

An aerial photograph of London at dusk. The Tower Bridge is illuminated with warm lights, and its reflection is visible in the water. In the background, The Shard stands tall against a sky with soft, orange and blue clouds. Other city buildings are lit up, and the River Thames flows through the scene.

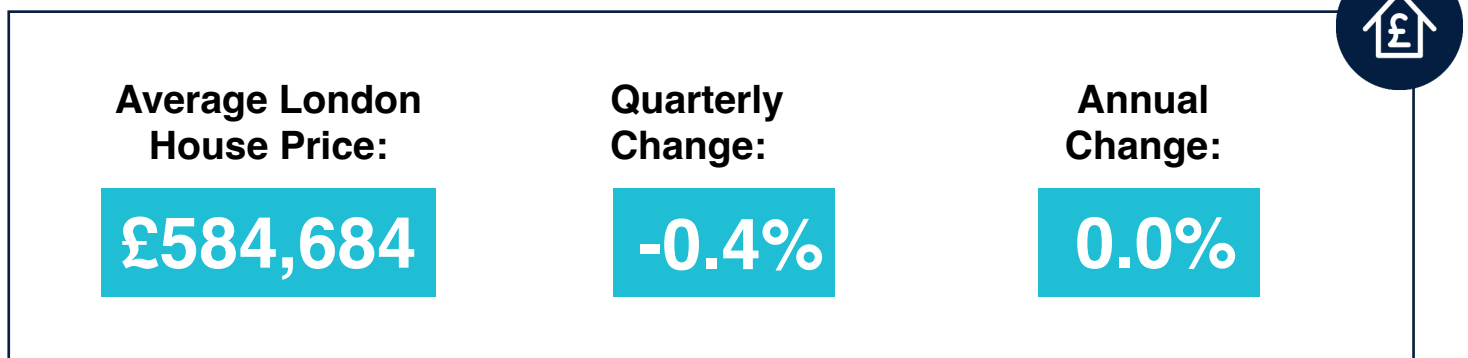
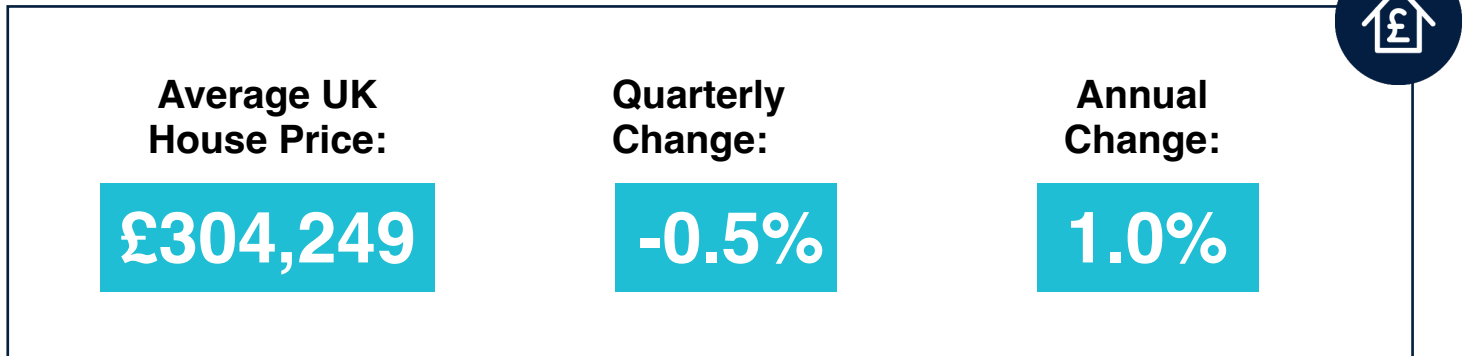
Benham & Reeves  
Market Index Review  
Q4, 2025

*London's Lettings & Sales Agent*

# The Benham and Reeves Market Index Review - Q4, 2025

The Benham and Reeves Property Market Index Review is a quarterly accumulation of house price data from the top four existing indices, providing the most comprehensive view of UK and London house price performance.

It looks at where the average house price sits overall when taking into account mortgage approved house prices from Halifax and Nationwide, seller expectations via the Rightmove House Price Index, and sold prices from the UK House Price Index.



