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UK Property Market Shows Resilience in 2025 Despite Challenges

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The U.K. property market in 2025 continues to demonstrate remarkable resilience, with new property listings surging by 5.4% compared to 2024 and a striking 15% higher than in 2021, a year that recorded nearly 1.6 million transactions, according to data from TwentyEA. This robust performance underscores strong seller confidence, as a steady flow of properties enters the market, creating a competitive environment for vendors.

Sales completions have reached 444,517 so far in 2025, marking the third-strongest year for completions over the past eight years. Despite elevated mortgage rates and the Labour government's recent stamp duty increase, the market has shown a capacity to absorb economic shocks. This stability is driven by realistic pricing and improved financial stress testing, which have fortified the market against volatility.

In a recent interview with Rightmove, a spokesperson noted, "The number of available homes for sale is at a ten-year high, fostering competition among sellers and keeping newly advertised property prices in check. April saw a dip in buyer demand following the stamp duty hike, but early signs suggest this may be temporary, with buyer interest picking up since May." They added that mortgage rates, which have been gradually declining, will be pivotal in shaping buyer activity for the remainder of the year.

April 2025 saw a 4% drop in buyer demand compared to the same period in 2024, the first such decline this year, according to Rightmove. This slowdown, likely influenced by the stamp duty increase and uncertainty surrounding global economic policies, such as President Trump's tariff proposals, led some prospective buyers to adopt a wait-and-see approach. However, year-to-date demand remains 3% higher than last year, with a strong first quarter. Encouragingly, Rightmove's real-time data indicates a rebound in buyer interest since early May, and sales agreed in April were 5% higher than in 2024, suggesting committed buyers are capitalising on the wide selection of properties.

HMRC data paints a more sobering picture, showing a sharp decline in UK residential transactions in April 2025, with seasonally adjusted figures dropping to 64,680, a staggering 63.5% decrease from March's 177,440. Every quarter, however, transactions from February to April 2025 were 23.3% higher than the previous three months, indicating resilience over a broader timeframe. Year-on-year, transactions were 28% lower than in April 2024.

The Royal Institution of Chartered Surveyors (RICS) Residential Market Survey for April 2025 reported a continued softening in market activity, with new buyer enquiries at a net balance of -33% and agreed sales at -31%. Despite this, new instructions to sell remained positive at +6%, reflecting sustained seller activity.

Zoopla reports that home sales are rebounding as buyer confidence returns following the end of stamp duty relief and the Easter holidays. "Sales have started to increase as confidence improves, and changes in affordability testing allow mortgage borrowers to

access up to 20% more funding,” a Zoopla spokesperson stated. Propertymark echoed this sentiment, noting that the market remains robust despite the stamp duty changes, with a continuous pipeline of new properties. They highlighted that March 2025 saw a near-90% surge in sales compared to March 2024, driven by buyers rushing to complete transactions before the April stamp duty increase.

The U.K. property market’s ability to weather economic uncertainties, including the Labour government’s fiscal policies, points to a maturing and adaptable sector. If the Bank of England’s base rate falls below 4%, as some analysts anticipate, this could further stimulate buyer demand and bolster market activity in the coming years. For now, the market’s strength lies in its competitive supply and determined buyers, setting a cautiously optimistic tone for the rest of 2025.