

## UK Housing Market Stabilises After Stamp Duty Surge

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— Categories: Real Estate

London, July 1, 2025 After a hectic start to the year driven by the end of temporary stamp duty savings, the UK housing market is now showing signs of stabilisation. With the rush over and market pressures easing, activity is beginning to return to more normal levels.

The government's stamp duty discount, which expired on March 31, led to a sharp rise in property sales in early 2025. Buyers hurried to complete purchases before the deadline, especially on homes under £500,000, to take advantage of reduced tax. This created a short-term spike in demand, pushing up prices in some areas and putting pressure on estate agents, surveyors, and lenders.

"It was a very busy period, but it wasn't sustainable," said Paula Haines, senior analyst at UK Housing Insights. "Now that the stamp duty deadline has passed, the market is settling down."

According to the Office for National Statistics, UK house prices rose by 1.4% year-on-year in May, with the average home now costing around £268,000. While prices are still climbing, the pace is more moderate than during the peak buying period.

Across the country, estate agents are reporting calmer market conditions. Buyers are taking more time to view properties, negotiate, and make decisions, a clear change from the urgency seen earlier in the year.

"People feel less pressure now," said Raj Patel, an estate agent based in Birmingham. "It's more of a steady market and that's better for everyone."

Some regions are adjusting faster than others. In the South East, where activity was particularly strong earlier this year, prices are leveling off. Meanwhile, parts of the Midlands, North, and Scotland continue to see steady growth due to strong local demand and fewer available homes.

However, the rental market is still facing challenges. Landlords are dealing with rising costs from new regulations, leading some to exit the market. As a result, rents have increased by 3% to 4% in many cities, including London.

Looking ahead, experts expect 2% to 3% price growth for the rest of 2025. A possible interest rate cut by the Bank of England could further support affordability and help keep the market moving at a steady pace.

“The market is more balanced now,” Haines added. “That’s good news for both buyers and sellers.”