

THE **PROPERTY MARKET**

A REVIEW OF THE KEY TRENDS IN THE
NATIONAL AND LOCAL HOUSING MARKET.



LONDON

Analysis by PriceHubble | Spring 2026

SOLID FOUNDATIONS

SALES



↑2.5%

UK House prices

£264,515 November 2024 vs
£271,188 November 2025



↓0.8%

Property sales

95,430 January 2025 vs
94,680 January 2026



↓8.4%

Mortgage approvals

66,634 December 2024 vs
61,013 December 2025



↑7.3%

New private homes completions

55,712 Q4 2024 vs
59,795 Q4 2025



↑8.8%

Gross mortgage lending

£21.1bn* December 2024 vs
£23.0bn* December 2025

Source: Pricehubble, ONS, HMRC, Bank of England, DLUHC, HomeLet
*Figures rounded to nearest £0.1bn

The housing market has started the year with renewed momentum, following a quieter close to 2025. Greater mortgage choice and rates lower than those seen last year are helping to support growing confidence in the market.

Interest rates held

Consumer price inflation eased to 3.0% in January, down from 3.4% in December¹, which had marked the first increase after five consecutive months of decline, signaling that the broader downward trend has now resumed. Interest rates were maintained at 3.75% in February, a decision widely expected by economists given the mixed economic backdrop. However, rates are expected to lower over the year with one or potentially two further 0.25 percentage point cuts are expected. Whilst economic growth is expected to be modestly weaker over 2026 (at 1.1%)² this is close to the level that has historically been sufficient to drive positive house price growth.

Mortgage rates continue to ease

Mortgage product choice increased in January to 7,158 options, the highest total since October 2007³. The number of deals available to borrowers with 5% or 10% deposits has also reached an 18-year high, offering a welcome boost for first-time buyers looking to step onto the property ladder. Alongside greater choice, mortgage rates are easing with the latest five-year fixed rate falling to 3.95% – the first time it has been below 4% since September 2022⁴. Lower mortgage rates are helping to fuel the desire to move, while the easing of stress-testing requirements and expectations of further rate cuts are also reducing affordability pressures for borrowers.

Market momentum

In January there were 94,680 transactions, 1% lower than the same month last year. Transaction levels over 2025 were in line with the 10-year average of 1.2 million a year, a pace expected to continue throughout 2026⁵. Demand at the start of 2026 broadly mirrors 2024 levels but is around 9% lower than the busy start to last year, when buyers rushed to beat the April stamp duty deadline⁶. Mortgage approvals totalled 61,013 in December, down year-on-year, but above end-2023 levels of around 52,000⁴. Looking ahead, expectations of easing interest rates and a high level of choice should support renewed confidence across the market.

¹Office for National Statistics, ²HM Treasury Average of Independent Forecasts, ³Moneyfacts, ⁴Bank of England, ⁵HMRC, ⁶Zoopla

LETTINGS



↑2.4%

Average rents
January 2025 vs
January 2026



£1,302

Average monthly
rent across the UK
January 2026

Net +28%

Of property
professionals expect
rental prices to rise
in the near term

RICS

Rental market outlook

Rents across the UK remain 2.4% higher year on year, despite recent short-term softening¹. On a monthly basis, average rents fell by 1.1% in January to £1,302, the third consecutive monthly decline in line with a typical seasonal slowdown. Most regions saw small monthly decreases, with only the North West and South East avoiding falls. However, RICS data indicated a modest pick-up in tenant demand in January, ending two consecutive quarters of flat or slightly negative readings. In line with this, a net +28% of respondents expect rental prices to rise in the near term, up from +16% previously².

¹HomeLet, ²RICS



Transaction activity across the housing market is expected to remain solid this year, which should help underpin low single-digit house price growth. At the same time, wider industry shifts, including Renters' Rights reforms and changes to mortgage lending conditions, will continue to influence market conditions.

IAIN MCKENZIE
CEO, THE GUILD OF PROPERTY
PROFESSIONALS

LOOKING AHEAD TO 2026

The forces expected to shape the market



2.2%

Inflation forecast
by end-2026

Source: HM Treasury Average of
Independent Forecasts

11m

private renters

2.3m landlords

Set to be affected by
the Renter's Rights
Reform Bill

Source: GOV.UK

6x

Income lending
expands across the
mortgage market

Inflationary trends

The property market is being shaped by a range of important forces as we continue to head into 2026. Inflation remains a key influence on overall market conditions, easing to 3.0% in January, down from 3.4% in December. This gradual downward trend is expected to continue throughout the year, with inflation forecast to reach 2.2% by the end of 2026, closely aligning with the 2% target².