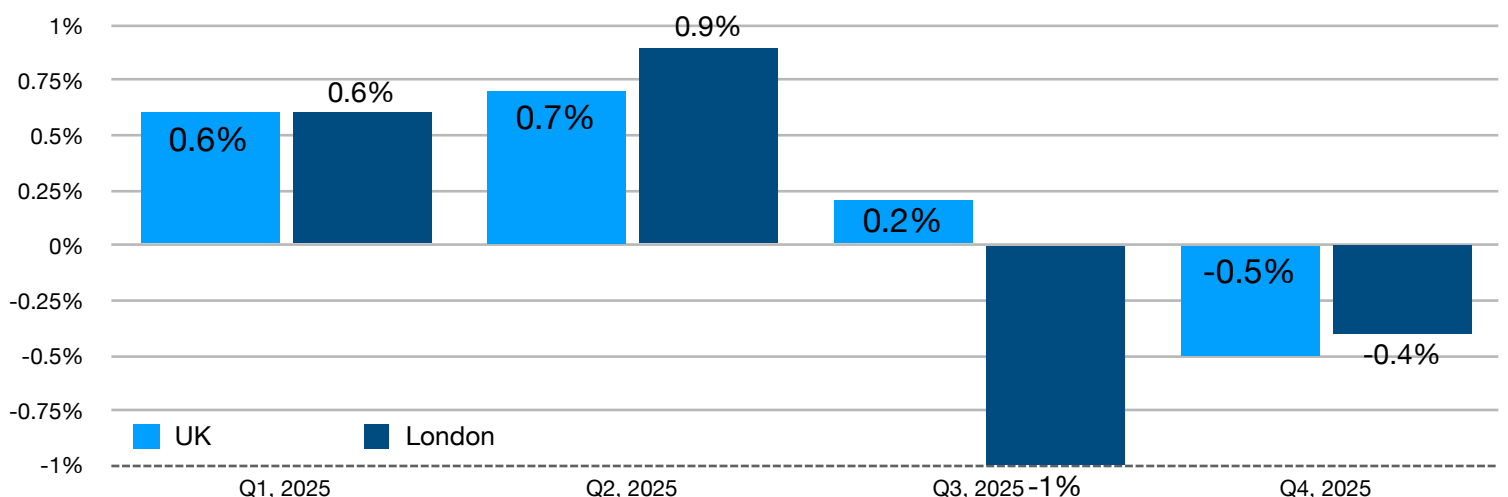
Based on a geometric mean of all four existing data sets, the index from Benham and Reeves shows the average UK house price sat at £304,249 in Q4 of this year.

This marked a -0.5% quarterly decrease, following three consecutive quarters of positive growth. It also marks the first quarterly drop since Q4 2023 (-0.8%).

However, the long-term view also remains one of positivity, with current house prices remaining 1% higher when compared to the previous year, Q4 2024.

In London, the average house price in Q4 2025 sat at £584,684. This marked a -0.4% decline for the quarter, and the capital's second consecutive quarterly drop following Q3's decrease of -1%. However, the annual picture demonstrates that the London market has stood firm in the long-term, with no discernible price change recorded between Q4 2024 and Q4 2025.

