

UK House Price Index

+0.8%

UK house price inflation
(August 2026)

-9%

Sales agreed versus
last year

+5%

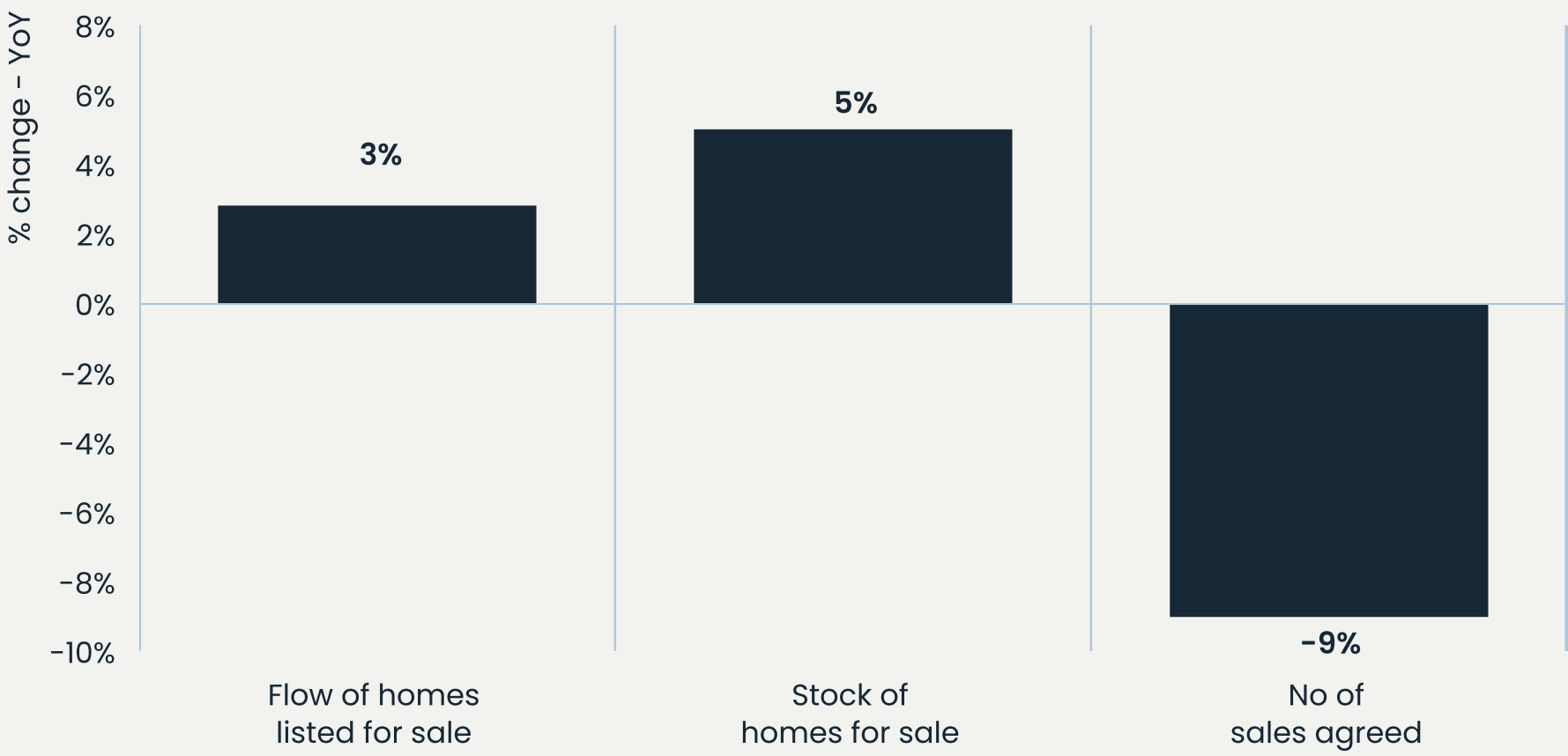
Stock of homes
for sale versus
last year

Executive summary

- House price inflation slows to 0.8% – the slowest for 2 years
- Highest mortgage rates in 3 years temper market activity
- Annual mortgage cost for an average buyer increases £1,800 compared to the start of the year
- The stock of homes for sale is up 5%, while sales agreed are 9% lower with these headline trends being seen across the country
- Affordability and buyer preferences shape very different trends between regions and property types
- There is still demand to buy homes, but buyers are selective
- House prices on track to be 0.5% higher with 1.1m sales over 2026

“There is still plenty of demand for homes. Buyers are simply more cautious and selective about what they view and offer. Sellers who take advice and factor local market conditions into how they set their asking price can still find a buyer relatively quickly.”

