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August 2025

# Annual house price growth softens in August

- Annual house price growth softened to 2.1% in August
- House prices were down 0.1% month on month
- Over half of properties in the owner occupier sector are classified as 'underoccupied'

Headlines	Aug-25	Jul-25
Monthly Index*	539.7	540.1
Monthly Change*	-0.1%	0.5%
Annual Change	2.1%	2.4%
Average Price (not seasonally adjusted)	£271,079	£272,664

\* Seasonally adjusted figure (note that monthly % changes are revised when seasonal adjustment factors are re-estimated)

## Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said:

"August saw a slight softening in the rate of annual house price growth to 2.1%, from 2.4% in July. Prices dipped by 0.1% month on month, after taking account of seasonal effects.

"The relatively subdued pace of house price growth is perhaps understandable, given that affordability remains stretched relative to long-term norms. House prices are still high compared to household incomes, making raising a deposit challenging for prospective buyers, especially given the intense cost of living pressures in recent years.

"Combined with the fact that mortgage costs are more than three times the levels prevailing in the wake of the pandemic, this means that the cost of servicing a mortgage is also a barrier for many. Indeed, an average earner buying the typical first-time buyer property with a 20% deposit faces a monthly mortgage payment equivalent to around 35% of their take-home pay, well above the long run average of 30%.

"However, affordability should continue to improve gradually if income growth continues to outpace house price growth as we expect. Borrowing costs are likely to moderate a little further if Bank Rate is lowered again in the coming quarters. This should support buyer demand, especially since household balance sheets are strong and labour market conditions are expected to remain solid.

## Changes in the housing stock

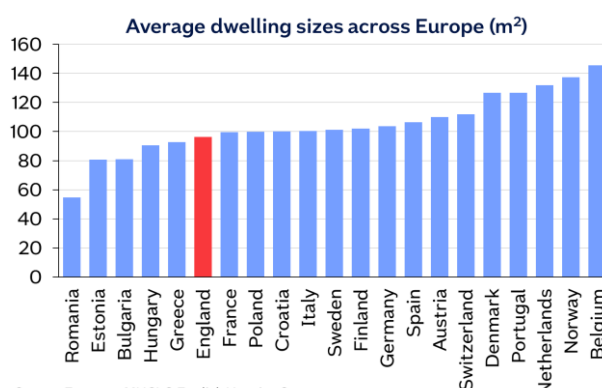
"In our recent research report on the housing stock, we noted that typical property sizes have increased slightly over the last decade. Since 2013, the average floor area has increased from 95.3m<sup>2</sup> to 96.2m<sup>2</sup>. The table (above right) shows the increases across different property types. The largest increase has been in terraced houses, where the average floor area is 3.6% bigger than in 2013. But the average size of flat, the smallest property type, is now 1.7% smaller than 10 years ago at 60.3m<sup>2</sup>.

Average floor area (m <sup>2</sup> )	2013	2023	% chg
Flats	61.4	60.3	-1.7%
Bungalow	77.0	77.5	0.6%
Terraced	88.7	91.9	3.6%
Semi-Detached	96.9	99.1	2.2%
Detached	152.9	151.9	-0.6%

Source: Nationwide analysis of MHCLG English Housing Survey

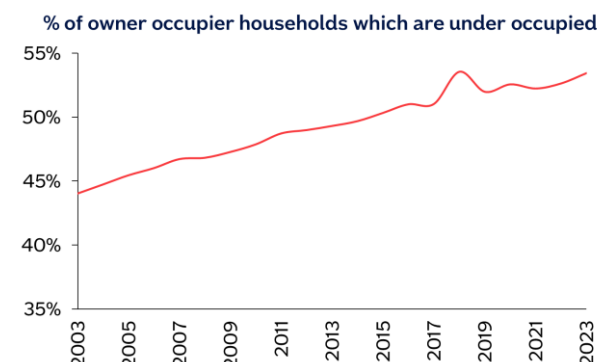
"Reflecting the composition of the stock, the owner-occupier sector has the highest average floor area at 112m<sup>2</sup>. The average floor area in the private and social rented sectors is smaller at 76m<sup>2</sup> and 65m<sup>2</sup> respectively, due to greater concentration of flats.

"Dwellings in England tend to be a little smaller on average compared with some of our European neighbours. The average dwelling size in the EU is 103m<sup>2</sup>, although there is considerable variation amongst nations. The Netherlands, Norway and Belgium stand out as having the most spacious properties (on average), while typical properties tend to be much smaller in eastern European nations.



Source: Eurostat, MHCLG English Housing Survey

"87% of owner-occupied properties in England have at least one spare bedroom. Remarkably, 53% are classified as being 'underoccupied', that is to say they have two or more spare bedrooms. The proportion of underoccupied properties has been trending up over time. By contrast, in the private rented sector, only 16% of properties are 'underoccupied'."



