MARCH 2026

UK Housing Market Report

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

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THE VERDICT

Lower recorded inflation. New risks to finance.

3.75%

Bank Rate

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

60,000

Mortgage approvals

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

67.6%

Auction lots sold

UK residential and commercial lots in January 2026; 65.1% a year earlier.

FARRELL'S VIEW

The latest inflation reading is lower, but the conflict in the Middle East has changed the risk assessment. The Chancellor warns today that recent developments are likely to put upward pressure on inflation. I would ask the broker to refresh quotations before bidding and treat February's published benchmarks as historical context. Keep reviewing unsold lots and motivated sellers, with a bid based on completed comparables and defensible rental income. Do not rely on a rate cut, a quick resale or a generous refinance valuation.

Data cut off 9 March 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	**£368,019**	February 2026	+0.0% on the month
Completed prices, annual growth	**+2.4%**	December 2025	+2.8% in the prior month, as revised
Mortgage approvals for purchase	**60,000**	January 2026	61,000 in the prior month
Nationwide prices, annual growth	**+1.0%**	February 2026	Mortgage based UK index
LETTINGS			
Average private rent, UK	**£1,367**	January 2026	+3.5% on the year
Private rent annual growth, UK	**+3.5%**	January 2026	+4.0% in the prior month
COST OF MONEY			
Bank Rate	**3.75%**	9 March 2026	4.00% before 18 December 2025
BTL two year fix, 75% LTV	**3.46%**	February 2026	3.43% in the prior month
ECONOMY			
CPI inflation, UK	**3.0%**	January 2026	3.4% in the prior month
Unemployment rate, UK	**5.2%**	October to December 2025	People aged 16 and over
Regular pay annual growth, GB	**4.2%**	October to December 2025	Excludes bonuses
DISTRESS AND AUCTIONS			
Homeowner mortgages in arrears	**80,490**	Q4 2025	-4% on the previous quarter
BTL mortgages in arrears	**9,520**	Q4 2025	-9% on the previous quarter
Homeowner repossessions	**1,210**	Q4 2025	First charge mortgages, UK
BTL repossessions	**770**	Q4 2025	First charge mortgages, UK
Personal insolvencies	**10,843**	January 2026	England and Wales; see page 7
Auction lots offered, UK	**2,162**	January 2026	+47.3% on the year
Auction lots sold, share	**67.6%**	January 2026	65.1% 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.

£368,019

ASKING PRICES

Rightmove, February 2026, Great Britain.
+0.0% on the month.

£270,000

COMPLETED SALE PRICES

UK HPI, December 2025, provisional.
+2.4% on the year.

OTHER INDICES / ANNUAL CHANGE

+1.0% Nationwide

£273,176, February 2026. Mortgage approvals sample.

+1.3% Zoopla

£269,900, January 2026. See source table.

From listing to a financed purchase

Zoopla reports sales agreed 3% below a year ago and 6% more homes for sale. Lower mortgage costs are helping committed buyers, while the wider choice limits seller pricing power.

STAGE / MEASURE	SOURCE AND PERIOD	READING
New seller asking price	Rightmove, February 2026	£368,019
Mortgage approvals for purchase	BoE, January 2026	60,000
Completed price annual growth	UK HPI, December 2025	+2.4%
Mortgage index annual growth	Nationwide, February 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.

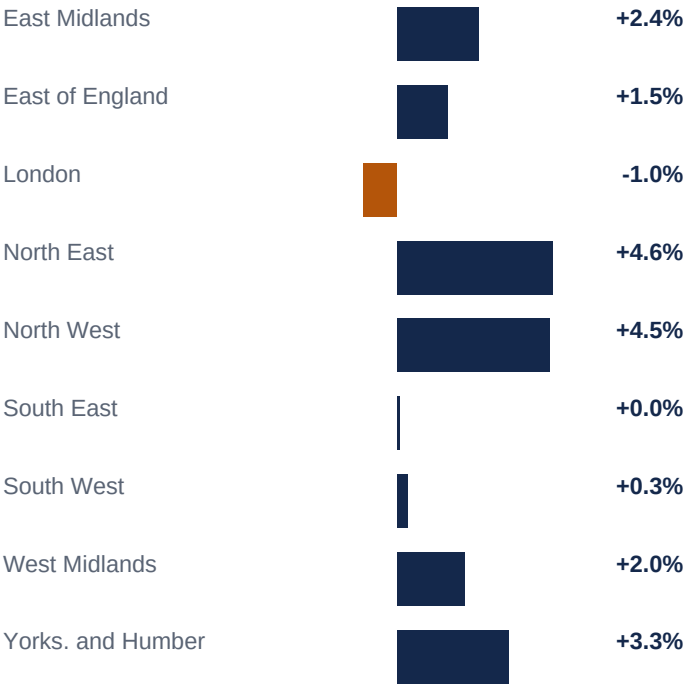
04 / REGIONS

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

December 2025 / UK HPI



ENGLISH REGION	PRICE
East Midlands	£244,000
East of England	£338,000
London	£551,000
North East	£165,000
North West	£217,000
South East	£379,000
South West	£301,000
West Midlands	£246,000
Yorks. and Humber	£208,000

Private rent across the four nations

ONS, January 2026. Northern Ireland is reported two months earlier, to November 2025.

