Housing market overview

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This document provides the latest information available from various sources, with dates varying from June – August 2026.

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Market overview

- Our sources once again this month present a mixed picture. Three (gov.uk, LSL and Nationwide) report monthly house price increases of between 0.1% and 0.2%, while the others – Lloyds and Rightmove recorded declines of between -0.2% and -2.0%. All sources except Lloyds and Rightmove reported annual house price growth, with increases between 0.9% and 2.0%.

- Lloyds reports that UK house prices fell slightly in August, down -0.2% over the month following a similar decline in July. The average property now costs £298,468, marking the first annual fall in house prices since November 2023. They expect the market to remain fairly subdued in the months ahead, but this will likely only have a limited impact on house prices. While affordability remains a challenge, wages continue to grow and employment has held up better than many anticipated. This will help to support demand from those who need or want to move.

- Hometrack reveals that the Autumn bounce is beginning to appear, with buyer demand starting to recover with home searches 7% higher than a year ago. They say while mortgage rates have cut buying power by 9% there are 5% more available homes for sale than a year ago. With buyers having more choice, sellers need to remain competitive.

- Rightmove announce a much larger than usual August decline in asking prices, with prices falling by 2.0% (-£7,360). Compared with a year ago, average asking prices are now 1% lower - the largest annual price fall since December 2023. In response to the uncertain geopolitical picture, changing mortgage rate landscape, and the new Chancellor’s first Budget in October, Rightmove has downgraded its national average 2026 price forecast to between 0% and -2%.

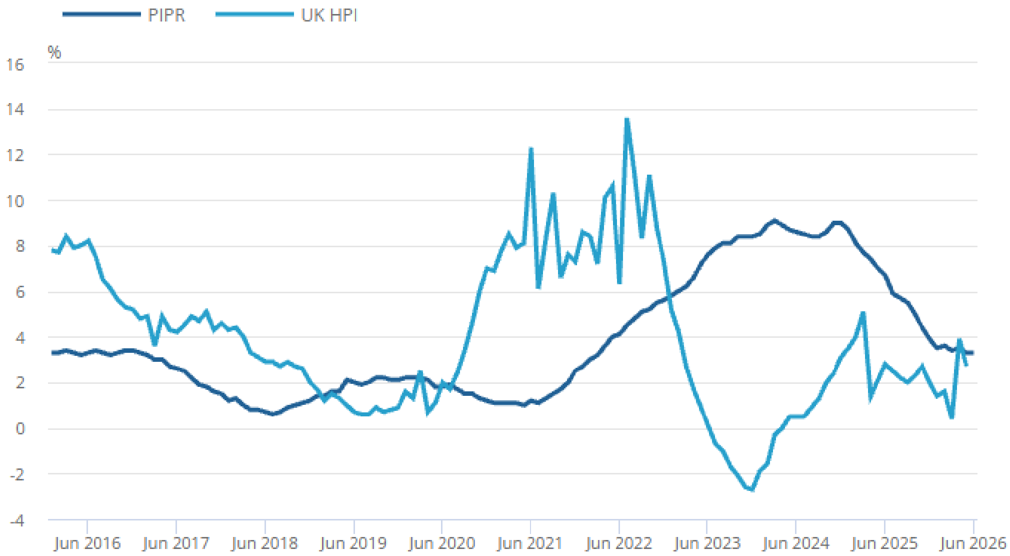
- Nationwide reports underlying affordability is improving, as house price growth remains well below earnings growth. Although some of these gains have been offset by higher mortgage rates. Nevertheless, this suggests that activity should regain momentum in the quarters ahead providing the energy shock wanes and confidence returns, especially if market interest rates fall back towards pre-conflict levels.

