

# Housing market overview

Produced 09 February 2026

This document provides the latest information available from various sources, with dates varying from November 2025 – January 2026.

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- > All but one of our available sources this month showed a month-on-month house price increase (in the range of 0.3 to 2.8%). home.co.uk was the only source to report a decrease of -0.1%. For annual house prices, all sources reported house price increases (in the range of 0.5% to 2.5%).
- > Halifax reports a more stable outlook for house prices following the decline in December. Annual house price growth reached 1% making the average home price above £300,000 for the first time. Despite this, they say affordability remains a concern for buyers. However, wages have continued to grow faster than house prices since late 2022, and mortgage rates below 4% are becoming increasingly familiar. Looking ahead, 2026 house prices are forecasted to rise between 1% and 3%.
- > Hometrack reports annual price growth of 1.2% in 2025. Since the Autumn Budget, they say buyer confidence has strengthened, with demand in line with early 2024, though still 9% below the strong start to 2025. Increased housing supply and mortgage rates at their lowest levels since 2022 are positive indicators of the market.
- > Rightmove revealed a 2.8% month-on-month house price increase since December, with prices now 0.5% higher than January 2025. They say buyer demand is growing rapidly, and following a record number of site visits on Boxing Day, they suggest that buyers are increasingly able to plan their moves with greater confidence due to less financial uncertainty and supported by falling mortgage rates, to their lowest level since September 2022.
- > Nationwide announced a modest recovery in annual house price growth in January, reaching 1% alongside a 0.3% month-on-month increase. They say decreasing mortgage rates combined with rising earnings continue to ease affordability pressures. As a result, housing market activity is expected to gradually pick up, assuming last year's affordability improvements are sustained.
- > The GfK Consumer Confidence Overall Index rose by one point in January to -16, with mixed movements across the measures (three measures were up, and two were down, compared to last month's announcement). The Major Purchase Index rose by 1 point to -10, which is 10 points better than last year. The index measuring changes in personal finances over the last 12 months has increased by three points to -3. Which is seven points higher than January 2025. Meanwhile, the Savings Index increased four points to 28; this is two points lower than 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	November' 25	▲ 0.3	▲ 2.5	£271,000	21.12.2026
LSL Property Services	December' 25	N/A	N/A	N/A	N/A
Halifax	January' 26	▲ 0.7	▲ 1.0	£300,077	06.02.2026
home.co.uk	January' 26	▼ 0.1	▲ 0.5	£357,949	15.01.2026
Hometrack	January' 26	N/A	▲ 1.2	£269,800	29.01.2026
Nationwide	January' 26	▲ 0.3	▲ 1.0	£270,873	01.2026
Rightmove	January' 26	▲ 2.8	▲ 0.5	£368,031	19.01.2026

