

UK House Price Index

+0.8%

UK house price inflation
(September 2026)

35%

Homes in postcode
areas with annual price falls

+7%

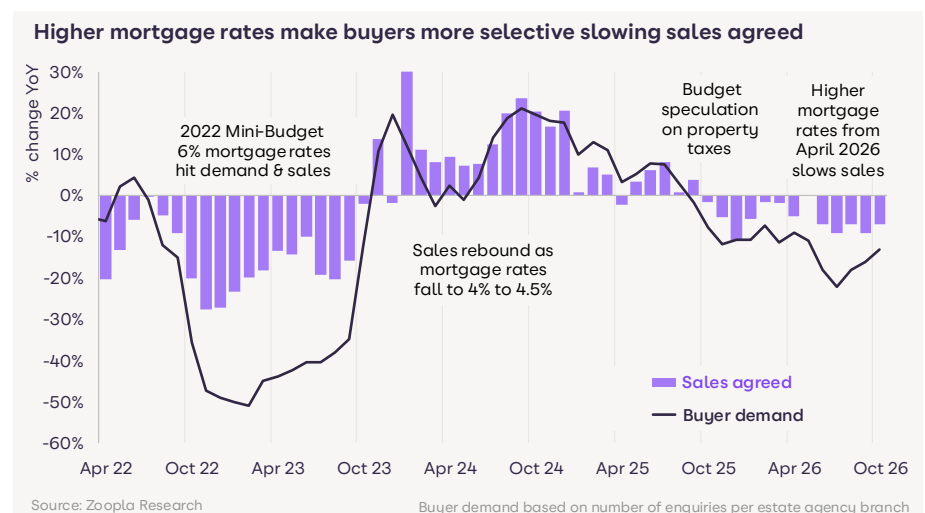
Increase in number of
homes for sale

Executive summary

- UK house prices increased 0.8% over last year - ranging from -1% in London to 3.2% in the North West
- Higher mortgage rates lead to more local areas experiencing modest price falls across southern England
- More choice for buyers with 7% more homes for sale
- Fewer sales agreed, down 7%, as buyers become more selective
- Homes that sell are finding a buyer just as fast as last year
- Realistic asking prices are key to securing sales as competition for buyers increases
- The Budget's wider impact on mortgage rates going into 2027 matters more than individual measures to support homebuyers

“Buyers have more choice and room to negotiate, particularly in southern England where house prices are falling. Homes are still selling, but realistic asking prices are essential.”

Richard Donnell
Executive Director



85%

Homes in London and South East in areas registering price falls

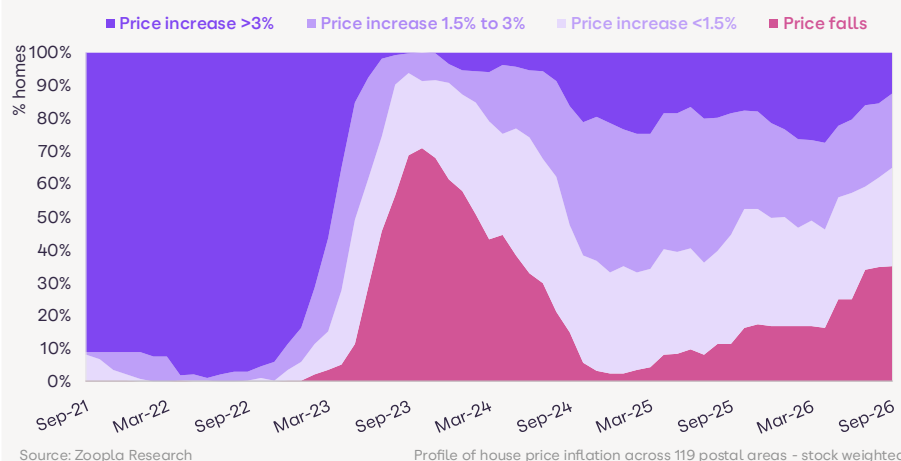
Higher mortgage rates slow sales as buyer choice grows

Higher mortgage rates have increased the cost of buying a home, making buyers more selective about what they view and offer. The number of enquiries from buyers is weaker than last year and this has led to 7% fewer sales being agreed than a year ago¹.

