HOUSE PRICE INDEX

Principality Building Society

House Price Index Wales Q2 2025

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House Prices Steady as Sales Surge

The average price of a home sold in Wales was £238,098 in the second quarter of 2025, showing a modest increase from the same period last year (£236,369 in Q2 2024).

The figures have been released from Principality Building Society's Wales House Price Index for Q2 2025 (April – June), which demonstrates the rise and fall in house prices in each of the 22 local authorities in Wales.

Despite ongoing affordability pressures, the continued growth in transactions suggests buyer confidence is here to stay amid persistent cost-of-living challenges and elevated rates.

Annual change %
0.7

Quarterly change %
-0.1

Increase in transact.%
13 Q2 2025 vs Q2 2024

Average house price
£238,098

Iain Mansfield,
Chief Financial Officer at Principality Building Society, said:

"The housing market in Wales continued to stabilise in the second quarter of 2025, with prices holding broadly flat compared to the start of the year. Encouragingly, the steady increase in transaction volumes signals increasing confidence among buyers. While market conditions remain challenging, a downward trend in mortgage rates is helping to create a more favourable environment for buyers. This shift is contributing to a gradual uplift in consumer confidence as we move into the second half of 2025.

The average price of a home in Wales remained broadly stable in the second quarter, which is 0.7% higher than the previous year, and just 4.6% below its peak of £249,000 at the end of 2022.

The steady increase in transactions indicates continued recovery in the Welsh housing market. According to our analysis of HM Land Registry data, there were over 10,000 property transactions in Wales during the second quarter. This marks a 13% rise compared to the same period last year, reflecting a trend in year-on-year recovery in property sales.

This quarter's data shows Torfaen leading the way with the highest quarterly price change of any authority, increasing by 14%. This is likely influenced by intermittent high value sales in the area, coupled with limited housing supply - which is evident across Wales. Torfaen is followed by Carmarthen, at a 6.3% quarterly increase.

Notably, Gwynedd has reported a quarterly decline in prices, with a 7.3% decrease this quarter. This is possibly in response to recent policy changes, such as the Welsh Government's adjustments to second home taxation, in addition to the potential impact of Gwynedd Council's Article 4 Direction, which requires planning permission to be secured before changing the use of a property into a second home, short-term holiday let or specific mixed use. The Financial Times reported recently, citing data from Rightmove, that the number of homes for sale in Gwynedd in June 2025 was 146% higher than in June 2021, the recent policy changes coupled with increased supply may be contributing to downward pressure on property prices in the region[1].

Iain Continues...

The Bank of England base rate cuts will be driving affordability for buyers in Wales, resulting in the increase in transactions we are observing in the market, while rents are still rising. When we compare to the same period last year, the average two-year fixed rate (75% LTV) stood at around 5.56%[2], versus this year, where rates are averaging 4.68%[3] respectively. At the same time, while house prices have remained broadly the same year-on-year, the cost of renting the average home has increased by 8.5%[4] in the 12 months to May, a stark jump.

Meanwhile, housing supply remains a challenge that Welsh Government has committed to address - particularly in relation to affordable and social housing. Most recently, the Cabinet Secretary for Housing and Local Government committed to implement the relevant recommendations of the Affordable Housing Taskforce, which has targeted interventions for supply. Separately, a Swansea local government pension fund announced a £51m local impact investment, a part of which will be targeted at developing social housing.

Housing remains a big topic on the wider UK Government's agenda too, with the Chancellor announcing a transformational £39bn investment in affordable and social housing over the next decade.

As a business, we remain focused on being part of the solution when it comes to the demand pressures within the Welsh housing market. As of this year, we're proud to support 19 of 32 housing associations in Wales – aiming to remove barriers to help support everyone to have a place to call home.

As the report demonstrates, price growth has eased this quarter. Looking ahead, we expect the market to gain momentum. A significant factor will be improving affordability which goes hand in hand with consumer confidence increasing – especially for first-time buyers – driven by falling interest rates and more favourable mortgage terms, likely boosting demand.

