

THE **PROPERTY MARKET**

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



LONDON

Analysis by PriceHubble | Summer 2026

MEASURED BUT MOVING

SALES



↑1.2%

UK House prices

£264,771 February 2025 vs
£267,957 February 2026



↓40.9%

Property sales

176,190 March 2025 vs
104,070 March 2026



↓0.8%

Mortgage approvals

64,046 March 2025 vs
63,531 March 2026



↑7.3%

New private homes completions

46,691 Q1 2025 vs
50,098 Q1 2026



↓29.3%

Gross mortgage lending

£40.6bn* March 2025 vs
£28.7bn* March 2026

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

Housing market activity is proving resilient as war in the Middle East continues for longer than originally anticipated. Committed buyers and sellers are pressing ahead, helping demand holding firm in the face of elevated borrowing costs.

Uncertain outlook

The Middle East conflict has lasted longer than anticipated, continuing to weigh on global markets and the broader economic outlook. Against this backdrop, the Bank of England held interest rates steady at 3.75% at its April meeting, with futures markets are currently pricing in a single rate hike across 2026. The Bank of England decision came as headline inflation rose to 3.3% in March, driven largely by higher energy costs¹. However, underlying inflation came in below expectations at 3.1%, strengthening the Bank of England's case to hold rates steady in the near term.

Buyer demand

Buyer sentiment, while slightly softer, remains resilient in the face of higher mortgage rates due to global uncertainty. Buyer enquiries are down 2% on last year, though have rebounded since Easter, and are now running at their highest level since the outbreak of the conflict in late February². Mortgage approvals in March rose to 63,531, their highest level in four months, and are sitting just 0.8% below the same time last year³. Movers are taking a measured approach as they assess pricing, wider economic signals and an uncertain longer-term picture.

Time on market

The average time to sell a property currently stands at 32 days in March, down from 39 days in February and lower than 36 days a year ago⁴, an encouraging sign that people who need to move are still moving forward. Regional variations persist, higher-priced areas tend to move slower while more affordable regions are seeing homes change hands more swiftly. Scotland leads as the quickest market at just 20 days, followed by the North East at 23 days. As price sensitivity becomes increasingly evident, understanding local dynamics and setting a realistic price is key to achieving a timely sale.

¹ONS, ²Zoopla, ³Bank of England, ⁴PriceHubble, England and Wales, using InformationWorks data, March 2026

LETTINGS



↑2.1%

Average rents
April 2025 vs
April 2026



£1,325

Average monthly
rent across the UK
April 2026

1 in 10

Lets agreed above
asking rent

Source: PriceHubble, over
the last five years

Rental market dynamics

With the Renters' Rights Act now in effect from 1 May, the rental market continues to hold steady. Following a rise in March, average rents increased again in April, with annual growth now at 2.1% and rents higher than a year ago across every UK region. Available rentals are at their highest for this time of year since 2021, while demand stays above pre-pandemic levels¹. From May, offering above asking rent will be banned. Over the past five years, roughly one in ten tenancies have been agreed above asking price². Landlords, unable to accept higher bids, are likely to respond by setting slightly higher upfront asking rents.

¹DataLoft by PriceHubble, HomeLet, Rightmove, ²PriceHubble



The market is proving more resilient than many expected, but uncertainty is keeping buyers measured. Stock is rising, giving buyers more choice than they've had in some time, meaning pricing realistically has never been more important for sellers looking to secure a move.

IAIN MCKENZIE
CEO, THE GUILD OF PROPERTY
PROFESSIONALS

WHAT DOES THE CONFLICT IN THE MIDDLE EAST MEAN FOR THE HOUSING MARKET?

Inflation, mortgage rates and the outlook for 2026



3.75%

Bank of England base rate, held in April 2026

Source: Bank of England

4.5%

Five-year swap rate % in April
Up from 3.8% in February

Source: Investing.com

1.8 million

fixed-rate mortgages will expire in 2026

Source: UK Finance

Geopolitics and the Rate Outlook

Global uncertainty, including the ongoing conflict in the Middle East, is weighing on the housing market. Energy supply has been disrupted, sending Brent crude past \$100 per barrel and pushing inflation further away from the 2% target. This makes Bank of England rate cuts less likely, with financial markets now moving away from cuts and pricing in potential increases this year. Much depends on how long the conflict plays out – for now, the market is holding steady.