More supply but fewer sales as mortgage rates hit 5%



Source: Zoopla Research

4 weeks to 20 Sept 2026 v same period in 2025

+3.6%

Increase in the price
of a house in the
North West

Higher mortgage rates slow sales and price growth

Higher mortgage rates over the summer have pushed up the cost of buying a home, contributing to a 9% fall in the number of sales being agreed¹ compared to last year. Annual house price growth to the end of August has also slowed to 0.8 per cent, the lowest for over 2 years.

Average mortgage rates for a typical loan have hit 5.2% at the end of September, their highest level for 3 years, up from 4 per cent at the start of the year². The average homebuyer now faces an extra £150 per month (£1,800 a year) in mortgage repayments³. These additional buying costs are weighing on demand, with sales agreed lower across every region and country of the UK.

While sales agreed are failing to keep pace with last year, the number of homes for sale is 5% higher than a year ago, boosting choice for buyers. The growth in the number of homes for sale is a national trend and more pronounced in London and southern England, where the number of homes for sale is 8% higher than last year.

Sales agreed have fallen most sharply in the West Midlands (-15%) and East of England (-14%). Scotland remains relatively resilient, with sales down just 1% and stock up 3%.

Diverging price trends between flats and houses

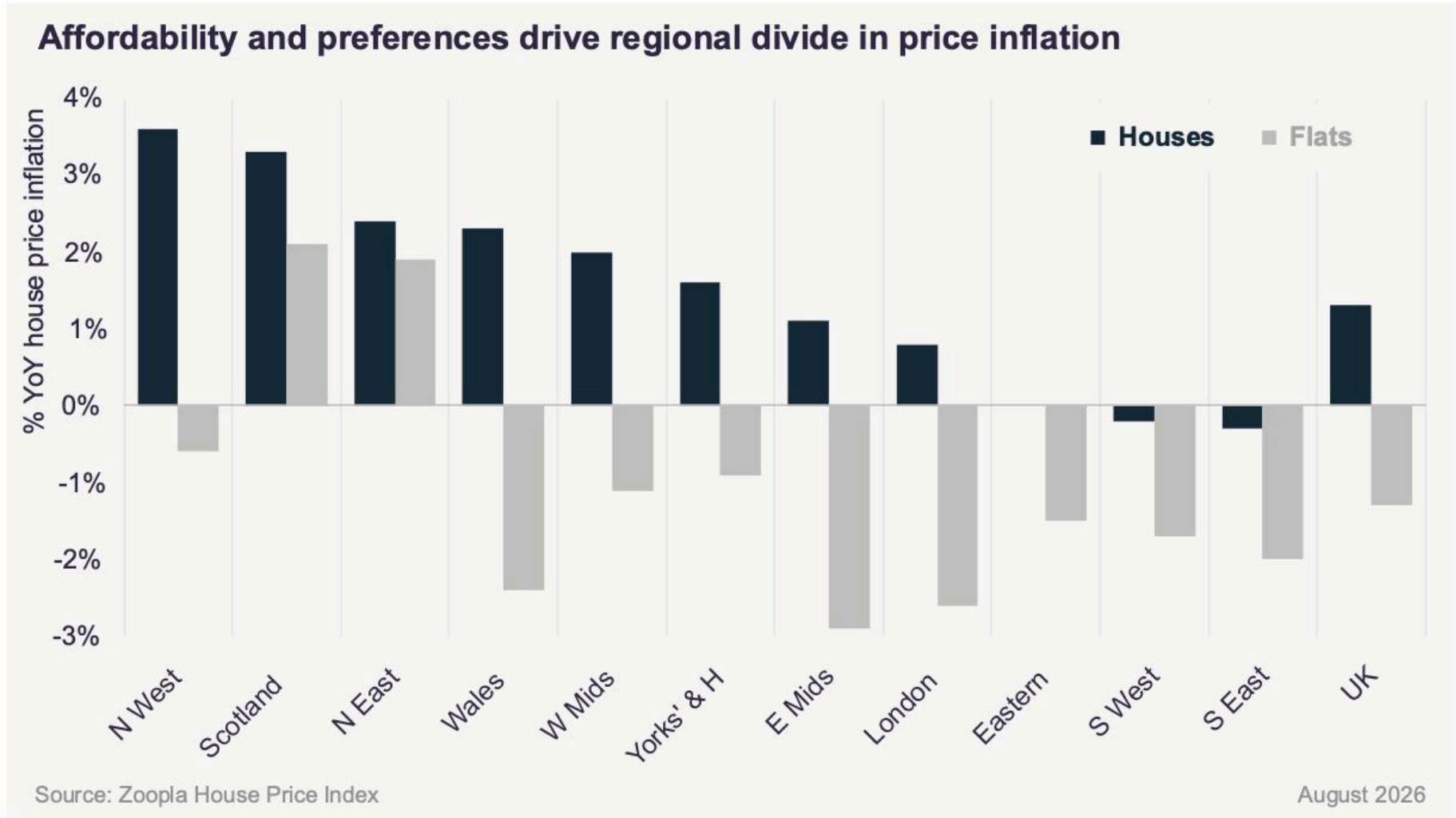
Higher borrowing costs are contributing to a growing divide between house and flat prices. Annual price growth for houses has slowed in recent months, while UK flat prices have been falling year-on-year since May 2025.

