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Rightmove Reports Largest Summer Drop in Property Asking Prices in Over 20 Years

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— Categories: Real Estate



Property asking prices have seen their sharpest seasonal drop in over two decades, according to new data from property website Rightmove. The average asking price for newly listed homes fell by £4,531 in July, down 1.2 per cent from the previous month. This places the current national average at £373,709, falling from the record high of £379,517 in May.

Though a summer slowdown is expected, Rightmove says this is the most significant drop for this time of year in over 20 years of records. As a result, the property portal has revised its 2025 house price growth forecast down from 4 per cent to just 2 per cent. A key factor

behind the decline is the glut of properties on the market, paired with the traditional lull during the summer holiday season.

Regional Trends

The property market is not moving uniformly across the country. London saw the steepest monthly fall at 1.5 per cent, with central areas like Westminster and Camden dropping by as much as 2.9 per cent and 2.7 per cent respectively. Southwark and Hammersmith & Fulham also experienced similar declines. Rightmove points to April's rise in Stamp Duty (a government tax on property transactions) as disproportionately impacting high-value areas like London. A second-home buyer now faces a £93,750 tax bill on a £1 million property in the capital, contributing to cooling interest among investors.

Outside the capital, the South East matched the national average with a 1.2 per cent decline, while prices in the East Midlands held steady. Conversely, the North East saw a 1.2 per cent increase in average asking prices, continuing a trend of lower-priced regions showing stronger growth.

Zoopla figures also highlight a growing supply of homes for sale. In June, estate agents managed an average of 37 listings per branch, a significant increase from 31 at the start of the year and well above 2021 and 2022 levels.

Rightmove's property expert Colleen Babcock said sellers are responding to market conditions: "Discerning buyers can spot when a property is over-priced. Sellers adapt with sharper, more competitive pricing to avoid being left behind."

Jeremy Leaf, a north London estate agent and former chairman of the Royal Institution of Chartered Surveyors (RICS), echoed this sentiment. "Sales are still happening, but only for those sensible to pricing. Otherwise, buyers will likely hold back, especially with fears of possible tax rises in the autumn."

Despite the current dip, market confidence hasn't disappeared entirely. Rightmove notes that mortgage rates are trending lower, with the average two-year fixed rate now at 4.53 per cent, down from 5.34 per cent a year ago. This could save new buyers nearly £150 per month on a 30-year mortgage with a 20 per cent deposit.

While quieter months are expected during the remainder of summer and around Christmas, Rightmove remains positive about activity holding up in the second half of 2025, particularly if the Bank of England follows through with further interest rate cuts.