Renters' Rights Reform

The Renters' Rights Act brings major changes in England beginning to take effect from 1 May 2026. Described as the most significant reform to renting in a generation, it abolishes Section 21 "no-fault" evictions and introduces rolling periodic tenancies to improve stability for tenants, alongside a ban on rental bidding wars and stronger requirements for evidence-based rent increases. Further measures will be phased in over time, including a new Private Rented Sector Ombudsman and a national landlord database.

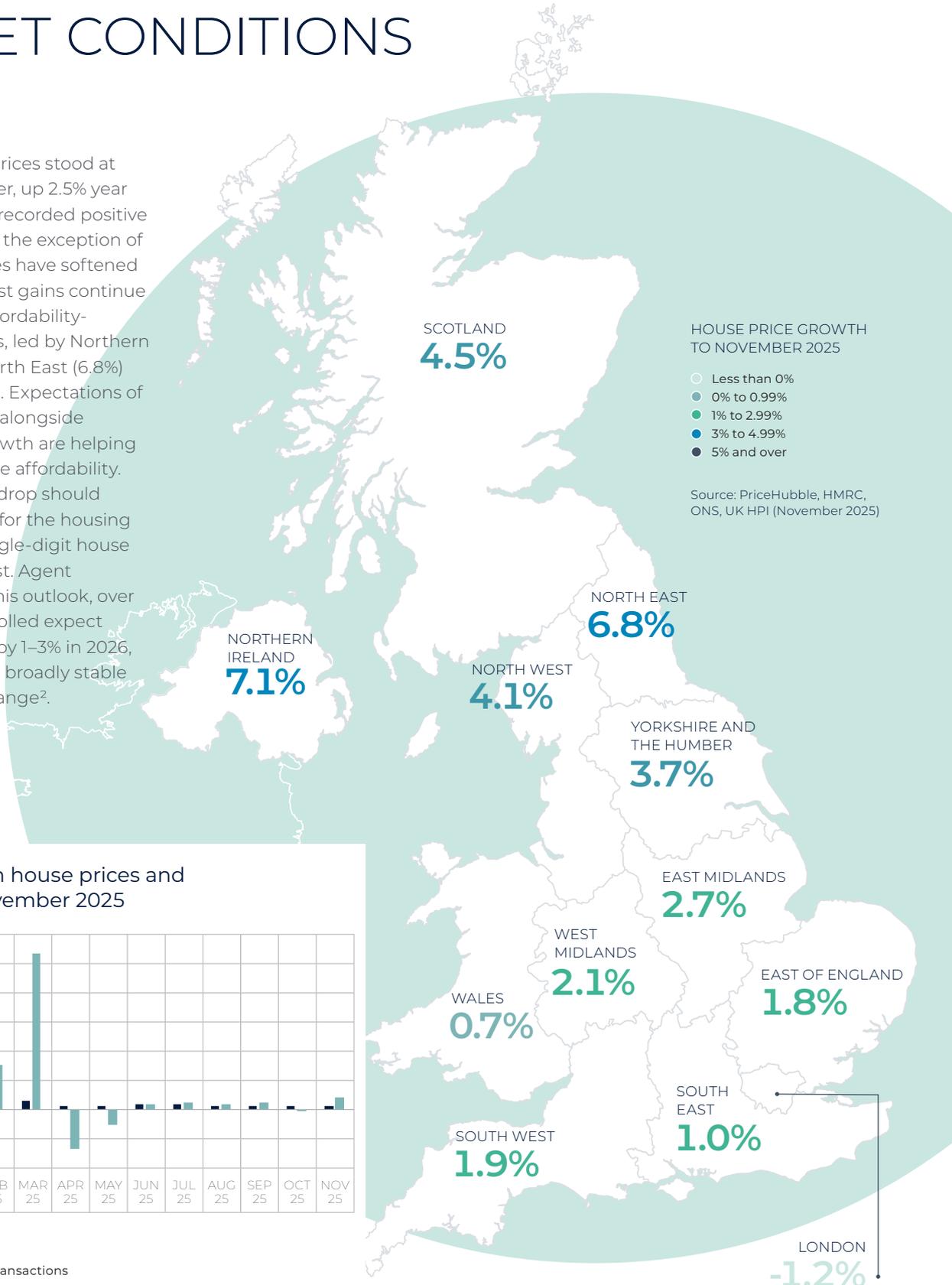
Mortgage Lending Shifts

Mortgage lending conditions are also evolving, with several UK lenders expanding access to loans of up to six times income for eligible borrowers, supported by recent regulatory easing and ongoing affordability pressures. Nationwide has recently extended its high loan-to-income (LTI) lending, allowing more customers to borrow at this level. Demand for higher LTI lending has already risen sharply, with Nationwide reporting a 57% increase in first-time buyer mortgages above five times income in 2025.

