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UK House Prices Fall 0.8% in June as Market Begins to Settle — Nationwide.

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— Categories: Real Estate



London, July 1, 2025, UK property prices declined slightly in June, falling by 0.8%, according to new figures from Nationwide Building Society. The average house price now stands at £260,470, down from £262,590 in May.

While this marks the second monthly drop of 2025, housing experts say it's not a sign of a major downturn, but rather part of a wider market adjustment as conditions begin to normalise.

“The market is not falling sharply, it's finding a new balance,” said Robert Gardner, Chief Economist at Nationwide. “Affordability is improving slightly, but many buyers are still

cautious.”

Why Prices Are Falling

The decline comes despite recent interest rate cuts by the Bank of England. While mortgage rates have begun to drop with some fixed-rate deals now below 4% many buyers are still waiting to see how much further rates will fall. Others are adjusting their budgets after years of high borrowing costs.

As a result, fewer people are rushing to buy, and sellers are having to be more flexible on price. This is leading to small monthly price drops, especially in more expensive areas.

“Buyers are still in the market, but they’re taking their time,” said property analyst Eleanor Ward. “It’s not the fast-paced market we saw during the pandemic; it’s calmer and more realistic.”

Regional Trends

Price changes continue to vary by region. Areas like London and the South East saw the biggest falls in June, due to high prices and tighter affordability. Meanwhile, places such as Scotland, the Midlands, and the North West remained more stable, with some reporting small price increases.

The rental market also remains active, with strong demand keeping rents high, especially in cities and commuter towns.

What’s Next for the Market?

Experts expect the market to stay steady in the coming months. With inflation easing and interest rates likely to fall further, buyer confidence could improve by late 2025.

“We’re seeing a slow and steady adjustment, not a sharp drop,” Gardner added. “This could lead to a healthier, more balanced market over time.” For buyers, this could be a good time to plan carefully and watch for opportunities as the housing market moves toward a more stable phase after years of uncertainty.