

RESEARCH

Housing Market Update

October 2026

Market Overview

This month's economic data presents a mixed picture: monthly GDP expanded by 0.4%, pushing annual growth to 1.6%, its strongest rate in over a year. Retail sales volumes also rose robustly by 0.5% in August, and consumer confidence climbed to a two-year high. However, inflation ticked up, and labour market data points to continued softening as both job vacancies and payroll figures fall. Furthermore, the depressed construction PMI highlights ongoing structural stress in the housing sector, which

could limit broader economic momentum moving forward.

In the residential market, the signs are pointing to a subdued but stabilising environment. Mortgage approvals have dropped as higher borrowing costs are constraining purchasing buyers. However, the latest survey from the RICS shows continued recovery from the lows earlier this year, suggesting that we may be seeing a better equilibrium to the market. National house price growth though remains modest, and the sharp regional

divide continues with northern regions and nations showing robust annual growth while London and the southern regions experience price contractions. In the private rental market, after two years of slowing rental growth, the pace appears to be accelerating once again, driven by higher mortgage rates (causing people to remain in rented accommodation for longer), alongside a decline in available stock levels.

Sales and Lettings Prices

- Annual house price growth remained subdued in August, reaching just 1.6% according to Nationwide's latest House Price Index report. This has changed only very little from last month's (revised) 1.4% and reflects 0.2% growth month on month. This brings the national average house price to £275,465, an increase of almost £10,000 over the last two years.
- The Lloyds House Price Index showed UK house prices fell by 0.4% annually in August, down from a 0.1% rise in July. This marks the first annual decline in nearly three years and reflects a monthly decline of 0.2%. Regionally, Northern Ireland recorded the strongest growth at 6.9% followed by Scotland at 3.5%, while the South East and London both posted declines of 1.6% and 1.5%, respectively.
- The average asking price for newly listed properties was found to have fallen 0.8% over the year, according to Rightmove's latest House Price Index report (September). On a monthly basis prices rose 0.7% but this follows the rather steep 2.0% decline recorded in August.
- Annual rental growth increased to 3.8% in August, up from 3.7% in July and the highest rate recorded since last November, according to the ONS Official Price Index of Private Rents. On a monthly basis, rents rose by 0.4%, unchanged from July's increase. The average UK rent now stands at £1,400 per calendar month, representing an increase of more than £200 per month in less than three years.
- Zoopla's latest research shows that average rents across the UK are now 2.6% higher than a year ago, taking the average monthly rent to £1,343. The report highlights significant regional variation, with areas facing the greatest supply constraints continuing to record the strongest rental growth. For example, the number of homes available to rent has fallen by 6% in London and 12% in Yorkshire & Humber, contributing to average rental growth of 2.9% and 4.0%, respectively.



