

RESEARCH

Housing Market Update

March 2026



The average UK house price is now **£300,077**

(Source: Halifax)

Market Overview

The UK economy is showing some signs of resilience, characterised by marginal 0.1% GDP growth and a notable cooling of CPI inflation to 3.0%. While the services sector remains the primary driver of activity, this is tempered by a 13-month contraction in construction and a softening labour market where unemployment has climbed to 5.2%. The Bank of England's narrow 5-4 vote to hold interest rates at 3.75% signals a growing shift toward further potential monetary easing; however, persistent job losses across Purchasing Managers Index surveys suggest that significant structural headwinds remain despite these improved inflationary signals.

Falling mortgage rates and overall affordability (supported by strong wage growth over the past three years) appear to have helped lift housing market activity over the last 12 months. Total transaction volumes rose to 1.21 million in 2025, an 11% increase on 2024. House prices also returned to modest growth, with both Nationwide and Halifax reporting a 1.0% annual rise. In the lettings market, rental growth continued to cool, easing to 3.5% from last year's double digit highs, reflecting a gradual improvement in the supply demand balance.

Sales and Lettings Prices

- The start of the year saw some modest growth in house prices, according to Nationwide's January House Price Index report. Annual growth rose to 1.0% from 0.6% in December and month on month prices moved into positive territory, increasing 0.3% (seasonally adjusted) in January, up from a fall of -0.4% the month prior.
- Rising house price growth was also recorded by Halifax in January, with monthly prices up 0.7% following a fall of -0.5% in December. On an annual basis, prices rose by 1.0% compared with the same period a year ago. The average UK property price has now exceeded £300,000 for the first time, reaching £300,077.
- Rightmove's February House Price Index report finds the average price of a newly listed home for sale saw virtually no change over the same period one year ago. This is down from the 0.5% growth recorded in January. Disaggregated by 'market sector' the web portal goes on to note that 'second-stepper' homes have seen the largest annual rise at 0.8% compared with price declines in first-time buyer homes (-0.4%) and top of the ladder homes (-0.2%).
- According to Rightmove's Q4 2025 Rental Trends Tracker, rents in the UK (outside of London) rose by an average of 2.2% in 2025 (advertised rents). Across Greater London rents were found to have increased by just 0.8% over the year. On a quarterly basis rents fell by around -1.1% outside of London (Q4 2025) and -0.7% inside London.



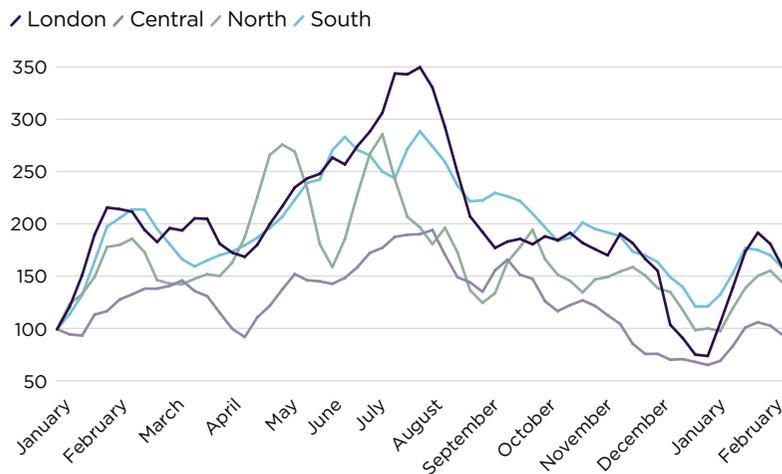
Activity

- Latest data from the Bank of England reveals that mortgage approvals slipped nearly 5% in December, falling to just over 61,000. This represents the third consecutive monthly decline and the lowest volume since April 2025. Looking ahead, we expect these figures to rebound as the uncertainty surrounding last year's Autumn Budget begins to dissipate.
- According to HMRC, December's sales volumes remained virtually unchanged from November, marking the second consecutive month with just over 100,000 transactions. On an annual basis, total sales reached 1.21 million—an 11% increase over 2024's 1.09 million and the highest yearly total recorded since 2022.
- As highlighted in Rightmove's latest index report, year on year comparisons of sales activity are challenging due to the distortions caused by the April 2025 stamp duty changes. The report notes that new listings are currently around 1% lower than in 2025 but sit 11% higher than two years ago. A similar pattern is seen in agreed sales, which are 5% below last year's level but 9% above 2024.
- The strong surge in enquiries at the start of January continued throughout the month across all our locations. On a rolling four week basis, enquiry levels were up by an average of 46% compared with the previous four weeks, with particularly robust activity in our London offices. Although volumes have begun to stabilise in the most recent week of data, we expect overall market sentiment to remain noticeably more positive this year than last. With at least one (potentially two) interest rate cuts anticipated and affordability set to improve, we expect both buyer and seller engagement to strengthen further.