- The GfK Consumer Confidence Overall Index was up three points to -14 in August with four of the five measures showing improvements. The Major Purchase Index increased by five points to -7, which is six points higher than August last year. Meanwhile, the Savings Index decreased by five points to +22; eight points lower than this time last year.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	June ’26	^ 0.1	^ 2.0	£272,000	02.09.2026
LSL Property Services	July ’26	^ 0.2	^ 1.7	£329,500	17.08.2026
Lloyds	August ’26	v 0.2	v 0.4	£298,468	07.09.2026
home.co.uk	August ’26	N/A	N/A	N/A	N/A
Hometrack	August ’26	N/A	^ 0.9	£272,800	27.08.2026
Nationwide	August ’26	^ 0.2	^ 1.6	£275,465	08.2026
Rightmove	August ’26	v 2.0	v 1.0	£364,999	17.08.2026

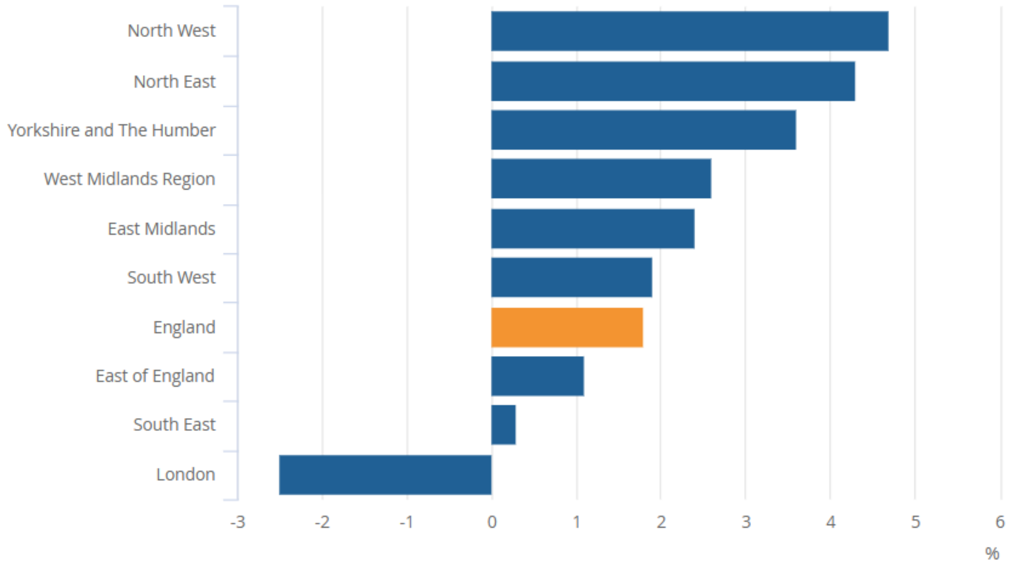
Private rent and house price annual inflation



"The average house price for England was £293,000 in June 2026, up by 1.8% (£5,000) from a year earlier. This annual inflation rate was lower than in the 12 months to May 2026 (2.5%). House price annual inflation slowed for the second consecutive month in England because price growth has been weaker this summer than it was last year in the months following the Stamp Duty Land Tax (SDLT) changes in England, from 1 April 2025."

Source: [Gov.co.uk price index]

Private rent annual inflation – 12-month % change



"Average UK monthly private rents increased by 3.7%, in the 12 months to July 2026 (provisional estimate). This was up from 3.3% in the 12 months to June 2026. This is the highest annual inflation rate since December 2025 and was mainly caused by a rise in London's annual inflation rate, to its highest rate since October 2025."

Source: [gov.co.uk price index]

UK house-price rates of change: types of buyer

Type of buyer	Average price June 2026	Monthly change	Annual change
First time buyer	£229,107	0.1%	1.8%
Former owner occupier	£335,352	0.0%	1.9%

Source: gov.uk price index

"There's no denying that London is having a more challenging year than many other parts of the country and affordability is at the heart of it. Higher property values mean London buyers feel every pressure point more acutely, whether that's mortgage costs, stamp duty or the fact that many first-time buyers simply find themselves beyond the useful reach of schemes such as the Lifetime ISA."

