Dipesh Mistry
Director
Illuminate Wealth Management

07903 241943
dipeshmistry@visionifp.co.uk
www.illuminatewm.co.uk

ILLUMINATE WEALTH MANAGEMENT LTD

Illuminate Wealth Management Ltd is an Appointed Representative of Vision Independent Financial Planning Ltd which is Authorised and Regulated by the Financial Conduct Authority (FCA). Firm reference number 487395.

YOUR WINDOW ON HOME FINANCE AUTUMN 2026



A more cautious housing market

As we move into autumn, the UK housing market remains relatively subdued. Higher borrowing costs and economic uncertainty continue to weigh on demand, while house prices have shown little movement. However, the market remains active, with buyers and sellers continuing to adjust to the current environment.

Prices remain broadly flat

Lloyds' August House Price Index (formerly Halifax House Price Index) showed the average UK property price was £298,468. This was 0.4% lower than a year earlier, the first year-on-year decrease since November 2023. Prices have remained within a narrow range for almost two years, highlighting the impact of affordability pressures and higher borrowing costs.

Savills expects mainstream UK house prices to fall by 2% across 2026, before returning to growth of 2.5% in 2027. It expects the recovery to build as affordability improves and economic conditions become more supportive.

Mortgage rates remain uncertain

The outlook for mortgage rates remains difficult to predict. Average fixed rates increased again during July and into August, although some lenders have subsequently reduced selected deals.

The Bank of England held Bank Rate at 3.75% in September, but mortgage rates do not necessarily move in line with Bank Rate. Market expectations, swap rates and lender competition can all influence the cost of fixed-rate borrowing.

New-build supply under pressure

While buyers continue to have a reasonable choice of existing properties, the supply of new homes remains a concern. Rightmove reports that the number of new-build developments coming to market is at its lowest level since January 2017. It says this highlights a shortage of homes in the right places and at affordable price points.

Looking ahead

The autumn market is likely to remain price-sensitive, with affordability continuing to influence decisions. Buyers may have opportunities to negotiate, while sellers will need realistic expectations. With mortgage rates still uncertain, taking advice and focusing on what is affordable over the longer term may be more valuable than trying to predict where the market will move next.

As a mortgage is secured against your home or property, it could be repossessed if you do not keep up mortgage repayments.

Homebuying reforms set to tackle gazumping

The UK government has unveiled plans to improve the homebuying process in England and Wales, aiming to reduce delays, lower costs and give buyers greater certainty.

Ending gazumping

One of the headline proposals is to tackle gazumping, which happens when a seller accepts a higher offer after already agreeing a sale with another buyer. As contracts are not legally binding until exchange, buyers can spend time and money on surveys, mortgage arrangements and legal work, only to lose the property at the last minute.

Under the proposed reforms, sales agreements would become legally binding much earlier in the process. Buyers or sellers who withdraw without a valid reason could face financial penalties, helping to reduce the number of failed transactions.

More information upfront

The government also plans to introduce sales packs, requiring sellers and estate agents to provide key information when a property is listed. This could include details about the property's condition, leasehold costs and chain status, allowing buyers to make more informed decisions from the outset.

A smoother buying journey

The reforms are expected to make homebuying faster and more transparent. The government estimates the changes could reduce transaction times by around four weeks and save first-time buyers an average of £650.

INSIDE THIS ISSUE:

In the news // Should you pay off your mortgage early? // The top concerns of FTBs // Still unsold? What to do? // Protect your mortgage // Budget incoming – keep calm and carry on