At the same time, the number of homes for sale is 7% higher, giving buyers more choice and increasing competition between sellers. These trends of weaker demand, fewer sales and greater buyer choice are evident across most regions, with the greatest imbalance between supply and sales in southern England.

Housing market activity remains sensitive to mortgage rates. Sales rebounded during 2024 as rates fell towards 4–4.5%², while higher borrowing costs since April 2026 have weakened demand and made buyers more selective about what they buy and how much they pay.

35% of homes are located in local areas registering annual price falls



A third of homes in markets with house price falls

More than a third (35%) of homes are now in postcode areas registering annual price falls, up from 12% a year ago³. The greatest pressure is in southern England, where higher house prices mean rising mortgage rates have a greater impact on what buyers can afford.

Around 85% of homes in London and the South East are in postcode areas registering price falls. Average house prices in London are 1% (or £5,400) lower than a year ago. Prices are also posting low single-digit falls across the South East, East of England and the South West.

In contrast, house prices continue to rise across most other regions where homes are more affordable. Average prices in the North West have increased by 3.2%, equivalent to £6,600 over the last year, while prices are rising by more than 4% in the Liverpool, Carlisle and Kilmarnock postcode areas.

¹ Four weeks to 18 October 2026 vs same period in 2025

² Average mortgage rate for a new 75% LTV, 5-year fixed rate loan

³ The Zoopla House Price Index tracks house prices across 119 postal areas of which 37 are registering annual price falls in September 2026. These areas account for 35% of homes.

44

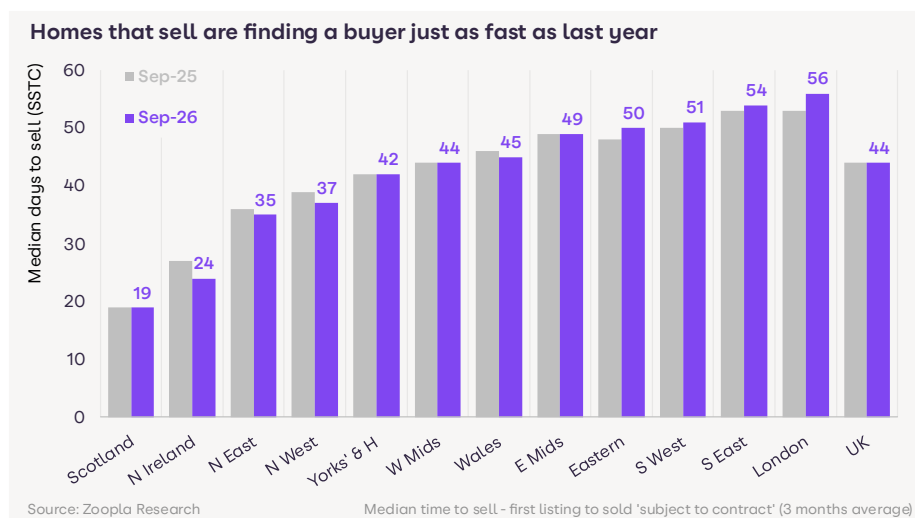
Average days to find a buyer - same as last year

Homes that sell find buyers just as quickly as last year

Despite weaker market activity, homes that find a buyer are selling just as quickly as a year ago, taking an average of 44 days nationally. The time to sell a property⁴ has wide regional differences, ranging from 19 days in Scotland to 56 days in London.

While the wider market may appear gloomy, this time to sell analysis is important and shows that buyers remain active and homes continue to sell if well priced and presented to the market.

However, market conditions vary significantly by location, property type and price band, making it important that sellers understand local demand and price their homes to respond to local market conditions.



Realistic asking prices are key to securing sales

Zoopla analysis of homes listed for sale in Q2 2026 shows that 41% of homes listed below their estimated value found a buyer within 90 days, compared with 26% of those marketed at least 20% above their estimated value.

Reducing the asking price later is no guarantee of finding a buyer. Just 19% of homes that underwent a price reduction sold within 90 days, compared with 41% of those without a reduction.

