FEBRUARY 2026

UK Housing Market Report

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

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THE VERDICT

Asking prices rebound. Borrowing remains selective.

3.75%

Bank Rate

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

61,000

Mortgage approvals

For house purchase in December 2025. Seasonally adjusted, net of cancellations.

70.2%

Auction lots sold

UK residential and commercial lots in December 2025; 69.6% a year earlier.

FARRELL'S VIEW

The January asking price rebound signals renewed seller confidence. It does not establish that completed values have moved by the same amount. Purchase mortgage approvals have weakened, and buyers have more homes to choose from. I would concentrate on sellers whose timing matters, compare each property with actual completed sales and keep the finance agreed before making an offer. A market with more choice rewards preparation. It does not remove the need for a discount that survives the costs of buying and holding.

Data cut off 9 February 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	**£368,031**	January 2026	+2.8% on the month
Completed prices, annual growth	**+2.5%**	November 2025	+1.9% in the prior month, as revised
Mortgage approvals for purchase	**61,000**	December 2025	64,100 in the prior month
Nationwide prices, annual growth	**+1.0%**	January 2026	Mortgage based UK index
LETTINGS			
Average private rent, UK	**£1,368**	December 2025	+4.0% on the year
Private rent annual growth, UK	**+4.0%**	December 2025	+4.4% in the prior month
COST OF MONEY			
Bank Rate	**3.75%**	9 February 2026	4.00% before 18 December 2025
BTL two year fix, 75% LTV	**3.43%**	January 2026	3.51% in the prior month
ECONOMY			
CPI inflation, UK	**3.4%**	December 2025	3.2% in the prior month
Unemployment rate, UK	**5.1%**	September to November 2025	People aged 16 and over
Regular pay annual growth, GB	**4.5%**	September to November 2025	Excludes bonuses
DISTRESS AND AUCTIONS			
Homeowner mortgages in arrears	**84,100**	Q3 2025	-4% on the previous quarter
BTL mortgages in arrears	**10,420**	Q3 2025	-8% on the previous quarter
Homeowner repossessions	**1,390**	Q3 2025	First charge mortgages, UK
BTL repossessions	**900**	Q3 2025	First charge mortgages, UK
Personal insolvencies	**13,453**	December 2025	England and Wales; see page 7
Auction lots offered, UK	**3,948**	December 2025	+14.2% on the year
Auction lots sold, share	**70.2%**	December 2025	69.6% 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.

£368,031

ASKING PRICES

Rightmove, January 2026, Great Britain.
+2.8% on the month.

£271,000

COMPLETED SALE PRICES

UK HPI, November 2025, provisional.
+2.5% on the year.

OTHER INDICES / ANNUAL CHANGE

+1.0% Nationwide

£270,873, January 2026. Mortgage approvals sample.

+1.2% Zoopla

£269,800, December 2025. See source table.

From listing to a financed purchase

Zoopla reports 6% more homes for sale than a year ago and an eight year high in choice. Demand has recovered seasonally but remains 9% below the busy start to 2025.

STAGE / MEASURE	SOURCE AND PERIOD	READING
New seller asking price	Rightmove, January 2026	£368,031
Mortgage approvals for purchase	BoE, December 2025	61,000
Completed price annual growth	UK HPI, November 2025	+2.5%
Mortgage index annual growth	Nationwide, January 2026	+1.0%

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.