Quarterly House Price Growth %

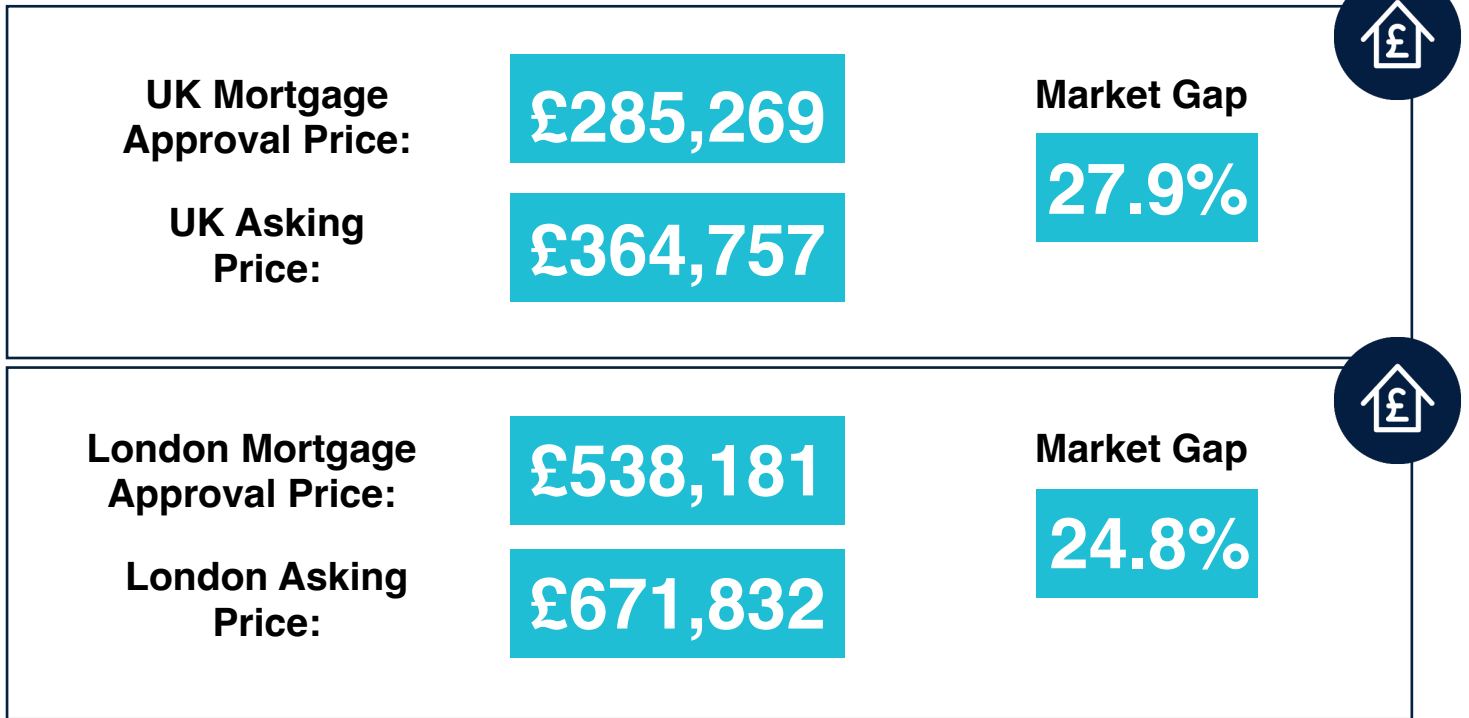


# Mortgage Approval Price vs Asking Price

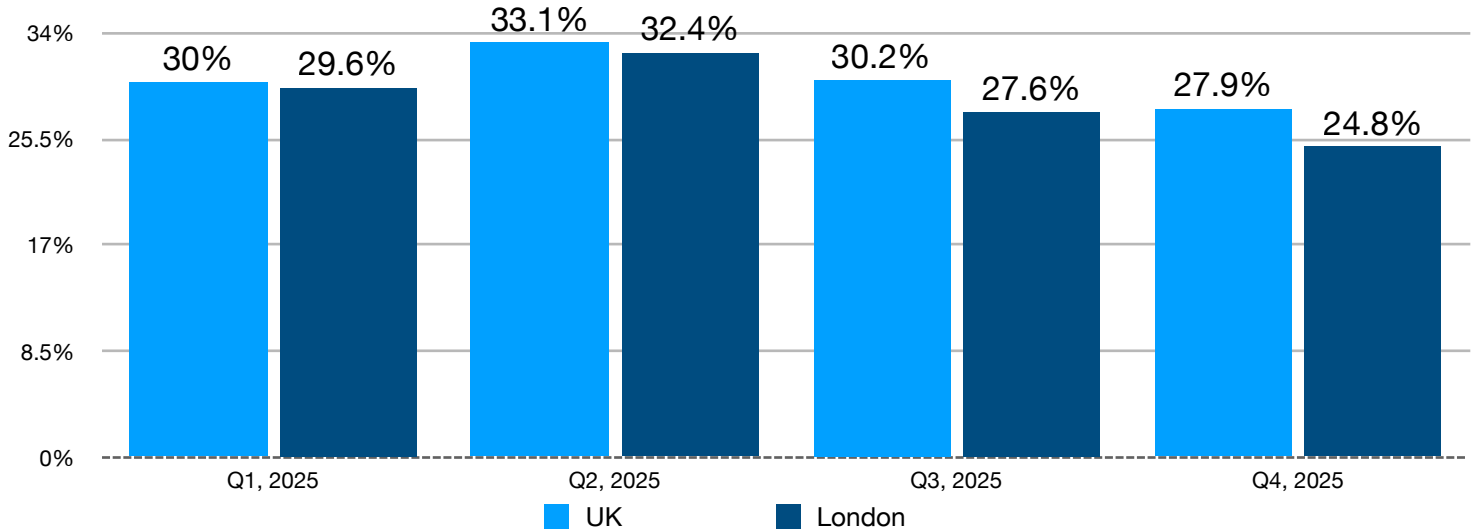
In Q4 2025, the market gap between the average mortgage approved price of a buyer (£285,269) and the asking price expectation of a seller (£364,757) sat at 27.9%.

