SEPTEMBER 2026

UK Housing Market Report

House prices, rents, mortgage rates, auctions and the wider economy

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THE VERDICT

More buyer interest. Less purchasing power.

3.75%

Bank Rate

At the report's data cut off. The last change was the reduction on 18 December 2025.

56,100

Mortgage approvals

For house purchase in July 2026. Seasonally adjusted, net of cancellations.

64.7%

Auction lots sold

UK residential and commercial lots in July 2026; 69.3% a year earlier.

FARRELL'S VIEW

A recovery in searches is encouraging, but it is not the same as a recovery in completed purchases. Higher borrowing costs reduce what buyers can afford and what an investor can safely pay. I would use the wider choice to be selective, negotiate from completed evidence and stress the refinance as carefully as the initial purchase. Rental income matters, but it must be collected consistently after voids, maintenance and finance. Do not capitalise an optimistic rent into an optimistic valuation.

Data cut off 9 September 2026. Each figure carries its own observation period, because the sources report on different dates.

02 / MARKET DATA

The market on one page

Eighteen indicators from releases available by the data cut off. The period is shown beside each reading. Changes refer to the comparison described, rather than a single common reporting month.

INDICATOR	LATEST	PERIOD	COMPARISON
PRICES AND SALES			
Asking price, Great Britain	**£364,999**	August 2026	-2.0% on the month
Completed prices, annual growth	**+2.0%**	June 2026	+3.0% in the prior month, as revised
Mortgage approvals for purchase	**56,100**	July 2026	58,200 in the prior month
Nationwide prices, annual growth	**+1.6%**	August 2026	Mortgage based UK index
LETTINGS			
Average private rent, UK	**£1,393**	July 2026	+3.7% on the year
Private rent annual growth, UK	**+3.7%**	July 2026	+3.3% in the prior month
COST OF MONEY			
Bank Rate	**3.75%**	9 September 2026	4.00% before 18 December 2025
BTL two year fix, 75% LTV	**4.19%**	August 2026	4.14% in the prior month
ECONOMY			
CPI inflation, UK	**2.9%**	July 2026	2.6% in the prior month
Unemployment rate, UK	**4.9%**	April to June 2026	People aged 16 and over
Regular pay annual growth, GB	**3.5%**	April to June 2026	Excludes bonuses
DISTRESS AND AUCTIONS			
Homeowner mortgages in arrears	**77,940**	Q2 2026	-1% on the previous quarter
BTL mortgages in arrears	**8,390**	Q2 2026	-6% on the previous quarter
Homeowner repossessions	**1,150**	Q2 2026	First charge mortgages, UK
BTL repossessions	**630**	Q2 2026	First charge mortgages, UK
Personal insolvencies	**11,926**	July 2026	England and Wales; see page 7
Auction lots offered, UK	**4,424**	July 2026	-2.4% on the year
Auction lots sold, share	**64.7%**	July 2026	69.3% a year earlier

How to read it. UK HPI completed prices lag the market. ONS rents cover new and existing tenancies. BTL means buy to let; LTV means loan to value. Mortgage approvals are seasonally adjusted. Arrears are at least 2.5% of the mortgage balance.

03 / PRICES AND SALES

Different measures. Different stages of a sale.

An asking price is a seller's starting point. Mortgage indices and registered completed sales describe different samples and dates. Read the movement within each series, rather than comparing their price levels.

£364,999

ASKING PRICES

Rightmove, August 2026, Great Britain.
-2.0% on the month.

£272,000

COMPLETED SALE PRICES

UK HPI, June 2026, provisional.
+2.0% on the year.

OTHER INDICES / ANNUAL CHANGE

+1.6% Nationwide

£275,465, August 2026. Mortgage approvals sample.

+0.9% Zoopla

£272,800, July 2026. See source table.

From listing to a financed purchase

Zoopla reports searches 7% above a year ago but agreed sales 6% lower. It estimates that higher mortgage rates have reduced buying power by 9% since January. Interest is not yet translating fully into purchases.