Source: Rightmove price index

UK house-price rates of change: types of dwelling

Property status	Average price April 2026	Monthly change	Annual change
New build	£353,353	-0.3%	3.2%
Existing resold property	£266,575	0.7%	4.1%

Source: gov.uk price index

"The change in government adds a longer-term policy dimension. Andy Burnham's early appointments suggest continuity on housing, with council and social housing likely to remain a priority and planning and delivery set to stay high on the agenda. But Britain's housing problem is not just about supply. Affordability, the tax system and access to mortgage finance all shape whether people can buy, rent or move. Any meaningful housing strategy will need to consider not just how many homes are built, but what is built, where it is built and who can afford it."

Source: LSL price index

Number of housing transactions per month

Country	April 2026	April 2025
England	36,243	31,590
Northern Ireland	1,775	1,640
Scotland	7,503	7,718
Wales	2,003	3,073

Source: gov.uk price index

“Bank of England data shows mortgage approvals for house purchases fell to 56,053 in July 2026, down-3.7% month-on-month and-14.9% lower than a year earlier, suggesting some softening in housing market activity.”

Source: Lloyds price index

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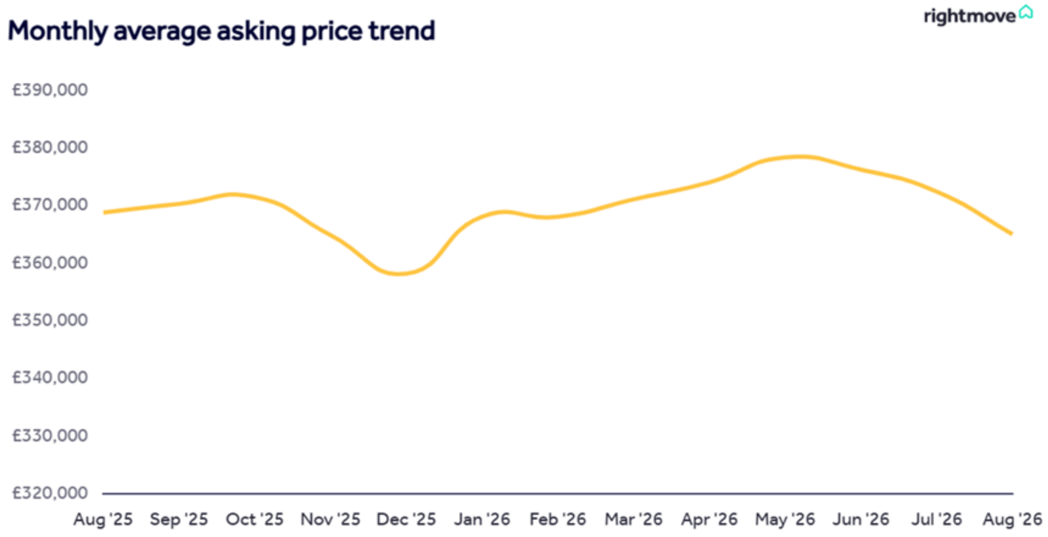
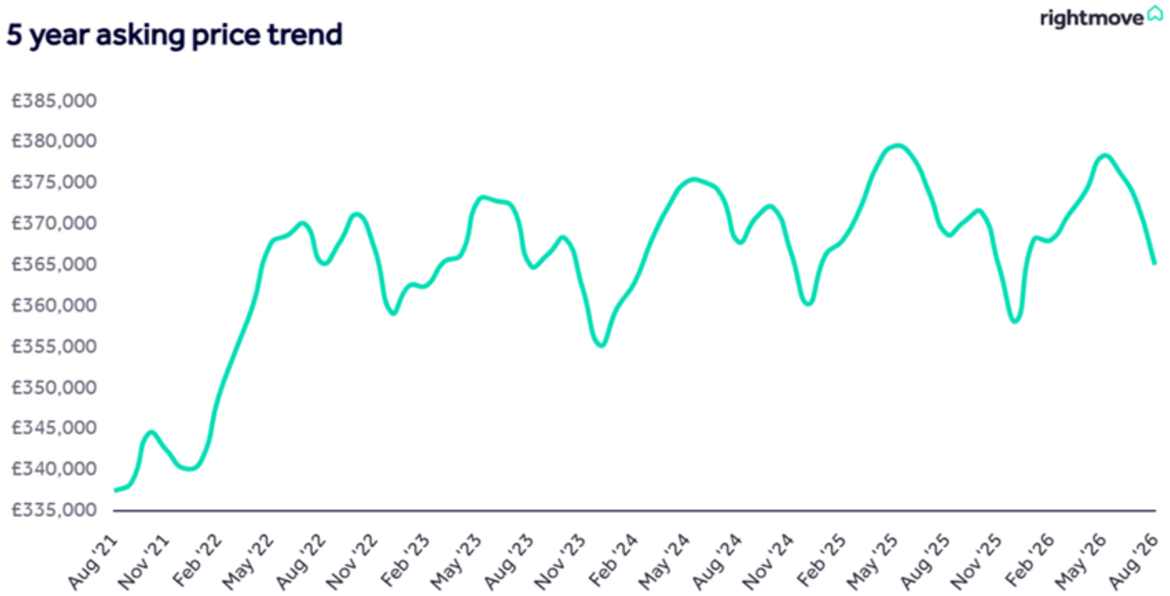
Monthly asking-price trend