# Private rent and house price annual inflation

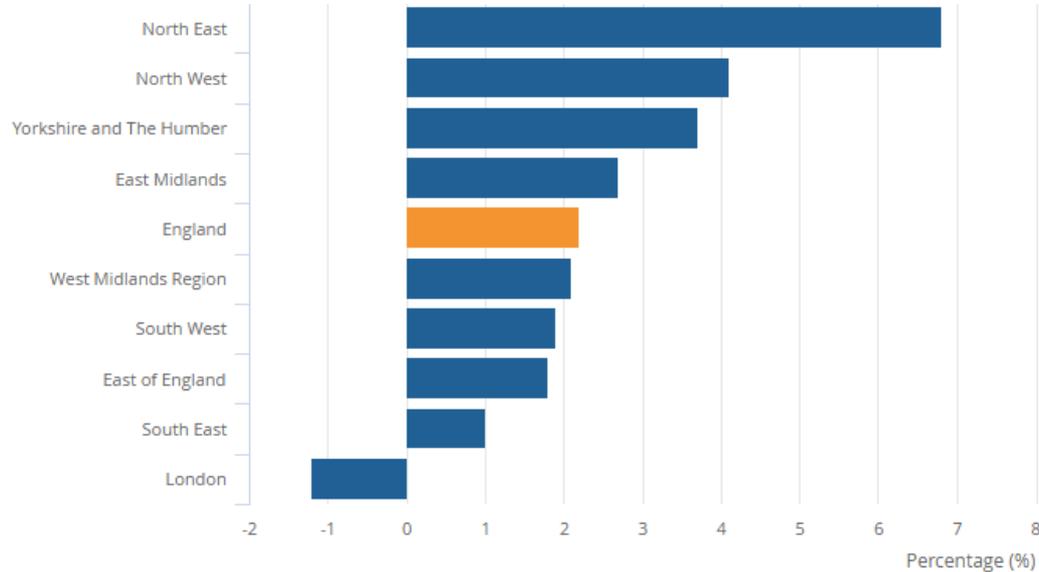


Source: [gov.co.uk price index](https://www.gov.uk/price-index)

“ The housing market entered 2026 on a steady footing, with average prices rising by +0.7% in January, more than reversing the -0.5% fall seen December. Annual growth also edged higher to +1.0%, pushing the cost of the typical UK home above £300,000 for the first time. While that’s undoubtedly a milestone figure, and activity levels show a resilient market, affordability remains a challenge for many would-be buyers. ”

Source: [Halifax price index](https://www.halifax.co.uk/price-index)

## Private rent annual inflation – 12-month % change



“ Average UK monthly private rents increased by 4.0%, in the 12 months to December 2025 (provisional estimate). This was down from 4.4% in the 12 months to November 2025 and is the lowest annual inflation rate since May 2022. Average UK house prices increased by 2.5% (provisional estimate) to £271,000, in the 12 months to November 2025. This annual growth was up from 1.9% in the 12 months to October 2025. ”

## UK house-price rates of change: types of buyer

Type of buyer	Average price November 2025	Monthly change	Annual change
First time buyer	£229,145	0.3%	2.5%
Former owner occupier	£333,188	0.4%	2.3%

Source: [gov.uk price index](#)

“ Affordability is still a challenge, but stronger wage growth and falling mortgage rates have helped relieve some of the pressure in recent years. We expect that improvement to continue in 2026, meaning that with the right support and advice, home ownership should become a realistic prospect for more would-be buyers. ”

Source: [Halifax price index](#)

# UK house-price rates of change: types of dwelling

Property status	Average price September 2025	Monthly change	Annual change
New build	£360,973	1.2%	9.7%
Existing resold property	£265,496	-0.7%	1.5%

Source: [gov.uk price index](#)

“ After underperforming against historical averages in eight out of twelve months during 2025 particularly at the end of the year, national average property prices are now 0.5% higher than at this time last year. January’s recovery brings average asking prices close to where they were in August 2025, as market sentiment rebounds from the rumours and uncertainty around the November Budget. However, price trends in regions and local markets across Great Britain are more volatile, and while most regions rise in price this January, the East Midlands and Scotland buck the trend with price falls. ”

Source: [Rightmove price index](#)

# Number of housing transactions per month

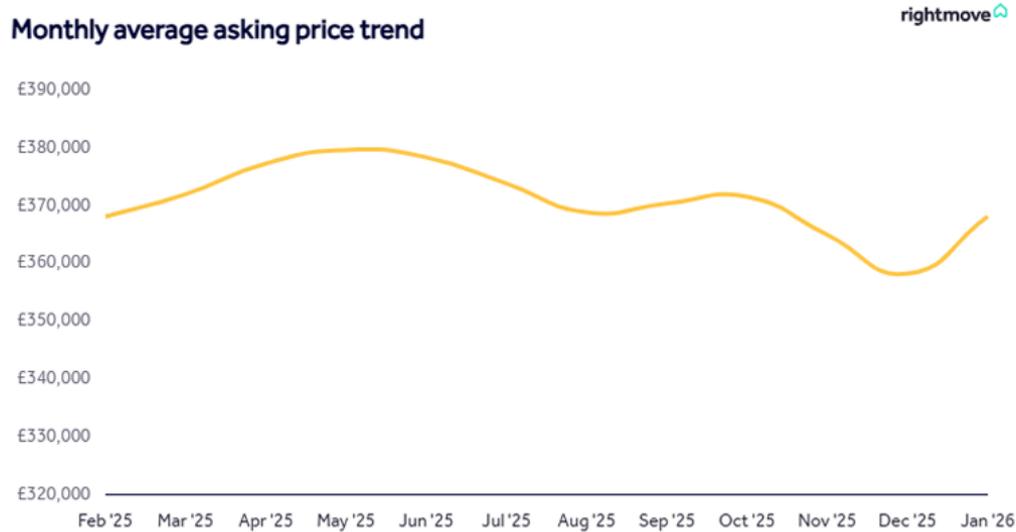
Country	September 2025	September 2024
England	41,091	63,165
Northern Ireland	1,923	2,152
Scotland	9,149	8,483
Wales	2,196	3,270

