OCTOBER 2026

UK Housing Market Report

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

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THE VERDICT

An autumn price bounce. Finance still sets the limit.

3.75%

Bank Rate

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

54,900

Mortgage approvals

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

60.6%

Auction lots sold

UK residential and commercial lots in August 2026; 64.0% a year earlier.

FARRELL'S VIEW

The September asking price rise brings an autumn bounce, while the sales and finance data still call for discipline. I would keep looking at unsold stock and sellers who need a dependable buyer, but only make offers that work with current borrowing costs. The latest Bank decision leaves rates unchanged and points to upside inflation risks. I would make no allowance for a future rate cut in the bid. Keep a cash reserve and a second workable exit.

Data cut off 9 October 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	**£367,440**	September 2026	+0.7% on the month
Completed prices, annual growth	**+1.4%**	July 2026	+1.5% in the prior month, as revised
Mortgage approvals for purchase	**54,900**	August 2026	56,100 in the prior month
Nationwide prices, annual growth	**+0.8%**	September 2026	Mortgage based UK index
LETTINGS			
Average private rent, UK	**£1,400**	August 2026	+3.8% on the year
Private rent annual growth, UK	**+3.8%**	August 2026	+3.7% in the prior month
COST OF MONEY			
Bank Rate	**3.75%**	9 October 2026	4.00% before 18 December 2025
BTL two year fix, 75% LTV	**4.34%**	September 2026	4.19% in the prior month
ECONOMY			
CPI inflation, UK	**3.1%**	August 2026	2.9% in the prior month
Unemployment rate, UK	**4.9%**	May to July 2026	People aged 16 and over
Regular pay annual growth, GB	**3.5%**	May to July 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	**11,644**	August 2026	England and Wales; see page 7
Auction lots offered, UK	**1,789**	August 2026	+2.9% on the year
Auction lots sold, share	**60.6%**	August 2026	64.0% 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.

£367,440

ASKING PRICES

Rightmove, September 2026, Great Britain.
+0.7% on the month.

£273,000

COMPLETED SALE PRICES

UK HPI, July 2026, provisional.
+1.4% on the year.

OTHER INDICES / ANNUAL CHANGE

+0.8% Nationwide

£274,251, September 2026. Mortgage approvals sample.

+0.8% Zoopla

£273,000, August 2026. See source table.

From listing to a financed purchase

Zoopla reports 5% more homes for sale and agreed sales 9% below a year ago. Its September report, released on 1 October, puts annual price growth at 0.8% to August. Finance remains central to the negotiation.

STAGE / MEASURE	SOURCE AND PERIOD	READING
New seller asking price	Rightmove, September 2026	£367,440
Mortgage approvals for purchase	BoE, August 2026	54,900
Completed price annual growth	UK HPI, July 2026	+1.4%
Mortgage index annual growth	Nationwide, September 2026	+0.8%

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.

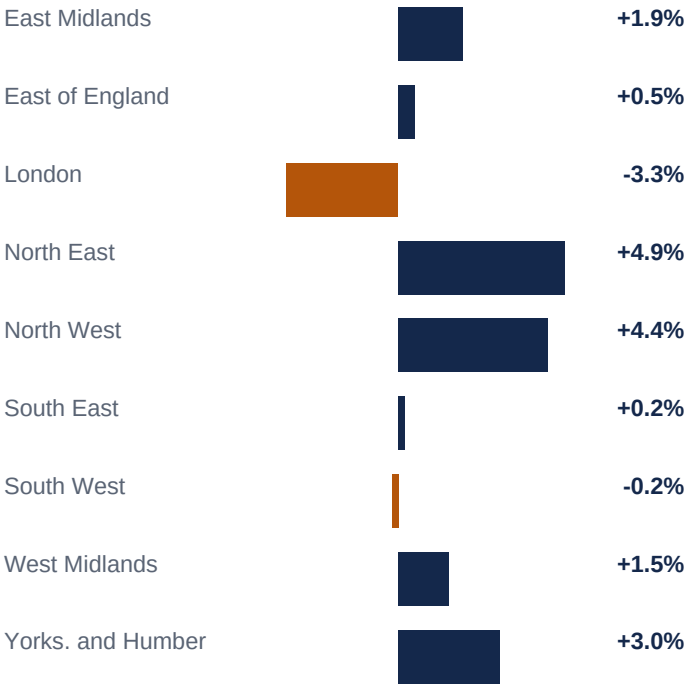
04 / REGIONS

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

July 2026 / UK HPI



ENGLISH REGION	PRICE
East Midlands	£242,000
East of England	£338,000
London	£550,000
North East	£167,000
North West	£221,000
South East	£381,000
South West	£302,000
West Midlands	£251,000
Yorks. and Humber	£209,000

Private rent across the four nations

ONS, August 2026. Northern Ireland is reported two months earlier, to June 2026.

NATION	AVERAGE MONTHLY RENT	ANNUAL CHANGE
England	£1,459	+4.0%
Wales	£846	+4.3%
Scotland	£1,013	+1.1%
Northern Ireland	£874	+1.6%

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, August 2026	£1,400	+3.8%
Confirmed new tenancies, UK	Goodlord, September 2026	£1,581	+4.9%

Goodlord introduced an improved methodology in its September release. Compare like with like; do not splice the new UK series into its earlier England figures.

