# North East drives UK house price gains as London stalls



The latest official data depict a housing market that remains in motion, with regional dynamics continuing to diverge despite an overall uplift in values. June 2025’s figures show the UK’s average house price hovering near £269,000, marking a 3.7% year-on-year rise and a 1.4% month-on-month lift. The North East stands out again, recording the strongest annual growth at 7.8% and lifting the regional average to about £164,000, while the capital remains comparatively restrained, with London prices up roughly 0.8% year on year. The magnitude of the North East’s performance sits in stark contrast to London’s modest pace, a pattern that has persisted through much of 2025. The Daily Mail highlighted these ONS figures by noting that the typical home has risen by around £9,000 over the past year. Reuters, drawing on the same data, emphasised the clear regional split and the ongoing shift in market momentum as a backdrop to policy developments and lender activity. The figures are based on completed sale prices, so movements reflect deals agreed in the months prior to June.

Looking ahead, market mood remains mixed even as prices broadly trend higher. The Royal Institution of Chartered Surveyors last week reported a softer near-term picture, with more surveyors noting price declines in their areas than increases in July, even as expectations for the next 12 months skew higher. The market’s narrative is sharpened by trading activity and stock levels: Zoopla’s index for June 2025 points to stronger buyer choice, underpinned by a 14% rise in homes for sale, while price growth continues to be more pronounced in more affordable regions and slower in pricier areas such as London and the South East. In commentary accompanying the data, Jonathan Hopper, chief executive of Garrington Property Finders, told the Daily Mail that the dizzying pace of growth in northern England contrasts with London’s more modest trajectory, and that a surplus of homes on the market has left buyers with “confidence and clout to negotiate hard on price.” The market is also being framed against policy shifts; The Guardian reported in late July that new mortgage affordability rules in 2025 have helped keep activity buoyant and prevented a traditional summer lull, with lenders’ more relaxed checks allowing buyers to borrow more.

Beyond headline numbers, the housing picture remains regionally nuanced. The North East’s strength is underpinned by affordability dynamics, with prices rising loudly while other regions show more tepid growth. The South East and South West continue to hover around more modest annual gains, reflecting both supply characteristics and demand patterns. The broader picture is complicated by ongoing revisions and methodological cautions: the ONS’s Private Rent and House Prices bulletin notes that UK rents have climbed 7.0% year on year to May 2025, while UK house prices were up about 3.5% year on year to April 2025. The bulletin also cautions that NI data are included and that revisions to provisional estimates are possible, underscoring the need to monitor the trajectory as more complete figures become available. Within the North East, local data show Newcastle’s housing market continuing to outperform in price terms even as rents track higher, with May 2025 Newcastle average prices around £209,000—representing a pronounced annual rise—while rents in the region remain notably elevated relative to the national average.

As the market digests a summer of policy and affordability developments, buyers and sellers alike are weighing a landscape in which capital cities show resilience but non‑metropolitan regions drive the momentum. With rates cutting through early 2025 and stamp-duty considerations influencing activity, the coming months could see continued regional variance, a broad base of demand tempered by increased supply, and ongoing revisions to the official readings as new data become available. In this context, agents and buyers are urged to move decisively when a well-priced opportunity appears, while remaining mindful of the possibility that price dynamics could rebound more quickly than anticipated in particular markets.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/news/article-15017027/House-prices-9-000-past-year-homes-North-East-rising-nearly-10-times-faster-London.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[4]](https://www.reuters.com/world/uk/uk-house-prices-rise-37-year-on-year-june-2025-08-20/)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/news/article-15017027/House-prices-9-000-past-year-homes-North-East-rising-nearly-10-times-faster-London.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.gov.uk/government/news/uk-house-price-index-for-june-2025), [[5]](https://www.zoopla.co.uk/discover/property-news/house-price-index-june-2025/)
* Paragraph 3 – [[3]](https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/june2025), [[6]](https://www.theguardian.com/business/2025/jul/29/new-mortgage-affordability-rules-help-uk-housing-market-avoid-summer-lull)

