

Principality Building Society **House Price Index** **Wales Q1 2025**

Where home matters

principality.co.uk

0330 333 4000*

Strongest Quarterly Price Growth in over 2 Years

The average price of a home sold in Wales increased to £238,413 in the first quarter of 2025, up 2.2% on the previous quarter and 4.0% higher than the same period last year.

The figures have been released from Principality Building Society's Wales House Price Index for Q1 2025 (January – March), which demonstrates the rise and fall in house prices in each of the 22 local authorities in Wales.

While affordability challenges remain, the steady rise in both prices and the number of transactions – which reached 10,000 in Q1 (up 20% on last year) – suggests buyer confidence is still growing, even as households continue to navigate cost-of-living pressures and an elevated rates environment.



Annual
change %

+4.0



Quarterly
change %

+2.2



Increase in
transact.%

20 Q1 2024
vs Q1 2025



Average
house price

£238,413



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

“ The housing market in Wales has had a positive start to 2025, with prices rising quarter on quarter at their fastest pace in over two years.

Despite a challenging economic backdrop, we're seeing a year-on-year growth of transactions, spurred on by supply challenges and falling rates. Meanwhile, affordability remains a key factor shaping the market landscape.

The average price of a home in Wales increased by 2.2% in the first quarter of 2025, which is 4.4% higher than the previous year, and just 4.4 % lower than its peak of £249,000 at the end of 2022. This indicates early signs of recovery in the Welsh housing market, with both property prices and transaction volumes expected to rise, particularly as the market heads into the traditional spring buying season.

Further evidence of the market stabilising is found through the transaction levels. Our research, based on HM Land Registry data, can reveal there were 10,000 transactions in Wales in the first quarter. This is a 20% increase on the same period a year ago, continuing the year-on-year recovery in property sales.

As always, buyers and sellers will want to be mindful of the regional variations that will impact prices locally. Those looking to make a move in the South Wales region are more likely to notice price increases, with Bridgend leading the way with the highest annual change of any authority at 11%.

This is closely followed by Blaenau Gwent reporting an increase of 6.8% and Caerphilly with 6.6%, indicating a recovery that spans across the South of the country where buyers should expect to pay more. In contrast, other areas, notably Ceredigion has reported a quarterly decline of -10.1%, possibly in response to recent policy changes, such as the Welsh Government's adjustments to second home taxation.

Iain Continues..

It's likely that a key driver of the year-on-year growth of transactions could be the supply pressures of housing that is ongoing within Wales. There has been a notable decline in house building over the last 25 years in Wales, in comparison to England, which has seen an increase.¹

It's no secret that there is pressure on Welsh Government to deliver against their ambitious affordable housing targets, in addition to the pressure from land builders, funders and developers to remove planning barriers for the open market, making house building more streamlined and increasing the number of new homes being built.

When asked, over a third of Principality Members agreed that increasing the level of housebuilding in the UK should be a 'greater priority.' Additionally, a recent report from the Building Society Association found that there are 2.2 million missing first time buyers from the market, since 2006.²

Across Westminster and Wales, housing is high on the agenda. Looking ahead, the UK Government remains publicly committed to extensive planning reforms – setting out an ambitious target to build 1.5 million homes over the next 5 years, representing a significant shift in the UK's housing landscape.

This, paired with the Welsh Government's Help to Buy Wales extension and additional £10 million investment allocated to kickstart housing schemes across Wales signals a clear message that policymakers recognise the importance of housing to families and individuals across the country.

At the same time, the recently introduced increase to Land Transaction Tax (LTT) on additional property purchases in Wales, announced as part of the Welsh Government's 2025 budget to help fund public services, could temper some investor and second home activity – though, as the changes were introduced with immediate effect, it may still be too early to fully gauge its impact on the market.

Despite external pressures such as cost of living, inflation, and global economic pressures, the housing market in Wales is moving forward in a positive direction, with increased consumer confidence and areas of strong regional performance.

Principality Building Society is dedicated to working with housing associations and other developers to deliver sustainable housing solutions for communities across Wales as part of the solution; providing affordable, quality homes.



