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Your **Home Finance**

Autumn Q4 2025

Autumn housing market outlook

As summer fades, the UK housing market moves into autumn with steady momentum. A high volume of homes on the market and improving affordability are shaping a more balanced, buyer-friendly climate.

Buyer choice driving seller strategy

According to Rightmove, the market is entering autumn with one of the broadest ranges of available homes in a decade. This abundance of choice is influencing how sellers approach pricing and presentation. Colleen Babcock, Rightmove's Property Expert, explains, *"The decade-high level of buyer choice means that discerning buyers can quickly spot when a home looks over-priced. More new sellers are responding with stand-out pricing to entice buyers and get their home sold."*

Price trends

Asking prices dropped by 1.2%, according to Rightmove's July figures, marking the steepest July decline in over 20 years. However, this is still 0.1% above last year's level, signalling market resilience. Rightmove has now scaled back its 2025 house price growth forecast to 2%, down from an earlier 4%, reflecting heightened competition among sellers.

Zoopla's July House Price Index showed the average UK property price at £268,400, a 1.3% annual rise, while northern regions and Scotland had stronger growth than London and the South East. Zoopla now estimates that house prices will rise by around 1% in 2025, compared to a 2% increase predicted at the start of the year.

Affordability and activity

More choice and lower mortgage costs are helping buyers. In August, the average two-year mortgage rate dropped below 5% for the first time since the mini-Budget in September 2022. Meanwhile, the number of transactions remains solid, with agreed sales up 5% and buyer enquiries up by 6% in August.

What to expect in autumn

- For buyers – more negotiating power and better affordability make this a potentially strong autumn to search and secure value
- For sellers – competitive pricing is key; overpricing now risks your property being overlooked
- For the market overall – modest price growth is expected, but steady activity and potential rate cuts could sustain momentum through the autumn months.

Selling through the seasons

Thinking of putting your home on the market? The time of year you do it could affect how well your property sells.

It's all in the timing

It appears that buyers can be swayed by particular features depending on the season they're purchasing in. A survey of 1,000 UK homeowners[1] found that, in the winter months, 41% would pay more for energy-efficient features. Also, 38% would increase their budget for a traditional fireplace and a quarter (26%) would be convinced by a kitchen with an AGA-style cooker.

38% would increase their budget for a traditional fireplace

A similar trend occurs in summer, with nearly half (49%) saying they would pay more for a home with a garden or air conditioning. The same proportion (48%) would be swayed by a property with a swimming pool during the hot weather.

The desirable winter features

So, as we prepare for winter, which cosy features could contribute the most value to your home? A fireplace is the most sought after, increasing a property's value by an average of £4,568. This is closely followed by good insulation (£4,356) and underfloor heating (£3,985), showing that warmth takes priority for winter buyers.

[1]Zoopla, 2025

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As a mortgage is secured against your home or property, it could be repossessed if you do not keep up mortgage repayments.

Inside this issue

In the news // The cost of home insurance // Buying later and borrowing longer // Mortgage Guarantee Scheme launched // Owning a home offers significant savings opportunities // FTBs looking to buy in cities

IN THE **News**

Buyers pay more for a sea view

Buyers are willing to pay a premium for a home with a sea view, with these properties costing £88,106 more[2]. Even homes in coastal areas are not priced as high if they aren't in sight of the sea. Buyers will pay the most for a sea view in the East Midlands region (including Lincolnshire coast), where this feature could add 68% to the price. The area with the most sea-view properties on the market is Torbay in Devon.

The homes that have risen in value by 50%

Analysis[3] has found that one million homes in the UK have risen in value by at least 50% since 2020. Most of these properties are in the North West, Yorkshire and the Humber, and Wales. The growth is likely because these regions have become more attractive to buyers facing affordability challenges. On the other hand, half of homes in southern England have increased by 20% or less since the pandemic.

6.5 million regret their house purchase

According to research[4], 37% of homeowners in the UK have some regrets about the property they bought. This feeling is more prevalent among young homeowners, as 63% of 18 to 34-year-olds wish they had done things differently. The top regret for this age group is budgeting issues, with 29% wishing they had fully considered the cost of buying or renovating.

[2]Rightmove, 2025, [3]Zoopla, 2025, [4]HomeOwnersAlliance, 2025

The cost of home insurance

The latest home insurance statistics compiled by one industry source[5] have revealed the trends and patterns of 2025.

The average buildings and contents policy cost was reckoned to be £258.43, which is cheaper than buying buildings and contents policies separately. Flats and maisonettes that are converted are typically more expensive to insure than those that are purpose-built.

When it costs more

Most house policies cost a similar amount (between £230 and £250), except for detached houses which are pricier with an average of £301.72. Insuring your home tends to become more expensive until the ages of 41-50, when it reaches a peak of £319.03. After that, policies become cheaper, likely due to homeowners downsizing in later life.

Factors to consider

Generally, the more bedrooms you have, the more expensive your home insurance policy will be, which is something to consider if you're thinking about adding a bedroom through conversion or extension. Between May and July 2025, the most common reason for claiming on home insurance was escape of water (29.7%), followed by accidents (23.71%). This shows it's important to keep an eye out for leaks and act swiftly if you notice anything unusual.

> The average buildings and contents policy cost was reckoned to be £258.43, which is cheaper than buying buildings and contents policies separately

Act early to save money

Also, renewing your policy at the last minute does not usually save you money. In fact, the cheapest time to renew is 25 days before the policy ends, showing that it pays to plan ahead.

[5]MoneySuperMarket, 2025

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As a mortgage is secured against your home or property, it could be repossessed if you do not keep up mortgage repayments. Financial protection policies typically have no cash-in value at any time and cover will cease at the end of the term. If premiums stop, then cover will lapse.