STAGE / MEASURE	SOURCE AND PERIOD	READING
New seller asking price	Rightmove, August 2026	£364,999
Mortgage approvals for purchase	BoE, July 2026	56,100
Completed price annual growth	UK HPI, June 2026	+2.0%
Mortgage index annual growth	Nationwide, August 2026	+1.6%

Use completed comparables to set the bid

Match tenure, size, condition and location. An apparent discount to an asking price is not automatically a discount to market value. A lender can also value a property below the agreed price, increasing the cash needed to complete.

Sources 1, 2, 3, 4, 5 and 6. Full dated references and method on page 8.

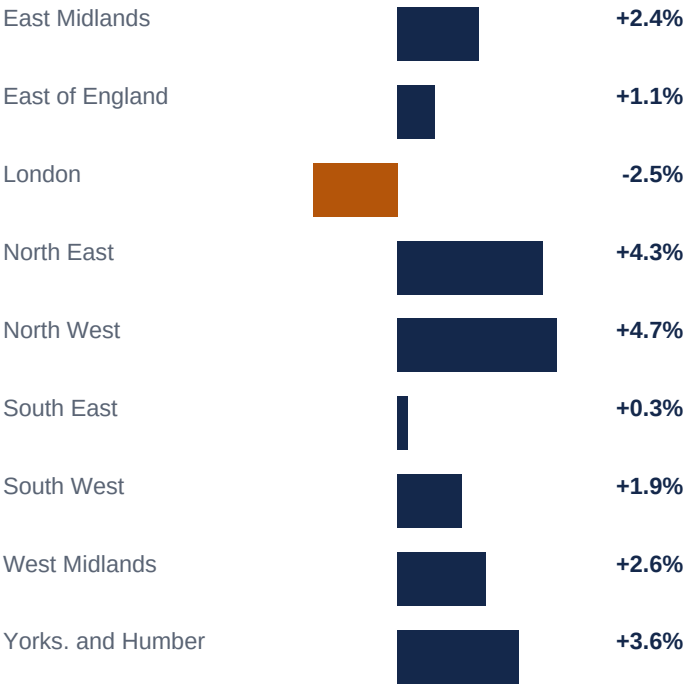
04 / REGIONS

How prices and rents vary across the UK

Registered prices across the nine English regions, alongside rent readings for the four UK nations. The geographical coverage and observation periods are labelled separately.

Annual completed price change

June 2026 / UK HPI



ENGLISH REGION	PRICE
East Midlands	£240,000
East of England	£339,000
London	£554,000
North East	£166,000
North West	£220,000
South East	£380,000
South West	£305,000
West Midlands	£251,000
Yorks. and Humber	£208,000

Private rent across the four nations

ONS, July 2026. Northern Ireland is reported two months earlier, to May 2026.

NATION	AVERAGE MONTHLY RENT	ANNUAL CHANGE
England	£1,451	+3.8%
Wales	£843	+4.5%
Scotland	£1,016	+1.7%
Northern Ireland	£875	+2.3%

The ONS advises caution when comparing Scotland and Northern Ireland with other nations because their data collection differs. These are regional and national averages, not valuations or letting appraisals for an individual property.

Sources 1 and 2. Full dated references and method on page 8.

05 / LETTINGS

Income starts with a realistic rent.

The ONS measures rents across the rental stock. A new contract index measures the latest lettings in its own sample. Neither replaces a local appraisal or the rent payable under the actual tenancy.

RENT MEASURE	SOURCE AND PERIOD	PER MONTH	ON THE YEAR
All tenancies, UK	ONS, July 2026	£1,393	+3.7%
All tenancies, England	ONS, July 2026	£1,451	+3.8%
All tenancies, Wales	ONS, July 2026	£843	+4.5%
All tenancies, Scotland	ONS, July 2026	£1,016	+1.7%

Periods and samples differ. The figures are context for a letting decision, rather than interchangeable measures of the same set of properties.

What the latest figures mean for a landlord

Annual rental growth has picked up in the latest official release. That is context, rather than permission to apply the same uplift to every tenancy. Check local affordability and use a rent figure supported by the property's condition and competition.