This marked a drop on the previous quarter when this gap sat at 30.2%, which was itself a reduction on the Q2 gap of 33.1%. This continued narrowing of the gap is largely driven by a decrease in the average asking price and a more realistic approach to pricing on the side of the nation's home sellers.

In London, the gap between mortgage approved house prices (£538,181) and seller asking prices (£671,832) was 24.8%. As with the wider national picture, this marked a second consecutive quarterly reduction, again driven by a drop in asking prices as sellers looked to combat quieter market conditions.



Market Gap Between Buyer (Mortgage Approved) & Seller (Asking Price)



One of the most notable trends seen over the last year has been the continued narrowing of the gap between buyer affordability and seller expectation. This has been driven largely by sellers adopting a more realistic approach to pricing, which is helping to facilitate transactions even in a cooler market environment.



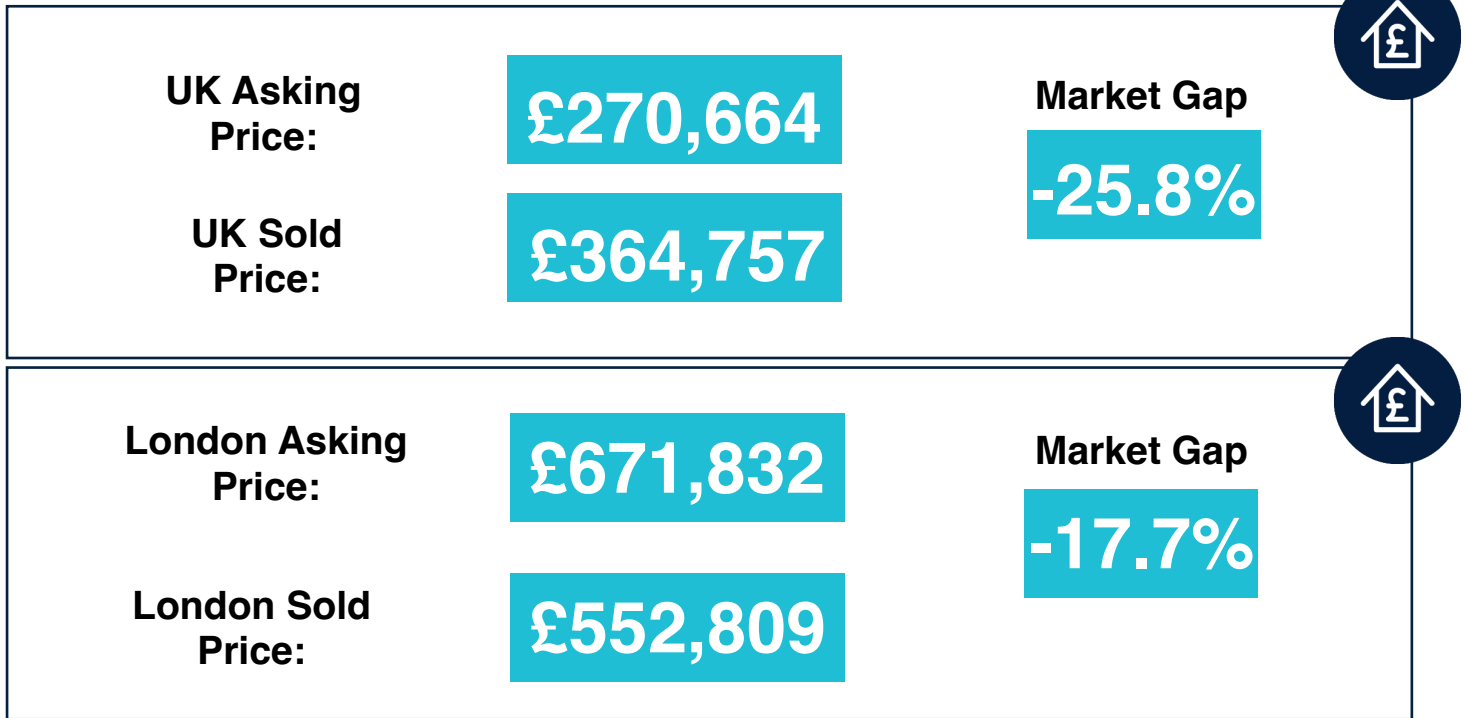
Director of Benham and Reeves, Marc von Grundherr.

