

Residential Property Market Review

May 2026



Cautious confidence in the housing market

Savills' latest UK Housing Market Update highlights a market that remains active but increasingly cautious as buyers and homeowners respond to economic uncertainty and higher borrowing costs.

While mortgage activity has stayed relatively resilient up 1.3% from February, many households are acting quickly to secure deals before any further increases in interest rates. At the same time, surveyors and market indicators point to slowing momentum, with buyer demand softening and unsold stock beginning to rise.

Savills note that inflation concerns and geopolitical uncertainty continue to influence the Bank of England's approach to interest rates, creating a more careful environment for both buyers and sellers. Regional differences are also becoming more pronounced, with some areas continuing to see stronger demand than others. Overall, the update suggests the market is showing resilience, but that affordability pressures and cautious consumer sentiment are likely to temper activity in the months ahead.

Landlords exit rental market

New research by Savills shows that around 700 former rental homes are being listed for sale every day across Britain, reflecting growing pressure on private landlords as regulation tightens.

The data shows that approximately 254,000 previously rented properties were put up for sale in the year to March 2026, a 9% annual increase and 28% higher than two years ago.

The Renters' Rights Act is a major factor behind the trend. Lucian Cook, Savills' Head of Residential Research said the legislation has become "*a clear point at which to reassess*" investment decisions, particularly for smaller landlords facing higher mortgage costs and tougher energy-efficiency requirements.

The reforms include the abolition of Section 21 'no-fault' evictions and the introduction of periodic tenancies, measures designed to strengthen tenant protections. However, concerns remain that a shrinking supply of rental homes could place further pressure on renters in already competitive markets.

Average sale time holds at 33 days

The UK housing market continues to hold steady despite concerns over conflict in the Middle East, rising mortgage costs and weaker consumer confidence.

Research from Zoopla shows the average time to sell a home is now 33 days, just one day longer than the same time last year, suggesting committed buyers and sellers are still moving ahead with transactions.

Zoopla's data also found that agreed sales are running only 3% below last year's levels, while buyer demand has rebounded since Easter as lenders begin easing mortgage rates. However, the market remains uneven across the country. London and southern England are seeing slower activity, particularly in areas reliant on first-time buyers facing affordability pressures and higher Stamp Duty costs.

Richard Donnell, Executive Director at Zoopla, said the figures show "*people who need to move are getting on with it*" despite ongoing uncertainty.

House prices headline statistics

House Price Index (March 2026)	102.8
Average House Price	£268,000
Monthly Change	-0.4%
Annual Change	0.0%

* (Jan 2023 = 100)

- Average house prices in the UK showed no growth in the year to March 2026
- House prices decreased by **-0.4%** on average between February 2026 and March 2026
- The average house price in London was **£542,065**.

Source: The Land Registry
Release date: 20/05/26
Next data release: 17/06/26

Average monthly price by property type – March 2026

Property Type	Annual Increase
Detached £438,263	1.9%
Semi-detached £274,251	1.8%
Terraced £228,340	0.5%
Flat / maisonette £188,643	-5.3%

Source: The Land Registry
Release date: 20/05/26

House prices Price change by region

Region	Monthly change (%)	Annual change (%)	Average price (£)
England	-0.5%	-0.6%	£289,946
Northern Ireland (Quarter 1 - 2026)	1.5%	7.4%	£198,015
Scotland	-0.2%	1.6%	£186,582
Wales	0.6%	2.9%	£213,240
East Midlands	0.3%	0.7%	£241,747
East of England	-0.4%	0.1%	£337,182
London	-0.3%	-2.1%	£542,065
North East	-0.9%	-1.2%	£161,629
North West	-0.9%	-0.8%	£214,678
South East	0.0%	-0.8%	£378,515
South West	-0.1%	-0.8%	£300,849
West Midlands Region	-1.6%	-0.3%	£245,797
Yorkshire and The Humber	-0.9%	-0.2%	£207,750

Housing market outlook

“The housing market continues to display the resilience that has been its hallmark in recent years. While activity is likely to cool in the near term, the underlying picture remains one of relative stability, supported by wage growth that continues to outpace house price inflation. Another important factor is that the majority of existing homeowners are on fixed-rate mortgages, meaning they are largely insulated from short term changes in interest rates.”

Source: Amanda Bryden, Halifax Head of Mortgages, May 2026

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All details are correct at the time of writing (20 May 2026)

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