NATION	AVERAGE MONTHLY RENT	ANNUAL CHANGE
England	£1,423	+3.5%
Wales	£826	+5.8%
Scotland	£1,021	+2.6%
Northern Ireland	£875	+5.6%

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, January 2026	£1,367	+3.5%
Confirmed new tenancies, England	Goodlord, February 2026	£1,203	+2.0%

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

The latest official rent reading is lower than a month ago. I would keep rent expectations grounded in recent comparable lettings and check whether a property needs work before it can compete. The starting income matters more than a speculative future increase.

RENTS AGAINST PAY

+3.5%
UK rents

+4.2%
GB regular pay

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

THE COST OF A VOID

22 days

Goodlord, February 2026. At £1,000 a month, a 22 day gap costs about £723 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

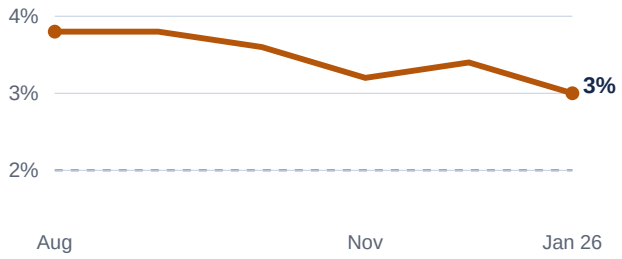
Bank Rate is only part of the borrowing cost.

The latest MPC decision is February's 5 to 4 vote to hold Bank Rate at 3.75%. The next decision is still ahead. On 9 March the Chancellor warns that Middle East developments are likely to increase inflationary pressure. February's mortgage benchmarks predate that warning. Refresh live quotes and test a less favourable rate path.

BORROWING COST	PERIOD	LATEST
Bank Rate	9 March 2026	3.75%
Residential two year fix, 75% LTV	February 2026	3.97%
BTL two year fix, 75% LTV	February 2026	3.46%
BTL five year fix, 75% LTV	February 2026	3.90%
Effective rate on new mortgages	January 2026	4.09%

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



3.0% CPI inflation in January 2026, compared with 3.4% in the prior month.

5.2% UK unemployment in October to December 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 3.46%	AT 5.46%
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	-£259.50	-£409.50
Cash flow before tax and product fees	**£310.25**	**£160.25**

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

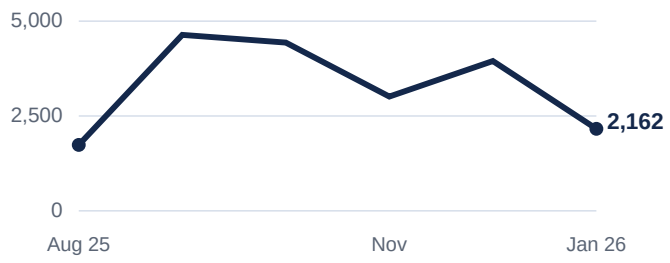
INDICATOR	SOURCE AND PERIOD	LATEST
Homeowner mortgages in arrears	UK Finance, Q4 2025	80,490
BTL mortgages in arrears	UK Finance, Q4 2025	9,520
Homeowner repossessions	UK Finance, Q4 2025	1,210
BTL repossessions	UK Finance, Q4 2025	770
Personal insolvencies	Insolvency Service, January 2026	10,843

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.

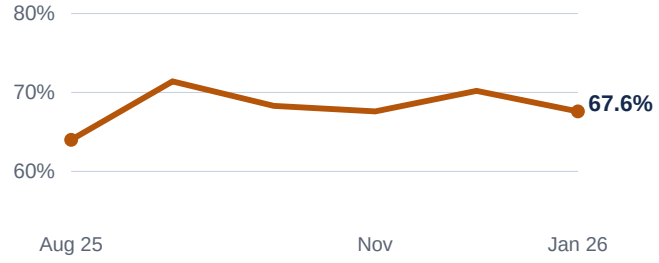
January registrations are 12% above a year ago. Bankruptcy numbers are affected by the partial clearing of a processing backlog. Insolvency registrations are not a count of properties available to buy.

The auction room / six reported months

Lots offered, UK



Share sold, UK



UK AUCTIONS	OFFERED	SOLD	SHARE SOLD	RAISED
January 2026	2,162	1,462	67.6%	£269.7m
Same month a year ago	1,468	955	65.1%	See source

700 lots unsold

Across the UK in January 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 latest inflation reading is lower, but the conflict in the Middle East has changed the risk assessment. The Chancellor warns today that recent developments are likely to put upward pressure on inflation.

Before you bid this month

The offer 700 UK lots went unsold in January 2026. Confirm availability and seller motivation. Work back from relevant completed sales, after all purchase and holding costs.

The finance The notional purchase leaves £310.25 a month before tax and fees at 3.46%, falling to £160.25 at 5.46%. 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

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

Sources and method

1. ONS private rents and house prices
18 February 2026

2. HM Land Registry UK HPI: regional prices
18 February 2026

3. Rightmove House Price Index
16 February 2026

4. Nationwide House Price Index
2 March 2026

5. Zoopla House Price Index
25 February 2026

6. BoE Money and Credit
2 March 2026

7. BoE Monetary Policy Summary and Minutes
5 February 2026

8. ONS consumer price inflation
18 February 2026

9. ONS labour market overview
17 February 2026

10. UK Finance arrears and possessions
12 February 2026

11. Insolvency Service individual insolvencies
17 February 2026

12. EIG monthly newsletter
February 2026

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

14. England tenancy reform roadmap
13 November 2025

15. Goodlord Rental Index
3 March 2026

16. Hansard: Middle East economic update
9 March 2026

Data cut off 9 March 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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