

EMBARGOED TO 00:01 ON THURSDAY 20TH MARCH 2025

Bigger homes driving house price growth as flats lag behind

- **UK property prices rose by +3.7% (£10,431) over the last year**
- **Flats saw slowest growth in price (+3.2%) as easing interest rates allowed buyers to target larger properties**
- **Detached properties have increased in value by more than £100,000 over the last five years**
- **Flats account for 27% of all first-time buyer purchases, rising to 71% in UK's priciest region, London**

Demand for larger homes has driven growth in UK property prices over the past year, according to new research by Halifax.

As easing interest rates improved mortgage affordability, annual property price growth reached +3.7% in January 2025, up from just 1.0% at the start of 2024. In cash terms, prices increased by £10,431, with the average cost now at £294,818, surpassing the previous peak in August 2022 during the pandemic-era property boom.

The analysis – based on data from the *Halifax House Price Index* – reveals significant variations in price growth across different property types and regions. Terraced houses lead the way with annual growth of +4.5%, reaching £235,296, while detached properties increased by +4.1% to £471,748.

In contrast, flats saw the slowest growth at +3.2%, with an average price of £168,569. Semi-detached houses rose by +3.8%, averaging £307,685.

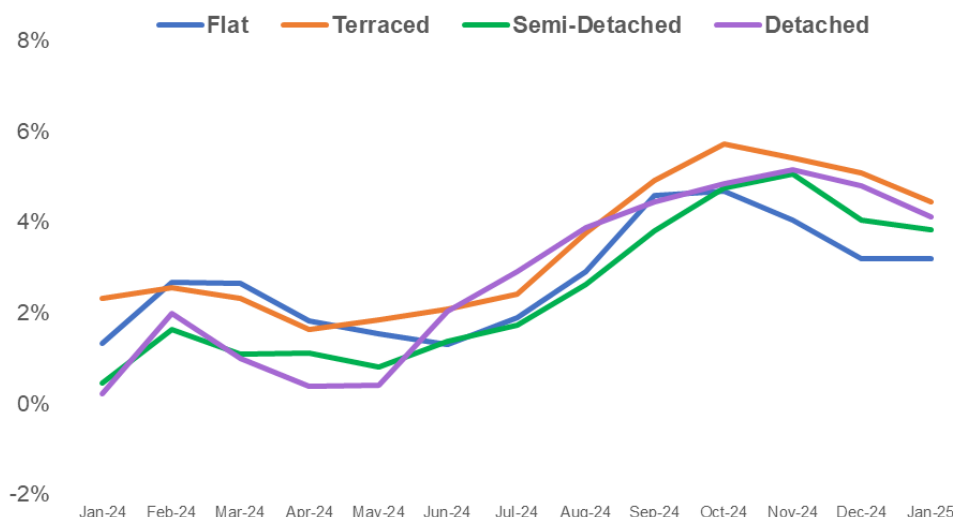
Press Office Contact



Gregor Low: gregor.low@lloydsbanking.com

Lynsey Cheshire-Willis: lynsey.cheshire.willis@lloydsbanking.com

Halifax: UK annual house price inflation by property type January 2024 to January 2025



Source: Halifax/S&P Global



Flats

Price growth for flats fluctuated significantly over the last year, from 1.3% in January 2024 to a peak of +4.7% in October, before easing to +3.2% at the start of 2025.

Despite this, the average price of £168,569 remains just £1,824 below the peak recorded in August 2022.

Regionally, the North East saw the strongest growth in flat prices, rising by +15.1% (£13,141) to £100,123, while the East Midlands experienced a slight decrease of -0.6% (-£705).



Terraced houses

Terraced homes led house price growth for much of the last year, peaking at +5.7% in October 2024. They began 2025 at +4.5%, with the average price now at £235,296, up by £10,025 over the last year.