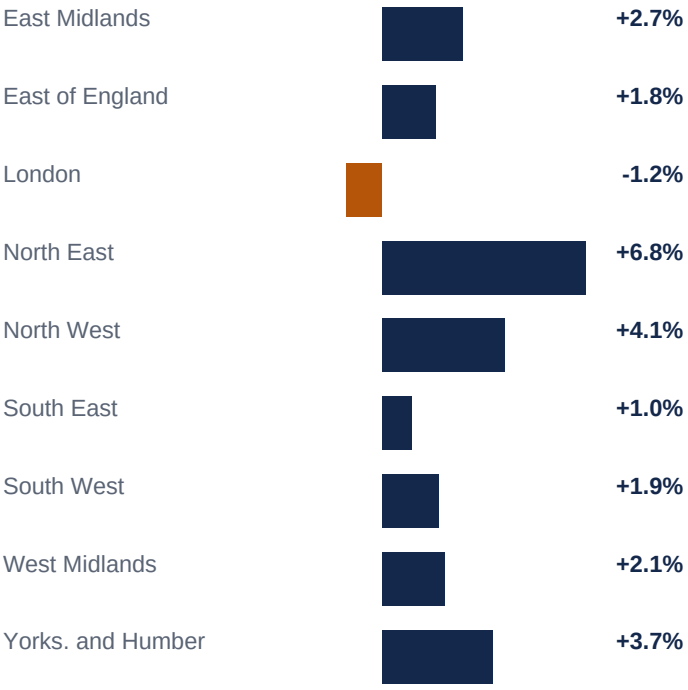
04 / REGIONS

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

November 2025 / UK HPI



ENGLISH REGION	PRICE
East Midlands	£242,000
East of England	£338,000
London	£553,000
North East	£167,000
North West	£217,000
South East	£381,000
South West	£306,000
West Midlands	£249,000
Yorks. and Humber	£209,000

Private rent across the four nations

ONS, December 2025. Northern Ireland is reported two months earlier, to October 2025.

NATION	AVERAGE MONTHLY RENT	ANNUAL CHANGE
England	£1,424	+3.9%
Wales	£822	+5.7%
Scotland	£1,018	+2.8%
Northern Ireland	£873	+5.7%

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, December 2025	£1,368	+4.0%
Confirmed new tenancies, England	Goodlord, January 2026	£1,201	+2.3%

Goodlord changed its regional methodology in January and recalculated its comparison sample. Its earlier December release is therefore not a directly comparable monthly benchmark.

What the latest figures mean for a landlord

The official rent measure has slowed again. A slower annual increase does not mean rents have fallen, and it does not establish the achievable new let rent for an individual home. Price to the local market and protect occupancy.

RENTS AGAINST PAY

+4.0%
UK rents

+4.5%
GB regular pay

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

THE COST OF A VOID

26 days

Goodlord, January 2026. At £1,000 a month, a 26 day gap costs about £855 in rent. Mortgage and insurance costs continue.

Tenancy reform in England

The government's November 2025 roadmap schedules the first phase of the new private tenancy regime for 1 May 2026. Review the management plan for a purchase against that timetable. 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 and 15. Full dated references and method on page 8.

06 / ECONOMY AND BORROWING

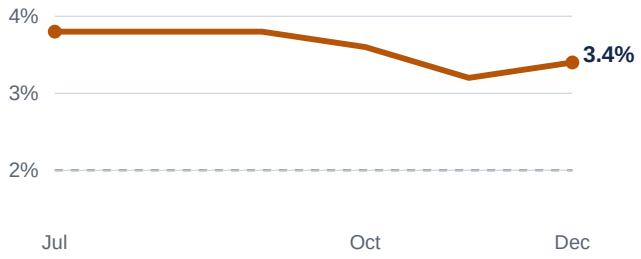
Bank Rate is only part of the borrowing cost.

On 5 February the MPC voted 5 to 4 to hold Bank Rate at 3.75%. Four members preferred a reduction to 3.50%. The Bank expects inflation to move towards target, but further easing is not a promise. Refresh lender quotes and check fees before choosing a product.

BORROWING COST	PERIOD	LATEST
Bank Rate	9 February 2026	3.75%
Residential two year fix, 75% LTV	January 2026	3.93%
BTL two year fix, 75% LTV	January 2026	3.43%
BTL five year fix, 75% LTV	January 2026	3.88%
Effective rate on new mortgages	December 2025	4.15%

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



3.4% CPI inflation in December 2025, compared with 3.2% in the prior month.