With demand rising and supply remaining a challenge for buyers across the country, we anticipate renewed market activity in the second half of the year as housing remains top of the agenda for governments in Westminster and Wales. ”

[1]de Rosee, "Is North Wales Setting a Sustainable Template for Second-Home Tactics?", Financial Times (2025)
[2]Philips, "Biggest Monthly Drop In Two-Year Mortgages" Moneyfactscompare (2024)
[3]Hammond, "What Are The UK Mortgage Rates Today?" Uswitch (2025)
[4]Private rent and house prices, UK - Office for National Statistics (2025)

Quarterly transactions by property type

Wales 2024 & 2025

Source: HM Land Registry and Acadata estimates

Acadata estimates that there were about 10,600 transactions across Wales in the second quarter. This is 6% higher than in the first quarter and 13% higher than the same period a year ago.

It is also the fourth consecutive quarter with more than 10,000 sales. The picture of recovering property sales, which has been broadly spread across different property types, supports our view that the drag on demand from cost-of-living pressures and higher interest rates continues to subside.

Average house prices in Wales
over the last 5 years

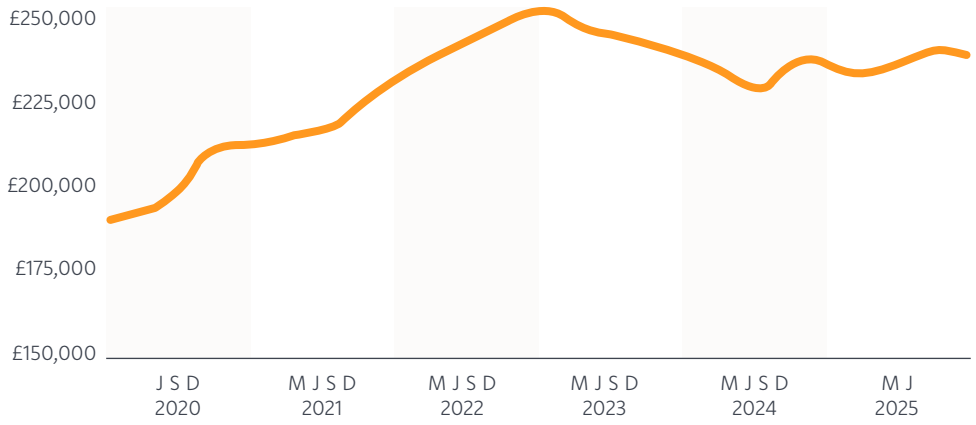

Chart 1: House prices in Wales stage a recovery
Source: Acadata, mix and seasonally adjusted

Chart 1 shows the average price of homes in Wales over the past five years, presented quarterly, with adjustments made for the mix of property types and seasonal effects.

The average price of a home in Wales now stands at £238,098, which is 1% higher than a year ago.

Annual % change in prices by property type
12 months to June 2025

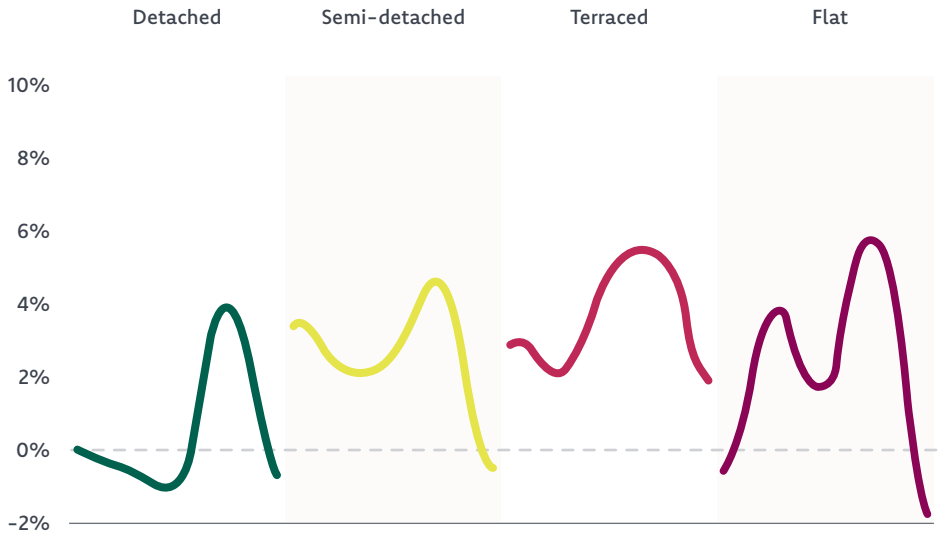

Chart 2: Annual % change in prices by property type, Wales, 12 months to June 2025
Source: Acadata, mix and seasonally adjusted

