

UK House Prices See Fastest Rise of 2025

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UK homeowners have received a welcome boost as house prices recorded their highest monthly increase so far this year. New data from Halifax shows average property prices rose by 0.4% in July, taking the national average to £298,237, up from £297,157 in June.

The figures also reveal an annual growth rate of 2.4%, slightly below June's 2.7% but still signalling strong resilience in the housing market. The rise comes as the Bank of England is expected to reduce interest rates for the fifth time in a year, a move likely to further influence mortgage affordability.

While the national average is close to record highs, Halifax Head of Mortgages Amanda Bryden cautioned that prices still differ widely depending on location and property type. “Challenges remain for those looking to move up or onto the property ladder,” she said.

Bryden highlighted that some regions are seeing far stronger growth than others, with urban centres and areas undergoing regeneration projects continuing to attract higher valuations. Conversely, some rural and post-industrial areas are experiencing slower increases due to local economic factors.

Mortgage rates have been gradually easing over recent months, helping to offset some of the affordability pressures that have been affecting buyers. Wage growth has also outpaced inflation in recent months, improving the purchasing power of households.

“Combined with the more flexible affordability assessments now in place, the result is a housing market that continues to show resilience, with activity levels holding up well,” Bryden noted.

If the Bank of England delivers its expected rate cut, mortgage borrowers may see further reductions in monthly repayments. This could encourage more first-time buyers and existing homeowners to enter the market, particularly as lenders compete for new business with attractive fixed-rate deals.

However, some analysts warn that price growth could moderate towards the end of the year if economic conditions slow or if the labour market weakens.

The latest figures suggest the UK housing market remains steady despite wider economic uncertainties. With interest rates likely to fall further and mortgage affordability improving, many experts believe the market will maintain its momentum through the rest of 2025.

That said, regional disparities mean buyers and sellers will continue to experience different market conditions across the country. For some, this could present opportunities, while for others, affordability challenges may persist despite the overall upward trend in prices.