¹Bank of England, ²Investing.com, ³UK Finance

What This Means for Mortgage Rates

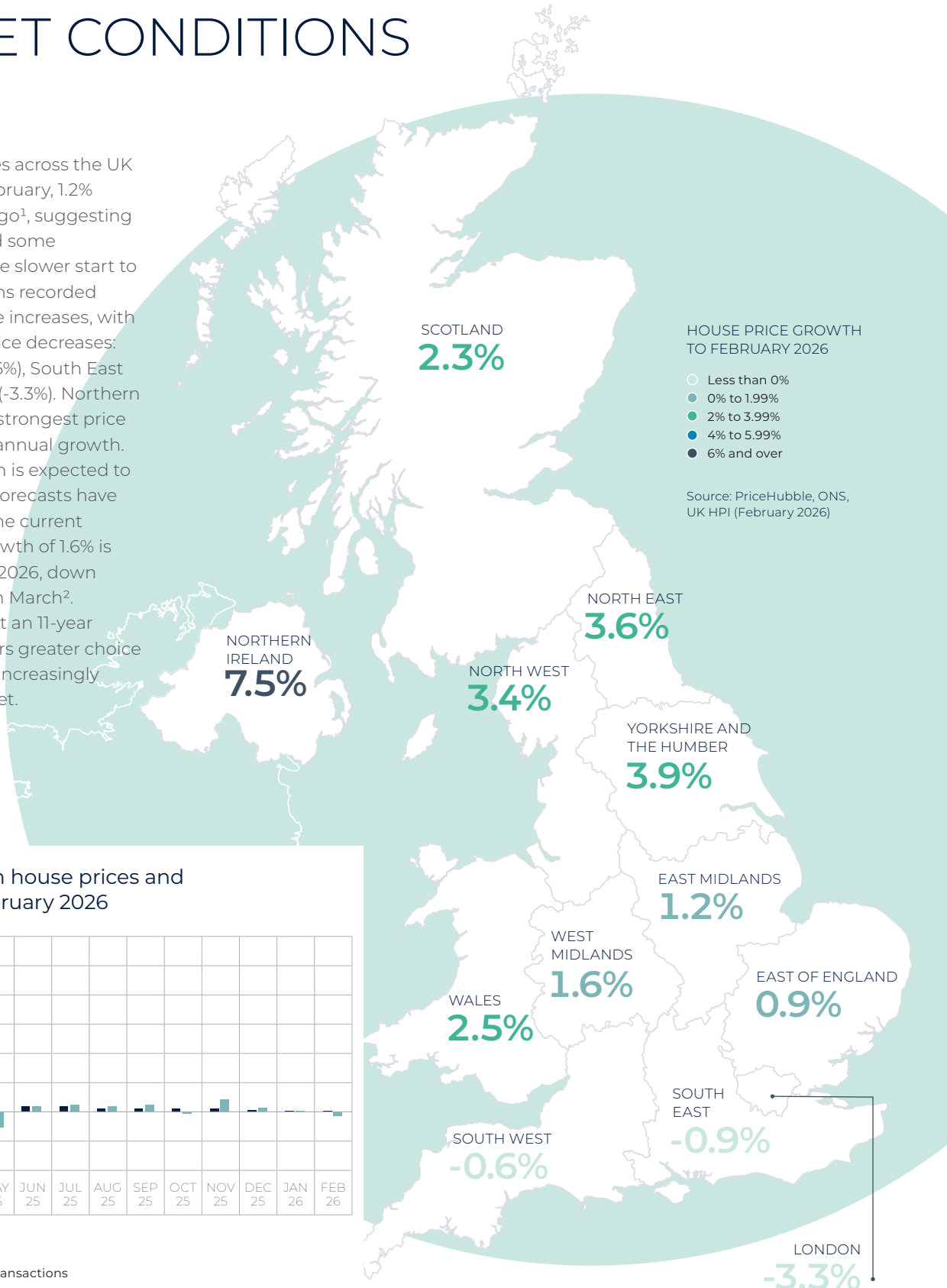
Despite higher rates, recent changes to mortgage affordability rules mean lenders can now offer more to typical borrowers, supporting market activity. Mortgage rates have risen since the onset of the conflict, reaching 4.4% at end of March versus 4.0% in February¹, though pricing has grown more competitive since. The five-year swap rate, which underpins mortgage pricing, averaged 4.5% in April, up from 3.8% in February², yet remains well below the peaks seen after the Liz Truss mini-budget or mid-2023 inflation surge.