Source: [gov.uk price index](#)

“ Rightmove recorded its busiest ever Boxing Day for visits to its platform. Over the last week, buyer demand is lower than last year, when buyer activity was boosted by some buyers trying to find a property and complete their purchase before stamp duty rose in England in April 2025. However, buyer demand is in line with 2024. It’s an encouraging early snapshot, and as the start of the year progresses it will become clearer if this momentum is maintained into the peak Spring selling season. ”

Source: [Rightmove price index](#)

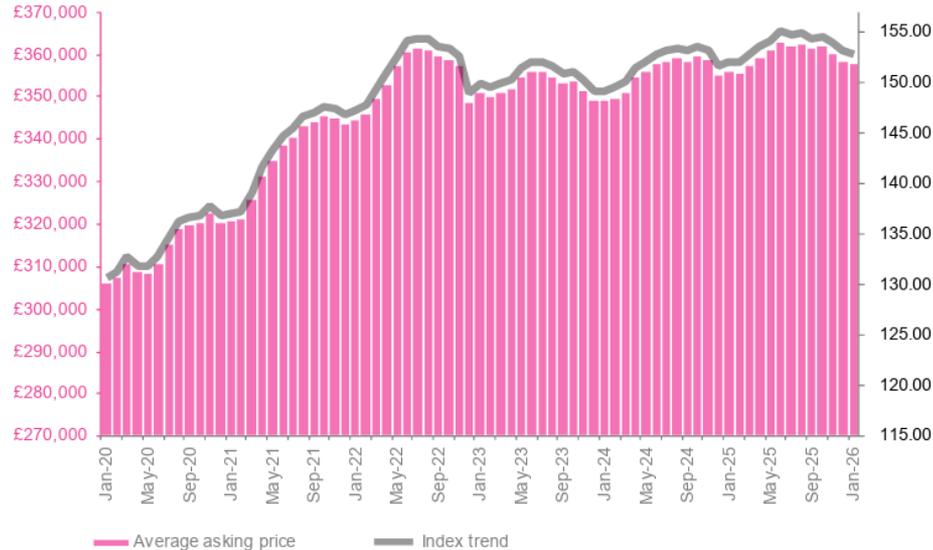
# Monthly asking-price trend



“ It’s early days but there are encouraging signs that more home-movers are now planning a 2026 move as we head towards the important Spring buying and selling season. A record number of visits to Rightmove on Boxing Day and a big bounce in activity following a quieter festive period have set the tone for a positive start to the year. Many buyers have seen their affordability improve with average wage rises outstripping average property prices ”