The price of houses is rising fastest in the North West (3.6%), followed by Scotland and the North East. Growth has stalled across much of southern England, where higher property values make buyers more sensitive to borrowing costs. Prices of flats are falling in almost every region, with Scotland and the North East the notable exceptions.

1 Four weeks to 20 September 2026 vs same period in 2025

2 Average mortgage rate for a new 75% LTV, 5-year fixed rate loan – Bank of England Bankstats and average across three large banks for latest rates at end September

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 5.2% at the end of September 2026



75%

Homes listed for sale in Scotland in Q2 that found a buyer within 3 months

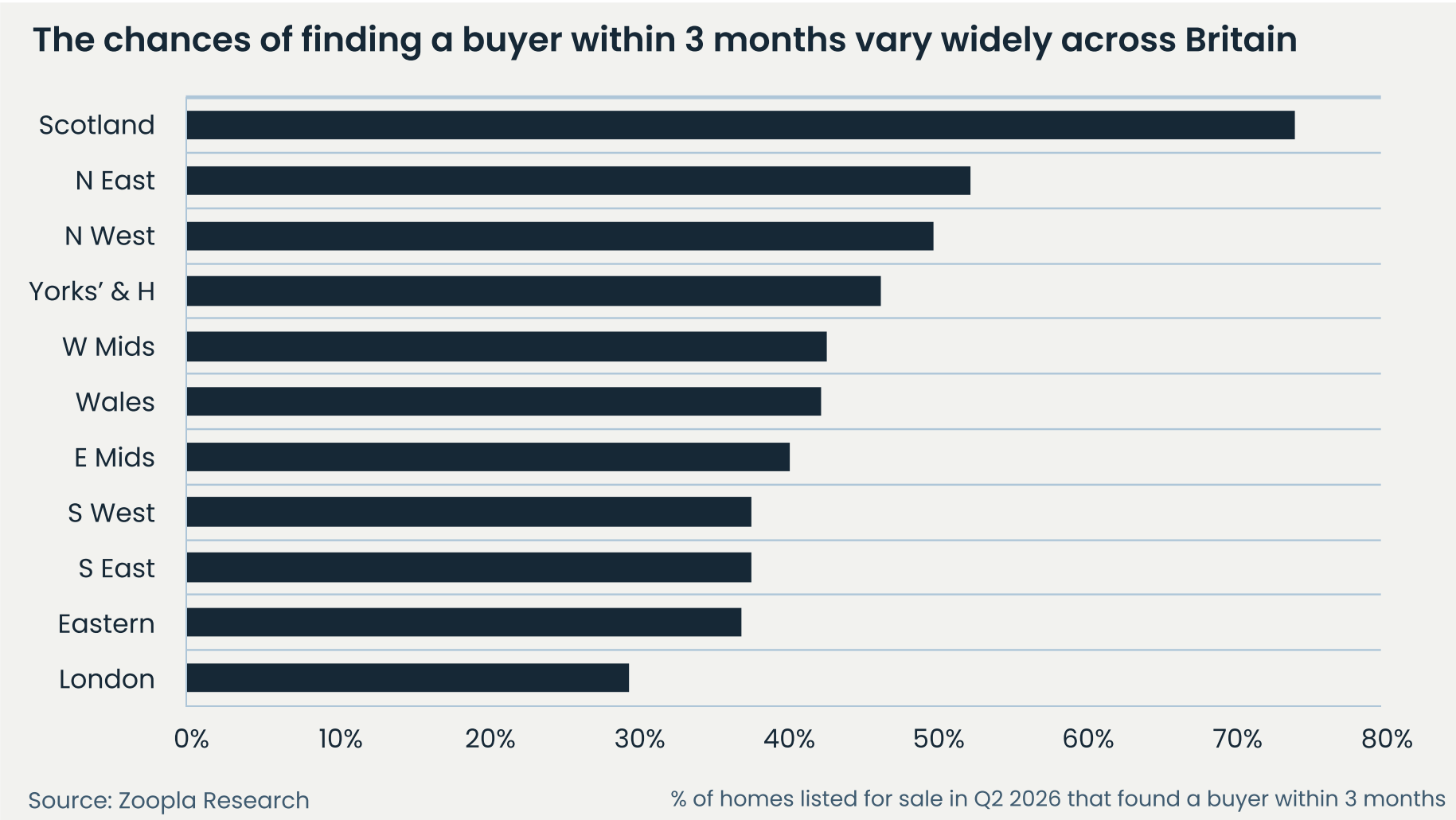
Affordability drives regional divide in prices and sales

