

House Price Index

January 2025



Average house price
£299,138



Monthly change
+0.7%



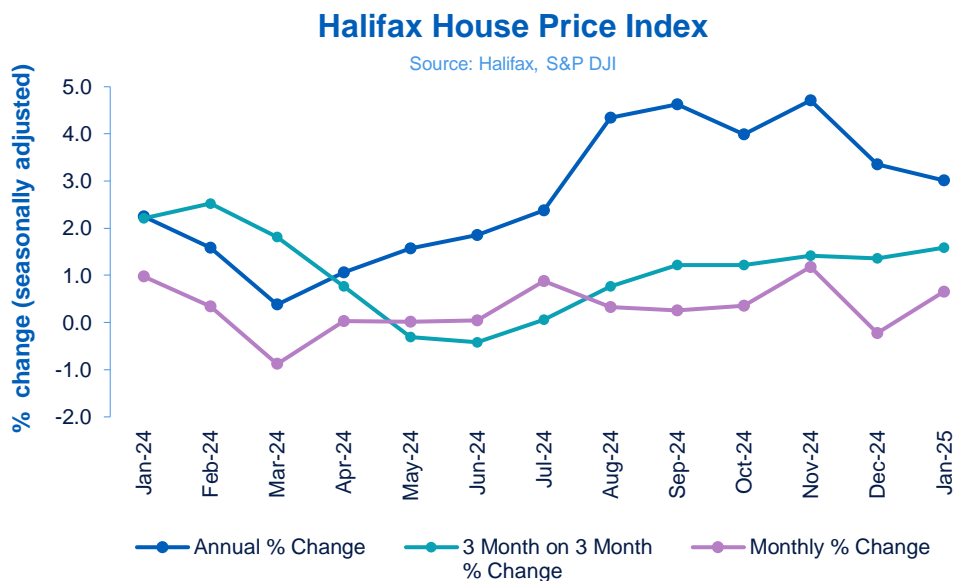
Quarterly change
+1.6%



Annual change
+3.0%

Housing market kicks off 2025 with price rise to hit new record high

- House prices increased by **+0.7%** in January following dip of **-0.2%** in December
- Average property price of **£299,138** is a new record high
- Annual growth eased slightly to **+3.0%** (vs **+3.4%** previous month)
- Northern Ireland maintains the strongest UK annual house price growth



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Amanda Bryden, Head of Mortgages, Halifax, said:

"The UK housing market started the year on a positive note, with average prices rising by **+0.7%** in January, more than recovering the slight dip of **-0.2%** in December. This increase pushed the average property price to a new record high of **£299,138**. However, annual growth slowed to **+3.0%**, the slowest rate since last July.

"Affordability is still a challenge for many would-be buyers, but the market's resilience is noteworthy. There's strong demand for new mortgages and growth in lending. With a stamp duty increase looming, some of this demand may have come from first-time buyers eager to complete transactions before the end of March.

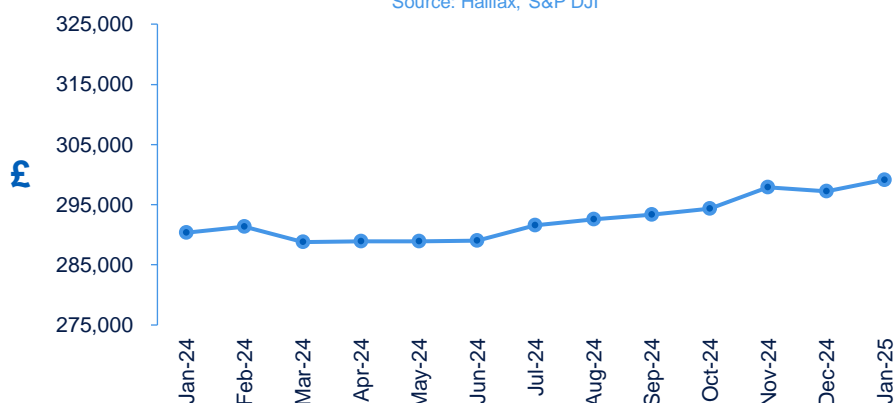
"Despite geopolitical uncertainties, and waning consumer confidence, other key indicators look fairly positive for the housing market. The Bank of England has made its first base rate cut of the year, and there are probably more to come. Household earnings are expected to continue outpacing inflation – albeit that gap may narrow – easing some of the financial pressure still being felt from the cost-of-living squeeze.

