

UK House Prices Set to Rise £86K by 2029

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House prices across the U.K. are expected to increase by over £86,000 in the next five years, according to new forecasts from property consultancy Savills. The firm now projects that average prices will grow by 24.5% by the end of 2029, reaching £448,600.

The updated forecast revises previous estimates that predicted a 4.0% increase this year and a 23.4% rise over five years. Instead, Savills anticipates a more modest 1.0% gain in 2025, citing a weaker start to the year due to ongoing economic and geopolitical uncertainty.

Market activity in the early part of 2025 was influenced by changes to stamp duty thresholds in England and Northern Ireland. A surge in transactions occurred as buyers moved quickly to complete purchases ahead of the deadline. Meanwhile, revised lending rules may help support both house prices and sales volumes in the coming months.

Savills highlighted the impact of recent mortgage regulation changes that have made it easier for buyers to access loans. Several lenders have relaxed affordability tests, allowing higher income multiples and potentially increasing borrowing capacity.

Lucian Cook, head of residential research at Savills, noted that falling interest rates have provided some relief to buyers. However, he also cautioned that ongoing global tensions, such as tariffs and trade disputes, continue to create uncertainty around the timing and scale of future rate cuts.

“Interest rates have come down as expected, offering more financial headroom for buyers,” Mr Cook said. “But the landscape has shifted significantly over the past six months, and predicting the future trajectory of rate changes is now more complex.”

Emily Williams, Savills’ director of research, expects demand to strengthen later in the year. “We anticipate a rise in activity heading into autumn, particularly from first-time buyers and those moving with a mortgage,” she said. “This is likely to be driven by an anticipated base rate reduction in August and improved mortgage competitiveness.”

As borrowing conditions become more favourable, Savills believes these developments will contribute to greater buyer confidence and transaction volumes, especially among those looking to enter the property market for the first time.