# UK housing market sees slowdown in high-end demand amid fiscal uncertainty



Homebuyer demand for properties priced above £500,000 in the UK has recently softened, reflecting notable shifts in the housing market, according to property portal Zoopla. Analysis of buyer inquiries over the five weeks to September 21, compared with the same period a year earlier, reveals a four per cent decline in demand for these higher-value homes, alongside a seven per cent drop in new listings. The trend is more pronounced for homes valued above £1 million, where demand fell by 11 per cent and new listings decreased by nine per cent.

This softening is sharply contrasted with steadier dynamics in the broader market, where both supply and demand remain relatively stable. Zoopla’s data shows that house prices are continuing to rise more quickly in more affordable areas, while markets with average prices over £500,000 are experiencing static pricing. In fact, annual house price inflation was recorded at 1.4 per cent in August, but it was double that rate—2.8 per cent—in markets where average prices fall below £200,000. Price growth remains sluggish across southern England, including London, the South East, the South West, and the east of England, where increases are below 0.5 per cent.

Several factors contribute to this divergence. Higher stamp duty costs and affordability constraints weigh heavily on the upper end of the market. Zoopla highlights that one in three homes on the market are priced over £500,000, with eight per cent exceeding the £1 million mark, placing these buyers under significant pressure. Some potential buyers are taking a cautious, "wait and see" approach ahead of the November Budget, which may bring changes to property taxation. Richard Donnell, Zoopla’s executive director, commented that speculation around the Budget has tempered activity among buyers targeting higher-priced properties, though the wider market remains largely unaffected. He noted that while the Budget is still two months away, the average property transaction—from search to completion—takes six to seven months, implying that current hesitations could extend into next year.

In contrast to the soft upper market, other regions are experiencing robust house price growth. Zoopla data reveals that prices are rising sharply in postal areas such as Kirkcaldy in Scotland, Oldham in the North West of England, Tweeddale near the Scottish Borders, Motherwell in Scotland, and Llandrindod Wells in Wales, with increases exceeding four per cent annually. Meanwhile, certain southern areas like Bournemouth, Truro, Exeter, and Torquay—as well as parts of central London—are seeing annual price declines of more than one per cent.

Further analyses underscore the market complexity. Zoopla’s June report pointed to a 14 per cent increase in homes for sale, which has dampened house price growth to 1.4 per cent. Homes priced too high tend to linger on the market, taking over twice as long to sell as those appropriately priced. Sellers are thus advised to align their valuations realistically to secure timely sales. In July, despite an 11 per cent rise in buyer demand and an 8 per cent increase in agreed sales year-on-year, house price inflation slowed to 1.3 per cent, driven largely by rising stamp duty costs impacting 83 per cent of homeowners and 41 per cent of first-time buyers. The tax’s impact is most acute in southern England, including London and the South East, while faster price growth is observed in Northern England, Scotland, and Wales.

The pandemic-era home value surge is also beginning to show signs of regional divergence. Over one million UK homes have experienced value increases of 50 per cent or more since the pandemic, with the average uplift around £117,400. In particular, the North West, Yorkshire and the Humber, and Wales have seen the highest average increases. Conversely, 13 per cent of London homes have suffered value declines of at least 5 per cent, especially in high-value districts such as Westminster and Kensington and Chelsea.

Industry voices reflect the evolving scenario. Kevin Shaw, national sales managing director at Leaders Romans Group, emphasised that the market has shifted somewhat in favour of buyers. Sellers are more often aligned with agents’ valuations and willing to negotiate on price, a development welcomed by many purchasers—especially first-time buyers who seem undeterred by recent stamp duty increases and benefit from lower interest rates. Shaw anticipates a stronger spring market in 2025 once fiscal policies become clear and buyer confidence returns, suggesting that while tax speculation may flatten activity in the short term, the underlying fundamentals remain stable.

Overall, 2024 has been a high-volume year for housing sales, with Zoopla noting 306,000 homes involved in the buying process—a 26 per cent increase over the prior year—and a total transaction value rising by 30 per cent to £113 billion. First-time buyers constitute the largest segment of these sales, representing 36 per cent, followed by existing homeowners, cash buyers, and landlords purchasing with mortgages.