Press Office Contact



Gregor Low: gregor.low@lloydsbanking.com

Lynsey Cheshire-Willis: lynsey.cheshire.willis@lloydsbanking.com

Press Release



The North East saw the highest annual increase for terraced houses at +8.4% (£10,263), while Yorkshire and Humberside had the slowest growth at +2.7%. As with flats, the North East has seen prices for terraced houses rise the most on an annual basis, up by +8.4% (£10,263).



Semi-detached houses

Semi-detached houses recorded growth of +3.8% over the last year, increasing by £11,367 in cash terms, with the average price now at £307,685.

Northern Ireland saw the biggest increase at +7.0% (£11,835), while Scotland had the slowest growth at +0.7%.



Detached houses

At the top end of the size scale, detached houses saw annual growth of +4.1% (£18,704). The average price of £471,748 is above the pandemic-era peak set in September 2022 (£471,333) and just shy of the new high set in September last year (£472,984).

Northern Ireland recorded the strongest annual growth at +15.2% (up £35,857), while London had the weakest at +0.9%, though it still has the most expensive detached properties in the UK (£944,526). This is around five times more than the cheapest in the North East (£190,757).

UK average house price by property type	All	Flat	Terraced	Semi-detached	Detached
Average price January 2024	£284,388	£163,348	£225,271	£296,317	£453,044
Average price January 2025	£294,818	£168,569	£235,296	£307,685	£471,748
Percentage growth	+3.7%	+3.2%	+4.5%	+3.8%	+4.1%
Price change	£10,431	£5,221	£10,025	£11,367	£18,704

Press Office Contact



Gregor Low: gregor.low@lloydsbanking.com

Lynsey Cheshire-Willis: lynsey.cheshire.willis@lloydsbanking.com

66

Amanda Bryden, Head of Halifax Mortgages, said:

“The fortunes of different property types tend to ebb and flow depending on broader market conditions. This time last year, the average price of a flat had risen more quickly than a detached house, as buyers adjusted to higher borrowing costs and sought to compensate by targeting smaller properties.

“Now, as interest rates have started to ease, it’s once again those homes offering more space which are fuelling demand. And that’s not just a short-term trend; over the last decade, bigger properties have tended to outperform smaller homes when it comes to price growth.

“This has caused the gap between the rungs on the housing ladder to widen further, presenting a bigger challenge to those looking to make the step up. However, that only tells part of the story. Slower growth among smaller homes is helpful for first-time buyers, and we saw a big rebound in that group last year.

“If you look beyond the UK picture to the individual nations and regions, there’s huge variance in average price performance for different property types, with many areas offering more value for money”.



What properties are first-time buyers purchasing?

The first-time buyer market rebounded last year, as a fifth more stepped onto the ladder.

Once again improved mortgage affordability saw larger properties experience the strongest price growth, with terraced homes rising by +3.5%, semi-detached by +2.9%, and detached by +2.8%. Flats lagged behind at +1.8%.

UK average first-time buyer price by property type	All	Flat	Terraced	Semi-detached	Detached
Average price January 2024	£227,792	£151,071	£202,934	£260,191	£374,403
Average price January 2025	£235,195	£153,791	£209,985	£267,697	£384,717
Percentage growth	+3.2%	+1.8%	+3.5%	+2.9%	+2.8%
Price change	£7,402	£2,720	£7,051	£7,505	£10,314

Press Office Contact



Gregor Low: gregor.low@lloydsbanking.com

Lynsey Cheshire-Willis: lynsey.cheshire.willis@lloydsbanking.com

Flats account for around 27% of first-time buyer purchases in the UK, varying significantly by region, from 71% in London to 4% in the East Midlands.

UK property types bought by first-time buyers January 2024 to January 2025	Proportion
Flats	27%
Terraced	29%
Semi-detached	29%
Detached	15%



New build flats are bucking the trend

A category where flats buck the trend is new builds. While overall growth over the last year for newly built properties was +3.1%, for new build flats it was much higher, at +6.7%.

Terraced (+3.6%), semi-detached (+2.2%) and detached (+2.4%) houses all trailed behind in annual property price inflation.