¹Wales's housing crisis: the role of social housing supply

²<https://www.bsa.org.uk/media-centre/press-releases/building-societies-association-finds-that-more-than-two-million-first-time-buyers-are-missing-from-t>

Average house prices in Wales over the last 5 years

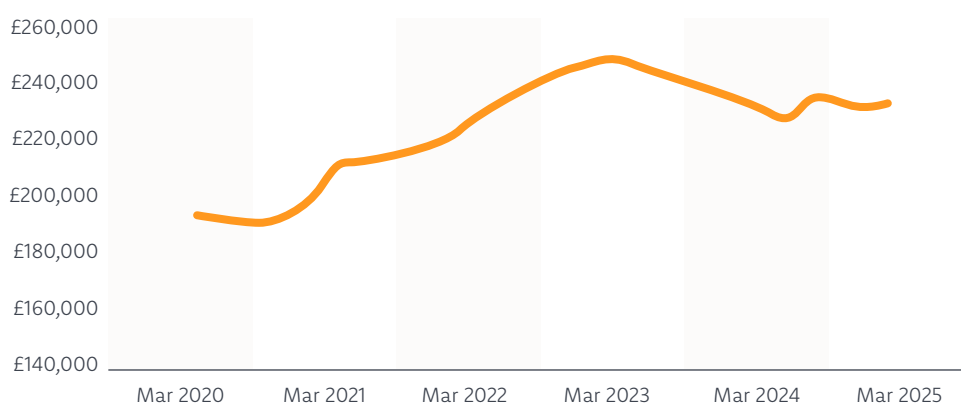


Chart 1: Average house prices in Wales, last 5 years
Source: Acadata, mix and seasonally adjusted

The year has started with positive signs that the housing market in Wales is finally emerging from its weakest period. While the market began to stabilise last year, prices finally picked up in the first quarter of 2025, rising by 2.2%. This was the strongest quarterly showing in more than two years and drove a sharp rise in the year-on-year price metric also, with year-on-year prices up 4%.

Chart 1 shows the average price of homes in Wales over the last five years on a quarterly basis, suitably adjusted for the mix of property types and seasonal effects.

The average price of a home in Wales now stands at about £238,400, significantly higher than the lows reached a year ago but, as the chart shows, we are still some way below the peak of just over £249,000 seen in late 2022. The shortfall is about 4% in nominal terms, but considerably more – more like 12% – in “real terms”, allowing for consumer price inflation in subsequent years.

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

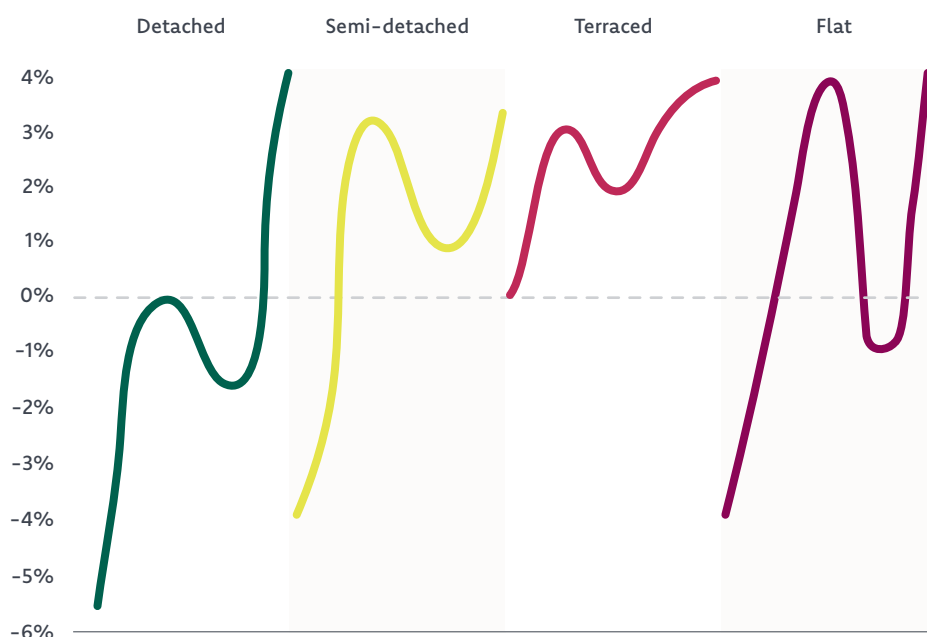


Chart 2: Annual % change in prices by property type, Wales, 12 months to December 2024
Source: Acadata, mix and seasonally adjusted

The prices of all property types have been part of the recovery over recent months, with each of them about 4% higher than a year ago (see Chart 2).