# Asking Price vs Sold Price

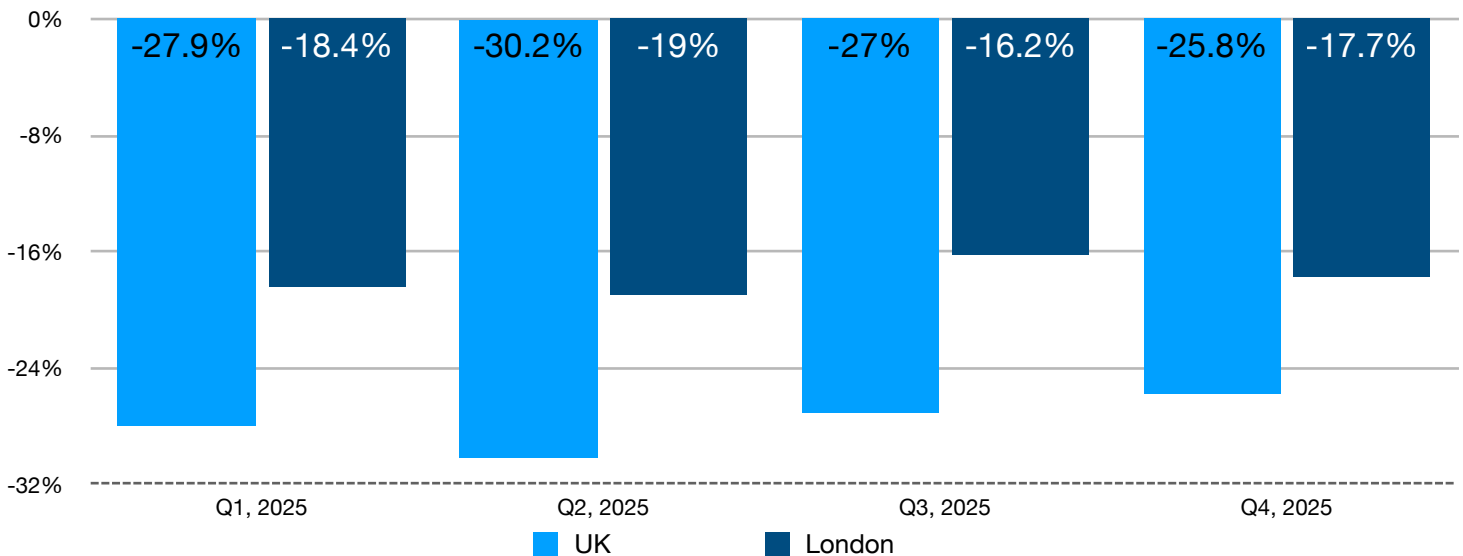
The latest index by Benham and Reeves shows that the difference between the average UK asking price and the average sold price has also continued to fall.

Across the UK, the average sold price in Q4 2025 stood at £270,664, -25.8% below the average asking price of £364,757. This is by far the narrowest gap since Benham and Reeves began its index in 2017, driven by a significant quarterly drop in asking prices while sold prices remained steady. This suggests more realistic asking prices on the side of sellers, but continued demand from buyers.

In London, the difference between asking price and sold price sits at -17.7%, a widening of the gap compared to the previous quarter when it measured -16.2%.



Market Gap Between Seller (Asking Price) & Buyer (Sold Price)



The gap between asking and sold prices has reached its narrowest point on record, reinforcing the fact that homes priced correctly are still attracting strong levels of demand and achieving successful sales.



Director of Benham and Reeves, Marc von Grundherr.

# Benham & Reeves

## London

Canary Wharf  
City of London  
Colindale  
Dartmouth Park  
Ealing  
Fulham  
Hammersmith  
Hampstead  
Highgate  
Hyde Park  
Kensington  
Kew  
Knightsbridge

Nine Elms  
Shoreditch  
Southall  
Surrey Quays  
Wapping  
Wembley  
White City  
Woolwich

## International

China  
Hong Kong  
India  
Indonesia  
Malaysia  
Middle East  
Singapore  
Taiwan  
Thailand  
Turkey

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*\*Latest data may differ when compared to previous index versions. This is the result of revisions and changes to historic prices. For example, data has been revised accordingly to reflect revisions to the UK HPI which arise as the given index is re-calculated to incorporate additional transactions over time.*