

## UK House Prices Stall in June Amid Rising Job Market Concerns and Waning Buyer Demand

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UK property prices remained flat in June, according to the latest Halifax data, as signs emerge in a softening labour market and subdued buyer confidence. The average home price stood at £296,665, with no change from the previous month. While this followed a 0.3% dip in May, the levelling out signals a cautious but stabilising trend amid wider economic

concerns, including rising unemployment and fading post-pandemic stimulus effects.

Analysts suggest that affordability remains a key pressure point for many buyers, especially as an increasing number of homeowners reach the end of favourable fixed-rate mortgage deals. The housing market's resilience is being tested by broader economic factors, particularly a cooling jobs market. The UK unemployment rate recently edged up to 4.5%, the highest in four years, which may be prompting hesitation among prospective homeowners. Consumer confidence, closely linked to job security, plays a crucial role in driving housing transactions, and any signs of weakness can quickly ripple through the property sector.

A significant factor behind the current slowdown is the April rollback of temporary stamp duty cuts, which had briefly stimulated buyer activity earlier in the year. Experts believe that the surge in activity was largely a case of demand being pulled forward rather than new interest being generated. As a result, the market is now experiencing a natural lull. Nevertheless, housing experts remain cautiously optimistic. Economists at RBC Capital Markets point to a return of first-time buyers and a gradual drop in mortgage rates as signs the market could maintain modest momentum through the summer.

However, data from Nationwide paints a more pessimistic picture. The lender reported a 0.8% monthly fall in prices in June, the largest decline in over two years, bringing the average UK home price down to £271,619. Despite the discrepancy in figures, both lenders agree on one point: regional variation remains stark. Northern Ireland has seen house prices rise by nearly 10% annually, while parts of England have shown more muted or even negative growth.

Investor behaviour is also shifting. According to industry data, the proportion of homes bought and resold within 12 months, commonly known as “flipping,” has dropped to a 12-year low. Rising renovation costs, tighter lending conditions, and higher taxes have squeezed profitability, leading many investors to retreat from short-term strategies.

Overall, the UK housing market appears to be entering a period of moderation, with macroeconomic pressures keeping price growth in check while underlying demand remains steady in some regions.