hometrack

Research and Insight

August 2026

UK House Price Index

+0.9%

UK house price inflation (July 2026)

+7%

Increase in home searches versus last year

-6%

Sales agreed versus last year

Executive summary

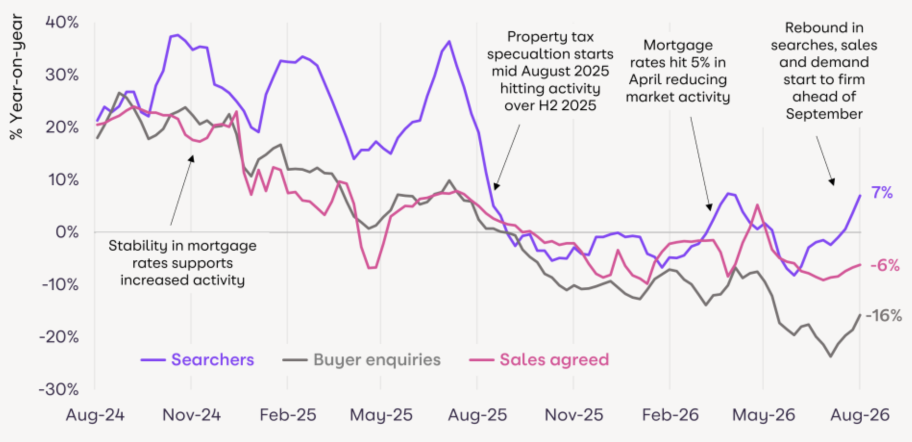
- Buyer demand is starting to recover with home searches 7% higher than a year ago and increasing across Britain
- Higher mortgage rates have cut buying power by 9% since the start of the year, weighing on sales and prices over the summer
- UK house price inflation has slowed to 0.9%, with prices flat to falling across much of southern England
- The Autumn bounce is starting to emerge, but buyers have plenty of choice with 5% more homes for sale than a year ago
- Sellers need to price carefully to attract buyers, with affordability still a constraint and market conditions varying widely across local markets

"Buyers are returning, but they have plenty of choice.

Sellers will need to price carefully to secure a sale this autumn."

Richard Donnell
Executive Director

Two shocks to the market in 12 months but buyers are starting to come back



Source: Zoopla Research

Rolling 4 week change in key market indicators to 16 August 2026

+9%

Increase in home searches in South East versus last year

Sales down 6% but home searches highest for a year

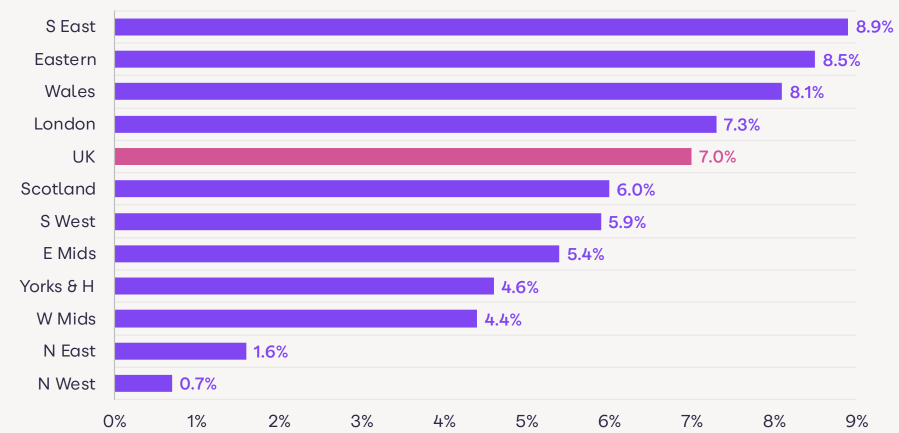
Home buyers have been returning to the housing market in growing numbers over the last four weeks following a summer slowdown caused by higher mortgage rates and political uncertainty.

Sales agreed remain 6% lower than a year ago[1], but the gap is starting to close. Buyers cannot wait indefinitely and searches for homes are now 7% higher than a year ago[1], their strongest level for 12 months.

The increase in searches is an early sign that more buyers are reassessing their options after the summer. Late August and early September also tend to see more asking price reductions as sellers adjust pricing to attract this renewed demand.

Importantly, searches are now higher than a year ago across all areas of Great Brtain[1] for the first time since August 2025. The recovery is strongest in the South East (+8.9%) and the East of England (+8.5%), while the North West (+0.7%) has seen the smallest increase.

The number of home searchers has turned positive across Great Britain



Source: Zoopla Research

w.e 16 August 2026 versus last year

Higher mortgage rates reduce buying power by 9%

Average five-year fixed mortgage rates have risen from below 4% in January to around 4.8% today[2]. 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[3] - 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.