Activity

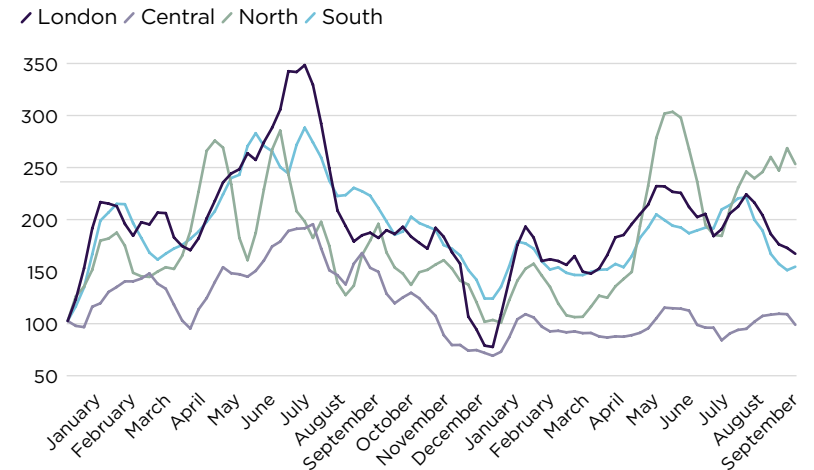
- The latest Bank of England data for July shows a continued slowdown in mortgage approvals. Monthly approvals dropped to just over 56,000, marking a 4% decrease from June and a 14% drop compared to July of last year. Although 2026 began with strong monthly approval numbers, total figures for the year to date are now down 6% compared to the same period in 2025.
- In July, total sales transactions dipped slightly by 2% compared to June, totalling 96,710 and mostly in line with the same time last year. This gap between mortgage approvals and actual sales volumes highlights how heavily consumers are feeling the impact of rising mortgage rates since March.
- The latest house price index report from Rightmove notes that buying activity may be showing a small 'bounce' from August to September but demand (measured as the number of buyer enquiries) is still 9% below the same period last year. On the supply side, the total number of homes available to purchase is at a 12-year high, albeit newly listed properties are down around 3% over the same period last year and sales agreed is 9% lower.
- Zoopla's latest research into the private rental market indicates that the supply of rental homes has begun to decline again, following an improvement over the previous three years. The number of homes available to rent was 3% lower than during the same period last year.
- This month, enquiry levels across our Carter Jonas locations present a mixed picture. Our central offices continue to record stable activity, with enquiries increasing by around 7% over the past four weeks. London and the southern offices have followed similar trends, with a modest rise in August followed by a gradual slowdown during the last month. In contrast, enquiries in York and Harrogate have risen sharply in recent weeks, mirroring a similar increase seen in July. This varied performance suggests that buyers and sellers are still adjusting to the wider economic environment, which continues to provide mixed signals.



Enquiry levels in our central offices increased by around 7%

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
July 2026

Source: HM Land Registry



Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Vale of White Horse	£413,773	-0.3%	5.7%
Leeds	£247,695	-0.1%	3.8%
Somerset	£282,062	0.2%	3.1%
South Oxfordshire	£476,026	0.5%	3.0%
Cambridgeshire	£339,095	1.1%	2.7%
Wiltshire	£328,746	-0.3%	2.6%
North Yorkshire	£270,463	-0.4%	2.5%
South Cambridgeshire	£439,573	1.3%	2.2%
Winchester	£463,025	-1.0%	2.1%
York	£310,781	0.6%	1.8%
United Kingdom	£272,611	0.7%	1.4%
England	£293,479	0.7%	1.1%
Suffolk	£280,742	-0.2%	0.5%
West Berkshire	£403,682	0.6%	0.4%
Cambridge	£475,151	1.1%	0.0%
Outer London	£507,169	0.2%	-0.6%
Bath and North East Somerset	£409,045	1.0%	-0.7%
West Oxfordshire	£418,586	0.9%	-1.6%
Oxford	£471,667	0.8%	-2.3%
London	£550,037	-0.1%	-3.3%
South West London	£742,458	0.3%	-5.1%
Inner London	£624,529	-0.7%	-6.8%
Prime Central London	£1,054,714	-1.2%	-17.4%



Carter Jonas location	Average Rent (pcm)	Monthly Change (%)	Annual Change (%)
Bath and North East Somerset	£1,885	0.2%	7.4%
York	£1,199	0.5%	6.5%
Wiltshire	£1,082	0.9%	6.0%
West Berkshire	£1,338	1.9%	5.0%
Winchester	£1,508	0.2%	4.1%
England	£1,459	0.6%	4.0%
South West London	£2,597	0.7%	4.0%
London	£2,235	0.6%	3.5%
Oxford	£1,963	-0.2%	3.5%
South Oxfordshire	£1,402	0.8%	3.5%
South Cambridgeshire	£1,408	-0.2%	3.4%
Vale of White Horse	£1,352	0.6%	2.9%
North Yorkshire	£849	0.6%	2.4%
West Oxfordshire	£1,305	0.9%	1.8%
Cambridge	£1,805	-0.1%	1.8%
Prime Central London	£3,443	1.1%	0.8%



Monthly change in enquiry levels

-18%

LONDON

-25%

SOUTH

7%

CENTRAL

7%

NORTH

We're closely analysing what happens next

We're monitoring the market so we can get you the best possible sales price or rental income for your property. Whether you're ready to sell, looking to let, or just curious about its value in today's market, [CLICK HERE](#) to book your complimentary valuation.

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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 32 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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