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SOUTH OXFORDSHIRE PREMIUM HOMES MARKET UPDATE - BUDGET SPECIAL Q4 2025

Welcome to your Q4 High Value Homes Update - the Budget Special Edition

As we come to the end of the year, the South Oxfordshire premium property market is feeling strangely familiar. A little cautious. A little curious. And distinctly relieved that the fog of speculation that has followed us since September has finally lifted.

Because now, after three months of rumours, theories, leaks and more kite-flying than a summer fete, the Budget has landed, and we can finally talk about what it really means for high-value homes in South Oxfordshire.

And the truth? Well, it isn't nearly as dramatic as many (including us) had feared. But it does mark the beginning of a new chapter, especially for sellers sitting around the £2m - £5m+ thresholds.

The Market Mood: A Pause, Not a Freeze

Since late summer, activity in the higher end of the market has been noticeably softer, not because buyers have disappeared, but because they stepped back to wait for clarity. Speculation was rife, and the rumour mill was turning at full speed. Would we be faced with:

- **Double council tax?**
- **Higher Stamp Duty?**
- **Capital Gains Tax on your own home?**
- **A stealth mansion tax?**

In truth, it was the rumours themselves that created more disruption than the Budget ever could. At times it felt as if every week brought a new whisper and every newspaper carried a different prediction. The result has been a strange pause in the £1m plus market, as buyers and sellers quietly sat on their hands, waiting for the fog to lift.

Premium buyers are strategic. They watch the economic and political landscape closely. When something big might be coming, they put plans on hold until they know *exactly* what they're stepping into.

The lack of clarity led to a frustratingly quieter Autumn than normal, while buyers hesitated for Westminster to make up its mind. **Activity in the £1m+ market dropped by 7.9%, and by 16.4% above £2m. This followed a dramatic 18% fall in activity in London's prime £5m market in the third quarter of the year.**

What the Budget Actually Delivered

Well, while there are meaningful changes on the horizon, this is not the property earthquake that many had feared. The key changes are four new property surcharges that will be introduced from 2028:

- **An annual £2500 charge for homes over £2 - £2.5 million**
- **An annual £3500 charge for homes over £2.5 - £3.5 million**
- **An annual £5000 charge for homes over £3.5 - £5 million**
- **An annual £7500 charge for homes over £5 million**

There will also be a two percentage point increase in tax on rental income and property investment returns, which will squeeze net yields for landlords and investors. And that's it. No Stamp Duty hikes. No doubling of council tax. No Capital Gains Tax on your own home. No dramatic wealth tax. For all the noise, the headline changes are fairly contained.

But contained doesn't mean insignificant. These measures will undoubtedly influence behaviour, especially in certain price brackets. Here's our prediction:

The £2 million to £3.5 million market: where things get interesting

This is the market we'll be watching most closely over the coming months. The new surcharge is unlikely to affect affordability for genuine buyers in this bracket, as most are equity-rich London leavers, entrepreneurs and business owners, international relocators or cash/low LTV borrowers.

An extra £2500 - £3500 a year is unlikely to change whether they can buy a home. In fact, if interest rates continue to fall over the next 18 months, the reduction in monthly mortgage payments may offset the new charge entirely.

The real change here is psychological.

Buyers naturally react to thresholds. £1.995 million feels different to £2.05 million, even though the actual difference is small. That subconscious hesitation shapes buyer behaviour. It always has.

This means that sellers need to think more carefully than ever about pricing. When you sit just on or around the £2 million line, your asking price suddenly becomes part of a bigger equation. Do you price just under the threshold to avoid the new surcharge bracket or do you stay above it and hold your ground?

Should You Reprice Your Home If You're On The Market at £2m - £5m?

The new surcharges have created psychological price edges at £2m, £2.5m, £3.5m and £5m, but that does not mean that every seller should drop their price. Why? Because £2m, £2.5m and £5m are Rightmove search thresholds. Repricing should be strategic. If you list below these thresholds:

- *You will not appear in searches from £2m*
- *You will not appear in searches from £5m*

And those are the searches your strongest buyers typically use.

Reprice only if:	**You're genuinely on the line (£2.05m, £5.1m etc.)** **Viewings have noticeably slowed** **Competing homes sit just under the threshold** **Buyer behaviour clearly shows the need**
Don't reprice if:	**Your home clearly belongs in the next tier** **You risk losing premium visibility** **Your home has strong scarcity value** **You're in a top tier village or town where demand is deep**

There's no generic answer to the pricing conundrum, but here's the crucial point most people miss: Rightmove uses £2 million as a search boundary. If you price your home at £1.995 million, it will not appear to buyers searching from £2m upwards. And in the premium market, these buyers are often the strongest and most motivated.