"National average prices are increasingly masking very different local market conditions. While asking prices across both northern England and Scotland continue to edge upwards, southern England is moving in the opposite direction, with London seeing the biggest annual price fall."

Source: [Rightmove price index]

Home asking-price trend for England & Wales

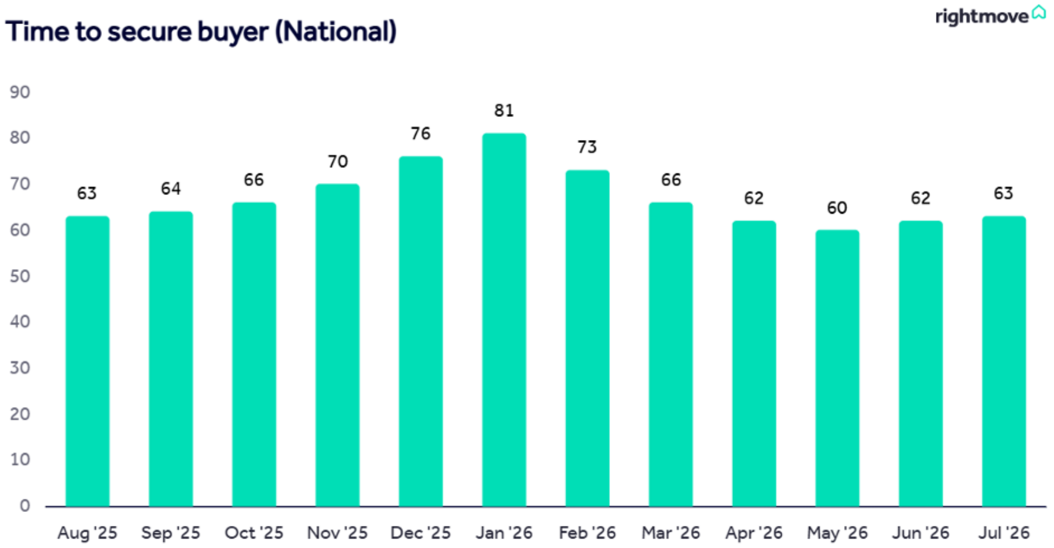


Source: [Rightmove price index]

"It's also important to keep recent price movements in perspective. Average house prices remain around 25% higher than they were at the end of 2019, despite the substantial increase to interest rates seen over recent years. The market's adjustment to higher borrowing costs has been gradual, with wage growth helping to offset some of the pressure on affordability. The recent modest declines in prices are best viewed in that wider context."