Although the recent performance looks similar, it is worth noting that terraced and semi-detached properties have shown a more compelling recovery story, with prices of the former now up at fresh record levels, whilst detached properties and flats are still 3-4% off their peaks.

Geography

Annual and quarterly average house price changes

Local Authority	Mar 2024	Dec 2024	Mar 2025	Annual Change %	Quarterly Change %
Blaenau Gwent	£150,061	£156,467	£160,245	6.8%	2.4%
Bridgend	£218,396	£234,501	£244,060	11.8%	4.1%
Caerphilly	£201,103	£208,299	£214,354	6.6%	2.9%
Cardiff	£290,010	£292,046	£299,154	3.2%	2.4%
Carmarthenshire	£215,534	£226,609	£221,370	2.7%	-2.3%
Ceredigion	£249,416	£268,536	£241,321	-3.2%	-10.1%
Conwy	£235,679	£241,678	£232,518	-1.3%	-3.8%
Denbighshire	£208,578	£204,930	£213,888	2.5%	4.4%
Flintshire	£234,784	£237,537	£229,734	-2.2%	-3.3%
Gwynedd	£223,452	£223,116	£234,388	4.9%	5.1%
Isle Of Anglesey	£249,456	£268,106	£256,771	2.9%	-4.2%
Merthyr Tydfil	£157,805	£162,706	£161,290	2.2%	-0.9%
Monmouthshire	£347,123	£363,294	£350,237	0.9%	-3.6%
Neath Port Talbot	£165,976	£173,843	£179,254	8.0%	3.1%
Newport	£242,464	£239,070	£246,044	1.5%	2.9%
Pembrokeshire	£250,862	£240,653	£238,730	-4.8%	-0.8%
Powys	£259,528	£258,678	£253,036	-2.5%	-2.2%
Rhondda Cynon Taff	£175,096	£179,221	£172,205	-1.7%	-3.9%
Swansea	£234,459	£231,027	£229,433	-2.1%	-0.7%
The Vale Of Glamorgan	£308,598	£311,794	£331,652	7.5%	6.4%
Torfaen	£211,755	£215,418	£199,192	-5.9%	-7.5%
Wrexham	£212,298	£223,359	£211,876	-0.2%	-5.1%
Wales	£229,263	£233,194	£238,413	4.0%	2.2%

