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## UK House Prices Stall Amid Economic Uncertainty

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The latest figures from the Nationwide Building Society confirm that UK house prices remained

frozen in June, a stark indicator of faltering economic confidence. This stagnation follows a modest 0.4% rise in May and aligns with mounting

evidence of a weakening job market, casting doubt on the broader economic outlook.

The Nationwide House Price Index reported no change in average home prices last month, with annual growth crawling at a mere 0.6%. This sluggish performance follows aggressive interest rate hikes over the past two years, underscoring a fragile recovery now under strain. Experts attribute this to elevated borrowing costs and growing economic caution, particularly as mortgage rates remain stubbornly high.

The job market, too, shows troubling signs of cooling. Despite historically low unemployment, wage growth is slowing, and job vacancies are declining, suggesting businesses are scaling back on hiring. “Affordability remains a significant hurdle,” said Robert Gardner, Nationwide’s Chief Economist, in a recent interview. “High interest rates and stretched household budgets are dampening demand and a softer job market could exacerbate this hesitancy.”

The Bank of England’s decision to hold interest rates at 5.25% reflects its ongoing battle against inflation, which is nearing.

Nearing the 2% target but still above it. This cautious monetary stance adds further uncertainty for homeowners and buyers, with potential rate cuts still on the horizon. Economists suggest that a weakening job market could further dampen demand, though anticipated rate reductions later this year could provide some relief.

For now, the property market remains in a holding pattern, with households adopting a cautious approach amid job market concerns.

The coming months will be pivotal in determining whether the market can regain momentum.