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## Bibliography

1. <https://www.dailymail.co.uk/news/article-15017027/House-prices-9-000-past-year-homes-North-East-rising-nearly-10-times-faster-London.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.gov.uk/government/news/uk-house-price-index-for-june-2025> - Official UK House Price Index figures for June 2025 show growth across the market. UK prices rose 1.4% since May 2025, and an annual increase of 3.7%, lifting the national average to about 269,000 pounds. Regional performance varied: London posted the smallest annual uplift at 0.8% (average around 561,000 pounds), while the North East led annual growth at 7.8% (average 164,000 pounds) with month-on-month gains of 3.4%. North West prices stood around 212,000 pounds with a 5% annual rise. Other regions ranged from 239,000 pounds in the East Midlands to 383,000 pounds in the South East. Based on completed sales for buyers.
3. <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/june2025> - ONS's Private Rent and House Prices bulletin for June 2025 provides the UK-wide picture. It shows UK private rents rising 7.0% year on year to May 2025, with England at 7.1%, Wales at 8.5%, Scotland at 4.5% and Northern Ireland at 7.7% (to March 2025). UK house prices increased by 3.5% year on year to April 2025, with the average price around 265,000 pounds. The North East posted the strongest annual inflation, while London remained comparatively restrained. The bulletin emphasises that NI data are included and that revisions are possible, as well as noting methodological details and cautions over provisional estimates.
4. <https://www.reuters.com/world/uk/uk-house-prices-rise-37-year-on-year-june-2025-08-20/> - Reuters reports that UK house prices rose 3.7% year-on-year in June 2025, according to the Office for National Statistics. The data show prices at roughly 269,000 pounds, with regional variation highlighting the North East as the standout performer: 7.8% annual growth and 3.4% monthly rise. London remained the weakest area, with about 0.8% annual growth while prices averaged around 562,000 pounds. The gains in the North East and market strength follow rate cuts and shifting stamp-duty rules earlier in the year. The article notes that an uptick in transactions accompanied the price movements, aligning with a UK housing market today.
5. <https://www.zoopla.co.uk/discover/property-news/house-price-index-june-2025/> - Zoopla's House Price Index for June 2025 shows UK house price growth slowing to 1.4% in the year to May 2025, with the average price around 268,400 pounds. The report highlights record sales activity alongside a 14% increase in homes for sale, boosting buyer choice. It notes stronger price growth in more affordable markets and slower growth in pricier areas such as London and the South East, while parts of the North West and Scotland show above-average gains. The average time to sell sits around 45 days, broadly in line with June 2024. The index underlines regional variation and pricing realism.
6. <https://www.theguardian.com/business/2025/jul/29/new-mortgage-affordability-rules-help-uk-housing-market-avoid-summer-lull> - The Guardian reports that new mortgage affordability rules in 2025 have kept activity buoyant and helped avoid a summer lull. Zoopla puts the June average UK price at about 268,400 pounds, with a surge in homes for sale creating a buyers' market. Although demand remains, price rises are constrained, particularly in southern England, as supply grows. Richard Donnell of Zoopla describes a market balanced between buyers and sellers, aided by lenders' relaxed affordability checks allowing up to around 20% more borrowing. The piece notes regional differences and stamp duties effects on buyer behaviour, underlining a buyers' market.
7. <https://www.ons.gov.uk/visualisations/housingpriceslocal/E08000021/> - ONS's visualisation for Newcastle upon Tyne offers housing data for May 2025. It shows an average Newcastle house price of 209,000 pounds in May 2025, up 13.4% on May 2024. Private rents in June 2025 were around 1,097 pounds per month, higher than the national average, with North East rent inflation in double digits. The North East region had higher inflation in rents, and within the region, dedicated figures show Newcastle as the priciest authority in the area. The graphic also presents North East data, noting that May 2025's UK average price was about 269,000 pounds, in line with trends.