Our latest figures indicate that only terraced properties, which reached a fresh market peak as recently as the first quarter of this year, continue to show positive year-on-year price gains (of just under 2%).

Detached properties and flats have performed less well than other property types and remain approximately 3-4% below their respective peaks.

Geography

Annual and quarterly average house price changes

Local Authority	Jun 2024	Mar 2025	Jun 2025	Annual Change %	Quarterly Change %
Blaenau Gwent	£154,315	£161,697	£155,774	0.9%	-3.7%
Bridgend	£234,920	£244,810	£232,178	-1.2%	-5.2%
Caerphilly	£207,579	£214,387	£209,368	0.9%	-2.3%
Cardiff	£307,741	£297,596	£289,626	-5.9%	-2.7%
Carmarthenshire	£220,661	£217,329	£230,978	4.7%	6.3%
Ceredigion	£267,823	£244,321	£248,961	-7.0%	1.9%
Conwy	£242,237	£235,185	£231,282	-4.5%	-1.7%
Denbighshire	£218,520	£219,372	£219,004	0.2%	-0.2%
Flintshire	£226,622	£230,902	£238,455	5.2%	3.3%
Gwynedd	£229,240	£229,477	£212,813	-7.2%	-7.3%
Isle Of Anglesey	£254,273	£248,639	£245,355	-3.5%	-1.3%
Merthyr Tydfil	£171,902	£174,779	£174,623	1.6%	-0.1%
Monmouthshire	£363,686	£346,294	£339,516	-6.6%	-2.0%
Neath Port Talbot	£181,560	£176,463	£174,638	-3.8%	-1.0%
Newport	£249,455	£251,451	£249,734	0.1%	-0.7%
Pembrokeshire	£251,307	£241,517	£244,649	-2.6%	1.3%
Powys	£263,974	£264,739	£256,919	-2.7%	-3.0%
Rhondda Cynon Taff	£182,888	£172,881	£176,206	-3.7%	1.9%
Swansea	£233,120	£233,935	£235,939	1.2%	0.9%
The Vale Of Glamorgan	£332,655	£330,614	£323,998	-2.6%	-2.0%
Torfaen	£234,463	£198,088	£225,771	-3.7%	14.0%
Wrexham	£217,463	£214,791	£217,998	0.2%	1.5%
Wales	£236,369	£238,413	£238,098	0.7%	-0.1%

Table 1: Annual and quarterly average house price changes
Source: Acadata, mix and seasonally adjusted

The latest local authority metrics (see Table 1) confirm that the recovery in market prices is fading, at least temporarily.