What the latest figures mean for a landlord

The official rental growth rate has edged higher again. Goodlord's September release also shows strong new tenancy rents, but its improved methodology changes the comparison. Keep new contract measures separate from the ONS measure of the whole rental stock.

RENTS AGAINST PAY

+3.8%
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

20 days

Goodlord, September 2026. At £1,000 a month, a 20 day gap costs about £658 in rent. Mortgage and insurance 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 and 15. Full dated references and method on page 8.

06 / ECONOMY AND BORROWING

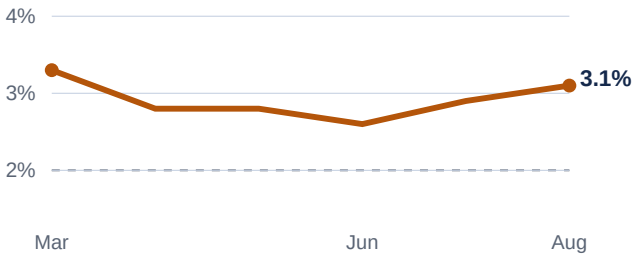
Bank Rate is only part of the borrowing cost.

On 17 September the MPC voted 6 to 3 to hold Bank Rate at 3.75%. Three members preferred an increase to 4.00%. The Bank judges inflation risks to be tilted upwards. This makes a purchase dependent on falling rates particularly vulnerable to a change in the outlook.

BORROWING COST	PERIOD	LATEST
Bank Rate	9 October 2026	3.75%
Residential two year fix, 75% LTV	September 2026	5.13%
BTL two year fix, 75% LTV	September 2026	4.34%
BTL five year fix, 75% LTV	September 2026	4.85%
Effective rate on new mortgages	August 2026	4.60%

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



3.1% CPI inflation in August 2026, compared with 2.9% in the prior month.

4.9% UK unemployment in May to July 2026.

Next Bank Rate decision: **5 November**.

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 4.34%	AT 6.34%
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	-£325.50	-£475.50
Cash flow before tax and product fees	**£244.25**	**£94.25**

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

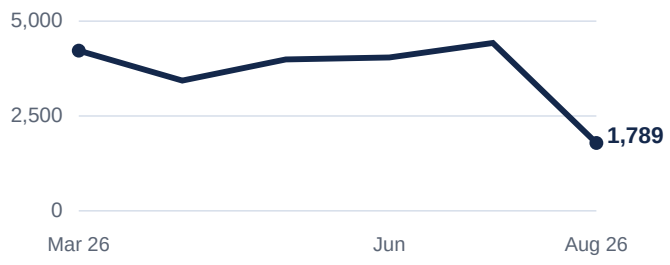
INDICATOR	SOURCE AND PERIOD	LATEST
Homeowner mortgages in arrears	UK Finance, Q2 2026	77,940
BTL mortgages in arrears	UK Finance, Q2 2026	8,390
Homeowner repossessions	UK Finance, Q2 2026	1,150
BTL repossessions	UK Finance, Q2 2026	630
Personal insolvencies	Insolvency Service, August 2026	11,644

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.

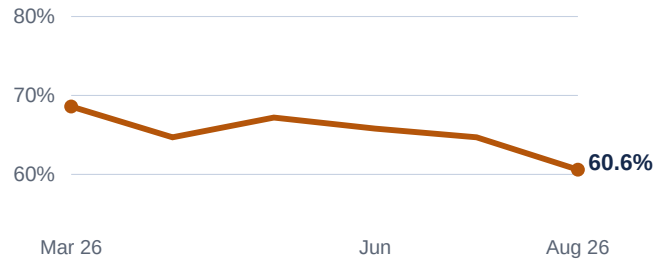
August registrations are 3% above a year ago and include 725 bankruptcies. The monthly total is slightly below July. These are England and Wales figures, covering more than property related debt.

The auction room / six reported months

Lots offered, UK



Share sold, UK



UK AUCTIONS	OFFERED	SOLD	SHARE SOLD	RAISED
August 2026	1,789	1,084	60.6%	£179.2m
Same month a year ago	1,738	1,113	64.0%	See source

705 lots unsold

Across the UK in August 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

The September asking price rise brings an autumn bounce, while the sales and finance data still call for discipline. I would keep looking at unsold stock and sellers who need a dependable buyer, but only make offers that work with current borrowing costs.

Before you bid this month

The offer 705 UK lots went unsold in August 2026. Confirm availability and seller motivation. Work back from relevant completed sales, after all purchase and holding costs.

The finance The notional purchase leaves £244.25 a month before tax and fees at 4.34%, falling to £94.25 at 6.34%. 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

20 October. ONS labour market
21 October. ONS inflation, house prices and rents
5 November. Bank of England policy decision

Sources and method

1. ONS private rents and house prices
16 September 2026

2. HM Land Registry UK HPI: regional prices
16 September 2026

3. Rightmove House Price Index
21 September 2026

4. Nationwide House Price Index
1 October 2026

5. Zoopla House Price Index
1 October 2026

6. BoE Money and Credit
29 September 2026

7. BoE Monetary Policy Summary and Minutes
17 September 2026

8. ONS consumer price inflation
16 September 2026

9. ONS labour market overview
15 September 2026

10. UK Finance arrears and possessions
13 August 2026

11. Insolvency Service individual insolvencies
18 September 2026

12. EIG monthly newsletter
September 2026

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

14. England tenancy reform roadmap
13 November 2025

15. Goodlord Rental Index
1 October 2026

Data cut off 9 October 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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