Buying later and borrowing longer

Getting onto the property ladder has become harder in recent years and that's had a noticeable impact. People are now buying their first homes later in life and they're choosing longer mortgage terms to make monthly payments more manageable.

According to research[6], in 2019-20 just 3.6% of first-time buyers (FTBs) with a mortgage were aged 45 or older. By 2023-24, this figure had nearly tripled to 11.5%. Also, more borrowers are opting for longer mortgage terms. Around 84.9% of FTBs are taking out mortgages that are 25 years or more, while nearly one in three are signing up for 35 years or longer. This means that about 547,000 of those who stepped onto the property ladder in 2024 will still be paying off their mortgage in their 60s.

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More mortgages for lower incomes
Longer terms are increasingly common because they're often the only way that people can afford to buy a home. In July, the Bank of England advised that lenders can offer more mortgages that are over 4.5 times a borrower's income. HM Treasury expects this to create up to 36,000 additional FTB mortgages over the first year.

What's right for you?
We can advise you on the most suitable mortgage for your individual circumstances. It's a big step and a major expense in your life, we can provide the knowledge and support you need to make the right decision for you.

[6]Sprive, 2025

Mortgage Guarantee Scheme launched

The government's new Mortgage Guarantee Scheme became permanently available in July 2025.

The scheme, which was part of Labour's election manifesto, aims to sustain availability of 91-95% loan-to-value mortgages. Lenders are incentivised with a government-backed guarantee, insuring them against a portion of their potential losses on those mortgages. The Mortgage Guarantee Scheme is offered to FTBs and home movers.

When publishing information about the scheme, the Treasury said, *'The government recognises the difficulties that many aspiring homeowners face in getting on the housing ladder – in particular, the challenge of raising a sufficient deposit for a home.'*

When borrowing at higher loan-to-value levels, it's important to tread carefully. With less equity in your home, you could be more exposed if property prices fall

A mortgage guarantee scheme was first implemented by Boris Johnson's Conservative government; it accounted for approximately 53,250 mortgage completions between its launch in 2021 and the end of 2024[7]. Most of these purchases (86%) came from FTBs and were in the North West, South East or Scotland.

When borrowing at higher loan-to-value levels, it's important to tread carefully. With less equity in your home, you could be more exposed if property prices fall. Taking advice before committing can help ensure you choose a deal that balances interest rate, fees and suitability for your circumstances.

The Scheme is applicable in Scotland and Northern Ireland, in addition to England and Wales, with a few small modifications relating to terminology.

[7]HM Treasury, 2025

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Owning a home offers significant savings opportunities

Research[8] has compared the average cost of buying versus renting, highlighting the investment opportunities that homeowning can offer.

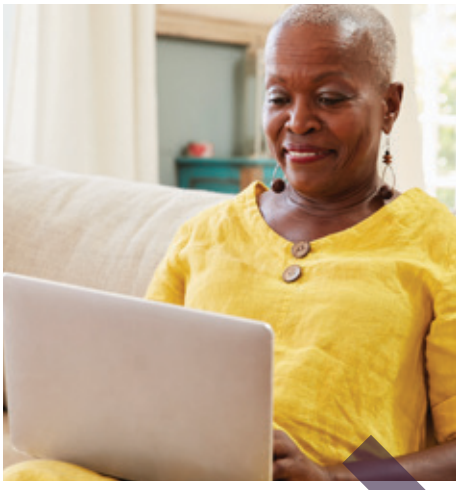
By the second year of homeownership, buyers are likely to be saving about £99 when compared with renters. The gap in wealth creation only widens over time, with homeowners potentially saving around £12,157 by the tenth year. This rises to £206,031 over 30 years. If homeowners decided to invest their savings, their returns could grow even more.

The report showed that the wealth created from homeowning varies depending on the region. Renters in London are potentially missing out on £540,687 over 30 years of homeownership. The gap is wider in Bristol, where homeowners could save £573,110.

Barriers to homeownership

Although owning a home comes with benefits, many renters do not believe it is attainable. Two thirds (65%) of those renting hope to buy, with the same proportion (64%) recognising that homeowning offers more long-term financial security. However, a quarter (27%) of renters don't think they could ever afford their own home. Meanwhile, only 8% say they prefer the flexibility that comes with renting.

High property prices seem to be the most common barrier to homeownership, with 61% of renters citing this as an issue. Some 56% said that saving for a deposit was a challenge, followed by 32% pointing to income insecurity.



Reasons to be optimistic

Promisingly, only 11% of 25 to 34-year-olds thought that homeownership was out of reach for them. This proportion went down to just 7% for 18 to 24-year-olds. Also, 56% of tenants would consider buying if their monthly mortgage repayments were the same price as their rent. In some regions of the UK, this is becoming feasible, so this may help renters to grow in confidence in the coming years.

It's right to be optimistic – we're here to help turn your homeownership dreams into a reality.

[8]MAB, 2025

FTBs looking to buy in cities

More FTBs are setting their sights on city living, new data reveals[9].

The analysis compared FTB enquiries between January and May 2025 with the same period in 2015. Over that time, the number of FTBs wanting to move to cities increased by 16%. This is yet more proof that the pandemic's 'race for space' is being reversed, as more buyers continue to be attracted to urban areas.

Some cities have seen particularly high increases in demand. Dundee experienced the biggest leap, with enquiries going up by an impressive 176%. Edinburgh followed with an increase of 91%, while demand in Doncaster rose by 74%.

Meanwhile, London appears to have lost some of its appeal. High house prices have likely deterred FTBs, as demand has dropped by 7% in the last ten years.

Looking to get onto the property ladder? City dweller or rural retreat – get in touch for advice.

[9]Rightmove, 2025

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All details correct at time of writing (September 2025).

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