# London property prices climb sharply despite UK market slump in April



London homeowners experienced a noteworthy rise in property values last month, a stark contrast to the broader UK housing market, which saw its first monthly price decline this year. According to the latest House Price Index (HPI) report, the average home in London climbed by 2.6 percent in April, reaching a value of £566,614, marking a 3.3 percent increase compared to the previous year. This gain stands out amid a national backdrop where property prices fell by nearly 3 percent month-on-month, bringing the average UK property value down to £265,497 in April, though it still reflects a 3.5 percent annual increase.

This divergence between London and the rest of the UK is partly attributed to changes in stamp duty that came into effect in April, increasing costs especially for pricier homes and dampening demand outside the capital. These fiscal changes ended a temporary stamp duty holiday, which had previously spurred a surge in property transactions and prices. The return to pre-2022 tax thresholds means buyers, particularly first-time purchasers, face higher expenses, with stamp duty now payable on properties priced above £300,000 instead of the previous £425,000 threshold.

London’s property market showed pockets of robust growth, especially in affluent boroughs. Kensington and Chelsea reported a dramatic 9 percent monthly increase, adding an average of £123,815 to property values, lifting the typical price to £1.34 million. The City of London also saw a significant 7 percent uplift, raising average prices by £53,255 to nearly £772,000, while Westminster experienced a 3 percent rise, despite both areas having lower values than a year ago. Across London, 16 boroughs recorded monthly price rises, though some areas such as Hackney saw declines of around 3 percent. The most prominent monthly fall was in Epping Forest, where values dropped by 4 percent, a loss of nearly £23,000.

The nationwide price decline, the sharpest monthly fall in nearly four years, reflects broader market adjustments after a period of increased activity ahead of tax changes. The South West region experienced the steepest regional fall at 3.8 percent in April, with annual growth slowing dramatically, highlighting how regional disparities continue to shape the housing market landscape. Despite recent volatility, UK house prices have managed a fourth consecutive year of annual gains, supported by demand constraints and limited supply, with experts viewing the April dip as a short-term market correction rather than a lasting downturn.

Rental markets also told a related story: average rents rose by 7 percent annually, reaching £1,339, driven by supply shortages despite a slowing growth rate.

Market analysts from Purplebricks expressed cautious optimism. Their sales director noted that the monthly decline could be seen as a temporary stumble following the stamp duty adjustments, emphasizing the long-term value of property investment. Meanwhile, Purplebricks Mortgages highlighted favourable conditions for buyers including zero deposit mortgages, historically low mortgage rates, and rising wages encouraging first-time buyers to enter the market. This activity, they argue, tends to stimulate further sales up the property chain, potentially supporting gradual price increases over time.

Looking ahead, the Bank of England’s interest rate stance remains a key factor. Although rates held steady at 4.25 percent, there is speculation that potential rate cuts by year-end could further invigorate the housing market. Overall, while the broader UK market recalibrates in response to new fiscal policies, London’s property scene shows resilience, buoyed by strong activity in prime areas.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/news/article-14824773/London-monthly-house-price-rise-UK-slump-property.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.ft.com/content/853cad4f-138a-43cc-ac8d-043d3a082b4a), [[4]](https://www.homebuilding.co.uk/news/house-prices)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/news/article-14824773/London-monthly-house-price-rise-UK-slump-property.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.ft.com/content/853cad4f-138a-43cc-ac8d-043d3a082b4a), [[3]](https://www.reuters.com/world/uk/uk-house-price-growth-halved-april-ons-says-2025-06-18/), [[4]](https://www.homebuilding.co.uk/news/house-prices)
* Paragraph 3 – [[1]](https://www.dailymail.co.uk/news/article-14824773/London-monthly-house-price-rise-UK-slump-property.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.ft.com/content/853cad4f-138a-43cc-ac8d-043d3a082b4a)
* Paragraph 4 – [[1]](https://www.dailymail.co.uk/news/article-14824773/London-monthly-house-price-rise-UK-slump-property.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.ft.com/content/853cad4f-138a-43cc-ac8d-043d3a082b4a), [[3]](https://www.reuters.com/world/uk/uk-house-price-growth-halved-april-ons-says-2025-06-18/)
* Paragraph 5 – [[2]](https://www.ft.com/content/853cad4f-138a-43cc-ac8d-043d3a082b4a)
* Paragraph 6 – [[1]](https://www.dailymail.co.uk/news/article-14824773/London-monthly-house-price-rise-UK-slump-property.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.ft.com/content/853cad4f-138a-43cc-ac8d-043d3a082b4a), [[4]](https://www.homebuilding.co.uk/news/house-prices)
* Paragraph 7 – [[1]](https://www.dailymail.co.uk/news/article-14824773/London-monthly-house-price-rise-UK-slump-property.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[4]](https://www.homebuilding.co.uk/news/house-prices)

