

United Kingdom Property Prices Post Record July Drop as Sellers Adjust to Market Pressure

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Property asking prices across the United Kingdom recorded their steepest July decline since records began, according to data from property listing portal Rightmove. The figures reflect a significant cooling in the housing market, with sellers reducing expectations to meet cautious buyer demand amid ongoing affordability challenges.

Rightmove reported that average asking prices for newly listed homes fell by 1.3 per cent between 8 June and 12 July. This marks the largest monthly fall for July since the company began compiling data in 2001. On an annual basis, prices edged up by just 0.1 per cent, suggesting that overall growth has ground to a halt. The number of properties for sale is now at its highest level in a decade, leading sellers to become more competitive on pricing.

Colleen Babcock, Rightmove's property expert, noted that buyers have become more discerning, particularly in regions with a high volume of listings. While transaction levels remain around 5 per cent higher than the same period last year, momentum has weakened since a temporary stamp duty discount ended in April. In response, Rightmove revised its 2025 house price growth forecast from 4 per cent to just 2 per cent, though total transactions are still expected to reach approximately 1.15 million.

There is a growing regional divide in price trends. Inner London saw the sharpest drop, with asking prices down by 2.1 per cent in a single month, while the North East of England experienced a 1.2 per cent rise. These disparities point to differing levels of affordability and buyer demand across the country.

Nationwide Building Society also reported a decline in house prices, with a 0.2 per cent fall in June, the most significant monthly drop since November 2022. Official data from the Office for National Statistics showed year-on-year house price growth slowing to 3.9 per cent in May, down from 7.0 per cent in March.

Affordability has improved slightly due to falling mortgage rates and rising wages. The average two-year fixed mortgage rate has dropped from 5.34 per cent to 4.53 per cent over the past year, while wages grew by 5.0 per cent in the 12 months to May.

The Royal Institution of Chartered Surveyors recently noted a stabilisation in buyer enquiries following earlier declines. However, market uncertainty remains. With elevated supply and restrained demand, buyers retain the advantage, and sellers will need to continue adjusting expectations to secure sales in this changing environment.