Source: [Lloyds price index]

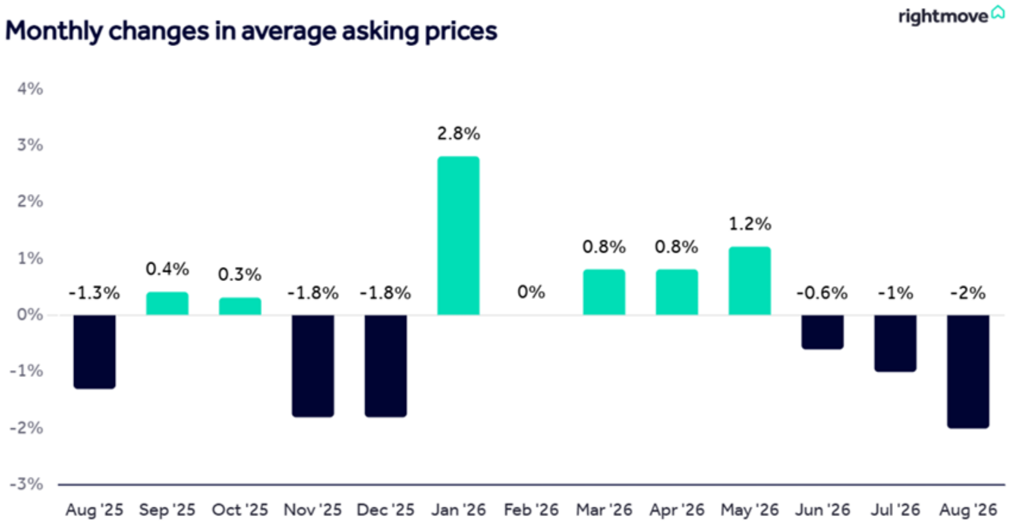
Average-time-on-market indicator – National



"The number of available homes for sale is at a 12-year high for this time of year. When combined with the traditionally quiet summer holiday period, this has led to lower price expectations from sellers who have decided to come to market at this time of year, despite the lower volume of active buyers."

Source: Rightmove price index

Asking-price fluctuation percentage



"Encouragingly, it appears that these sellers are taking the advice of both estate agents and Rightmove, and entering the market at competitive prices, giving themselves a much higher probability of selling. The average asking price for a home is now 1.0% lower than at this time last year, the largest annual drop in prices since December 2023."

Source: [Rightmove price index]

UK sales volumes by funding status

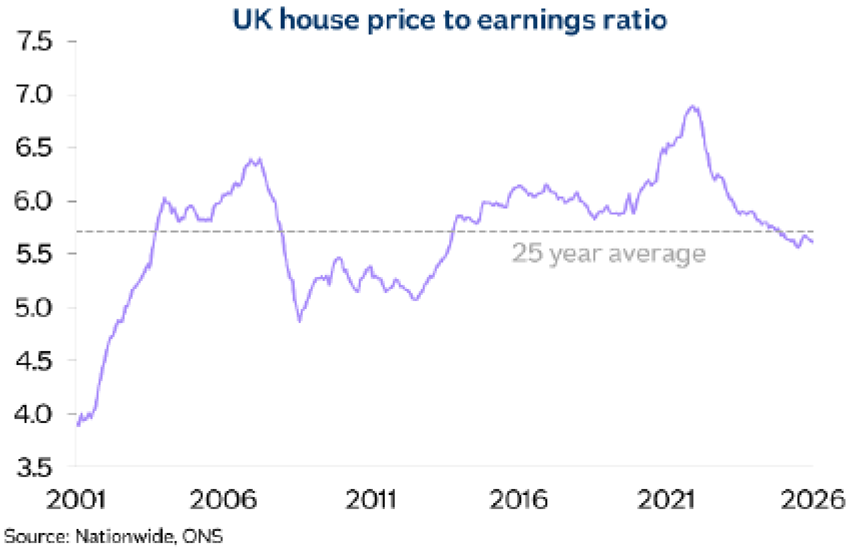
Funding status	Average price June 2026	Monthly change	Annual change
Cash	£258,214	0.0%	1.4%
Mortgage	£281,265	0.1%	2.0%

Source: gov.uk price index

"Average five-year fixed mortgage rates have risen from below 4% in January to around 4.8% today. A buyer who could afford a £200,000 mortgage at the start of the year can now borrow around £182,000 for the same monthly repayment - a 9% reduction in buying power. Alternatively, the average buyer would need to find an additional £18,200 deposit to buy the same home while keeping monthly mortgage repayments unchanged."