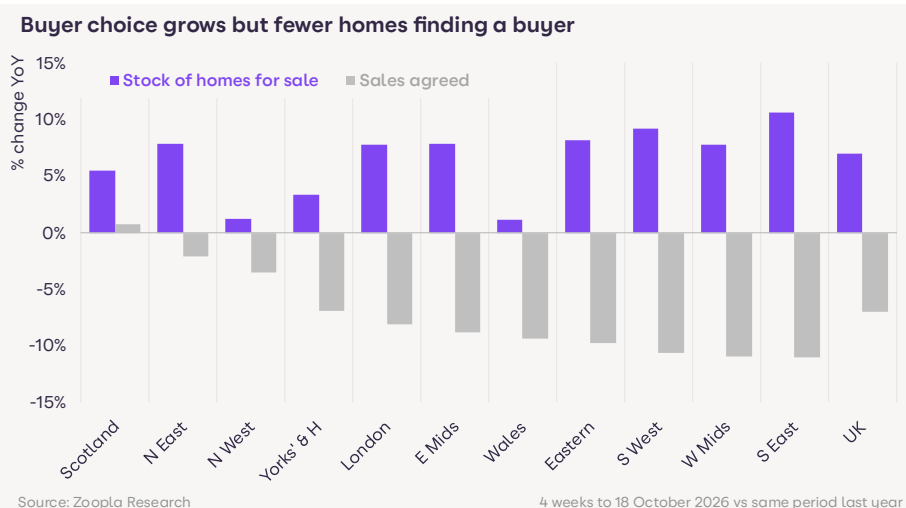
Homes listed for sale attract the greatest attention when first listed, making it important to get the price right to gain early buyer interest. Homes requiring price reductions are less likely to find a buyer within 90 days than those marketed without a reduction.

Sellers need to look beyond historic sale prices and consider current buyer demand, budgets and competing homes when setting their asking price. Local agents can provide valuable insight into the prices needed to attract buyers and secure a sale.

⁴ Time to sell is measured by number of days between home first appearing on portal and going Sold STC.

-7%

Change in sales agreed
vs last year



How the Budget may shape housing market activity

The outlook for the housing market depends on the trajectory of mortgage rates, household confidence and the prospects for the wider economy going into 2027.

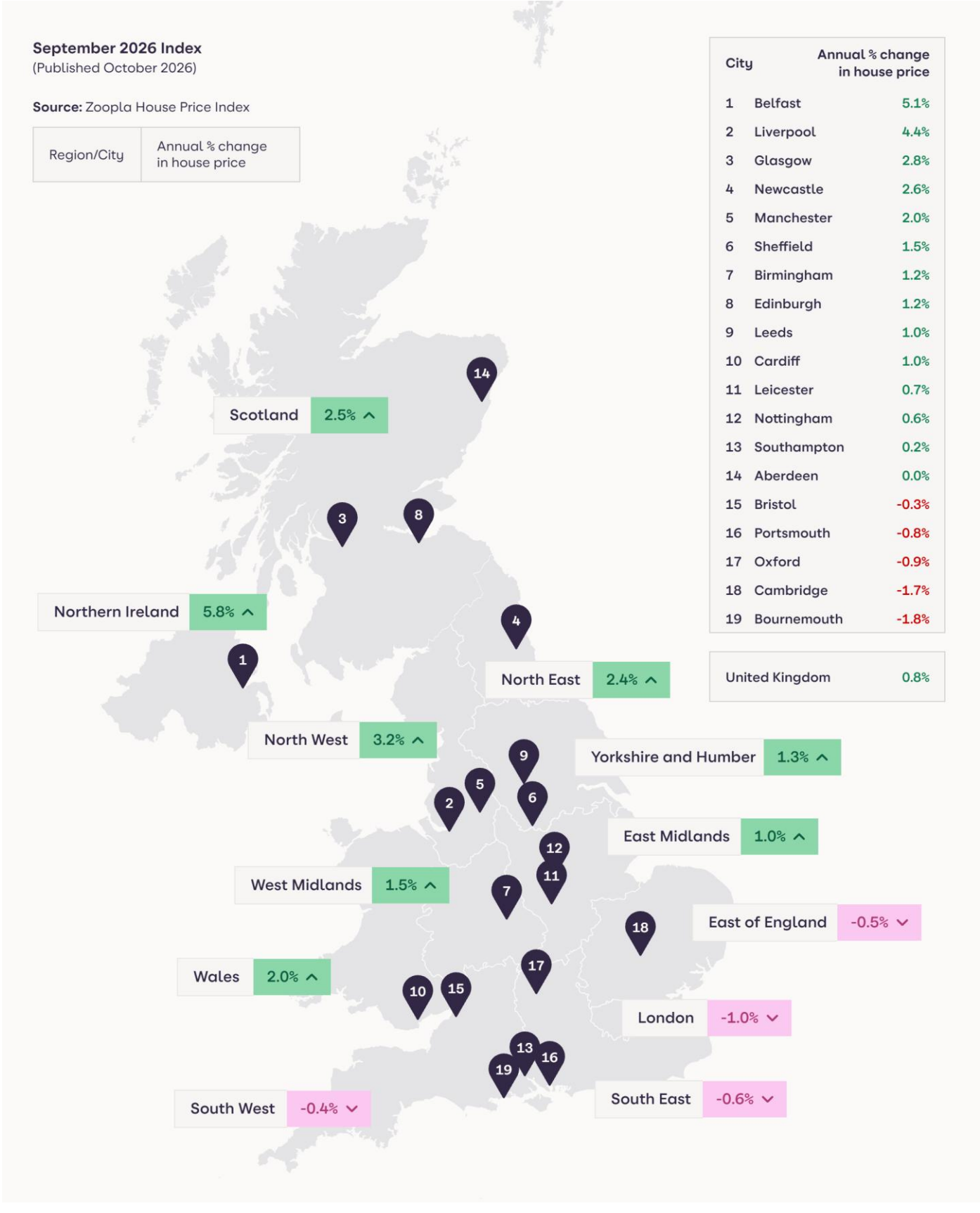
Aside from direct measures to support the housing market, the most important influence of the Budget would be to support the conditions for lower mortgage rates over 2027. A Budget that reassures financial markets and helps contain inflationary pressures could help reduce borrowing costs and support housing market activity in 2027.

