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Residential Property Market Review

March 2026



Muted activity in housing market

The UK housing market is struggling to gain momentum as geopolitical tensions cause uncertainty about what's on the horizon.

According to the latest survey from RICS, new buyer enquiries declined further in February, falling to a net balance of -26%, down from -15% the previous month. Agreed sales slipped slightly too, posting a net balance of -12%.

The recent outbreak of war in Iran has affected the short-term outlook, with near-term sales expectations dropping to -2%, the weakest reading since last November. The current longer-term outlook is a little more positive, with a net balance of 17% of respondents expecting sales activity to rise over the next twelve months.

The full economic impact of the Middle East conflict remains to be seen, but the mortgage landscape was muted before tension escalated. According to the Bank of England, only 60,000 mortgage approvals were recorded in January, down on the six-month average of 64,100.

Rental market becomes more balanced

Competition for rental properties has slowed to a six-year low, according to Zoopla.

Supply and demand are becoming slightly more balanced across the rental market. In March, tenant demand was 14% lower than the previous year, while the number of available properties rose by 11%.

This increase in supply may be due to more renters getting on the property ladder, therefore freeing up their homes. As a result, competition among renters is easing, with the number of enquiries per property falling annually from 6.5 to 4.8. This is the lowest level for six years but is still double the pre-pandemic average.

The relative improvement in rental conditions has helped to slow the pace of annual rental growth to 1.9% in March, down from 2.8% the previous year. There is some regional variation, with northern cities such as Liverpool and Newcastle showing stronger growth of 4.6% and 4.5% respectively.

Local housing markets rebound

Research from Yopa indicates that about 70% of local housing markets are in recovery.

The national picture for house price growth may be muted, but analysis of local authorities suggests that the landscape may be shifting upwards. Of the 359 districts analysed, 241 show monthly house price increases. Some of the strongest rebounds were seen in areas such as South Ayrshire, North Cambridgeshire and Northumberland. Meanwhile, the most expensive areas continue to see homes decrease in value – this is particularly evident in London, where Kensington and Chelsea, Camden, and Hammersmith and Fulham are among those seeing notable price declines.

Verona Frankish at Yopa commented, "After a difficult couple of years shaped by economic uncertainty and rapidly rising mortgage rates, conditions have undoubtedly been challenging... the fact that most Local Authorities are already in recovery demonstrates that the market is not in decline, but in transition."

House prices headline statistics

House Price Index (Jan 2026)	102.9
Average House Price	£268,000
Monthly Change	-0.3%
Annual Change	1.3%

* (Jan 2023 = 100)

Average house prices in the UK increased by **1.3%** in the year to January 2026

House prices decreased by **0.3%** on average between December 2025 and January 2026

The average house price in London was **£554,422**.

Source: The Land Registry
Release date: 25/03/26
Next data release: 22/04/26

Average monthly price by property type – Jan 2026

Property Type	Annual Increase
Detached £436,443	0.7%
Semi-detached £273,593	2.7%
Terraced £227,645	2.4%
Flat / maisonette £192,251	-1.2%

Source: The Land Registry
Release date: 25/03/26

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All details are correct at the time of writing (24 March 2026)

House prices Price change by region

Region	Monthly change (%)	Annual change (%)	Average price (£)
England	-0.2%	1.1%	£290,437
Northern Ireland (Quarter 4 - 2025)	1.4%	7.5%	£195,936
Scotland	-0.3%	1.3%	£187,716
Wales	-1.7%	2.0%	£210,186
East Midlands	-0.4%	2.1%	£241,497
East of England	-0.2%	1.2%	£336,455
London	0.8%	-1.7%	£554,422
North East	-2.8%	2.2%	£158,295
North West	-0.8%	3.1%	£214,443
South East	0.4%	-0.5%	£379,532
South West	0.0%	-0.1%	£301,518
West Midlands Region	0.3%	2.4%	£247,251
Yorkshire and The Humber	-0.5%	3.0%	£206,470

Housing market outlook

“While activity indicators at the start of the year suggested a tentative improvement, the deterioration in the geopolitical backdrop has clearly weighed on confidence.”

Tarrant Parsons, RICS Head of Market Research & Analytics

Source: RICS February 2026

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