JANUARY 2026

UK Housing Market Report

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

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THE VERDICT

A lower Bank Rate. A cautious start to the year.

3.75%

Bank Rate

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

64,500

Mortgage approvals

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

67.6%

Auction lots sold

UK residential and commercial lots in November 2025; 65.4% a year earlier.

FARRELL'S VIEW

The December Bank Rate reduction gives the year a more supportive starting point, but it does not turn every low guide price into a bargain. I would use the quieter period to revisit unsold lots, check why a seller needs certainty and agree a maximum price from completed comparables. The finance should work on today's terms. Any further rate reduction is a possible benefit, rather than part of the purchase case. Leave enough cash for costs, repairs and a period without rent.

Data cut off 9 January 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	**£358,138**	December 2025	-1.8% on the month
Completed prices, annual growth	**+1.7%**	October 2025	+2.0% in the prior month, as revised
Mortgage approvals for purchase	**64,500**	November 2025	65,000 in the prior month
Nationwide prices, annual growth	**+0.6%**	December 2025	Mortgage based UK index
LETTINGS			
Average private rent, UK	**£1,366**	November 2025	+4.4% on the year
Private rent annual growth, UK	**+4.4%**	November 2025	+5.0% in the prior month
COST OF MONEY			
Bank Rate	**3.75%**	9 January 2026	4.00% before 18 December 2025
BTL two year fix, 75% LTV	**3.51%**	December 2025	3.51% in the prior month
ECONOMY			
CPI inflation, UK	**3.2%**	November 2025	3.6% in the prior month
Unemployment rate, UK	**5.1%**	August to October 2025	People aged 16 and over
Regular pay annual growth, GB	**4.6%**	August to October 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	**9,343**	November 2025	England and Wales; see page 7
Auction lots offered, UK	**3,012**	November 2025	+14.0% on the year
Auction lots sold, share	**67.6%**	November 2025	65.4% 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.

£358,138

ASKING PRICES

Rightmove, December 2025, Great Britain.
-1.8% on the month.

£270,000

COMPLETED SALE PRICES

UK HPI, October 2025, provisional.
+1.7% on the year.

OTHER INDICES / ANNUAL CHANGE

+0.6% Nationwide

£271,068, December 2025. Mortgage approvals sample.

+1.1% Zoopla

£270,300, November 2025. See source table.

From listing to a financed purchase

Zoopla reports buyer demand 12% below a year ago and new sales agreed 9% lower in its December update. The late 2025 slowdown is still working through the sales pipeline.

STAGE / MEASURE	SOURCE AND PERIOD	READING
New seller asking price	Rightmove, December 2025	£358,138
Mortgage approvals for purchase	BoE, November 2025	64,500
Completed price annual growth	UK HPI, October 2025	+1.7%
Mortgage index annual growth	Nationwide, December 2025	+0.6%

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.

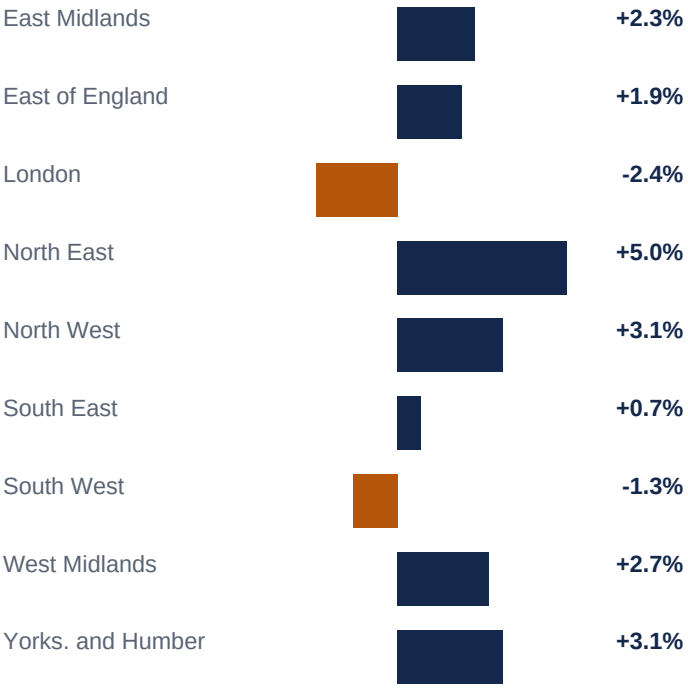
04 / REGIONS

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

October 2025 / UK HPI



ENGLISH REGION	PRICE
East Midlands	£241,000
East of England	£340,000
London	£547,000
North East	£163,000
North West	£214,000
South East	£384,000
South West	£303,000
West Midlands	£248,000
Yorks. and Humber	£206,000

Private rent across the four nations

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

NATION	AVERAGE MONTHLY RENT	ANNUAL CHANGE
England	£1,422	+4.4%
Wales	£820	+6.1%
Scotland	£1,012	+3.3%
Northern Ireland	£871	+6.4%

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, November 2025	£1,366	+4.4%
Confirmed new tenancies, England	Goodlord, December 2025	£1,214	+2.4%

The Goodlord December article reports inconsistent rounded annual growth in its headline and body. The table uses the body's 2.4%, supported by £1,214 versus £1,185. Its sample differs from the ONS.

