# UK housing market shows regional divergence amid first annual price dip since January 2024



The UK housing market is showing signs of cooling after a period of steady growth, with recent data revealing the first annual decline in average asking prices since January 2024. According to figures released by the property portal Rightmove, the average asking price for a home in the UK fell by 0.1% compared to the previous year. This marks a subtle but notable shift after several months of muted price increases. The decline is particularly concentrated in London and the south of England, where asking prices decreased by 1.1% in London, 0.7% in the South East, and 1.3% in the South West. In contrast, regions such as Scotland and the North West of England bucked the trend, seeing rises of 2.6% and 3.2% respectively.

Despite the annual dip, Rightmove data shows a modest month-on-month increase in asking prices, with September seeing a 0.4% rise—equivalent to £1,517—bringing the average asking price up to £370,257. Property expert Colleen Babcock of Rightmove commented on this seasonal uplift: “We’d expect to see a slight uptick in new seller asking prices in September, with the traditional back to school season boosting activity.” However, this year's rise was slightly lower than the typical 0.6% seen during this period, reflecting a market where sellers have engaged in "competitive pricing" over the summer months to attract buyers.

The cooling trend in southern England contrasts with longer-term growth seen in other parts of the country. Government data from earlier in 2025 showed regional disparities in price growth, with the North East of England leading at 14.3% annual growth in March and London trailing at just 0.8%. Similarly, data from September 2024 highlighted a 2.5% annual price increase in England overall but noted a slight decline of 0.5% in London. These figures underscore a broader pattern of uneven housing market performance across the UK, driven by regional economic conditions and buyer demand.

Historical data also shows the volatility of prices in London and the south. In July 2025, Rightmove recorded a significant 1.2% drop in average asking prices, particularly pronounced in Inner London where prices fell by 2.1%, marking one of the sharpest summer declines in over two decades. Nonetheless, buyer activity remained robust, with sales agreed up 5% compared to the previous year, suggesting demand has not entirely waned despite softer prices.

Additional official statistics from the Office for National Statistics presented a broader housing market context, showing that average UK house prices increased by 3.5% over the 12 months to April 2025, with private rents also rising by 7% in the same period. This rising rental market may be influencing some buyers’ decisions, contributing to the nuanced price movements observed in various regions.

In summary, while the slight annual drop in UK house asking prices reported by Rightmove indicates a market cooling, particularly in London and southern England, a mixture of factors including regional disparities, competitive seller pricing, and evolving buyer affordability continue to shape a complex housing landscape. The market's response to these pressures will be closely watched as the autumn season progresses.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.theguardian.com/business/live/2025/sep/15/uk-house-prices-drop-tax-budget-rents-financial-markets-business-live-news-updates), [[2]](https://www.rightmove.co.uk/news/house-price-index/september-2025/)
* Paragraph 2 – [[1]](https://www.theguardian.com/business/live/2025/sep/15/uk-house-prices-drop-tax-budget-rents-financial-markets-business-live-news-updates)
* Paragraph 3 – [[3]](https://www.gov.uk/government/statistics/uk-house-price-index-for-march-2025/uk-house-price-index-england-march-2025), [[4]](https://www.gov.uk/government/statistics/uk-house-price-index-for-september-2024/uk-house-price-index-england-september-2024)
* Paragraph 4 – [[5]](https://www.rightmove.co.uk/news/articles/property-news/house-prices-fall-jul25/)
* Paragraph 5 – [[7]](https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/june2025), [[1]](https://www.theguardian.com/business/live/2025/sep/15/uk-house-prices-drop-tax-budget-rents-financial-markets-business-live-news-updates)

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## Bibliography

1. <https://www.theguardian.com/business/live/2025/sep/15/uk-house-prices-drop-tax-budget-rents-financial-markets-business-live-news-updates> - Please view link - unable to able to access data
2. <https://www.rightmove.co.uk/news/house-price-index/september-2025/> - Rightmove's September 2025 House Price Index reveals that the average asking price for properties in the UK has decreased by 0.1% compared to the previous year, marking the first annual decline since January 2024. This downturn is primarily driven by regions in the south of England, including London, where prices have fallen by 1.1%. In contrast, Scotland and the North West of England have experienced increases of 2.6% and 3.2%, respectively. Despite the annual decline, the average asking price has risen by 0.4% month-on-month, reaching £370,257.
3. <https://www.gov.uk/government/statistics/uk-house-price-index-for-march-2025/uk-house-price-index-england-march-2025> - The UK House Price Index for March 2025 indicates that the average property price in England was £296,000, reflecting a 6.7% annual increase. The North East experienced the highest growth at 14.3%, while London saw the lowest at 0.8%. On a monthly basis, average house prices in England rose by 1.3% between February and March 2025, with semi-detached houses showing the highest annual percentage change, increasing by 8.5% to £291,000.
4. <https://www.gov.uk/government/statistics/uk-house-price-index-for-september-2024/uk-house-price-index-england-september-2024> - The UK House Price Index for September 2024 reports that average house prices in England increased by 2.5% over the 12 months to September 2024, reaching £298,000. The North East led with a 14.3% annual increase, while London experienced a 0.5% decrease. On a monthly basis, average house prices in England decreased by 0.1% between August and September 2024, with semi-detached houses showing the highest annual percentage change, increasing by 3.4% to £298,000.
5. <https://www.rightmove.co.uk/news/articles/property-news/house-prices-fall-jul25/> - Rightmove's July 2025 House Price Index reveals a 1.2% drop in average asking prices, marking the largest July price drop in over 20 years. The average asking price now stands at £373,709. London experienced the most significant regional price fall at 1.5%, particularly in Inner London, which saw a 2.1% decrease. Despite the price drop, buyer activity remains strong, with sales agreed 5% higher than at the same time last year.
6. <https://www.gov.uk/government/statistics/uk-house-price-index-for-april-2025/uk-house-price-index-summary-april-2025> - The UK House Price Index for April 2025 indicates that the average property price in England was £286,000, reflecting a 3.0% annual increase. The North East experienced the highest growth at 6.4%, while London saw a 3.3% increase. On a monthly basis, average house prices in England decreased by 3.7% between March and April 2025, with semi-detached houses showing the highest annual percentage change, increasing by 4.7% to £283,000.
7. <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/june2025> - The Office for National Statistics' June 2025 report shows that average UK house prices increased by 3.5% over the 12 months to April 2025, reaching £265,000. The North East led with a 7.8% annual increase, while London experienced a 3.3% rise. On a monthly basis, average house prices in England rose by 1.3% between May and June 2025. The report also highlights a 7.0% annual increase in UK private rents over the 12 months to May 2025.