So yes, a threshold price can be smart if your property genuinely sits on the line, but if your home sits on the next tier, pricing just under can do more harm than good by reducing visibility. You could lose far more in buyer eyeballs than you gain by appearing below the tax line.

The £5 million plus market

At this level, the surcharge is more of a footnote than a deciding factor. Buyers purchasing at £5m or £8m or £10m are making decisions based on architecture, land, privacy and lifestyle. £7500 a year, while irritating, does not alter their ability to transact.

But here too, we may see some segmentation. Those hovering around the £5 million mark will think more carefully about pricing, and some long-term owners may now decide that 2026 or 2027 is a sensible time to sell rather than absorb a future annual cost.

Downsizers: The Group We Expect to Move Most

Where this Budget may have its greatest impact is among older homeowners who have been sitting tight for decades.

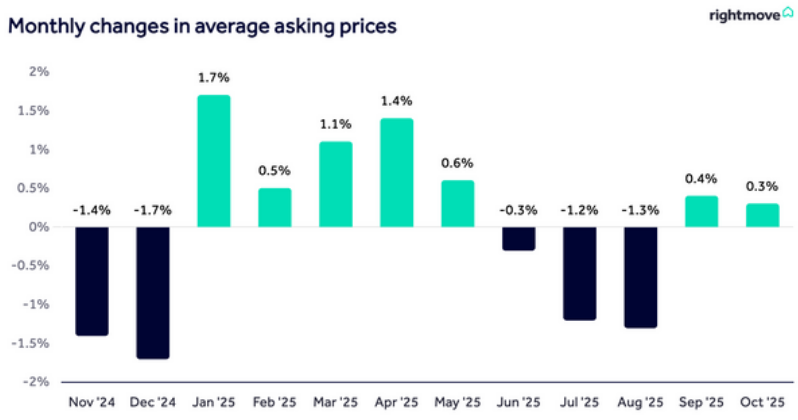
At Stowhill Estates we regularly visit homes where the owners are enjoying their retirement living in vast, beautiful, freezing cold houses they have owned for thirty or forty years. The children have grown up and long since left home, *they know they need to move* (or 'resize' as we prefer to call it), but emotionally there has been no compelling reason to do so. Until now.

An extra £208 a month from 2028 isn't catastrophic, but it might be enough to prompt a conversation.

Enough to create a moment of decision. Enough to make people ask whether it's time to move somewhere warmer, easier to maintain and more suited to the next chapter of life. If this unlocks supply in some of our most sought-after towns and villages, it may actually be one of the healthiest outcomes of the entire Budget.

What's been happening across the UK

October's Rightmove House Price Index always gives one of the clearest signals of how the market has been behaving as we head into winter. And the latest data confirms what many of us have been feeling on the ground: a softer, more cautious market where buyers have more choice and sellers need more strategy.



The national average asking price for newly listed homes crept up by 0.3% in October, which sounds positive, but in reality the annual change remains flat at -0.1%.

Across the UK, the market is steady, reserved and incredibly price-sensitive. The usual 'autumn bounce' didn't happen this year. Historically, October sees a solid 1.1% uplift. Not this time. Buyers are still out there, just a little more watchful, analytical and a lot more aware of value.

Buyers are being choosier - <u>because they finally can be</u>

Rightmove also notes something that every estate agent has been feeling intuitively - there are more homes on the market currently than we've seen in nearly a decade. And a swollen supply means two important things:

1: Buyers have more choice
2: Sellers now have far more competition

And when buyers have options, they don't rush. They weigh things up and they scroll more slowly. They're more likely to come back for second, third and even fourth viewings. ***And they expect to be impressed***.

In fact, those homes that generate an enquiry on day one of launch are 22% more likely to sell than those that sit quietly for the first two weeks. That one statistic tells you everything about how crucial a perfect home-launch now is.

"We're experiencing a decade-high level of property choice for buyers, which means that sellers who are serious about selling have had to acknowledge their limited pricing power and moderate their pricing expectations."
Colleen Babcock, Property Expert at Rightmove

<u>Economic headwinds = cautious behaviour</u>

This new mood of calm caution is layered on top of the economic backdrop we've all lived with this year: sticky mortgage rates, political leadership crises, tax chatter, global uncertainty and shifting household budgets.

In spite of all of this, high-value buyers are still active, they're simply more considered. They're thinking harder, viewing fewer homes and only moving forward when something genuinely feels worth it. In other words:

Premium buyers haven't disappeared. They've become more discerning.

We've recently agreed strong sales on some outstanding homes. Here's a small selection:

Spinfield Lane West
Under Offer

Marlow Mill
Under Offer

Boyne House
Sold £1.41m (over asking)

DID YOU KNOW?
You can watch all our unique home tour videos on our Youtube Channel! Just scan the QR code:

Thinking of Selling in the New Year? It Might Just Be The Perfect Time...If You Have the Right Strategy

If you've been quietly thinking about a downsize, upsize or a lifestyle re-size but have been putting off making a decision, the first quarter of 2026 may be the moment the market nudges you into action.