What the latest figures mean for a landlord

Rent growth is easing in the official figures. That reduces the case for assuming a large annual rent increase in a purchase appraisal. Check the current tenancy, competing homes and the cost of getting a property ready for its next occupier.

RENTS AGAINST PAY

+4.4%
UK rents

+4.6%
GB regular pay

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

THE COST OF A VOID

23 days

Goodlord, December 2025. At £1,000 a month, a 23 day gap costs about £756 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

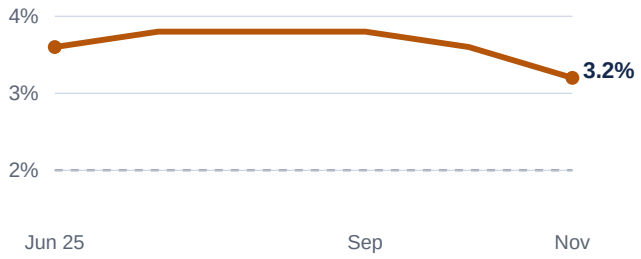
Bank Rate is only part of the borrowing cost.

The December MPC decision reduced Bank Rate from 4.00% to 3.75%, on a 5 to 4 vote. The Bank describes further easing as dependent on the inflation outlook. A tracker can respond to Bank Rate; a fixed mortgage is also shaped by wholesale markets, lender competition and product terms.

BORROWING COST	PERIOD	LATEST
Bank Rate	9 January 2026	3.75%
Residential two year fix, 75% LTV	December 2025	3.97%
BTL two year fix, 75% LTV	December 2025	3.51%
BTL five year fix, 75% LTV	December 2025	3.92%
Effective rate on new mortgages	November 2025	4.20%

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



3.2% CPI inflation in November 2025, compared with 3.6% in the prior month.

5.1% UK unemployment in August to October 2025.

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

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 3.51%	AT 5.51%
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	-£263.25	-£413.25
Cash flow before tax and product fees	**£306.50**	**£156.50**

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, November 2025	9,343

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.

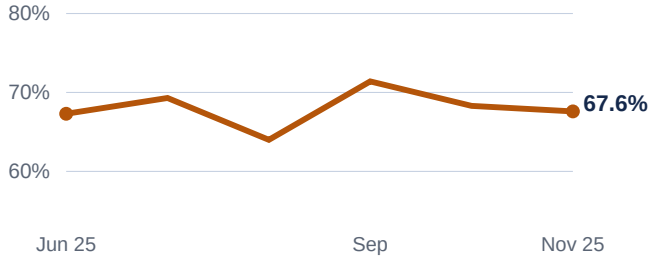
November registrations were temporarily depressed by the introduction of a new case management system. A processing backlog can move registrations between months, so the monthly fall is not evidence that household financial pressure has disappeared.

The auction room / six reported months

Lots offered, UK



Share sold, UK



UK AUCTIONS	OFFERED	SOLD	SHARE SOLD	RAISED
November 2025	3,012	2,035	67.6%	£450.1m
Same month a year ago	2,642	1,727	65.4%	See source

977 lots unsold

Across the UK in November 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 December Bank Rate reduction gives the year a more supportive starting point, but it does not turn every low guide price into a bargain. I would use the quieter period to revisit unsold lots, check why a seller needs certainty and agree a maximum price from completed comparables.

Before you bid this month

The offer 977 UK lots went unsold in November 2025. Confirm availability and seller motivation. Work back from relevant completed sales, after all purchase and holding costs.

The finance The notional purchase leaves £306.50 a month before tax and fees at 3.51%, falling to £156.50 at 5.51%. 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 January. ONS labour market
21 January. ONS inflation, house prices and rents
5 February. Bank of England policy decision

Sources and method

1. ONS private rents and house prices
17 December 2025

2. HM Land Registry UK HPI: regional prices
17 December 2025

3. Rightmove House Price Index
15 December 2025

4. Nationwide House Price Index
2 January 2026

5. Zoopla House Price Index
19 December 2025

6. BoE Money and Credit
5 January 2026

7. BoE Monetary Policy Summary and Minutes
18 December 2025

8. ONS consumer price inflation
17 December 2025

9. ONS labour market overview
16 December 2025

10. UK Finance arrears and possessions
13 November 2025

11. Insolvency Service individual insolvencies
19 December 2025

12. EIG monthly newsletter
December 2025

13. BoE quoted mortgage rates: IUMZID4, IUMZO2B, IUMBV34
8 January 2026

14. England tenancy reform roadmap
13 November 2025

15. Goodlord Rental Index
7 January 2026

Data cut off 9 January 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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