Buyers of new builds continue to pay a significant premium compared to existing properties, at £33,514 overall and up to £71,865 for flats.

UK average new build price by property type	All	Flat	Terraced	Semi-detached	Detached
Average price January 2024	£304,997	£222,432	£285,559	£348,026	£504,400
Average price January 2025	£314,587	£237,427	£295,817	£355,619	£516,335
Percentage growth	+3.1%	+6.7%	+3.6%	+2.2%	+2.4%
Price change	£9,590	£14,995	£10,258	£7,594	£11,935
Premium to existing properties	£33,514	£71,865	£63,192	£50,946	£42,709

Press Office Contact



Gregor Low: gregor.low@lloydsbanking.com

Lynsey Cheshire-Willis: lynsey.cheshire.willis@lloydsbanking.com



The cost gap between property types is widening

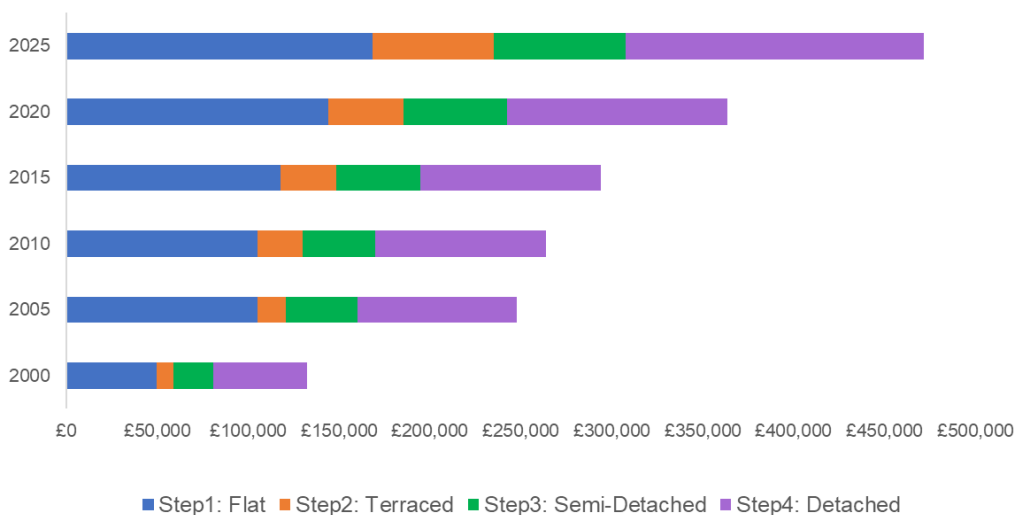
Since the turn of the century, the cost gap between different property types has widened significantly.

In the year 2000, the cost of the average flat was just £49,905. An extra £9,105 would get a terraced house, a further £22,006 a semi-detached house, and an additional £51,655 on top of that would secure a detached property.

Fast forward to 2025, and the cost of the average flat is now £168,569. An extra £66,726 would be needed for a terraced house, a further £72,389 for a semi-detached house, and another £164,063 for a detached property.

However, in relative terms, the cost of a flat compared to a detached house – a measure of the gap between the rungs of the housing ladder – has only slightly increased from 2.66 times in 2000 to 2.8 times in 2025.

Halifax: UK average house price - gap between property types



Source: Halifax/S&P Global

Press Office Contact



Gregor Low: gregor.low@lloydsbanking.com

Lynsey Cheshire-Willis: lynsey.cheshire.willis@lloydsbanking.com



How have property prices changed over the last decade?

Over the last five years – a timeframe which includes both the pandemic-era housing market boom and subsequent slowdown as interest rates rose – house prices have increased at a faster pace than in the preceding five-year period (+25.1% vs +23.8%).

This trend is true for all for all property types except flats, which rose by +16.7% compared to +22.3% in the previous five years.

That's in contrast to detached houses, which saw the highest growth of +29.6% over the last five years (vs +23.7% in the preceding period), adding more than £100,000 to the average value since 2020.

