

February 2025

MARKET UPDATE



moreland 

MORE HOMES ON THE MARKET

A recurring theme for the property market in recent times is an increase in the number of properties for sale with February observing a **6.15% increase** on the same period last year and this continues to be at a 10-year high as reported by Rightmove in their latest House Price Index.

As interest rates have now settled to a more normal long-term average, the discretionary and more aspirational movers have returned to the market, thus resulting in more properties for sale, with a 2.40% increase in new listings hitting the market in February compared to January and a 6.56% jump on the six-year average for February.

Why do we keep seeing a rise in the number of properties for sale?

According to Rightmove, compared to a year ago, properties are taking almost 10% longer to sell and my research has identified fewer properties are withdrawing from the market, plus there has also been a rise in the number of fall-throughs, and sellers returning to the market.

A quick check on Rightmove this morning shows me that only 44% of properties advertised are currently marked as under offer/SSTC and all of this added together would explain why there are more properties for sale versus recent years

Overly optimistic initial asking prices continue to be another key theme in the market as evidenced by a 12.33% rise on the number of price reductions compared to February 2024 and 34.57% increase on the six-year average as well.

MARKET POSITIVITY

The wider choice of properties available for buyers has meant an **8.89%** increase in sales agreed compared to January and a **4.46%** rise on February last year.

A real **positive** to also see is that the number of sales agreed in February was in line with the six-year average and a very strong sign that there is confidence in the market right now despite the upcoming changes to stamp duty at the end of the month.

FALL THROUGHS

Sales collapsing do continue to be an issue and whilst this is to be expected due to an increase in sales being agreed, the number is 11.34% higher than the six-year average.

This will sound very obvious, but a property that is **realistically priced** from the outset and **not needing a price reduction** is a lot less likely to have a sale collapse and the same can be said for how quickly a sale is agreed as well.

Really interesting data compiled by TwentyEA highlighted that properties selling in less than 25 days have a **94% chance** of completing compared to a 56% chance if they sell after 100 days.

Two other things that can help to reduce the chances of a sale collapsing are reservation agreements and sellers being legally ready upon hitting the market as opposed to just instructing a solicitor once a buyer has been found.

INTEREST RATES

The BoE met for the first time in 2025 on 6th February and voted to drop the Bank Rate 25bps to 4.5% and the lowest it has been since June 2023.

However, we should not get too carried away with this though as whilst some lenders have been reducing their interest rates, the path of base rates is already priced into fixed-rate mortgages, which account for the majority of new mortgages.

Due to where the global financial markets, swap rates, and gilt yields currently are, there is **no expectation** that interest rates will drop too much further from where they sit at the moment.

MAJOR UK HPI UPDATE

The latest Rightmove House Price Index reported a 0.5% monthly increase to average asking prices and a 1.4% rise compared to the last year, with Zoopla reporting a 0.19% drop on last month and 1.90% uplift on 2024.

Our own research found that the average asking price of new listings hitting the market in February were 1.13% higher than the previous month of January and 1.36% higher than February 2024.

However, the above data is based on the average asking price of new listings and seeing as though 56% of properties on the market remain unsold, it would make sense to look at those that have had sales agreed.

CONCLUSION

The chances of a sale completing can definitely be increased by listing a property at the correct price, having the right marketing and attracting a buyer within the first few weeks of marketing rather than just rushing to get the property online and having a strategy of hope.

Rent and mortgage spending increased slightly year-on-year in January to 2.0%, up from 1.8% the month before, but despite this increase in consumer confidence in their ability to afford rent and mortgage payments remained unchanged month-on-month at 52%.

More people looking to move home in 2025 and 2026 than this time last year, average earnings growing by 6% over the last year and well ahead of inflation, is supporting buyer confidence and helping to reset affordability.

THINKING OF MOVING?

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