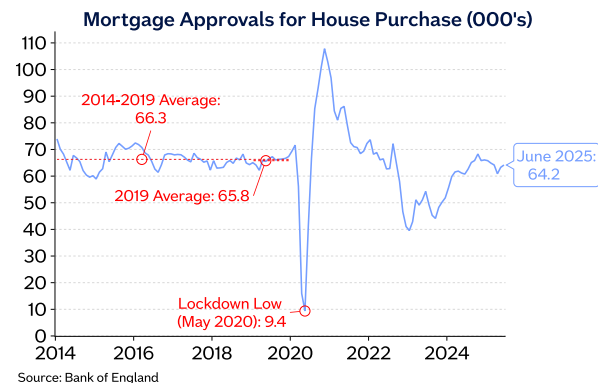
Headlines	Jul-25	Jun-25
Monthly Index*	540.5	537.4
Monthly Change*	0.6%	-0.9%
Annual Change	2.4%	2.1%
Average Price (not seasonally adjusted)	£272,664	£271,619

* 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:

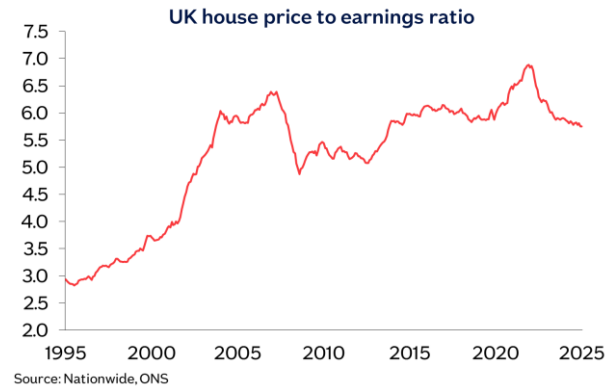
"July saw a modest pick-up in the rate of annual house price growth to 2.4%, from 2.1% in June. Prices increased by 0.6% month on month, after taking account of seasonal effects.

"Looking through the volatility generated by the end of the stamp duty holiday, activity appears to be holding up well. Indeed, 64,200 mortgages for house purchase were approved in June, broadly in line with the pre-pandemic average, despite the changed interest rate environment.

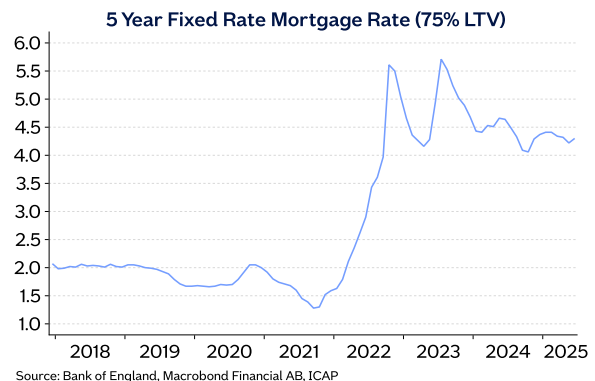


"After deteriorating markedly in the wake of the pandemic, housing affordability has been steadily improving, thanks to a period of strong income growth alongside more subdued house price growth and a modest fallback in mortgage rates.

"While the price of a typical UK home is around 5.75 times average income, this ratio is well below the all-time high of 6.9 recorded in 2022 and is currently the lowest this ratio has been for over a decade. This is helping to ease deposit constraints for potential buyers, as has an improvement in the availability of higher loan to value mortgages.



"Similarly, the interest rate on a typical five-year fixed-rate mortgage is around 4.3% (for a borrower with a 25% deposit). This is still over three times the all-time lows prevailing in autumn 2021, but well below the highs of c5.7% reached in late 2023.



"Despite wider economic uncertainties in the global economy, underlying conditions for potential home buyers in the UK remain supportive.