IN THE NEWS

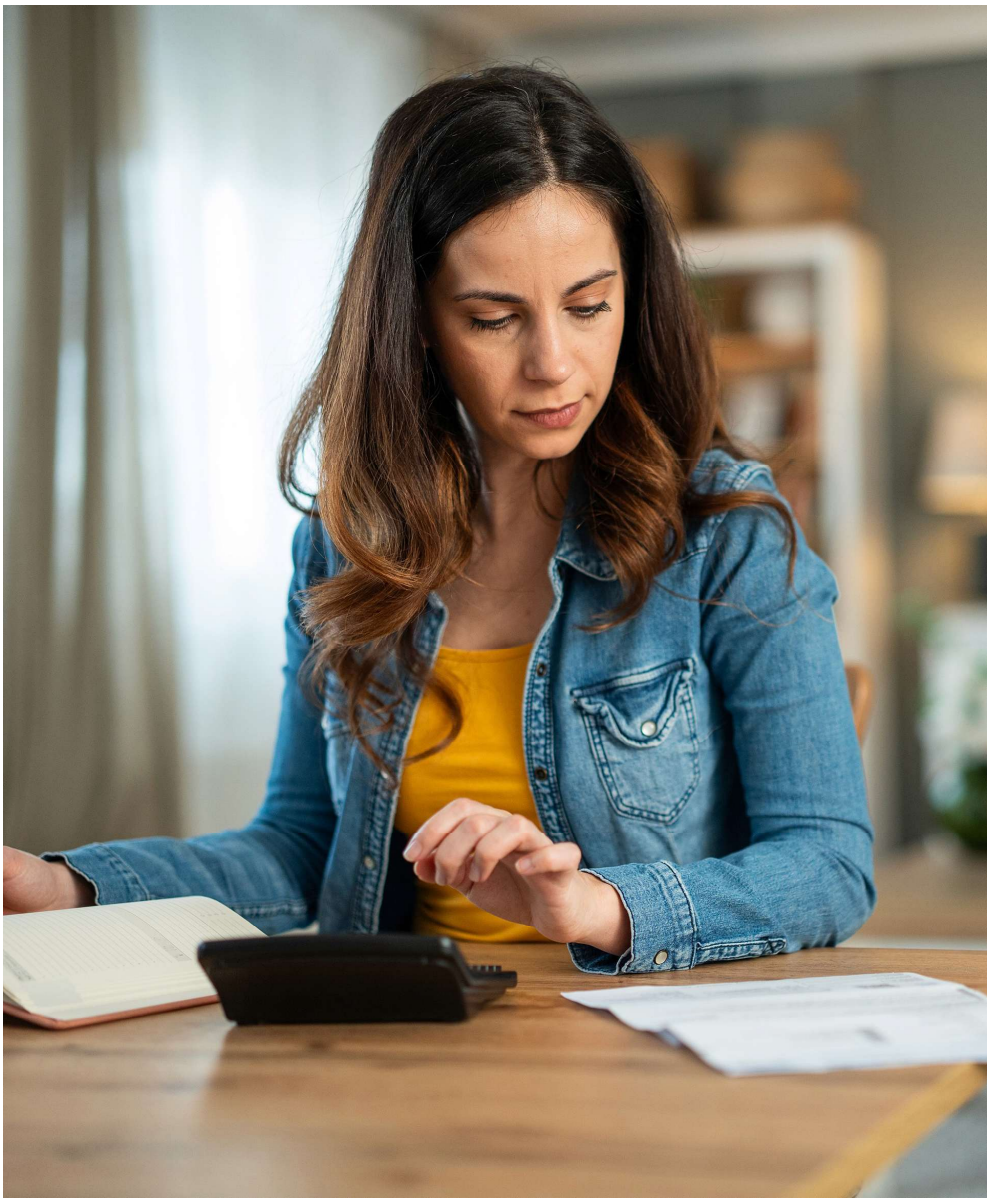
House envy - get over it

A new survey[1] highlights the growing influence of social media on first-time buyers, with 75% admitting to experiencing 'house envy' after seeing friends, influencers or peers share their property milestones online. While aspirational content can inspire, it can also create unrealistic expectations, with many buyers comparing their budgets to picture-perfect homes showcased on social platforms. Encouragingly, the research found that social media is also driving greater engagement with financial planning, as buyers increasingly research property values and affordability. The findings underline the importance of an adviser's role in helping clients balance aspiration with realistic, achievable homeownership goals.