Figure 1: Annual price changes by local authority, June 2025

Quarterly price changes by local authority

Q2: 2025

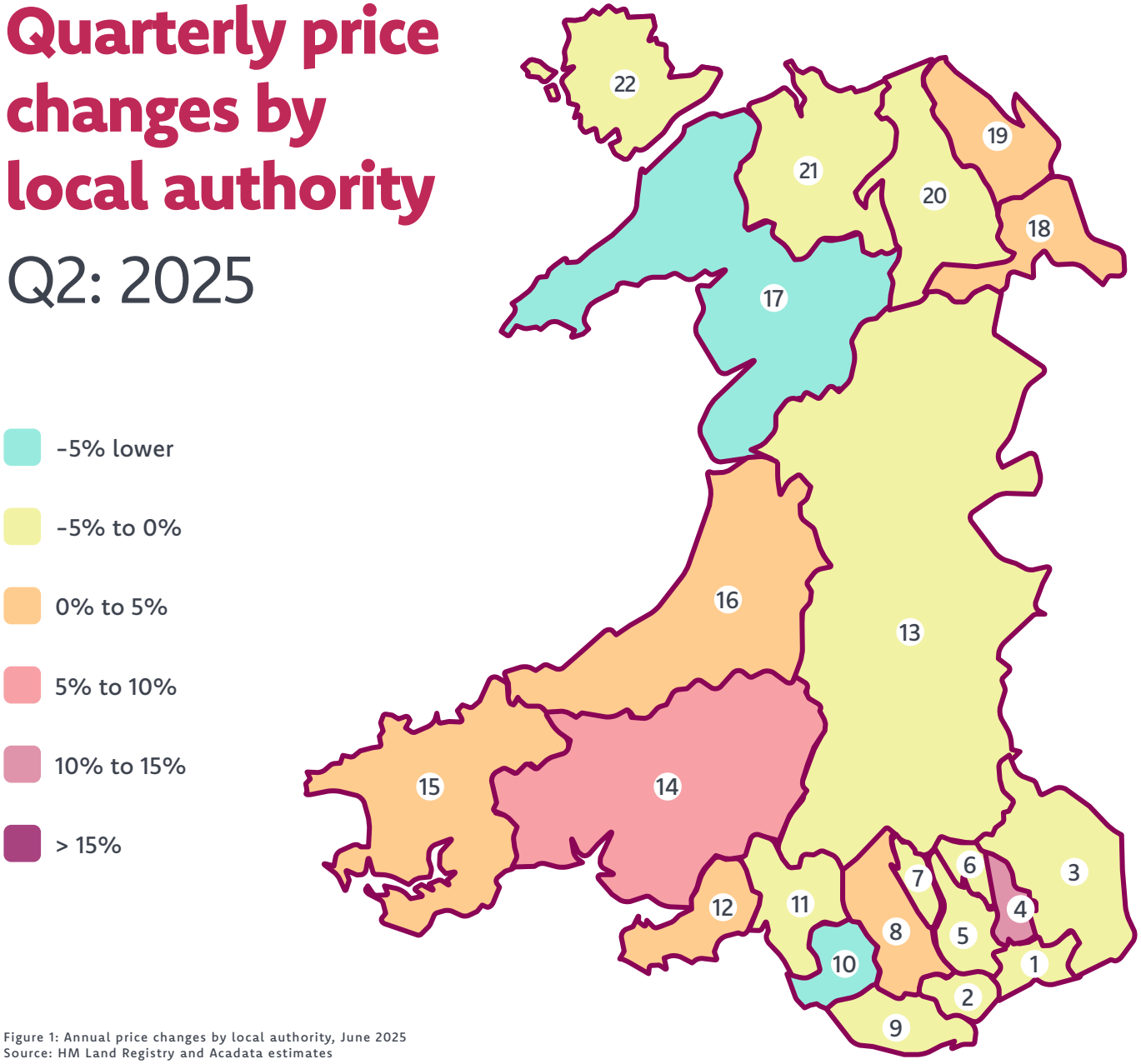

Figure 1: Annual price changes by local authority, June 2025
Source: HM Land Registry and Acadata estimates

1 Newport	2 Cardiff	3 Monmouthshire	4 Torfaen	5 Caerphilly	6 Blaenau Gwent
-0.7%	-2.7%	-2.0%	14%	-2.3%	-3.7%
7 Merthyr Tydfil	8 RCT	9 Vale of Glamorgan	10 Bridgend	11 Neath Port Talbot	12 Swansea
-0.1%	1.9%	-2.0%	-5.2%	-1.0%	0.9%
13 Powys	14 Carmarthenshire	15 Pembrokeshire	16 Ceredigion	17 Gwynedd	18 Wrexham
-3.0%	6.3%	1.3%	1.9%	-7.3%	1.5%
	19 Flintshire	20 Denbighshire	21 Conwy	22 Anglesey	
	3.3%	-0.2%	-1.7%	-1.3%	

Click here to view Principality's interactive HPI map for Wales

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