https://www.nationwide.co.uk/media/hpi/ October 2025

Annual house price growth edges higher in October

- **Slight increase in annual house price growth to 2.4%**
- **House prices were up 0.3% month on month**
- **Kitchen and bathroom renovations most popular amongst homeowners in last five years**
- **Analysis based on Nationwide's HPI data shows extensions or loft conversions with a bedroom can increase house value by up to 24%**

Headlines	Oct-25	Sep-25
Monthly Index*	**544.3**	542.9
Monthly Change*	**0.3%**	0.5%
Annual Change	**2.4%**	2.2%
Average Price (not seasonally adjusted)	**£272,226**	£271,995

* 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:

"October saw a slight rise in the rate of annual house price growth to 2.4%, from 2.2% in September. Prices increased by 0.3% month on month, after taking account of seasonal effects.

"The housing market has remained broadly stable in recent months, with house prices rising at a modest pace and the number of mortgages approved for house purchase maintained at similar levels to those prevailing before the pandemic struck.

"Against a backdrop of subdued consumer confidence and signs of weakening in the labour market, this performance indicates resilience, especially since mortgage rates are more than double the level they were before Covid struck and house prices are close to all time highs.

"Looking forward, housing affordability is likely to improve modestly if income growth continues to outpace house price growth as we expect. Borrowing costs are also likely to moderate a little further if Bank Rate is lowered again in the coming quarters.

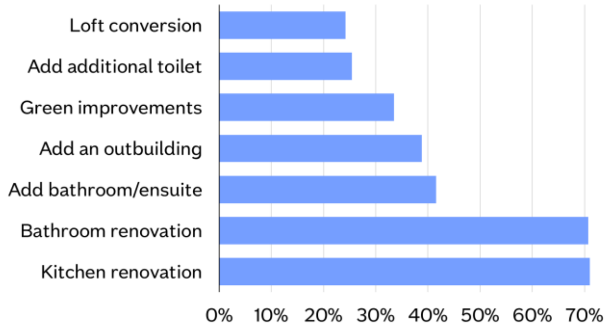
"This should support buyer demand, especially since household balance sheets are strong – indeed, in aggregate the ratio of household debt to disposable income is at its lowest for two decades.

What are the most popular home renovations?

"Our recent research[1] found that kitchen and bathrooms renovations were the most popular amongst homeowners who have made improvements to their home in the last five years, with 71% undertaking either, or both, of these.

"More than two in five (42%) added a bathroom or an ensuite, whilst 25% added an additional toilet.

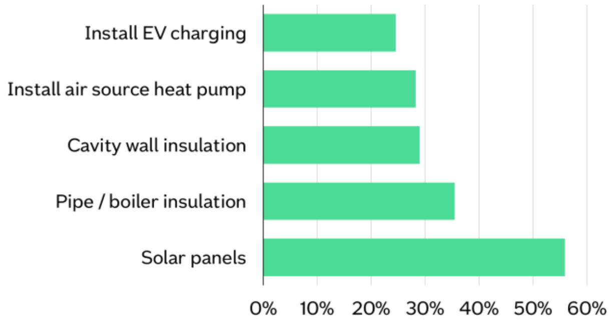
Most popular renovations amongst homeowners who have renovated in the last 5 years



Source: Censuswide survey on behalf of Nationwide (Oct-25)

"Of those undertaking work, around a third (34%) made green improvements to their property, with over half of these (56%) adding solar panels. As we explored in our recent special report on the housing stock, solar panels are becoming an increasingly popular feature, with nearly 1.5 million dwellings in England having photovoltaic (PV) panels, equating to nearly 6% of total dwellings (up from less than 3% in 2013).

Most popular green improvements amongst those who have made them



Source: Censuswide survey on behalf of Nationwide (Oct-25)

"Younger homeowners appear to be most interested in greening their homes, with over two thirds (69%) of those aged 25 to 34 who had renovated in the last five years making green improvements. Older homeowners (those aged 55 or above) were least likely to have made green improvements (just 18%), with bathroom renovation being the most popular amongst this demographic (68% of those who had made improvements opted for this).

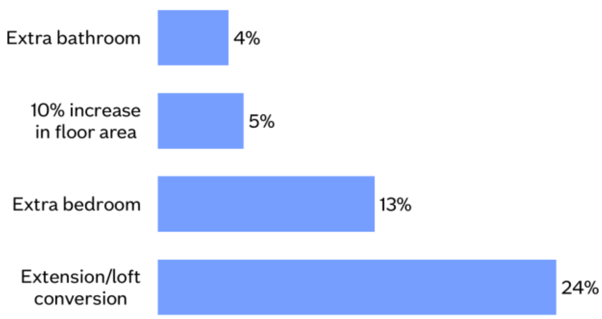
"The most popular reason for renovating was to make the property look nicer (54%), while 35% were looking to boost the value of their property, with the latter being the most important factor for younger homeowners. 32% of those surveyed made improvements to modernise the property to make it habitable, while 26% were looking to add more space. Interestingly, just 7% were renovating in preparation for a sale.

What adds the most value?

"We've used our house price data to look at the factors that affect the values of homes as well as the potential to add value[2]. While we can't identify the value associated with kitchen and bathroom renovations, we are able to explore the impact of more substantial projects, particularly those which increase the size of the property.

"Location remains key to house values, but other factors, such as the number of bedrooms, are also important to homebuyers. Home improvements that increase the size of the property, such as an extension or loft conversion, remain a compelling way to add value.