Source: Hometrack price index

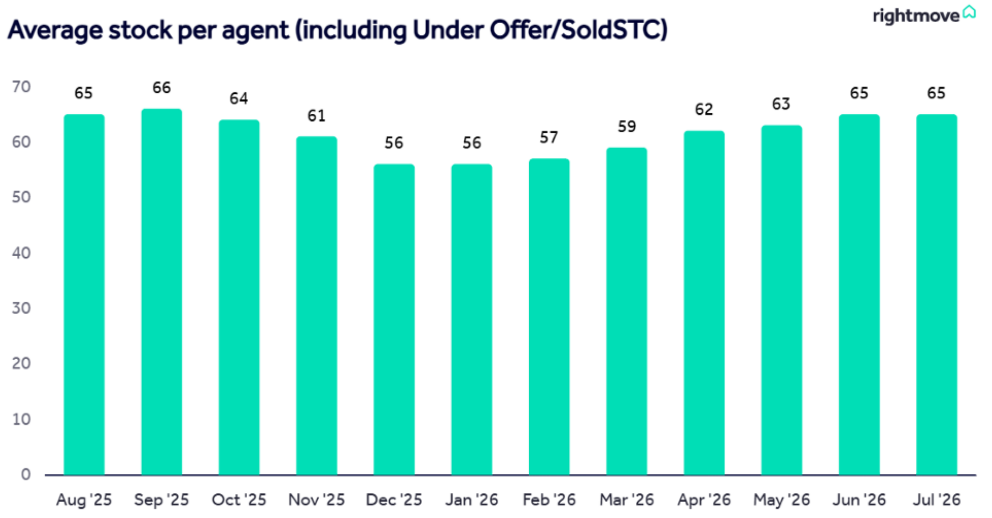
UK house-price-to-earnings ratio



"Underlying affordability is improving, as house price growth remains well below earnings growth. although some of these gains have been offset by higher mortgage rates. Nevertheless, this suggests that activity should regain momentum in the quarters ahead providing the energy shock wanes and confidence returns, especially if market interest rates fall back towards pre-conflict levels."

Source: [Nationwide price index]

Average properties for sale per estate agent



Source: [Rightmove price index]

"Buyers are taking early steps back into the market, but they face plenty of choice. A steady flow of new listings means the overall stock of homes for sale is 5% higher than a year ago. This means it remains a buyer's market and sellers will need to price sensibly to attract interest in the coming months."

Source: [Hometrack price index]

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UK consumer confidence

UK Measures	↑↔↓	August 2026	July 2026	June 2026	August 2025
Overall Index Score	↑3	**-14**	-17	-23	**-17**
Personal Financial Situation over last 12 months	↑2	**-6**	-8	-10	**-4**
Personal Financial Situation over next 12 months	↑3	**4**	1	-2	**5**
General Economic Situation over last 12 months	↓1	**-40**	-39	-49	**-42**
General Economic Situation over next 12 months	↑5	**-23**	-28	-36	**-30**
Major Purchase Index	↑5	**-7**	-12	-20	**-13**
Savings Index (commented on but not used in Overall Index Score)	↓5	**22**	27	20	**30**

NIM Nuremberg Institute for Market Decisions | GfK An NIQ Company

Source: GfK Consumer Confidence Barometer *powered by NIM* (August 2026)

"Consumer sentiment has continued to improve this summer with August's headline score up three points to -14, its highest level for two years and well ahead of the -25 registered just four months ago in April. There is increased optimism looking ahead to the next 12 months for personal finances (up three points to 4) and more people also think now is a good time to make a major purchase (up five points to -7, the highest since December 2021). There is similar optimism on economic prospects over the next 12 months."

Source: [GFK consumer confidence index]

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