This cash amount varies between regions, reflecting the variation in house prices - buyers in London would need to add almost double the national average to their deposit (£35,500) while lower house prices mean those in the North East would only need an additional £10,200. This is being reflected in house price inflation across the country.

1 Four weeks to 16 August 2026 vs same period in 2025

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

3 Assumes 75% LTV mortgage using a 27-year term for a 5-year fixed rate loan in January 2026 at 4% versus a rate of 4.8% in August 2026

+5%

Increase in stock of homes for sale to August 2026

House price inflation slips below 1%

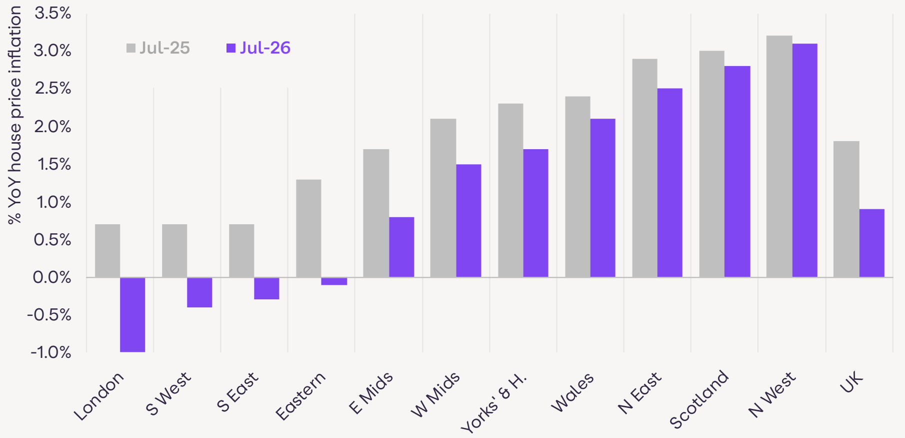
House price growth has stepped lower over the last month, running at 0.9% in the 12 months to July, down from 1.3% in June, as fewer sales and higher buying costs weigh on UK house price inflation.

House prices are flat to falling across most of Southern England, with average prices -0.3% lower in the South East to -1% in London.

House prices continue to increase at an above-average rate across Northern England and the Midlands with prices 1.7% higher in Yorkshire and Humberside and 3.1% higher in the North West.

Northern Ireland (+5.4%) continues to record the highest annual rate of house price growth, although this is also slowing.

Fewer sales cool annual house price inflation across the country



Source: Zoopla House Price Index

An autumn bounce, but only for sellers who price for it

Last month we predicted an autumn bounce after a slower summer, and the latest data suggest the first signs of this are now emerging.

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[1]. This means it remains a buyer's market and sellers will need to price sensibly to attract interest in the coming months.