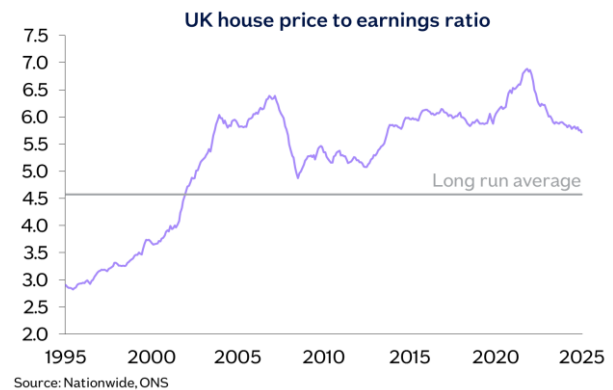
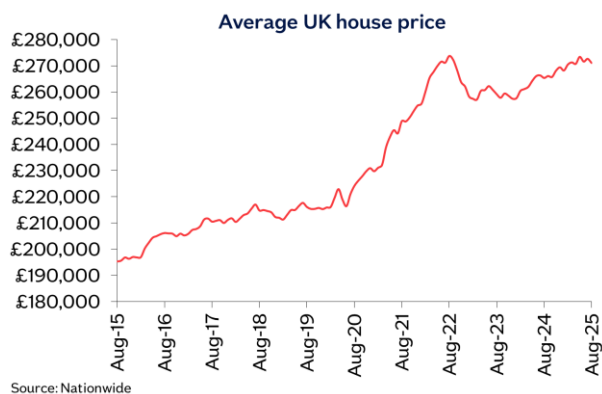
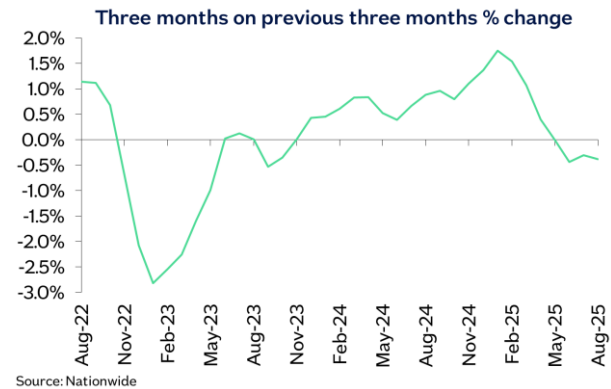
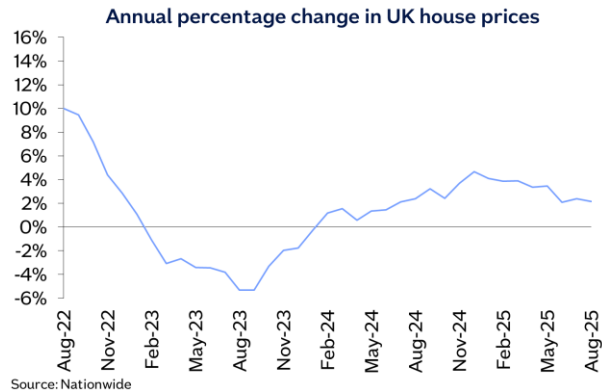
Source: MHCLG SEH/EHS (3 year moving average)

For further details, please see our full report:  
[Lock, stock and new solar panels: the changing face of housing stock](#)

### Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 month on 3 month % Change	Annual % Change	Average Price
Aug-23	-0.5	0.0	-5.3	259,153
Sep-23	-0.1	-0.5	-5.3	257,808
Oct-23	0.8	-0.3	-3.3	259,423
Nov-23	-0.1	0.0	-2.0	258,557
Dec-23	-0.2	0.4	-1.8	257,443
Jan-24	0.7	0.5	-0.2	257,656
Feb-24	0.6	0.6	1.2	260,420
Mar-24	-0.2	0.8	1.6	261,142
Apr-24	-0.1	0.8	0.6	261,962
May-24	0.4	0.5	1.3	264,249
Jun-24	0.5	0.4	1.5	266,064
Jul-24	0.3	0.7	2.1	266,334
Aug-24	0.0	0.9	2.4	265,375
Sep-24	0.6	1.0	3.2	266,094
Oct-24	0.0	0.8	2.4	265,738
Nov-24	1.1	1.1	3.7	268,144
Dec-24	0.7	1.4	4.7	269,426
Jan-25	0.0	1.8	4.1	268,213
Feb-25	0.4	1.5	3.9	270,493
Mar-25	-0.0	1.1	3.9	271,316
Apr-25	-0.6	0.4	3.4	270,752
May-25	0.4	0.0	3.5	273,427
Jun-25	-0.8	-0.4	2.1	271,619
Jul-25	0.5	-0.3	2.4	272,664
Aug-25	-0.1	-0.4	2.1	271,079

Note that monthly % changes are revised when seasonal adjustment factors are re-estimated.



## Notes

Indices and average prices are produced using Nationwide's updated mix adjusted House Price Methodology, which was introduced with effect from the first quarter of 1995. The data is drawn from Nationwide's house purchase mortgage lending at the post survey approvals stage. Price indices are seasonally adjusted using the US Bureau of the Census X12 method. Currently the calculations are based on a monthly data series starting from January 1991. Figures are recalculated each month which may result in revisions to historical data.

More information on the house price index methodology along with time series data and archives of housing research can be found at <https://www.nationwide.co.uk/media/hpi/>.

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