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News in Review

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"A relatively lower mortgage rate environment and steady wage growth have helped support buyer confidence"



The latest data from Halifax shows that house prices decreased by 0.3% month-on-month in September, following an increase of 0.2% in August. Meanwhile, the annual growth rate eased from 2.0% to 1.3%, the slowest rate since April 2024. The average property is currently priced at £298,184.

Regionally, Northern Ireland continues to see the fastest rate of house price growth in the UK, with an annual increase of 6.5% (down from 7.9% the previous month). At £216,496, prices there remain well below the national average. In England, the strongest annual growth rate was in the North East, where prices went up by 4.8% to an average of £180,443. The North West was the second strongest region in England, with an annual rise of 3.9%. By contrast, prices decreased for the second month in a row in the South West. While in London, the most expensive region in the UK, prices only slightly increased by 0.6% to an average of £543,497.

Other areas of the housing market saw a slowdown too, with residential transactions falling by 1.7% in August to 93,630, according to HMRC. The Bank of England reported that mortgage approvals fell by 0.7% month-on-month to 64,680.

Despite this slowdown in activity, Amanda Bryden, Head of Mortgages at Halifax, asserted that it's not all negative, *"This slight monthly dip in house prices reflects a housing market that has remained broadly stable."* She continued, *"While affordability remains a challenge, a relatively lower mortgage rate environment and steady wage growth have helped support buyer confidence. Although the broader economic outlook remains uncertain, with*

the affordability picture gradually improving, we continue to expect modest growth through the remainder of the year."

Chancellor urged to avoid 'half-baked fixes'

Chancellor Rachel Reeves should avoid 'directionless tinkering and half-baked fixes' when seeking to raise revenue in next month's Budget, the Institute for Fiscal Studies (IFS) has cautioned.

The think tank said Reeves could generate tens of billions of pounds more each year without breaching Labour's manifesto pledges but cautioned that doing so would be far from simple. 'Serious constraints' exist on Corporation Tax, Council Tax, business rates and fuel duties, according to IFS, while some alternatives for raising tax could be 'especially economically harmful.'

According to IFS, possible measures for consideration could include doubling Council Tax on the most expensive properties, potentially raising £4bn; scrapping Inheritance Tax relief on main homes (could raise £6bn); and extending the Income Tax threshold freeze beyond 2028, which could raise a 'significant amount' according to the IFS.

IFS dismissed a wealth tax as impractical and potentially damaging, and warned that limiting tax relief for pension contributions would be 'unfair and distortionary.' Instead, 'better options' for increasing tax on pensions could include reforming the tax-free element.

UK services sector sees slowdown

The latest Business Activity Index from S&P Global shows that the UK service sector recorded a reading of 50.8 in September. This is the lowest level in five months and down from 54.2 in August,

which had been a 16-month high. While the September reading is above the neutral 50.0 threshold, it indicates only a modest rate of growth.

The slowdown has been attributed to economic uncertainty and weaker consumer confidence, with many businesses deferring spending decisions until after the Autumn Budget. Meanwhile, employment levels continue to fall due to rising staff costs. Plus, incoming new work only marginally increased and export sales declined, which many survey respondents have linked to challenging global conditions.

"Dawn of a new Middle East"

Donald Trump has hailed *"the historic dawn of a new Middle East"* in an address to Israeli lawmakers, after helping broker a ceasefire between Israel and Hamas in Gaza. In the first speech by a US President to the Israeli Parliament since 2008, Trump described the day (13 October) as a *"day of profound joy"* following *"two harrowing years"* of conflict.

His remarks to the Knesset (Israeli Parliament) came as the remaining hostages held by Hamas were freed. In turn, Israel released Palestinian prisoners, along with more than 1,700 others detained during its two-year military operations in the enclave.

Trump's whirlwind visit to the region also included a peace summit in Sharm El-Sheikh, where he signed a declaration for bringing peace to Gaza with the leaders of Egypt, Qatar and Turkey.

Here to help

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.

***The value of investments can go down as well as up and you may not get back the full amount you invested.
The past is not a guide to future performance and past performance may not necessarily be repeated.
All details are correct at time of writing (15 October 2025)***