"As things stand, mortgage rates are likely to hover between 4% and 5% in 2025, influenced by both global financial markets and domestic monetary policy. Over the past year, buyers have been getting used to this new normal, understanding that rates are unlikely to return to the historical lows of 1%.

"But the fundamental issue in the housing market remains the lack of supply. This long-term trend, coupled with a gradual improvement in affordability, should support further modest house price growth this year."

Halifax HPI: Average house price

Source: Halifax, S&P DJI



Nations and regions house prices

The rate of annual property price inflation slowed in two thirds of the UK's nations and regions at the start of the year.

Northern Ireland continues to have the strongest annual property annual price growth in the UK, though at +5.9% in January this eased considerably compared to December (+7.3%). Properties in Northern Ireland now cost an average of £205,473.

House prices in Wales were up +3.6% compared to the previous year, with properties now costing an average of £227,397.

Scotland once again saw a lower rise in house prices compared to the rest of the UK, with properties in the country now worth an average of £210,690, +2.4% more than the year before.

In England, the North East has overtaken the North West as the region with the strongest annual property price growth, up +5.2% compared to the previous year, with properties now costing an average £178,696. This is the first time since September 2023 that the North West has not topped the table of English regions for annual growth.

London retains the highest average house price in the UK, at £548,288, up +2.8% compared to last year.

Housing activity

- **HMRC monthly property transaction data** shows UK home sales increased in December 2024 compared to the previous month. UK seasonally adjusted (SA) residential transactions in December 2024 totalled 96,330 – up by +2.9% from November's figure of 93,610 (down -7.2% on a non-SA basis). Quarterly SA transactions (October 2024 – December 2024) were approximately +5.6% higher than the preceding three months (July 2024 - September 2024). Year-on-year SA transactions were +18.7% higher than December 2023 (+15.2% higher on a non-SA basis). (Source: HMRC)
- Latest **Bank of England figures** show the number of mortgages approved to finance house purchases increased in December 2024, by +0.7% to 66,526. Year-on-year the figure was +27.7% above December 2023. (Source: Bank of England, seasonally-adjusted figures)
- The **RICS Residential Market Survey** results for December 2024 show a solid performance at the end of the year. New buyer enquiries fell to a net balance of +5% from +11%, it's least positive reading since July 2024. However agreed sales improved to +7% from +1%, with new instructions at 14%, representing the sixth successive positive report. (Source: Royal Institution of Chartered Surveyors (RICS) monthly report)

UK house prices Historical data

National: All Houses, All Buyers (Seasonally Adjusted)

Period	¹ Index Jan 1992=100	² Standardised Average Price £	Monthly Change %	Quarterly Change %	³ Annual Change %
January 2024	500.7	290,357	1.0	2.2	2.3
February	502.4	291,338	0.3	2.5	1.6
March	498.0	288,781	-0.9	1.8	0.4
April	498.1	288,862	0.0	0.8	1.1
May	498.2	288,931	0.0	-0.3	1.6
June	498.4	289,042	0.0	-0.4	1.9
July	502.8	291,585	0.9	0.1	2.4
August	504.5	292,540	0.3	0.8	4.3
September	505.8	293,305	0.3	1.2	4.6
October	507.6	294,353	0.4	1.2	4.0
November	513.6	297,829	1.2	1.4	4.7
December	512.5	297,179	-0.2	1.4	3.4
January 2025	515.8	299,138	0.7	1.6	3.0

Editors' notes

House price data on a quarterly basis provides the clearest indication of overall market trends, smoothing out the monthly volatility caused by the reduced number of monthly transactions used to calculate all house price indices.

1. Index

The standardised index is seasonally adjusted using the U.S. Bureau of the Census X-11 moving-average method based on a rolling 84-month series. Each month, the seasonally adjusted figure for the same month a year ago and last month's figure are subject to revision.

2. Standardised average price

The standardised average price is calculated using the HPI's mix adjusted methodology.

3. National annual change figure

National annual change figures are the seasonally adjusted year-on-year figures.

4. Regional annual change figure

The regional annual change figures are based on the most recent three months of approved mortgage transaction data.

For further information on the methodology follow this link to [S&P DJI website](#).

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For historical data or for technical queries please contact economics@spglobal.com

About the Halifax house price index

The Halifax House Price Index is the UK's longest running monthly house price series with data covering the whole country going back to January 1983. From this data, a "standardised" house price is calculated and property price movements on a like-for-like basis (including seasonal adjustments) are analysed over time. The annual change figure is calculated by comparing the current month seasonally adjusted figure with the same month a year earlier.

For more information on our housing market research, visit <http://www.halifax.co.uk/house-price-index>

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