¹ONS, ²HM Treasury Average of Independent Forecasts

NATIONAL MARKET CONDITIONS

Average UK house prices stood at £271,188 in November, up 2.5% year on year¹. All regions recorded positive annual growth, with the exception of London, where prices have softened by 1.2%. The strongest gains continue to be seen in less affordability-constrained markets, led by Northern Ireland (7.1%), the North East (6.8%) and Scotland (4.5%)¹. Expectations of falling interest rates alongside continued wage growth are helping to improve mortgage affordability. This economic backdrop should support a solid year for the housing market, with low single-digit house price growth forecast. Agent sentiment reflects this outlook, over half (53%) of those polled expect house prices to rise by 1–3% in 2026, while 22% anticipate broadly stable prices within a ±1% range².



Source: PriceHubble, HMRC, ONS, UK HPI (November 2025)

Annual change in house prices and transactions, November 2025



● House prices ● Transactions

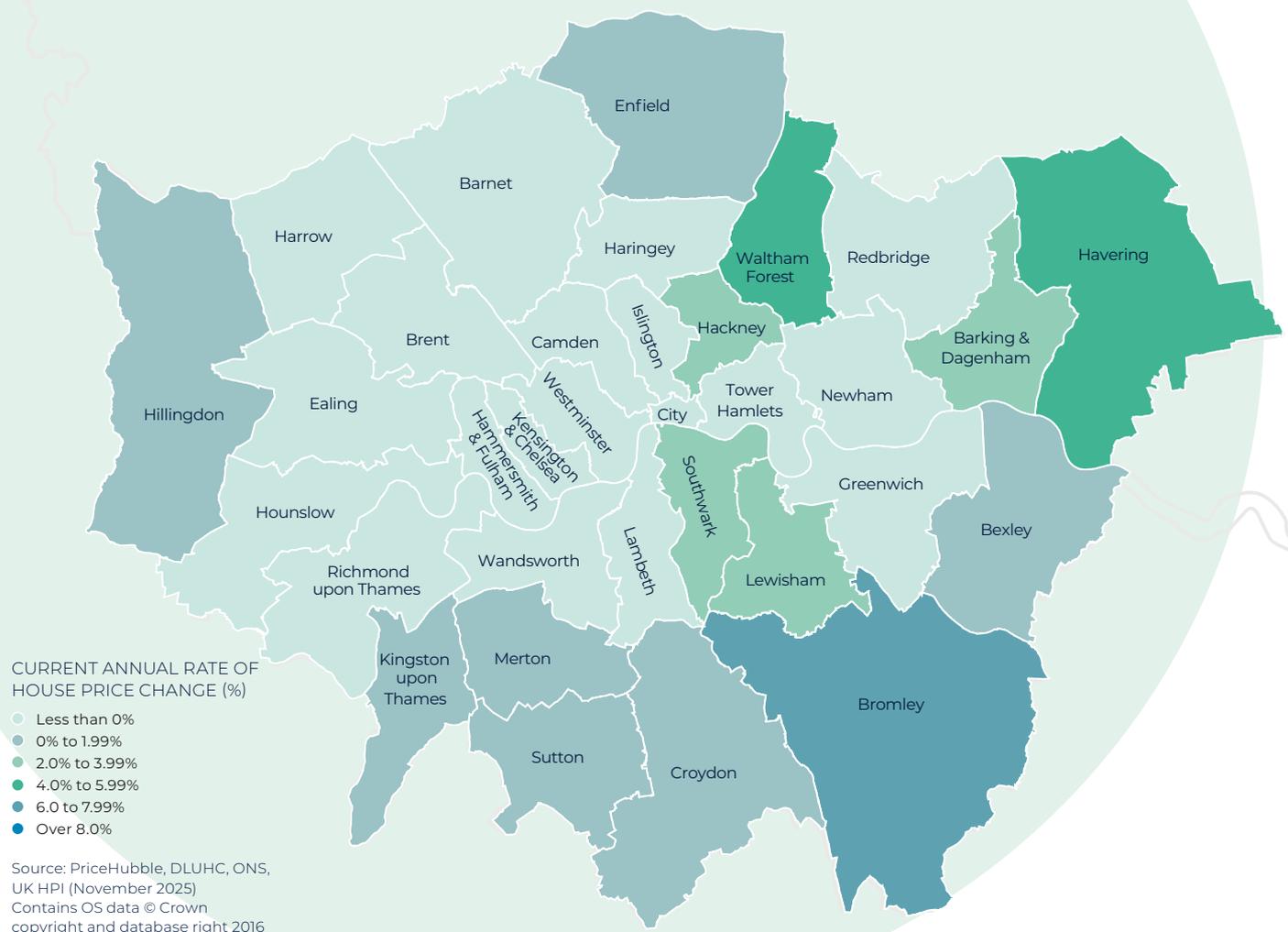
Source: PriceHubble, HMRC, ONS, UK HPI (November 2025)
¹ONS, ²PriceHubble poll of subscribers