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## Bibliography

1. <https://www.dailymail.co.uk/news/article-14824773/London-monthly-house-price-rise-UK-slump-property.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.ft.com/content/853cad4f-138a-43cc-ac8d-043d3a082b4a> - In April 2025, UK house prices experienced their sharpest monthly decline in almost four years, falling by 2.8% compared to March. This drop, reported by the Land Registry, followed the end of a temporary stamp duty holiday, which had previously boosted property transactions. The average house price declined to £265,000, and annual price growth slowed significantly to 3.5% from 7% in March. Stamp duty thresholds reverted to pre-2022 levels on April 1, increasing costs for buyers, particularly first-time purchasers who now pay tax on properties over £300,000, down from £425,000. The South West region experienced the steepest regional fall, with prices down 3.8% for the month and annual growth at just 0.9%. Some economists suggest the dip is temporary and due to earlier activity shifts ahead of the tax changes. Meanwhile, separate data from Nationwide indicates house prices began to rise again in May. In the rental sector, average rents rose 7% annually to £1,339, marking the fifth consecutive month of slowing growth but still reflecting high levels amid a supply shortage, according to Paragon Bank’s Louisa Sedgwick.
3. <https://www.reuters.com/world/uk/uk-house-price-growth-halved-april-ons-says-2025-06-18/> - In April 2025, UK house price growth significantly declined, dropping to an annual rate of 3.5% from 7.0% in March, according to data released by the Office for National Statistics (ONS). This deceleration coincided with the implementation of higher property transaction taxes, which likely influenced the slowdown in the housing market. The data highlights the impact of fiscal policy changes on housing market trends.
4. <https://www.homebuilding.co.uk/news/house-prices> - In April 2025, UK house prices increased by 3.5% year-on-year to an average of £265,000, according to the Office for National Statistics. However, a month-on-month dip occurred due to changes in the stamp duty tax implemented on April 1, 2025. The reforms led to a spike in home purchases in March, temporarily inflating prices, followed by a 2.7% average price drop in April. The tax changes affected properties over £125,000, excluding first-time buyers, impacting particularly England and Northern Ireland. Experts view the dip as a short-term correction rather than a long-term downturn. Despite the April decline, strong buyer demand and a limited housing supply continue to support price growth. Interest rates, held at 4.25% by the Bank of England, are being closely monitored, with potential cuts by year-end possibly boosting the housing market further. Professionals remain cautiously optimistic about the market’s stability and long-term prospects.
5. <https://www.gov.uk/government/news/uk-house-price-index-for-march-2025> - The UK House Price Index for March 2025 reports that average house prices in the UK increased by 6.4% in the year to March 2025, up from the revised estimate of 5.5% in the 12 months to February 2025. On a non-seasonally adjusted basis, average house prices in the UK increased by 1.1% between February 2025 and March 2025, compared with an increase of 0.2% from the same period 12 months ago (February 2024 and March 2024). The UK Property Transactions Statistics showed that in March 2025, on a seasonally adjusted basis, the estimated number of transactions of residential properties with a value of £40,000 or greater was 177,000. This is 104.3% higher than a year ago (March 2024). Between February 2025 and March 2025, UK transactions increased by 61.7% on a seasonally adjusted basis. House price monthly increase was highest in The North East where prices increased by 4.2% in the year to March 2025. The highest annual growth was in the The North East, where prices increased by 14.3% in the year to March 2025.
6. <https://www.gov.uk/government/statistics/uk-house-price-index-for-march-2025/uk-house-price-index-summary-march-2025> - The UK House Price Index summary for March 2025 indicates that the average price of a property in the UK was £271,000, with an annual price change of 6.4% and a monthly price change of 1.1%. The monthly index figure (January 2023 = 100) for the UK was 104.0. Estimates for the most recent months are provisional and are likely to be updated as more data is incorporated into the index. The next publication of the UK HPI is scheduled for 18 June 2025 at 9:30am.