



Winter Market Report 2025

Underlying resilience in the property market

Despite a long period of uncertainty leading up to the Autumn Budget, the property market has shown some real underlying strength, says Member of The Guild of Property Professionals, Kate Taylor from Taylor & Co in Abergavenny.

"Transactions have been steady, prices have held firm, and now, with clarity finally in place, we are expecting confidence to improve as buyers and sellers feel more able to move forward," adds Kate Taylor.

She notes that in November, the Bank of England held interest rates at 4%, taking a cautious approach as inflation remains above target. Inflation has proved more persistent than anticipated and is now forecast to end the year at 3.6%, with more measurable improvement in 2026.

"While inflation is still higher than we would like, there is still a small chance of a Bank Rate reduction in December. However, most economists expect the next cut to come in 2026, with two further 0.25 percentage point reductions across the year. Any improvement here will offer welcome relief for borrowers," comments Kate Taylor.

Mortgage rates have been broadly steady. After the Bank's September decision to hold interest rates, fixed mortgage rates edged up just slightly. However, despite these small increases, product choice remains strong. The number of available mortgage deals dipped a little below 7,000 in October, down from a 17-year high in September, but still comfortably above the 5,495 available two years ago.

Mortgage approvals, often a good indicator of longer-term demand, held relatively steady in October ahead of the Budget, with 65,018 approvals recorded, only slightly below September. In September, there were 65,944 approvals, just above the median economist forecast of 64,000. That is the highest level since December 2024 and slightly above the long-term monthly average going back to 2012.

The Autumn Budget has provided much-needed clarity after prolonged speculation. It was less adverse than expected, although some market pockets were more affected. This should help end months of uncertainty and allow the mainstream market to move forward.

Leading up to the Budget, 59% of agents reported activity levels had been significantly affected by the wide-ranging rumours. Buyer demand fell 8% year-on-year, and sales agreed dipped 3%. Part of this reflects last year's market recovery and buyers acting early ahead of stamp duty changes, but the slowdown was most pronounced at the top end, where concerns around the mansion tax were strongest.

Even with this caution, overall transactions held up surprisingly well. Focused buyers and needs based movers continued to proceed. Transactions so far this year are 13% higher than 2024, boosted by the March 2025 SDLT rush and last year's election dip. September saw 95,980 transactions, the highest since March 2025. Now that buyers and sellers have more certainty over tax changes, we would expect some increase in activity and the market to return to more normal market drivers like affordability.

In terms of prices, growth has remained stable despite higher stock levels and Budget related headwinds. According to the ONS HPI, the average UK house price reached £272,995 in August, a 3.0% annual increase, slightly down from 3.2% in July. There are of course regional differences where affordability-constrained regions are seeing slower growth. Looking forward, high supply levels are likely to put some downward pressure on growth, and OBR forecasts point to modest average house price rises of around 2.5% per year over the forecast period.

While transaction levels have edged up in September, more real time measures such as sales agreed show mixed conditions. Activity has been strengthening in parts of Scotland, northern England and the Midlands, but remains more subdued further south. Fall throughs have also ticked up. Q3 2025 saw a 0.5% year-on-year increase, reflecting ongoing challenges around financing, chain delays and shifting buyer sentiment. The latest RICS survey also reported a drop in near-term sales expectations, suggesting some caution ahead. However, activity levels are expected to pick up post-Budget as clarity over tax changes was gained, which proved less severe than many had feared.

“Across Wales, the most active housing markets are currently those of Newport, Conwy, and the Vale of Glamorgan, where close to one in every 31 properties has changed hands in the past year,” says Kate Taylor.

Finally, the average time to sell has lengthened slightly, rising from 31 days in July to 39 days in October, though still below the 41-day average we saw at the start of the year. Pricing accurately from day one is increasingly important. Research shows that properties withdrawn and later relisted are around three times more likely to sell than those left sitting on the market, with a 42% success rate versus 14.5%.

“During the month of October, the average time to sell in Wales was 41 days,” Kate Taylor concludes.

To find out what the housing market might have in store for you in the coming months, contact Kate and her team by:

☎ 01873 564424

🌐 <https://www.taylorandcoproperty.co.uk/contact-us/>

✉ abergavenny@taylorandcoproperty.co.uk

Kate Taylor MNAEA
Founder & Director, Taylor & Co