UK average house price by property type	All	Flat	Terraced	Semi-detached	Detached
Average price January 2015	£190,382	£118,098	£148,417	£194,618	£294,252
Average price January 2020	£235,647	£144,436	£185,775	£242,365	£363,869
Average price January 2025	£294,818	£168,569	£235,296	£307,685	£471,748
Percentage growth 2015 - 20	+23.8%	+22.3%	+25.2%	+24.5%	+23.7%
Percentage growth 2020 - 25	+25.1%	+16.7%	+26.7%	+27.0%	+29.6%

ENDS

Please see following pages for additional full data tables.

Press Office Contact



Gregor Low: gregor.low@lloydsbanking.com

Lynsey Cheshire-Willis: lynsey.cheshire.willis@lloydsbanking.com

Table 1: Property type: ALL PROPERTIES
Regional average property price change between January 2024 and January 2025

Region	Average price January 2024	Average price January 2025	£ change	% change
East Midlands	£234,700	£242,581	£7,881	3.4%
Eastern England	£325,574	£334,232	£8,658	2.7%
Greater London	£526,571	£540,861	£14,290	2.7%
North East	£167,769	£176,464	£8,695	5.2%
North West	£227,529	£237,681	£10,152	4.5%
Northern Ireland	£193,653	£205,035	£11,382	5.9%
Scotland	£203,066	£207,909	£4,843	2.4%
South East	£377,044	£387,984	£10,940	2.9%
South West	£293,678	£305,170	£11,492	3.9%
Wales	£217,121	£224,875	£7,755	3.6%
West Midlands	£248,761	£258,617	£9,856	4.0%
Yorkshire & Humberside	£204,084	£213,459	£9,376	4.6%
United Kingdom	£284,388	£294,818	£10,431	3.7%

Table 2: Property type: FLATS
Regional average property price change between January 2024 and January 2025

Region	Average price January 2024	Average price January 2025	£ change	% change
East Midlands	£126,928	£126,223	-£705	-0.6%
Eastern England	£193,169	£198,340	£5,171	2.7%
Greater London	£371,357	£379,922	£8,565	2.3%
North East	£86,982	£100,123	£13,141	15.1%
North West	£124,287	£130,986	£6,699	5.4%
Northern Ireland	£111,894	£115,043	£3,149	2.8%
Scotland	£116,096	£118,358	£2,262	1.9%
South East	£220,553	£223,850	£3,297	1.5%
South West	£176,494	£180,363	£3,869	2.2%
Wales	£110,654	£121,317	£10,663	9.6%
West Midlands	£134,050	£134,254	£204	0.2%

Press Office Contact



Gregor Low: gregor.low@lloydsbanking.com

Lynsey Cheshire-Willis: lynsey.cheshire.willis@lloydsbanking.com

Press Release



Yorkshire & Humberside	£114,917	£118,161	£3,244	2.8%
United Kingdom	£163,348	£168,569	£5,221	3.2%

Table 3: Property type: TERRACED HOUSES
Regional average property price change between January 2024 and January 2025

Region	Average price January 2024	Average price January 2025	£ change	% change
East Midlands	£182,559	£188,530	£5,971	3.3%
Eastern England	£283,961	£296,254	£12,292	4.3%
Greater London	£539,613	£558,315	£18,702	3.5%
North East	£121,652	£131,914	£10,263	8.4%
North West	£167,602	£174,571	£6,970	4.2%
Northern Ireland	£119,403	£127,254	£7,852	6.6%
Scotland	£153,207	£162,310	£9,104	5.9%
South East	£321,738	£333,855	£12,117	3.8%
South West	£247,577	£257,742	£10,165	4.1%
Wales	£154,879	£164,874	£9,995	6.5%
West Midlands	£196,185	£210,971	£14,787	7.5%
Yorkshire & Humberside	£162,254	£166,633	£4,379	2.7%
United Kingdom	£225,271	£235,296	£10,025	4.5%