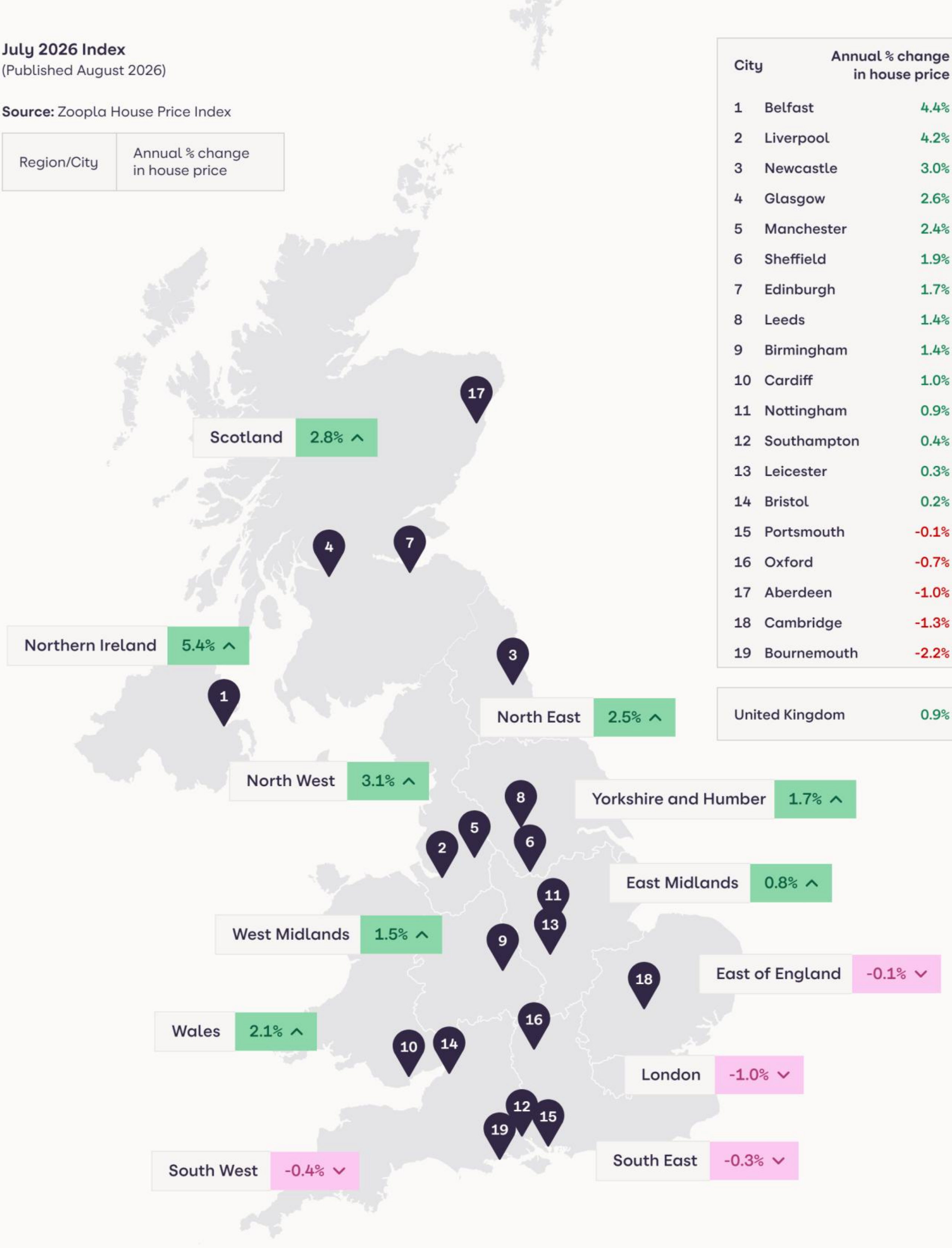
Mortgage rates have stabilised but remain closer to 5% than 4%, meaning affordability remains an important constraint on buyers. With plenty of homes to choose from, buyers will be able to make competitive bids this autumn. Motivated sellers will need to price carefully to attract interest, with market conditions varying widely across the country.

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.

July 2026 Index
(Published August 2026)

Source: Zoopla House Price Index



	City	Annual % change in house price
1	Belfast	4.4%
2	Liverpool	4.2%
3	Newcastle	3.0%
4	Glasgow	2.6%
5	Manchester	2.4%
6	Sheffield	1.9%
7	Edinburgh	1.7%
8	Leeds	1.4%
9	Birmingham	1.4%
10	Cardiff	1.0%
11	Nottingham	0.9%
12	Southampton	0.4%
13	Leicester	0.3%
14	Bristol	0.2%
15	Portsmouth	-0.1%
16	Oxford	-0.7%
17	Aberdeen	-1.0%
18	Cambridge	-1.3%
19	Bournemouth	-2.2%

United Kingdom	0.9%

Zoopla House Price Index, city summary, July 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 Jul-26	%YoY Jul-25	Monthly trend	Annual trend
UK	**£272,800**	**0.9%**	**1.8%**		
20 City Composite	**£311,900**	**0.6%**	**1.6%**		
Belfast	£203,700	4.4%	8.7%		
Liverpool	£171,700	4.2%	4.1%		
Newcastle	£165,200	3.0%	2.8%		
Glasgow	£164,600	2.6%	3.7%		
Manchester	£239,800	2.4%	2.9%		
Sheffield	£180,400	1.9%	2.6%		
Edinburgh	£284,500	1.7%	2.2%		
Birmingham	£217,200	1.4%	2.1%		
Leeds	£216,400	1.4%	2.3%		
Cardiff	£260,000	1.0%	2.1%		
Nottingham	£205,100	0.9%	1.6%		
Southampton	£256,500	0.4%	0.4%		
Leicester	£229,300	0.3%	1.8%		
Bristol	£341,400	0.2%	1.6%		
Portsmouth	£274,900	-0.1%	0.2%		
Oxford	£448,000	-0.7%	2.0%		
Aberdeen	£132,800	-1.0%	0.0%		
London	£525,400	-1.0%	0.7%		
Cambridge	£459,100	-1.3%	0.7%		
Bournemouth	£316,100	-2.2%	-0.9%		

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.

Contacts

If you have any questions about our research please do get in touch

Richard Donnell
Director of Research & Insight
richard.donnell@zoopla.co.uk

Theo Brewer
Director of Analytics
theo.brewer@hometrack.com

Recent publications

UK Rental Market Report
Jun 2026
ZOOPLA

Sign up for all the latest research from Zoopla at business.zoopla.co.uk