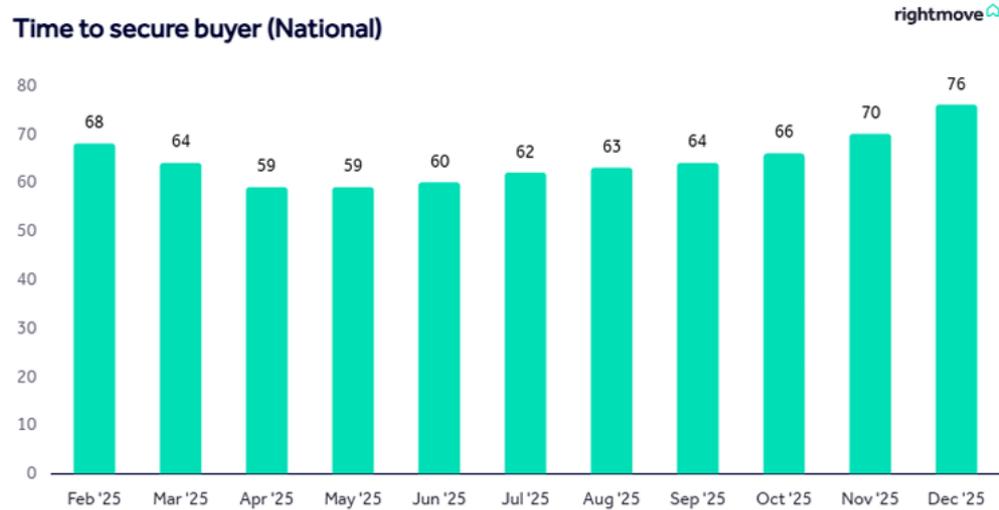
Source: [Rightmove price index](#)

# Home asking-price trend for England & Wales



Home prices have followed a typical seasonal decline overall and now sit a mere 0.5% higher than in January 2025. This paltry growth is clearly outpaced by monetary inflation and therefore home prices are falling in real terms. Potential buyers who are aware of this and are able to postpone their purchase will likely do so. This group includes buy-to-let investors. Others who need to upsize or downsize will likely go ahead, along with first-time buyers who simply want to stop paying rent.

# Average-time-on-market indicator – National

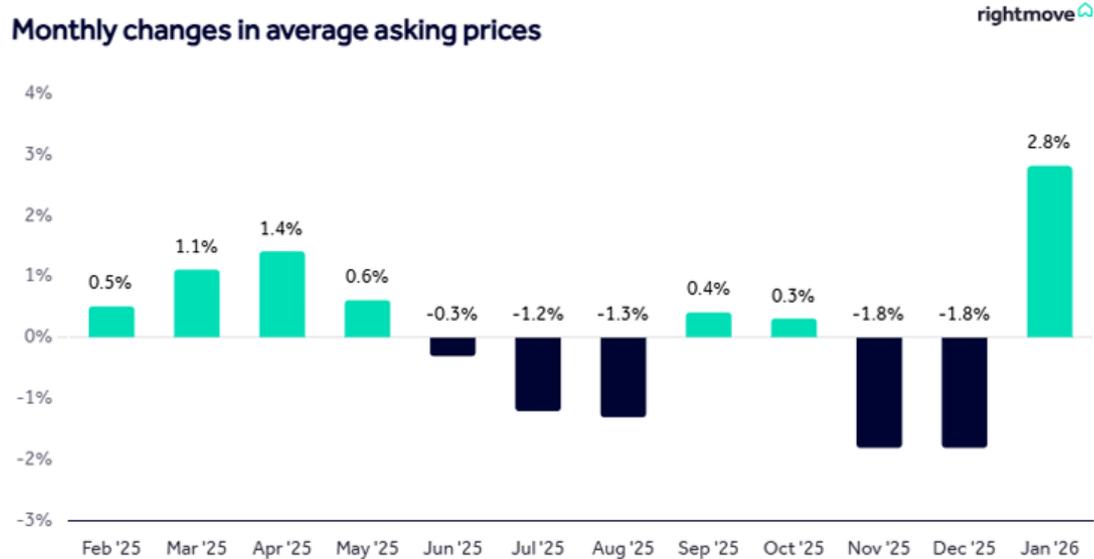


Source: [Rightmove price index](#)

Typical Time on Market (TTM) for unsold properties continues to move higher overall and is currently five days higher than in January last year. The worst increase in marketing times is to be found in the South West and prices are correcting accordingly.