Value added to typical property



Source: Nationwide analysis

"Having more useable space is generally thought to be consistent with better quality accommodation and people are prepared to pay for it. A 10% increase in floor space, all things equal, adds 5% to the price of a typical house. But our analysis suggests that it is additional bedrooms that are key to adding value. For example, adding space to create an additional double bedroom can add 13% to the value of an existing two-bedroom house[3].

"Homeowners that add a loft conversion or extension, incorporating a large double bedroom and bathroom, can add as much as 24% to the value of a three-bedroom, one-bathroom house[4]."

For further details, please see our full report: [Loft it up: attic bedrooms can boost the price of a home by a quarter]

Footnotes

1. The research was conducted by Censuswide, among a sample of 2,000 homeowners (of which 1,285 have undertaken home renovations over the last five years) (18+). The data was collected between 06.10.2025 – 07.10.2025. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.

2. The methodology correlates the price paid for a property against the set of property characteristics (including the property type, age, number of bathrooms, number of bedrooms and floor area), region and locality (ACORN). The data was drawn from Nationwide's sample for the period October 2024 to September 2025.

3. Additional bedroom is assumed to have a floor area of $13m^2$.

4. We assume an additional $28m^2$ of floor area, which includes a large bedroom and bathroom.

Monthly UK House Price Statistics

	Monthly % Change Seasonally Adjusted	3 month on 3 month % Change	Annual % Change	Average Price
Oct-23	0.9	-0.4	-3.3	259,423
Nov-23	-0.2	0.0	-2.0	258,557
Dec-23	-0.2	0.4	-1.8	257,443
Jan-24	0.7	0.4	-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	0.4	0.7	2.1	266,334
Aug-24	0.0	0.9	2.4	265,375
Sep-24	0.5	1.0	3.2	266,094
Oct-24	0.0	0.8	2.4	265,738
Nov-24	1.0	1.1	3.7	268,144
Dec-24	0.7	1.3	4.7	269,426
Jan-25	0.0	1.7	4.1	268,213
Feb-25	0.4	1.5	3.9	270,493
Mar-25	-0.1	1.1	3.9	271,316
Apr-25	-0.5	0.4	3.4	270,752
May-25	0.5	0.0	3.5	273,427
Jun-25	-0.8	-0.4	2.1	271,619
Jul-25	0.6	-0.3	2.4	272,664
Aug-25	-0.1	-0.3	2.1	271,079
Sep-25	0.5	0.3	2.2	271,995
Oct-25	0.3	0.5	2.4	272,226

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

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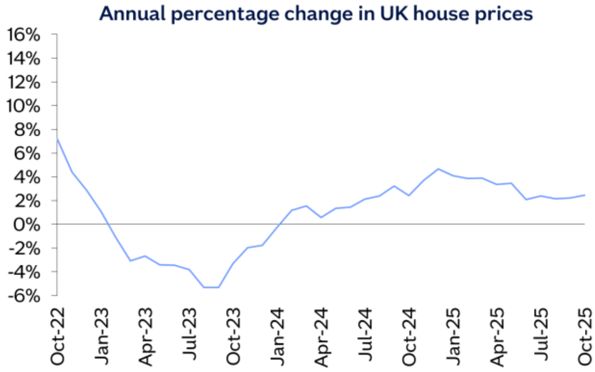
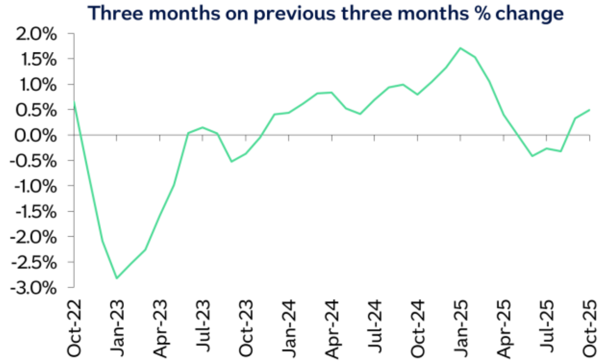
Annual percentage change in UK house prices



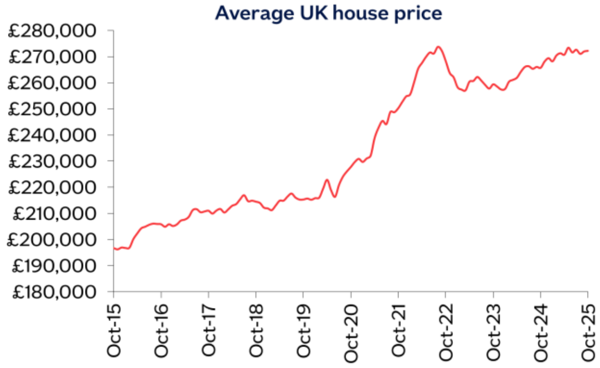
Source: Nationwide

Three months on previous three months % change



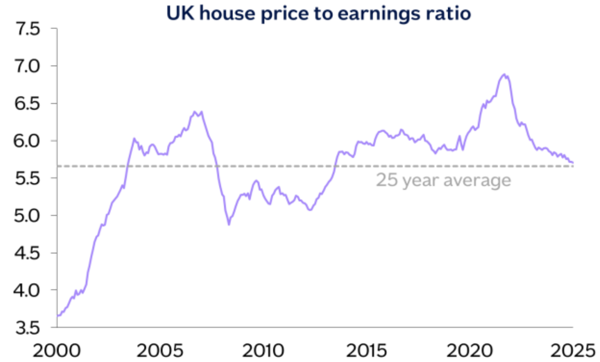
Source: Nationwide

Average UK house price



Source: Nationwide

UK house price to earnings ratio



Source: Nationwide, ONS

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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