Table 4: Property type: SEMI-DETACHED HOUSES
Regional average property price change between January 2024 and January 2025

Region	Average price January 2024	Average price January 2025	£ change	% change
East Midlands	£238,080	£247,990	£9,910	4.2%
Eastern England	£361,061	£374,116	£13,055	3.6%
Greater London	£659,035	£685,800	£26,765	4.1%
North East	£183,277	£190,757	£7,480	4.1%
North West	£237,873	£252,207	£14,334	6.0%
Northern Ireland	£169,318	£181,153	£11,835	7.0%
Scotland	£211,483	£213,067	£1,584	0.7%

Press Office Contact



Gregor Low: gregor.low@lloydsbanking.com

Lynsey Cheshire-Willis: lynsey.cheshire.willis@lloydsbanking.com

Press Release



South East	£407,801	£423,887	£16,086	3.9%
South West	£316,422	£328,315	£11,893	3.8%
Wales	£211,667	£222,290	£10,624	5.0%
West Midlands	£265,310	£277,768	£12,459	4.7%
Yorkshire & Humberside	£215,964	£229,676	£13,712	6.3%
United Kingdom	£296,317	£307,685	£11,367	3.8%

Table 5: Property type: DETACHED HOUSES
Regional average property price change between January 2024 and January 2025

Region	Average price January 2024	Average price January 2025	£ change	% change
East Midlands	£368,836	£387,728	£18,892	5.1%
Eastern England	£528,179	£546,482	£18,304	3.5%
Greater London	£936,255	£944,526	£8,271	0.9%
North East	£183,277	£190,757	£7,480	4.1%
North West	£237,873	£252,207	£14,334	6.0%
Northern Ireland	£235,184	£271,041	£35,857	15.2%
Scotland	£303,815	£321,134	£17,318	5.7%
South East	£602,636	£625,731	£23,095	3.8%
South West	£481,313	£499,389	£18,076	3.8%
Wales	£341,642	£357,074	£15,431	4.5%
West Midlands	£416,678	£436,710	£20,032	4.8%
Yorkshire & Humberside	£215,964	£229,676	£13,712	6.3%
United Kingdom	£453,044	£471,748	£18,704	4.1%

Table 6: Gap in average price between UK property types

Year	Step 1: Flat	Step 2: Terraced	Step 3: Semi-Detached	Step 4: Detached
2000	£49,905	£9,105	£22,006	£51,655
2005	£105,277	£15,525	£39,592	£87,263
2010	£105,430	£24,634	£39,937	£93,988
2015	£118,098	£30,319	£46,202	£99,634

Press Office Contact



Gregor Low: gregor.low@lloydsbanking.com

Lynsey Cheshire-Willis: lynsey.cheshire.willis@lloydsbanking.com

Press Release



2020	£144,436	£41,339	£56,590	£121,504
2025	£168,569	£66,726	£72,389	£164,063

Notes to editors

This research is based on the same mortgage approval data used to calculate the Halifax House Price Index (HPI), the UK's longest running monthly house price series with data covering the whole of the UK going back to January 1983.

The standardised house prices presented in the research have been calculated using a similar approach to the HPI's mix adjusted methodology, with property price movements analysed on a like-for-like basis.

Due to smaller sample sizes for each property type within the regional data, all figures are based on a three-month average to smooth out monthly volatility e.g. January 2025 figures refer to the average price across November 2024 to January 2025. Therefore figures quoted may differ from those published previously in the main monthly Halifax House Price Index.

This research has been conducted by Halifax in partnership with S&P Dow Jones Indices, which acts as administrator for the Halifax House Price Index. S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit <https://www.spglobal.com/spdji/en/>.

The information in this release is intended for the sole use of journalists and media professionals. It has been prepared from information that we believe is collated with care, but it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance. © Bank of Scotland plc all rights reserved 2025.

Press Office Contact



Gregor Low: gregor.low@lloydsbanking.com

Lynsey Cheshire-Willis: lynsey.cheshire.willis@lloydsbanking.com