5.1% UK unemployment in September to November 2025.

Next Bank Rate decision: **19 March**.

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 3.43%	AT 5.43%
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	-£257.25	-£407.25
Cash flow before tax and product fees	**£312.50**	**£162.50**

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

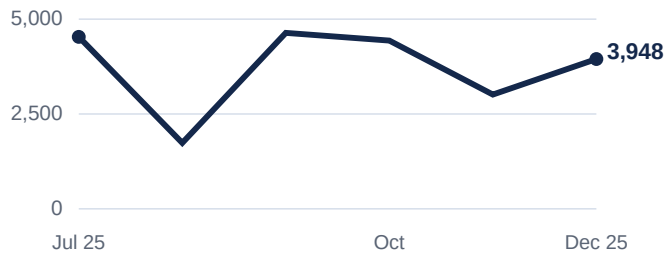
INDICATOR	SOURCE AND PERIOD	LATEST
Homeowner mortgages in arrears	UK Finance, Q3 2025	84,100
BTL mortgages in arrears	UK Finance, Q3 2025	10,420
Homeowner repossessions	UK Finance, Q3 2025	1,390
BTL repossessions	UK Finance, Q3 2025	900
Personal insolvencies	Insolvency Service, December 2025	13,453

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.

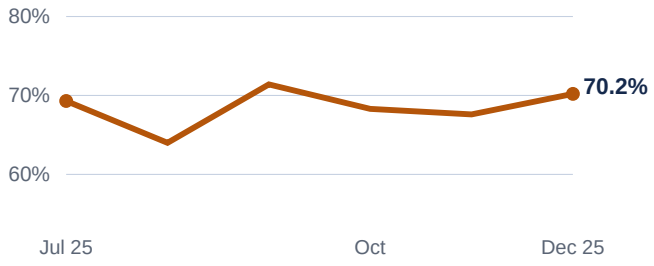
December registrations include a backlog of arrangements agreed in November. Read the two months together. The annual total for 2025 is 126,240, 7% above 2024, according to the January release.

The auction room / six reported months

Lots offered, UK



Share sold, UK



UK AUCTIONS	OFFERED	SOLD	SHARE SOLD	RAISED
December 2025	3,948	2,771	70.2%	£590.7m
Same month a year ago	3,458	2,407	69.6%	See source

1,177 lots unsold

Across the UK in December 2025. 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

The January asking price rebound signals renewed seller confidence. It does not establish that completed values have moved by the same amount.

Before you bid this month

The offer 1,177 UK lots went unsold in December 2025. Confirm availability and seller motivation. Work back from relevant completed sales, after all purchase and holding costs.

The finance The notional purchase leaves £312.50 a month before tax and fees at 3.43%, falling to £162.50 at 5.43%. 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

17 February. ONS labour market
18 February. ONS inflation, house prices and rents
19 March. Bank of England policy decision

Sources and method

1. ONS private rents and house prices
21 January 2026

2. HM Land Registry UK HPI: regional prices
21 January 2026

3. Rightmove House Price Index
19 January 2026

4. Nationwide House Price Index
2 February 2026

5. Zoopla House Price Index
29 January 2026

6. BoE Money and Credit
30 January 2026

7. BoE Monetary Policy Summary and Minutes
5 February 2026

8. ONS consumer price inflation
21 January 2026

9. ONS labour market overview
20 January 2026

10. UK Finance arrears and possessions
13 November 2025

11. Insolvency Service individual insolvencies
20 January 2026

12. EIG monthly newsletter
January 2026

13. BoE quoted mortgage rates: IUMZID4, IUMZO2B, IUMBV34
6 February 2026

14. England tenancy reform roadmap
13 November 2025

15. Goodlord Rental Index
6 February 2026

Data cut off 9 February 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.

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