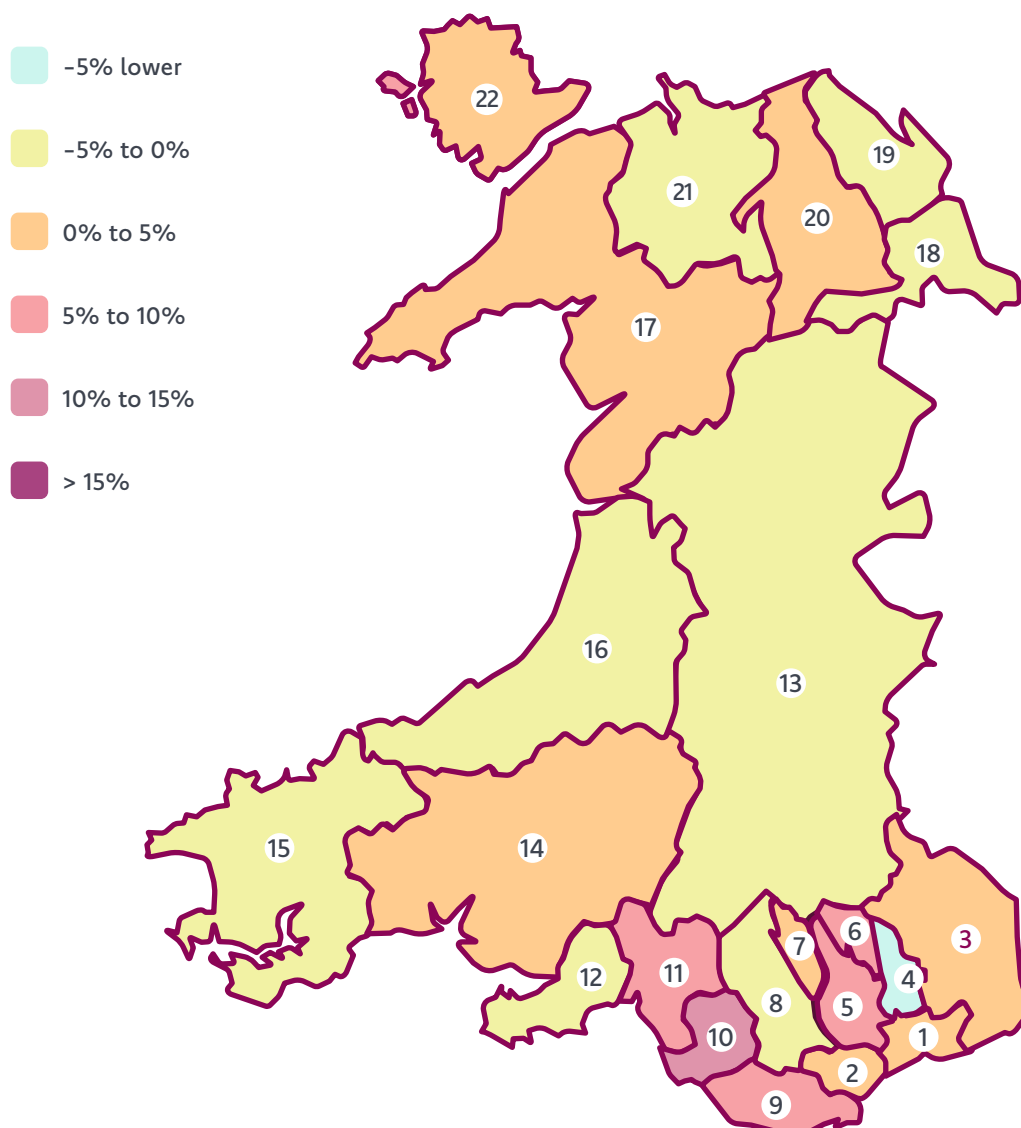
Source: Acadata, mix and seasonally adjusted

The latest local authority metrics (see Table 1) suggest that to date the market recovery is somewhat patchy, with roughly similar numbers of local authorities reporting higher/lower prices both year-on-year and quarter-on-quarter.

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

Quarterly price changes by local authority

March 2025



Source: HM Land Registry and Acadata estimates

1 Newport 1.5%	2 Cardiff 3.2%	3 Monmouthshire 0.9%	4 Torfaen -5.9%	5 Caerphilly 6.6%	6 Blaenau Gwent 6.8%
7 Merthyr Tydfil 2.2%	8 RCT -1.7%	9 Vale of Glamorgan 7.5%	10 Bridgend 11.8%	11 Neath Port Talbot 8.0%	12 Swansea -2.1%
13 Powys -2.5%	14 Carmarthenshire 2.7%	15 Pembrokeshire -4.8%	16 Ceredigion -3.2%	17 Gwynedd 4.8%	18 Wrexham -0.2%
	19 Flintshire -2.2%	20 Denbighshire 2.5%	21 Conwy -1.3%	22 Anglesey 2.9%	