On a rolling four week basis, enquiry levels were up by an average of 46%

Figure 1 Carter Jonas Enquiry level trend index, since January 2025
Source: Carter Jonas. Enquiry levels are four-week rolling average



Official House Price data

HM Land Registry
December 2025

Source: HM Land Registry



Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Vale of White Horse	£411,832	-0.8%	6.2%
West Oxfordshire	£422,389	-1.5%	4.9%
Wiltshire	£332,483	1.1%	3.4%
Leeds	£246,293	0.0%	3.3%
Cambridgeshire	£343,812	-0.2%	3.3%
West Berkshire	£400,144	-1.3%	3.1%
United Kingdom	£270,259	-0.7%	2.4%
England	£291,865	-0.7%	1.7%
Suffolk	£284,165	-1.4%	1.4%
Somerset	£278,440	-0.7%	1.1%
Outer London	£508,640	-0.2%	0.9%
Oxford	£480,531	-2.3%	0.9%
Bath and North East Somerset	£407,049	-1.2%	0.8%
North Yorkshire	£272,111	-1.4%	0.6%
South Cambridgeshire	£433,729	-2.4%	0.6%
York	£306,571	1.2%	0.3%
London	£551,294	-0.8%	-1.0%
South Oxfordshire	£462,111	-2.5%	-1.7%
Winchester	£465,183	-0.1%	-2.4%
Cambridge	£485,985	0.6%	-2.5%
Inner London	£628,142	-1.3%	-4.6%
South West London	£726,741	-1.7%	-5.0%
Prime Central London	£1,029,443	-3.2%	-13.2%

Official Price Index of Private Rents

ONS January 2026

Source: ONS

Note: Rents are for all property types and bedroom numbers, £ per calendar month

Carter Jonas location	Average Rent (pcm)	Monthly Change (%)	Annual Change (%)
Bath and North East Somerset	£1,846	1.9%	9.0%
Wiltshire	£1,057	0.0%	7.2%
Oxford	£1,923	0.5%	6.5%
York	£1,170	1.1%	5.7%
South Cambridgeshire	£1,399	0.4%	4.9%
Winchester	£1,483	0.7%	4.8%
England	£1,423	0.0%	3.5%
South West London	£2,517	0.2%	3.2%
Vale of White Horse	£1,321	0.3%	2.6%
Cambridge	£1,797	0.2%	2.2%
West Berkshire	£1,266	-0.3%	2.1%
North Yorkshire	£825	-0.4%	1.8%
London	£2,235	-0.7%	1.1%
South Oxfordshire	£1,365	0.5%	-0.1%
West Oxfordshire	£1,264	0.2%	-1.0%
Prime Central London	£3,411	-1.1%	-1.4%

***A note on rental growth rate differences between the official PIPR and other private sector measures such as Zoopla and Rightmove: PIPR measures all stock of rents and compares achieved rents in the current month with the same month one year prior. Private sector measures only count asking rents for new let properties. The PIPR measure covers a much greater number of properties and will always lag by around 6 months or more as the new let rental prices take time to filter into the whole rental market stock.*



Monthly change in enquiry levels

78%

LONDON

29%

SOUTH

41%

CENTRAL

41%

NORTH

We're closely analysing what happens next

We're monitoring the market so we can get you the best possible price for your property. If you're keen to sell your property as soon as possible or simply curious to know what it's worth during these changing times [CLICK HERE](#) to book a complimentary market appraisal.

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Sources: Carter Jonas Research, Halifax, Nationwide, ONS, Rightmove, Zoopla

About Carter Jonas

Carter Jonas LLP is a leading UK property consultancy supported by a national network of 34 offices and 1,000 property professionals. Our team is renowned for their quality of service, expertise and the **simply better property advice** they offer their clients.

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