The Refinancing Picture

With rate rises back on the table, the 1.8 million households set to see their fixed-rate mortgages expire in 2026 will be watching the Bank of England closely³. Many are coming off five-year deals secured at the historically low rates of 2021, raising concerns about payment shock. However, 94% would, under current conditions, be able to refinance at rates below the stress test limit on their existing loan, offering some reassurance amid the uncertainty.

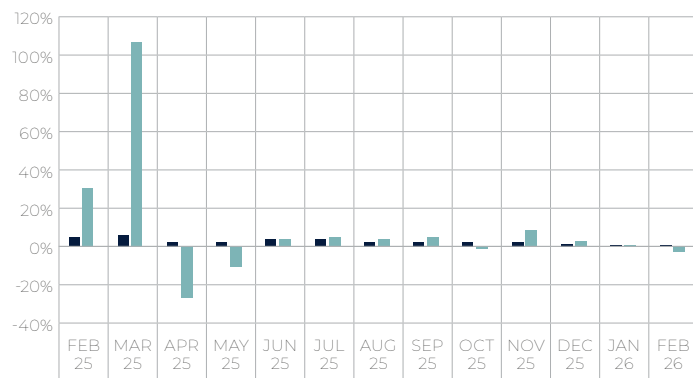
NATIONAL MARKET CONDITIONS

Average house prices across the UK were £267,957 in February, 1.2% higher than a year ago¹, suggesting the market regained some momentum after the slower start to the year. Most regions recorded modest annual price increases, with only three seeing price decreases: the South West (-0.6%), South East (-0.9%) and London (-3.3%). Northern Ireland showed the strongest price increases with 7.5% annual growth. Modest price growth is expected to continue, although forecasts have been tempered in the current climate, full-year growth of 1.6% is now anticipated for 2026, down from 2.3% forecast in March². Rising supply, now at an 11-year high³, is giving buyers greater choice and making this an increasingly pricing-driven market.



Source: PriceHubble, ONS, UK HPI (February 2026)

Annual change in house prices and transactions, February 2026



● House prices ● Transactions

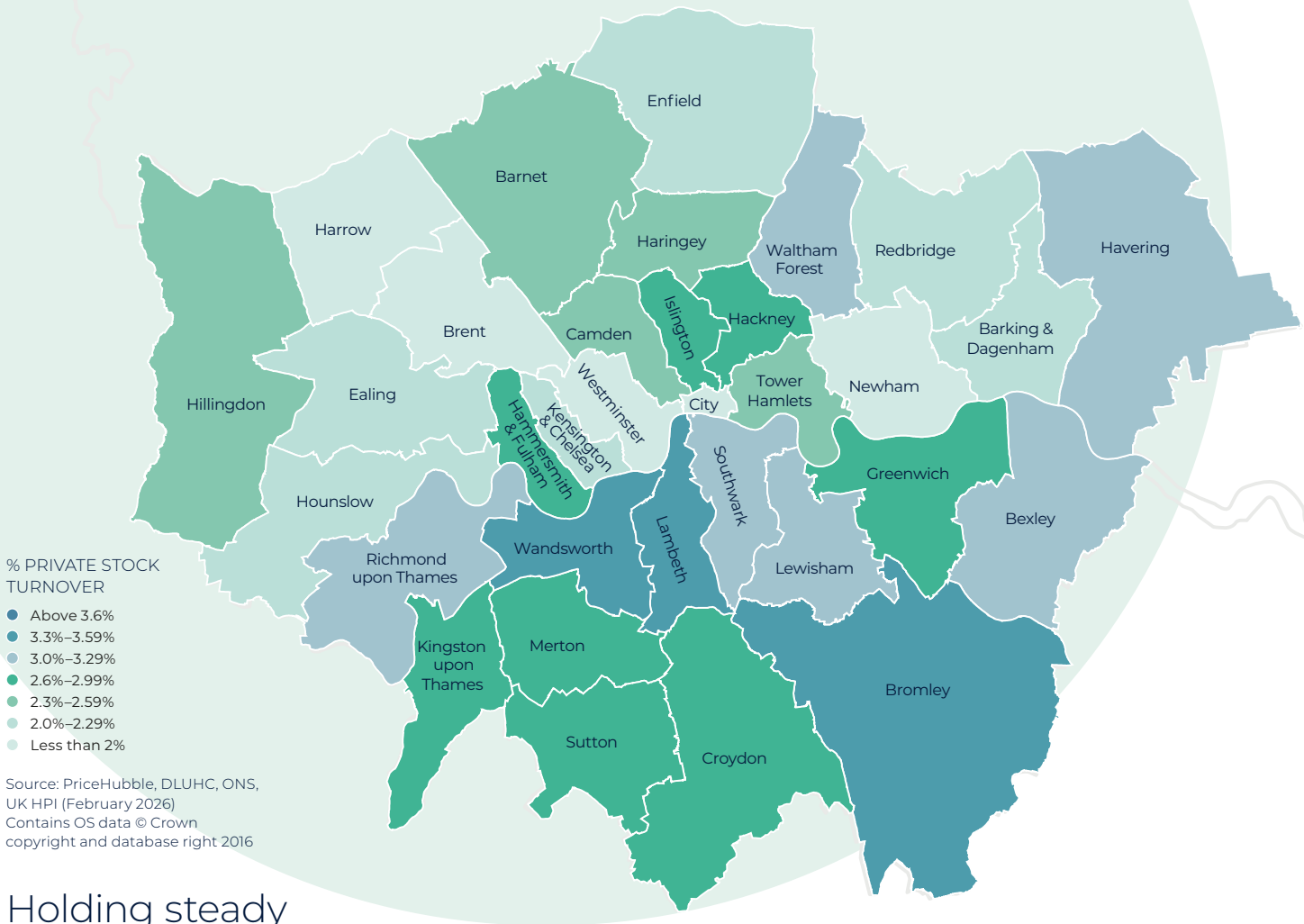
¹ONS, ²HM Treasury Average of Independent Forecasts, ³Rightmove
Source: PriceHubble, HMRC, ONS, UK HPI (February 2026)