RENTS AGAINST PAY

+3.7% UK rents

+3.5% GB regular pay

Different populations and periods. Check local incomes and the affordability of the proposed rent.

THE COST OF A VOID

1 month

An appraisal allowance, not a forecast. One empty month at £1,000 per month removes £1,000 of annual income while fixed costs continue.

Tenancy reform in England

England's first phase of tenancy reform began on 1 May 2026. Ask the managing agent and solicitor to check the tenancy, paperwork and practical possession assumptions before a purchase. Other UK nations have their own systems.

Collected income is what matters: allow for management, maintenance, insurance, compliance, voids and the actual finance terms. Gross yield is only a starting measure.

Sources 1, 9, 14. Full dated references and method on page 8.

06 / ECONOMY AND BORROWING

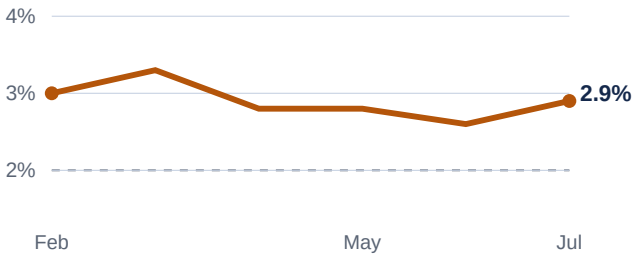
Bank Rate is only part of the borrowing cost.

The latest policy decision leaves Bank Rate at 3.75%. Borrowers are nevertheless paying more on newly drawn mortgages than earlier this year. The next MPC decision is ahead. Test the exit against both a higher rate and a lower lender valuation before committing.

BORROWING COST	PERIOD	LATEST
Bank Rate	9 September 2026	3.75%
Residential two year fix, 75% LTV	August 2026	4.92%
BTL two year fix, 75% LTV	August 2026	4.19%
BTL five year fix, 75% LTV	August 2026	4.70%
Effective rate on new mortgages	July 2026	4.45%

BoE monthly quoted benchmarks exclude fees. The effective rate describes lending actually drawn. These are different measures and are not a personalised mortgage offer.

CPI inflation against the 2% target



2.9% CPI inflation in July 2026, compared with 2.6% in the prior month.

4.9% UK unemployment in April to June 2026.

Next Bank Rate decision: **17 September**.

WORKED EXAMPLE / NOTIONAL PROPERTY

A £120,000 property let for £795 per calendar month has a gross yield of 7.95%. A 75% loan to value interest only mortgage is £90,000. This illustration uses the latest quoted BTL two year benchmark and a two point stress.

MONTHLY, BEFORE TAX	AT 4.19%	AT 6.19%
Scheduled rent	£795.00	£795.00
Management at 10% of scheduled rent	-£79.50	-£79.50
Void allowance, one month in twelve	-£66.25	-£66.25
Repairs and insurance at 10% of rent	-£79.50	-£79.50
Mortgage interest	-£314.25	-£464.25
Cash flow before tax and product fees	**£255.50**	**£105.50**

A two point rise costs £150 more per month (£1,800 a year). Purchase costs, tax and product fees are excluded.

07 / DISTRESSED ASSETS AND PROPERTY AUCTIONS

Separate financial pressure from saleable opportunity.

Mortgage arrears, repossessions and personal insolvencies measure different groups. They provide context for

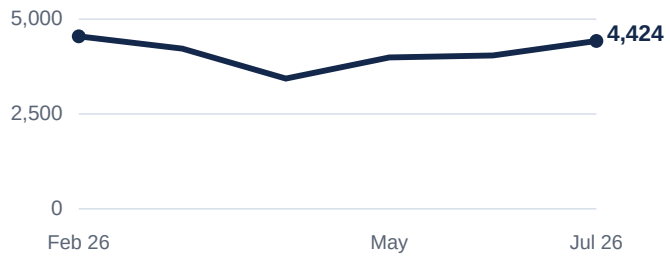
INDICATOR	SOURCE AND PERIOD	LATEST
Homeowner mortgages in arrears	UK Finance, Q2 2026	77,940
BTL mortgages in arrears	UK Finance, Q2 2026	8,390
Homeowner repossessions	UK Finance, Q2 2026	1,150
BTL repossessions	UK Finance, Q2 2026	630
Personal insolvencies	Insolvency Service, July 2026	11,926

UK Finance counts UK first charge mortgages with arrears of at least 2.5% of the balance. Personal insolvencies cover England and Wales and include more than bankruptcies.