On direct measures to support home buyers and market activity, widespread property tax reform appears unlikely in the near term. Targeted changes to stamp duty could reduce upfront costs for buyers, although these would come at a cost to the Exchequer.

The proposed Your First Home equity loan scheme is one announcement where the details will be important. This scheme would help more first-time buyers purchase new homes with low deposits. Setting the income and price caps at the right levels would deliver a welcome boost to housebuilders and could also result in uptick in demand across the wider housing market.

House Price Index - Country, region and city summary

Note: The Zoopla house price index is a repeat sales-based price index, using sold prices, mortgage valuations and data for agreed sales. The index uses more input data than any other and is designed to accurately track the change in pricing for UK housing.



Zoopla House Price Index, city summary, September 2026 index

Sparklines show last 12 months trend in annual and monthly growth rates - red bars are a negative value - each series has its own axis settings providing a more granular view on price development.

	Average price	%YoY Sept-26	%YoY Sept-25	Monthly trend	Annual trend
UK	£273,100	0.8%	1.5%		
20 City Composite	£311,900	0.4%	1.4%		
Belfast	£204,800	5.1%	8.2%		
Liverpool	£173,600	4.4%	3.4%		
Glasgow	£168,000	2.8%	3.6%		
Newcastle	£165,300	2.6%	2.6%		
Manchester	£240,100	2.0%	2.7%		
Sheffield	£179,900	1.5%	2.6%		
Birmingham	£218,100	1.2%	2.0%		
Edinburgh	£284,300	1.2%	2.1%		
Cardiff	£260,800	1.0%	1.8%		
Leeds	£216,500	1.0%	2.3%		
Leicester	£229,800	0.7%	1.3%		
Nottingham	£204,800	0.6%	1.2%		
Southampton	£257,300	0.2%	0.1%		
Aberdeen	£130,100	0.0%	-0.5%		
Bristol	£341,600	-0.3%	1.7%		
Portsmouth	£275,100	-0.8%	0.2%		
Oxford	£445,800	-0.9%	0.9%		
London	£523,100	-1.0%	0.2%		
Cambridge	£454,200	-1.7%	0.2%		
Bournemouth	£312,300	-1.8%	-1.7%		

Source: Zoopla House Price Index. Sparklines show last 12 months trend in annual and monthly growth rates – red bars are a negative value – each series has its own axis settings providing a more granular view on price development.

House price index
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