REGIONAL ACTIVITY

LONDON

Despite uncertainty and elevated mortgage rates, resilience continues, with needs-based movers continuing to transact, supporting overall stability. Transactions rose by 1% in March to 104,070, from 102,750 in February, however figures were 41% lower than the same period last year, largely reflecting the exceptionally high transaction levels seen in March 2025 ahead of stamp duty threshold changes in April 2025¹. The number of sales agreed in April held up, running just 3% behind last year's market². New instructions are

similarly steady, with homes coming to market only marginally behind last year at 1%, and 13% higher than in 2024. Across London, the most active housing markets are currently those of Wandsworth, Lambeth and Bromley, where close to one in every 29 properties has changed hands in the past year. Looking ahead, sales volumes are expected to remain broadly flat. The latest RICS survey recorded a net balance of -1% of respondents anticipating an increase in sales over the year ahead.



Holding steady

¹HMRC, ²Rightmove

3.4%

Redbridge

Current annual rate of price change (%)

Source: PriceHubble, ONS, UK HPI (February 2026)

Current annual rate of price change (%)

RANK		CURRENT ANNUAL RATE OF PRICE CHANGE (%)	AVERAGE HOUSE PRICE
1	REDBRIDGE	3.4	£507,007
2	HAVERING	2.8	£449,700
3	WALTHAM FOREST	2.5	£525,119
4	GREENWICH	2.5	£473,900
5	SUTTON	1.7	£457,497
6	HARINGEY	1.5	£647,601
7	BARKING AND DAGENHAM	1.2	£363,817
8	HILLINGDON	1.2	£477,210
9	BROMLEY	1.2	£515,200
10	HARROW	0.9	£539,716
11	ENFIELD	0.7	£475,260
12	EALING	0.7	£574,237
13	ISLINGTON	0.5	£683,506
14	LEWISHAM	0.3	£491,154
15	BEXLEY	0.2	£406,173
16	KINGSTON UPON THAMES	0.0	£569,910
17	HOUNSLOW	-1.9	£509,223
18	RICHMOND UPON THAMES	-1.9	£796,950
19	SOUTHWARK	-2.6	£566,892
20	CROYDON	-2.9	£389,585

Source: PriceHubble, ONS, UK HPI (February 2026)

Fewer fall-throughs

Fall-through rates edged very slightly lower in Q1 2026, with 23.7% of property sales failing to complete, down from 24.0% a year earlier, a modest 0.3 percentage-point improvement year-on-year¹. Ten of thirteen regions recorded a decline, with Northern Ireland and Wales posting the greatest reductions. That buyer commitment has held up across much of the country is a quietly reassuring signal in an environment shaped by stamp duty changes, geopolitical uncertainty and elevated mortgage rates.

