

South East Residential Market Update

LRG

October 2025

a brief summary of the month....

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Key Points

- 1. Applicants** - Applicant registrations increased 2% compared to September and were up 3% year on year (YOY).
- 2. Valuations** - Valuations fell 10% September to October, with a 13% decrease YOY.
- 3. Instructions** - The volume of properties coming to market rose 11% from September, but dropped 4% YOY.
- 4. Reductions** - Price reductions were down 16% on September figures, with a significant 11% rise YOY.
- 5. New Offers** - New offers declined by 7% compared to September and were down 10% when compared YOY.
- 6. Net Sales** - Net sales rose 8% from September, with a small YOY gain of 1%.

Comments

October's KPIs continue to reflect the mixed market dynamics observed in Q3 2025. The persistent price-sensitive state of the market is clear, with a significant 11% YOY increase in property reductions. Despite this pricing pressure, several key areas show positive momentum. Applicant Registrations increased by 2% from September and are also up 3% YOY, indicating a rising pool of prospective buyers. This positive trend, coupled with an 11% increase in Instructions during October, contributed to a healthy uplift in performance, resulting in Net Sales growing by 8% in October and a slight 1% increase YOY.

Conversely, some forward-looking metrics have softened. New Offers and Valuations declined from September to October by 7% and 10% respectively. Feedback from across our offices suggests this decline is largely linked to potential buyers and sellers delaying decisions as they await the outcome of the upcoming Budget announcement on November 26th.

The latest economic data from the Bank of England confirms a resilient, yet cautious, market environment. Net mortgage approvals for house purchases, a key indicator of future buyer activity, rebounded to 65,900 in September up from 64,700 in August and the highest figure since late last year. Crucially, lending conditions continue to ease alongside this activity. The effective interest rate on newly drawn mortgages fell for the seventh straight month, settling at 4.19% in September (down from 4.26% in August). This decline in core lending rates is directly reflected in current product availability: for example, with Nationwide, a 3-year fixed rate is currently available around 3.75% at 90% LTV, while a 5-year fixed rate can be found around 3.94% at 75% LTV.

Summary

October 2025 marked a period of mixed momentum for the property market, with overall sentiment dampened by political and fiscal uncertainty. The primary concern across the sector is the potential impact of hinted tax hikes in the upcoming Autumn Budget, which has caused many prospective buyers and sellers to delay major purchasing decisions. This market caution is clearly reflected in the softening of our forward-looking metrics, such as the decline in New Offers and Valuations.

Given these prevailing headwinds, and as November brings shorter days and the run-up to the festive period, sales teams must capitalise on the favourable lending rates by combining these with attractive sales incentives to convert viewings into sales throughout the winter months.



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