Why? Because while the Budget didn't bring a house price shock, it has introduced something else: a natural deadline. And deadlines change behaviour.

More choice for buyers...and more competition for sellers.

Throughout the Autumn, we saw sellers holding back as they waited to see what the Chancellor would do. Now that clarity has returned, we expect a noticeable rise in new listings between January and April, especially for homes over £1m.

This is a price band where several forces collide:

- **Lifestyle movers trading up**
- **Downsizers 'resizing' from the family home**
- **Long-term owners taking advantage of strong equity**
- **London buyers relocating for quality of life**
- **Sellers of homes just below the £2m threshold trying to get ahead of the surcharge psychology**

The result will be more competition, more choice for buyers and a far more selective audience at the top end.

What this means if you're thinking of selling in 2026

If you're planning on making a move in the new year, or even if the idea has been bubbling away quietly in the back of your mind, the latest data is a timely reminder that:

A well-presented home is no longer optional: In the premium market, 'fine' is not enough. Buyers want to feel something when they see your home online. They want warmth, space, and lifestyle - not a 'to-do' list. Buyers expect clutter-free rooms, beautiful photography and a sense of lifestyle, not just bricks and mortar. Homes that feel aspirational get viewings. Homes that feel 'fine' get scrolled past.

Pricing needs to be forensic: There's a difference between 'testing the market' and pricing to win the market. Now is not the time to be hopeful, optimistic or to test the market. Buyers are comparing everything, and they can sniff out overpricing a mile away. An overpriced home will stick, even if it's beautiful. A smartly priced home will gather momentum, viewings and competitive interest *early*, which is exactly where the strongest offers will come from.

Your launch will matter more than ever: Timing will be everything. The strongest markets of the year tend to be mid-January to Easter, May to early July and September to mid-October. With competition rising, choosing the right week, not just the right month, will make a difference. More supply will mean your home will sit alongside a bigger crowd. If you launch beautifully, with styling, photography, video, copy, price and strategy all aligned, your home will rise above the noise. If not, it risks becoming wallpaper.

There will be more buyers...but also more competition: The new year traditionally unlocks a burst of buyer energy. But this year, we expect a wave of new listings too, especially around the key £1.5 to £2m band. So those who prepare early will have a distinct advantage.

Buyers want clarity - and sellers who are ready: Buyers at this level make thoughtful decisions. That means they want: a clean, clear information pack, an agent who knows the story of the home, a seller with realistic timings and high-quality marketing they can trust. If you've been on the fence, early preparation will give you a head-start once other sellers begin entering the market.

What's coming next?

As we wrap up what has been one of the most rumour-filled autumns in recent memory, one thing is very clear: the premium market is entering 2026 with more certainty, more strategy and more opportunity than we've seen in months.

Yes, buyers are more selective and pricing needs to be sharper. And yes, the new surcharge thresholds will shape behaviour at the £2m, £2.5m, £3.5m and £5m lines.

But the truth is this: high-value homes still sell exceptionally well when they're presented beautifully, priced intelligently and launched with precision. And South Oxfordshire remains one of the most desirable places in the country to live, work and raise a family. That isn't changing - if anything, the Budget may nudge more long-term owners to finally make decisions that unlock some remarkable homes in our best towns and villages.

The theme for the months ahead? ***Cautious but confident.*** The smart sellers will prepare early...and be rewarded for it.

If you want to be one of the sellers who gets ahead of the January wave, rather than swallowed up in it, NOW is *exactly* the time to start planning.

A well-prepared home, launched at precisely the right moment, will always outperform the crowd.

If you're even thinking about it, now is the time to have a proper chat. There's no pressure and no hard sell. Just straight, honest guidance based on what we're seeing every day in the premium market.

Here's how to reach us:

Call the team on 01628 562 555 - we'll find a time that works perfectly for both of us
WhatsApp me on 07766 02 11 11 - fast, informal and easy
Email me at david@stowhillestates.com - and I'll respond directly

Not planning on selling just yet? Absolutely fine. In fact, over half of our Sale Consultations are with homeowners who aren't looking to move any time soon, they simply want to understand their options so they're ready when the moment does feel right. We love those conversations.

If we don't hear from you just now, I'll be back in touch with your next update in the spring.

Sending you my best wishes for a happy Christmas and a peaceful and prosperous New Year,

David Rhodes
Stowhill Estates Buckinghamshire

P.S. Thinking of selling in the new year? Download our FREE New Year Seller Checklist by scanning the QR Code:

P.P.S. If you want to make the most of the early-2026 market, the preparation starts long before the listing goes live. If you'd like personalised advice on timing, pricing or presentation, even if you're months away from selling, just reach out. It's never too early to get the strategy right.