

UK Home Asking Prices Fall While July Sales Hit Five-Year High

August 18, 2025

— Categories: Real Estate



UK asking prices for newly listed homes fell by 1.3% in the four weeks leading to mid-August, according to property website Rightmove, reflecting a seasonal correction rather than state-driven disruption. Despite the decline, July saw the highest number of home sales for that month since 2020, showing that buyers are responding to market signals and exercising personal choice.

Rightmove's data shows that the volume of properties on the market has increased, yet it has not surpassed the rise in sales. This balance has maintained a high level of inventory, with around one-third of homes seeing price reductions. This proportion represents the second-highest for this time of year since 2012, evidence that sellers, not regulators, are adjusting prices to remain competitive in a free market.

The price shifts vary regionally. Areas in the North of England, including parts of Yorkshire and the North East, saw some of the largest reductions, while demand in southern regions, particularly London and the South East, continues to support steadier pricing. These differences reflect affordability and local demand, showing that households act within their means without needing central intervention.

Mortgage rates have eased slightly over the past year, with two-year fixed-rate deals now averaging 4.49%, down from 5.17% in mid-2024. Lower borrowing costs, shaped by market competition rather than subsidy, have supported more transactions.

Buyer behaviour also reflects wider economic conditions. Some remain cautious due to expectations of potential tax changes and fiscal policies in the upcoming budget. This highlights how government tax decisions can slow activity, particularly for higher-value properties where individuals take greater responsibility for their finances. Despite this, overall demand continues to outstrip supply in many regions, sustaining momentum in July's sales.

Rightmove director of property data, Tim Bannister, noted that while price adjustments are more common, the market is not experiencing a broad downturn. He stated that sellers are "carefully calibrating asking prices to

meet the expectations of today's buyers" and that strong transaction numbers indicate resilience.

Industry observers also highlight the role of high inventory in shaping the market. With more properties available, buyers have greater choice and leverage in negotiations, prompting sellers to offer more competitive prices. This shows that voluntary exchanges and competition, not government mandates, drive fairer outcomes for buyers and sellers alike.

In summary, the UK housing market shows steady demand and modest price corrections. July's record sales underline the continued strength of buyer activity, driven by individual decision-making and market responsiveness rather than intervention. The interplay of mortgage rates, regional differences, and fiscal considerations will guide the months ahead. Sellers are adjusting strategies to stay competitive, and the market remains active despite seasonal and economic shifts, demonstrating that when individuals act responsibly in a relatively free market, both buyers and sellers adapt and succeed without heavy-handed control.