In conclusion, the UK housing market is currently characterised by diverging trends. Demand and pricing for higher-value homes have softened amid tax concerns and affordability pressures, while more affordable areas continue to see steady price growth and active buyer engagement. The forthcoming Budget and its potential fiscal policy changes remain key variables that could influence market movements into 2025.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.independent.co.uk/money/house-prices-for-sale-uk-labour-zoopla-b2835334.html), [[2]](https://www.zoopla.co.uk/press/releases/surge-in-choice-for-home-buyers-drags-house-price-growth-lower-to-1-4-per/), [[5]](https://www.zoopla.co.uk/press/releases/homes-priced-too-high-take-twice-as-long-to-sell-warns-zoopla-as-house-price/)
* Paragraph 2 – [[1]](https://www.independent.co.uk/money/house-prices-for-sale-uk-labour-zoopla-b2835334.html), [[3]](https://www.zoopla.co.uk/press/releases/housing-markets-summer-surge-dampened-by-soaring-stamp-duty-costs/), [[6]](https://www.zoopla.co.uk/press/releases/uk-house-price-growth-slows-to-1-8-per-cent-as-spring-surge-in-homes-for/)
* Paragraph 3 – [[1]](https://www.independent.co.uk/money/house-prices-for-sale-uk-labour-zoopla-b2835334.html), [[3]](https://www.zoopla.co.uk/press/releases/housing-markets-summer-surge-dampened-by-soaring-stamp-duty-costs/), [[5]](https://www.zoopla.co.uk/press/releases/homes-priced-too-high-take-twice-as-long-to-sell-warns-zoopla-as-house-price/)
* Paragraph 4 – [[1]](https://www.independent.co.uk/money/house-prices-for-sale-uk-labour-zoopla-b2835334.html), [[4]](https://www.zoopla.co.uk/press/releases/million-home-value-boom-1m-uk-homes-see-value-increases-of-50-per-cent-or/), [[5]](https://www.zoopla.co.uk/press/releases/homes-priced-too-high-take-twice-as-long-to-sell-warns-zoopla-as-house-price/)
* Paragraph 5 – [[1]](https://www.independent.co.uk/money/house-prices-for-sale-uk-labour-zoopla-b2835334.html), [[5]](https://www.zoopla.co.uk/press/releases/homes-priced-too-high-take-twice-as-long-to-sell-warns-zoopla-as-house-price/)
* Paragraph 6 – [[1]](https://www.independent.co.uk/money/house-prices-for-sale-uk-labour-zoopla-b2835334.html)
* Paragraph 7 – [[7]](https://www.zoopla.co.uk/press/releases/2024-set-to-be-a-bumper-year-for-housing-sales-with-total-value-of-homes-in/)
* Paragraph 8 – [[1]](https://www.independent.co.uk/money/house-prices-for-sale-uk-labour-zoopla-b2835334.html), [[3]](https://www.zoopla.co.uk/press/releases/housing-markets-summer-surge-dampened-by-soaring-stamp-duty-costs/), [[5]](https://www.zoopla.co.uk/press/releases/homes-priced-too-high-take-twice-as-long-to-sell-warns-zoopla-as-house-price/)

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## Bibliography

1. <https://www.independent.co.uk/money/house-prices-for-sale-uk-labour-zoopla-b2835334.html> - Please view link - unable to able to access data
2. <https://www.zoopla.co.uk/press/releases/surge-in-choice-for-home-buyers-drags-house-price-growth-lower-to-1-4-per/> - Zoopla's June 2025 report highlights a 14% increase in homes for sale, leading to a 1.4% slowdown in house price growth. Affordability constraints in higher-priced markets, particularly those over £500,000, have resulted in modest price declines of 0.2%. The average time to sell is 45 days, with 22% of homes on the market for over six months without a sale. Zoopla advises sellers to price homes correctly to achieve timely sales.
3. <https://www.zoopla.co.uk/press/releases/housing-markets-summer-surge-dampened-by-soaring-stamp-duty-costs/> - Zoopla's July 2025 report reveals an 11% increase in buyer demand and an 8% rise in agreed sales year-on-year, defying typical summer slowdowns. However, national house price inflation has slowed to 1.3%, influenced by a 12% increase in homes for sale and higher stamp duty costs affecting 83% of homeowners and 41% of first-time buyers. The impact is most pronounced in Southern regions like London and the South-East, while Northern England, Scotland, and Wales see faster price growth.
4. <https://www.zoopla.co.uk/press/releases/million-home-value-boom-1m-uk-homes-see-value-increases-of-50-per-cent-or/> - Zoopla's July 2025 analysis indicates that one million UK homes have seen value increases of 50% or more since the pandemic, averaging £117,400. Over 80% of homes have increased by over 5%, with the North West, Yorkshire and the Humber, and Wales experiencing the highest average value increases. In contrast, 13% of homes in London have seen value declines of 5% or more, particularly in high-value areas like Westminster and Kensington and Chelsea.
5. <https://www.zoopla.co.uk/press/releases/homes-priced-too-high-take-twice-as-long-to-sell-warns-zoopla-as-house-price/> - Zoopla's August 2025 report highlights that homes requiring price reductions take 2.4 times longer to sell than those with no price cuts. The average UK house price is £270,600, a 1.3% increase over the last year. Sales agreed are up 5% on last year, but speculation on possible tax changes may impact homes valued over £500,000, which currently constitute a third of homes for sale. Zoopla advises sellers to price homes correctly to achieve timely sales.
6. <https://www.zoopla.co.uk/press/releases/uk-house-price-growth-slows-to-1-8-per-cent-as-spring-surge-in-homes-for/> - Zoopla's April 2025 report shows UK house price growth slowing to 1.8%, influenced by a surge in homes for sale reinforcing a buyer's market. First-time buyer demand is impacted by higher stamp duty costs from April, with eight in ten first-time buyers in London now paying stamp duty. First-time buyer demand is higher across the rest of England, with six in ten continuing to pay no stamp duty on purchases below £300,000.
7. <https://www.zoopla.co.uk/press/releases/2024-set-to-be-a-bumper-year-for-housing-sales-with-total-value-of-homes-in/> - Zoopla's 2024 analysis reveals 306,000 homes in the buying process, 26% more than 12 months ago, with a total value of £113bn, 30% higher than last year. First-time buyers are the largest buyer group in 2024, accounting for 36% of all sales, followed by existing homeowners (31%), cash buyers (27%), and landlords buying with a mortgage (7%).