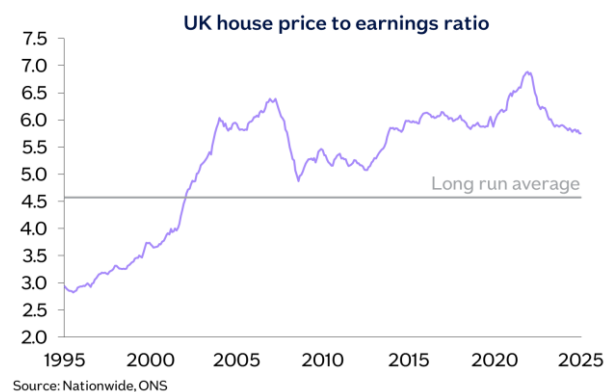
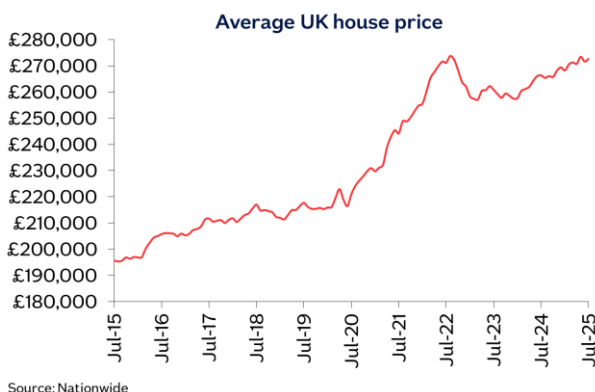
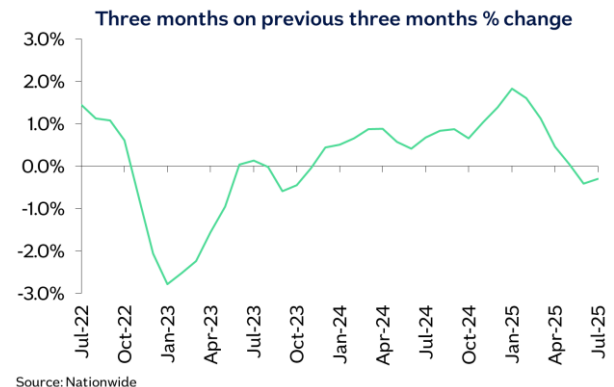
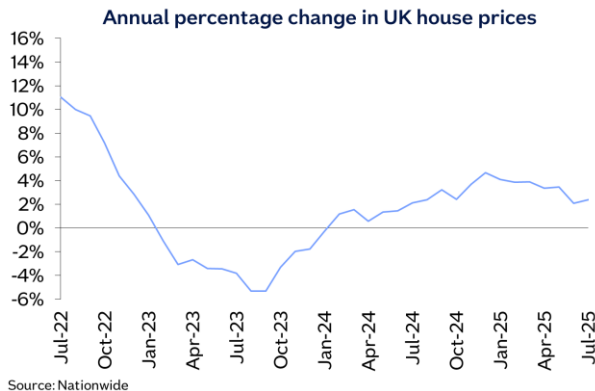
"Unemployment remains low, earnings are still rising at a healthy pace (even after accounting for inflation), household balance sheets are strong and borrowing costs are likely to moderate a little further if Bank Rate is lowered further in the coming quarters as we, and most other analysts, expect.

"Providing the broader economic recovery is maintained, housing market activity is likely to continue to strengthen gradually in the quarters ahead."

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 month on 3 month % Change	Annual % Change	Average Price
Jul-23	-0.2	0.1	-3.8	260,828
Aug-23	-0.6	0.0	-5.3	259,153
Sep-23	-0.1	-0.6	-5.3	257,808
Oct-23	0.9	-0.4	-3.3	259,423
Nov-23	-0.1	0.0	-2.0	258,557
Dec-23	-0.2	0.4	-1.8	257,443
Jan-24	0.7	0.5	-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	0.4	0.4	1.5	266,064
Jul-24	0.4	0.7	2.1	266,334
Aug-24	-0.2	0.8	2.4	265,375
Sep-24	0.6	0.9	3.2	266,094
Oct-24	0.1	0.7	2.4	265,738
Nov-24	1.1	1.0	3.7	268,144
Dec-24	0.7	1.4	4.7	269,426
Jan-25	0.1	1.8	4.1	268,213
Feb-25	0.4	1.6	3.9	270,493
Mar-25	-0.0	1.1	3.9	271,316
Apr-25	-0.6	0.5	3.4	270,752
May-25	0.5	0.1	3.5	273,427
Jun-25	-0.9	-0.4	2.1	271,619
Jul-25	0.6	-0.3	2.4	272,664

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

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