REGIONAL ACTIVITY

LONDON

2026 began with the highest level of homes for sale in over eight years, with the average agent marketing 32 properties (Zoopla). Around a third of these homes were previously listed in 2025 and have since returned to the market after uncertainty late last year dampened activity. The uplift in supply is most pronounced in southern England, where listings in London were up 16% year on year and the South East saw a 9% increase.

House price growth remains linked to supply, with increased availability moderating growth by giving buyers more choice and greater negotiating power. As always, local pricing can differ significantly from national trends. Average property values in the region softened 1.2% from last year's levels. Strongest price growth was evident in Bromley (6.0%), slightly ahead of the next top performers Havering (5.2%) and Waltham Forest (4.0%).



Supply boost

3.4%

Wandsworth

% of private stock turnover

PriceHubble, DLUHC, ONS, UK HPI (November 2025)

Most active housing markets across the region

| RANK | | % OF PRIVATE STOCK TURNOVER | AVERAGE HOUSE PRICE |
|------|------------------------|-----------------------------|---------------------|
| 1 | WANDSWORTH | 3.4% | £688,570 |
| 2 | LAMBETH | 3.3% | £547,962 |
| 3 | BROMLEY | 3.3% | £534,443 |
| 4 | RICHMOND UPON THAMES | 3.2% | £767,961 |
| 5 | HAVERING | 3.1% | £449,433 |
| 6 | BEXLEY | 3.0% | £410,560 |
| 7 | SOUTHWARK | 3.0% | £596,674 |
| 8 | WALTHAM FOREST | 3.0% | £527,902 |
| 9 | GREENWICH | 3.0% | £474,543 |
| 10 | LEWISHAM | 3.0% | £495,338 |
| 11 | KINGSTON UPON THAMES | 2.9% | £582,206 |
| 12 | SUTTON | 2.9% | £449,159 |
| 13 | HACKNEY | 2.8% | £625,292 |
| 14 | MERTON | 2.8% | £608,575 |
| 15 | ISLINGTON | 2.8% | £685,840 |
| 16 | HAMMERSMITH AND FULHAM | 2.7% | £738,593 |
| 17 | CROYDON | 2.5% | £408,013 |
| 18 | TOWER HAMLETS | 2.5% | £472,909 |
| 19 | CAMDEN | 2.5% | £800,930 |
| 20 | HARINGEY | 2.4% | £613,428 |

PriceHubble, DLUHC, ONS, UK HPI (November 2025)

Improving sentiment

The housing market ended 2025 on a quieter note, as many buyers postponed moving decisions amid Budget uncertainty and the usual seasonal slowdown. However, sentiment has strengthened in the new year. With greater choice for buyers and solid market fundamentals, 12-month sales expectations in the latest RICS survey are at their highest since late 2024. Overall, growth in sales agreed in 2025 compared with 2024 was recorded across all UK regions, except Northern Ireland and London¹.