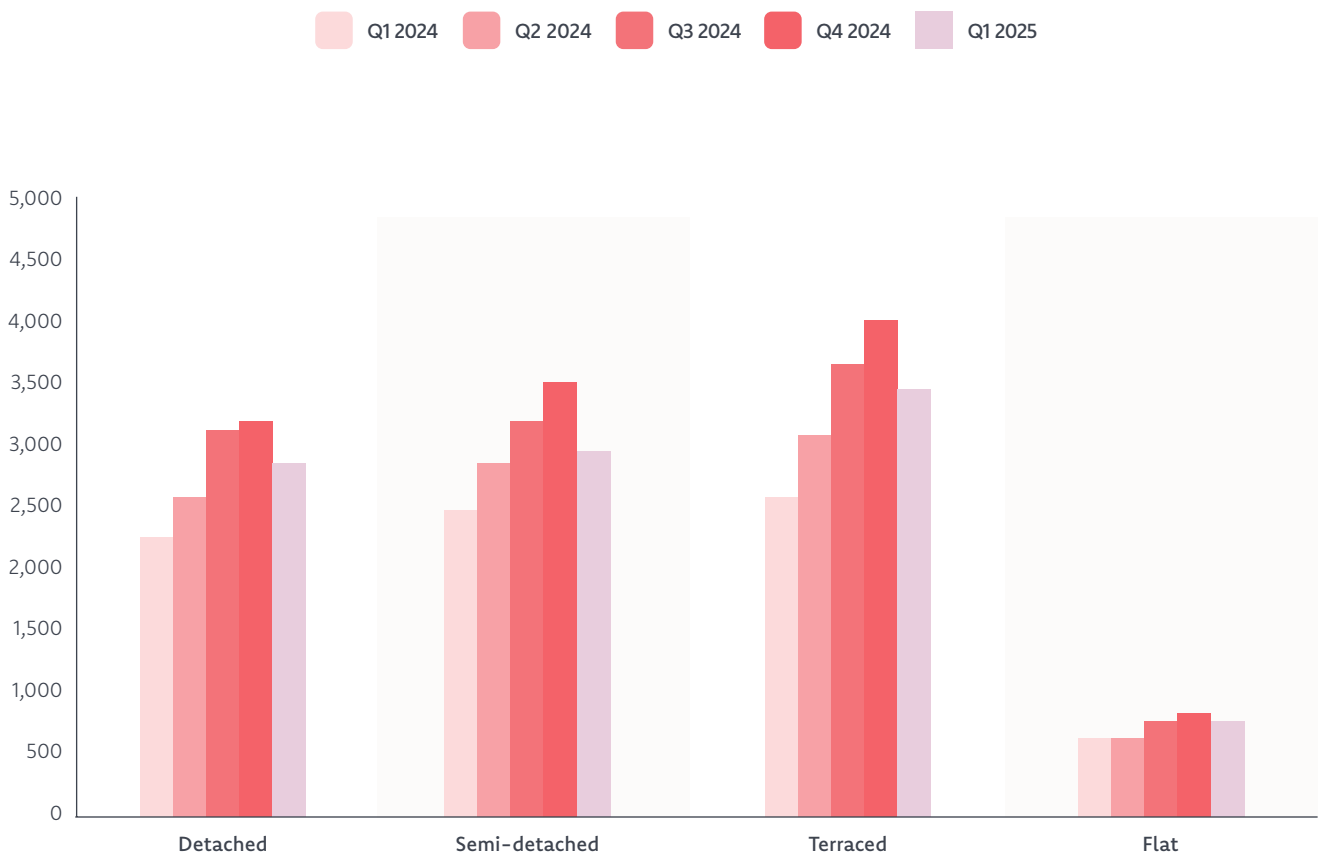
[Click here](#) to view Principality's interactive HPI map for Wales

Figure 1 maps the latest year-on-year price movements by local authority. Darker red shades denote local authorities where prices have risen fastest year-on-year through to blue where there have been falls.

Thirteen local authorities posted quarterly price decreases in Q1, of which nine also reported year-on-year declines. The nine local authorities that saw higher prices in Q1 were all up on a year ago also.

However, three authorities – Blaenau Gwent, Bridgend and Caerphilly – reached fresh record prices in Q1, illustrating that much of the market strength to date is currently centred in South Wales.

Quarterly transactions by property type 2024 & 2025



Source: HM Land Registry and Acadata estimates

Acadata estimates that there were about 10,000 transactions in Wales in the first quarter. This is 13% lower than in the fourth quarter but about a fifth up on the same period a year ago.

This continues the year-on-year recovery in property sales seen over the recent past, and allows some optimism that the drag on demand from cost of living pressures and higher interest rates is subsiding. The pick-up in sales has been broadly spread across the different property types.