26.1% | 27.0%

of deals fell through in Q1 2026, down 1.8% | up 9.7% year-on-year | Outer London | Inner London

Source: TwentyCi

New build energy savings

New build homes cost around £420 less to run annually than older EPC D-rated properties, a 27% saving that stretches to £618 against F and G-rated homes². While most new builds achieve an A or B rating, under 5% of older properties match this. Homeowners looking to close the gap can start with loft insulation (saving up to £390 yearly) or cavity wall insulation (up to £420), each capable of nudging your EPC up a band.

27%

Energy bill savings EPC A or B vs EPC D

Source: HBF Watt A Save 2026, based on a 90m² property

39%

Energy bill savings EPC A or B vs EPC F or G

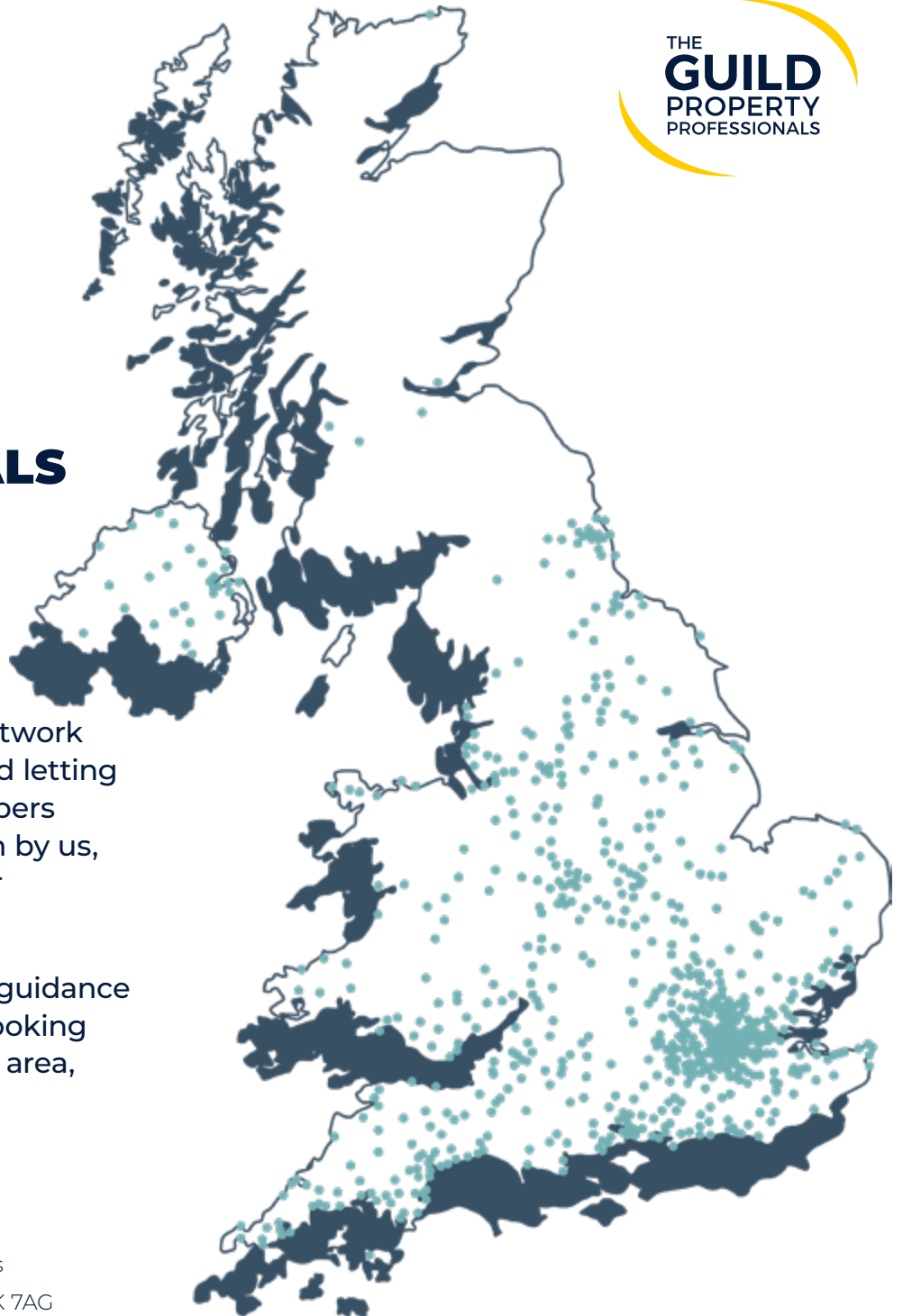
¹TwentyCi, ²HBF Watt A Save 2026, based on a 90m² property



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Analysis by PriceHubble



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