Regional price trends are linked to the chances of finding a buyer. Around three-quarters of homes listed in Scotland between April and June found a buyer within three months, compared with around half in northern England and just 30% in London.

Homes for sale in more affordable markets tend to attract buyers faster and these areas are registering modest price growth. In contrast, higher borrowing costs and greater choice are weighing on prices across southern England.

These regional differences are also evident across property types with the market for flats and larger family homes more challenging in many areas, particularly southern England.

For anyone looking to move, national and regional house price trends tell only part of the story. Buyers and sellers need to understand local demand, what buyers can afford and how much competing stock is available. A local estate agent can help sellers set a realistic asking price and buyers judge what to offer.



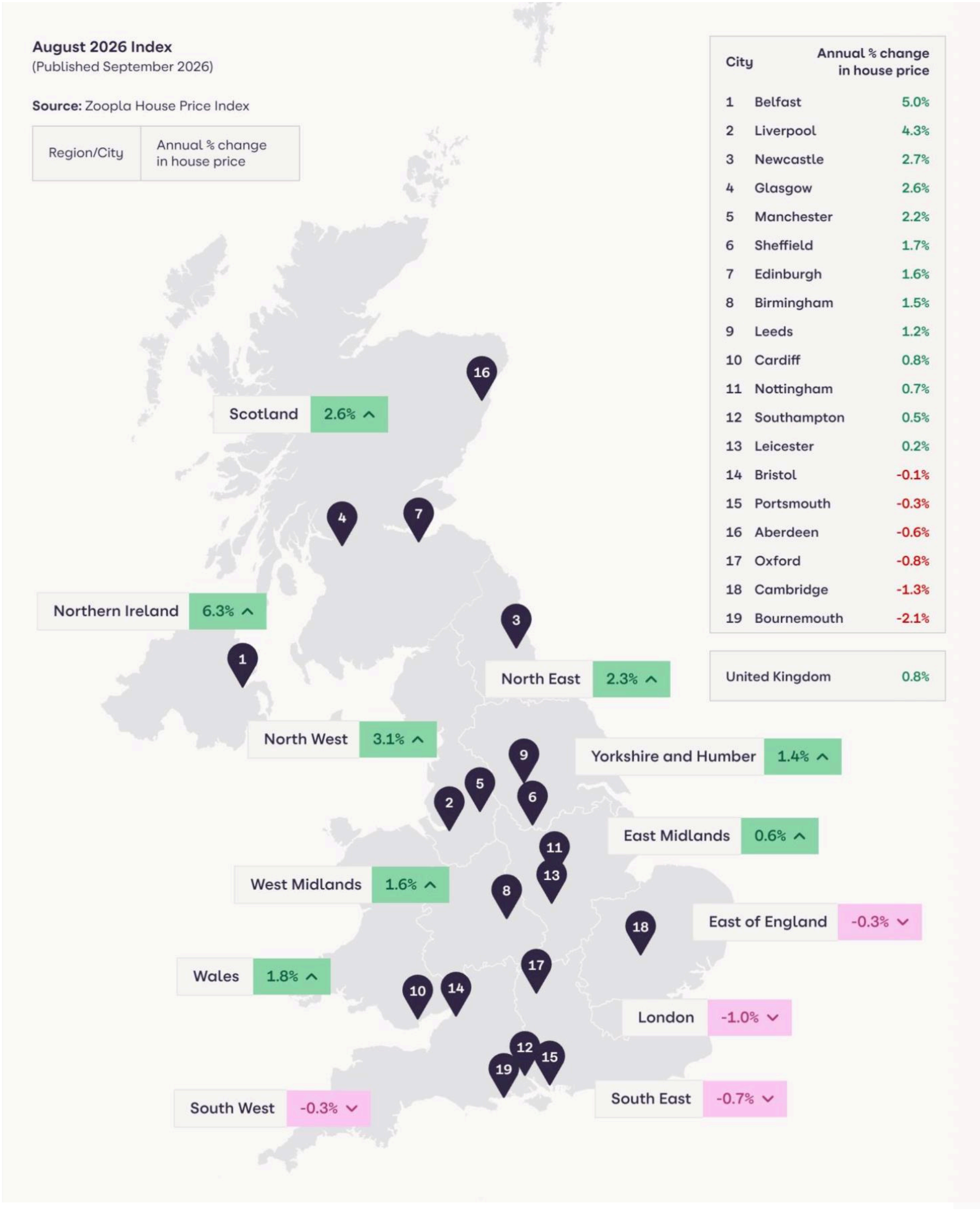
Cautious end to 2026

The Middle East conflict has pushed up energy prices and mortgage rates, tempering the autumn rebound in housing activity. Borrowing costs are likely to remain elevated, with price inflation drifting towards 0.5% by year-end and annual sales expected to be closer to 1.1 million.

While activity is down on last year, there is still plenty of demand for homes. Buyers are simply more cautious and selective about what they view and offer. Sellers who take advice and factor local market conditions into how they set their asking price can still find a buyer relatively quickly. The most challenging pricing decisions face sellers of flats and larger houses across southern England.