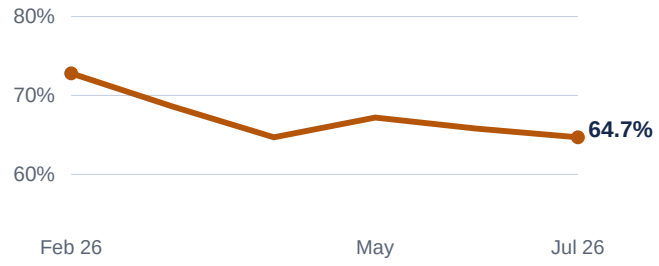
July registrations are 14% above a year ago and include 664 bankruptcies. The monthly total is similar to June. Broader personal insolvency pressure and mortgage arrears can move in different directions.

The auction room / six reported months

Lots offered, UK



Share sold, UK



UK AUCTIONS	OFFERED	SOLD	SHARE SOLD	RAISED
July 2026	4,424	2,864	64.7%	£540.0m
Same month a year ago	4,532	3,140	69.3%	See source

1,560 lots unsold

Across the UK in July 2026. Check current availability, the legal pack and the seller's requirements before offering. Unsold does not mean distressed or cheap.

Sources 10, 11, 12 and earlier EIG newsletters for the chart. Full dated references and method on page 8.

08 / FARRELL'S VIEW

What I would do with these numbers

A recovery in searches is encouraging, but it is not the same as a recovery in completed purchases. Higher borrowing costs reduce what buyers can afford and what an investor can safely pay.

Before you bid this month

The offer 1,560 UK lots went unsold in July 2026. Confirm availability and seller motivation. Work back from relevant completed sales, after all purchase and holding costs.

The finance The notional purchase leaves £255.50 a month before tax and fees at 4.19%, falling to £105.50 at 6.19%. Stress the valuation and the interest rate together.

The exit Confirm who can buy or refinance the property in its present condition. Allow time for legal work, remedial works and lender decisions. Keep a second workable exit and a cash reserve.

What to watch next

15 September. ONS labour market
16 September. ONS inflation, house prices and rents
17 September. Bank of England policy decision

Sources and method

1. ONS private rents and house prices
19 August 2026

2. HM Land Registry UK HPI: regional prices
19 August 2026

3. Rightmove House Price Index
17 August 2026

4. Nationwide House Price Index
1 September 2026

5. Zoopla House Price Index
27 August 2026

6. BoE Money and Credit
1 September 2026

7. BoE Monetary Policy Summary and Minutes
30 July 2026

8. ONS consumer price inflation
19 August 2026

9. ONS labour market overview
18 August 2026

10. UK Finance arrears and possessions
13 August 2026

11. Insolvency Service individual insolvencies
18 August 2026

12. EIG monthly newsletter
August 2026

13. BoE quoted mortgage rates: IUMZID4, IUMZO2B, IUMBV34
7 September 2026

14. England tenancy reform roadmap
13 November 2025

Data cut off 9 September 2026. Dated statistical releases govern the periods used. Official estimates are provisional and can be revised; prior readings follow each release's own vintage. Quoted mortgage rates are historical monthly benchmarks from the BoE database, which can be reweighted or revised. EIG uses national residential and commercial totals from its tables; these can differ from newsletter prose. Charts stop at the stated observation period. ONS data is used under the Open Government Licence v3.0.

Learn to use these numbers at property auctions

One day property auction course, £97, in London and LIVE online. Twelve month mentorship programme. The Property Auctions Podcast. Property Auctions: Repossessions, Bankruptcies and Bargain Properties, fourth edition.

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