Source: [Home.co.uk price index](#)

# Asking-price fluctuation percentage



“ The number of available homes on the market, and therefore the number of other sellers to compete with, is still at its highest level for this time of year since 2014. Additionally, a third of homes already on the market are having their asking price reduced. Therefore, sellers need to strike a balance between price ambition and market realism when setting their asking price to give themselves the best chance of finding a buyer and getting their home sold. ”

Source: [Rightmove price index](#)

## UK sales volumes by funding status

Funding status	Average price November 2025	Monthly change	Annual change
Cash	£258,015	0.5%	2.0%
Mortgage	£280,392	0.3%	2.6%

Source: [gov.uk price index](#)

“ Mortgage rates have stabilised and the mortgage market remains very competitive with more attractive rates for home buyers, especially for those with larger deposits. The average mortgage rate for new loans dropped to 4% in December, its lowest level since September 2022. In addition, many households can borrow up to 20% more with the same income and mortgage rate than a year ago, which has supported more home moves and higher prices where affordability and buying costs allow. ”

Source: [Hometrack price index](#)

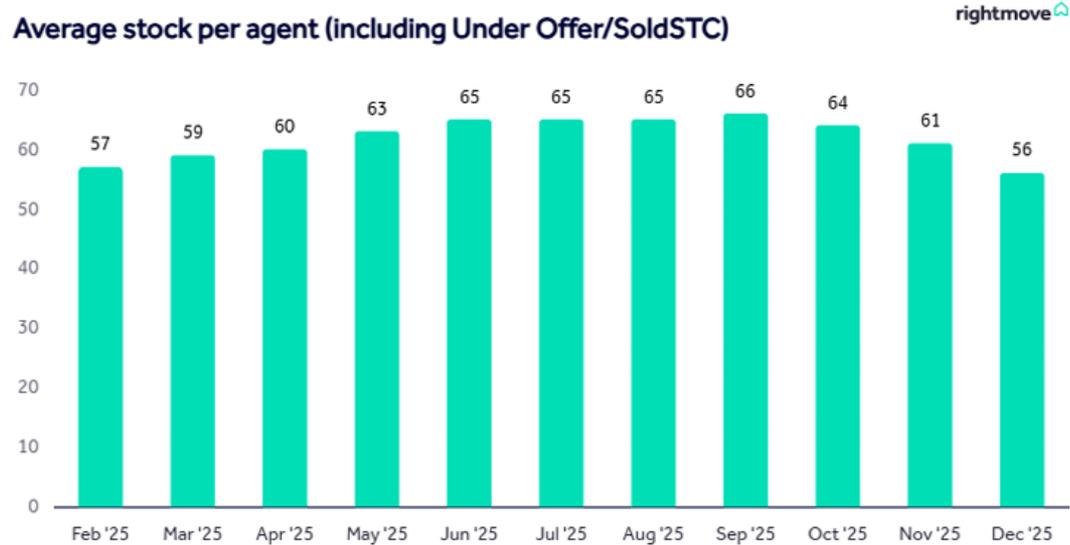
# UK house-price-to-earnings ratio



“ Our main affordability benchmark shows that a prospective buyer earning the average UK income and buying a typical first-time buyer property with a 20% deposit would have a monthly mortgage payment equivalent to 32% of their take-home pay – slightly above the long-run average of 30% and well below the recent high of 38% recorded in 2023 ”

Source: [Nationwide price index](#)

# Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ One notable difference to last January is the amount of choice available to buyers. The total number of homes for sale is 6% higher than last year, with the average estate agent currently marketing 34 properties - the highest level seen in eight years. This means buyers have more choice, and sellers face more competition. ”

Source: [Hometrack price index](#)

# UK consumer confidence

UK Measures	↑↔↓	January 2026	December 2025	November 2025	January 2025
Overall Index Score	↑ 1	-16	-17	-19	-22
Personal Financial Situation over last 12 months	↑ 3	-3	-6	-7	-10
Personal Financial Situation over next 12 months	↑ 4	6	2	1	-2
General Economic Situation over last 12 months	↓ 5	-45	-40	-43	-46
General Economic Situation over next 12 months	↓ 2	-31	-29	-32	-34
Major Purchase Index	↑ 1	-10	-11	-15	-20
Savings Index <small>(commented on but not used in Overall Index Score)</small>	↑ 4	28	24	24	30

“ January 2026 brings an unwanted anniversary, marking 10 years since consumer confidence was last in positive territory. Even with a one-point increase in headline confidence this month to -16, we remain a long way from consumers feeling that better days are around the corner. ”

Source: [GfK consumer confidence index](#)

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