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.



House Price Index, city summary, August 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 Aug-26	%YoY Aug-25	Monthly trend	Annual trend
UK	£273,000	0.8%	1.7%		
20 City Composite	£312,100	0.5%	1.5%		
Belfast	£204,900	5.0%	8.7%		
Liverpool	£172,400	4.3%	3.7%		
Newcastle	£165,900	2.7%	2.9%		
Glasgow	£167,500	2.6%	3.4%		
Manchester	£240,200	2.2%	2.9%		
Sheffield	£179,600	1.7%	2.8%		
Edinburgh	£284,900	1.6%	2.0%		
Birmingham	£217,400	1.5%	1.9%		
Leeds	£217,000	1.2%	2.3%		
Cardiff	£261,200	0.8%	2.1%		
Nottingham	£205,700	0.7%	1.4%		
Southampton	£257,700	0.5%	0.0%		
Leicester	£229,100	0.2%	1.7%		
Bristol	£342,100	-0.1%	1.6%		
Portsmouth	£275,600	-0.3%	0.1%		
Aberdeen	£130,400	-0.6%	0.0%		
Oxford	£448,600	-0.8%	1.4%		
London	£524,500	-1.0%	0.5%		
Cambridge	£456,300	-1.3%	0.1%		
Bournemouth	£314,300	-2.1%	-1.2%		

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 report produced by

Richard Donnell

Executive Director – Zoopla
richard.donnell@zoopla.co.uk

Theo Brewer

Director of Analytics
theo.brewer@hometrack.com

Recent publications



View more of the latest housing research at hometrack.com

The information and data in this report was correct at the time of publishing and high standards are employed to ensure its accuracy. However, no reliance should be placed on the information contained in this report and Zoopla Ltd and its group companies make no representation or warranty of any kind regarding the content of this article and accept no responsibility or liability for any decisions made by the reader based on the information and/or data shown here.