2% | 6%

Year-on-year increase in sales agreed in Outer London | Inner London

Source: TwentyCi, End of year 2025 vs End of Year 2024

A Spring Boost for Sellers

February and March have emerged best months to list, delivering the highest number of homes that go on to successfully complete. Two-thirds of properties (66.3%) listed during these months went on to complete, above the 2025 average success rate of 55.5%². February is also among the fastest months to secure a buyer, averaging 51 days, on par with January, with March and April close behind at around 52 days.

2 out of 3

Homes listed in February and March went on to complete

Source: Rightmove

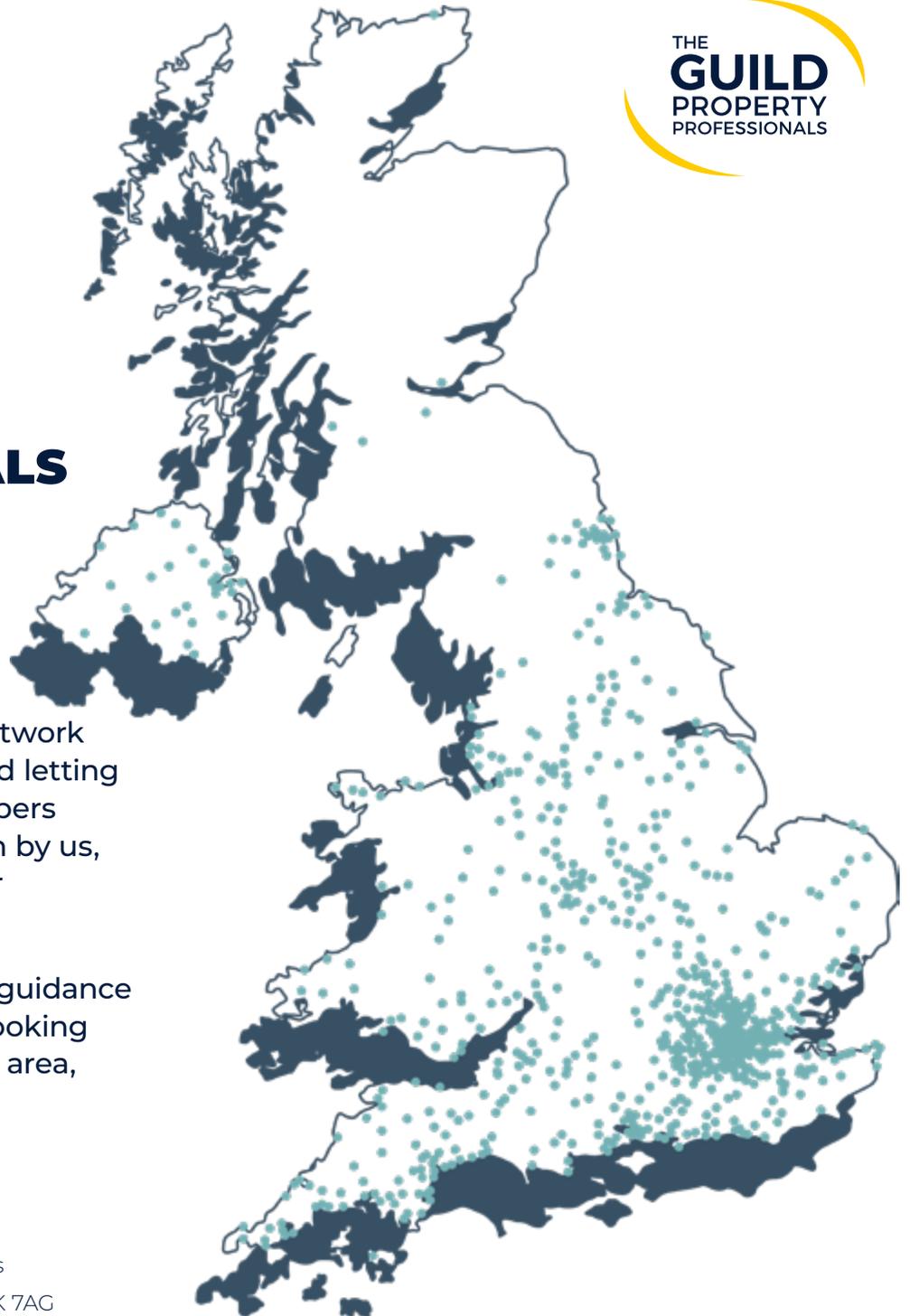
¹TwentyCi, End of year 2025 vs End of Year 2024, ²Rightmove



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Analysis by PriceHubble



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