Mortgage pressure set to grow

The Bank of England has warned that more than five million homeowners are now expected to face higher mortgage repayments by the end of 2028, around one million more than previously forecast. Geopolitical tensions and higher energy prices have pushed up inflation expectations, reducing the likelihood of lower borrowing costs in the short term. While the average homeowner coming off a fixed-rate deal over the next two years is expected to see monthly payments rise by around £45, some borrowers on lower rate mortgages could face much steeper increases. This highlights the importance of reviewing mortgage arrangements early and planning for potential payment shocks.

[1]Mojo



Should you pay off your mortgage early?

For many homeowners, becoming mortgage-free is an appealing goal. Making overpayments or clearing a mortgage early can reduce the amount of interest paid over the life of the loan and provide valuable peace of mind.

The case for paying your mortgage off early

Even relatively modest overpayments can lead to significant interest savings and shorten the mortgage term. However, paying off a mortgage early is not always the right choice. Before committing extra funds, it is worth considering whether higher-cost debts should be repaid first and whether sufficient emergency savings are in place. Homeowners should also check for any early repayment charges that could reduce the benefits of overpaying or paying off early.

Finding the right balance for your finances

For those approaching retirement, the decision can be even more nuanced. Entering retirement without a mortgage can lower monthly outgoings and reduce financial stress, making household budgeting more predictable. On the other hand, using part of a pension pot to clear a mortgage could leave less accessible cash available for unexpected expenses, with more wealth tied up in the family home.

Ultimately, the right approach depends on individual circumstances, including mortgage rate, savings levels and future plans. Keeping funds accessible may be more appropriate for some individuals. We can help you assess the costs and benefits of overpaying and determine whether becoming mortgage-free sooner aligns with your wider financial objectives.

 As a mortgage is secured against your home or property, it could be repossessed if you do not keep up mortgage repayments.



The top concerns of FTBs

A study[2] has highlighted how first-time buyer concerns differ across age groups. The younger generation is typically worried about affordability pressures and hidden moving costs, while older buyers may focus on expenses that arise during ownership.

The research shows that 38% of aspiring homeowners aged 18 to 24 are concerned about Stamp Duty, legal fees and moving expenses, which they believe form the biggest barrier to homeownership. A similar number (36%) are worried about job and income security. Prospective buyers aged 25 to 30 were most concerned about affordability pressures, such as high house prices (56%) and mortgage rates (37%). Anxieties change among buyers aged 31 to 40, with 36% saying they are most worried about paying for unexpected repairs once they've bought a home.

Forget the outside noise

We know that housing market conditions are challenging at the moment, but buying your first home is still possible with realistic planning and the right support. This autumn, try to focus on what you can control rather than being discouraged by external factors. There are practical steps you can take to get you closer to homeownership. You can check your credit score for free so you have time to make improvements before applying for a mortgage. Put any spare money into a savings account to maximise your deposit. Speak to us to help you understand what you can realistically afford.

Don't lose hope

Preparation is key. Seeking professional advice can help you make informed decisions and turn homeownership into a realistic goal. Let's talk it through.

[2]MAB

Still unsold? What to do?

Struggling to sell your home? You're not alone. Research[3] has found that three in five homes that were put up for sale in January were still unsold at the end of June.

The data suggests that buyers have become more cautious amid this year's geopolitical uncertainty. In June, sales agreed were 7% lower than the previous year while buyer demand fell annually by 15%. This is likely a response to raised mortgage rates, which were 5% higher in April due to the economic impact of the Middle East conflict.

A slower house sale does not necessarily mean that something is wrong with your property. However, there are things that you can do to get your home market-ready this autumn and improve your chances of selling.

Tips for getting market-ready

Firstly, review your pricing. It's understandable that you want to aim high with your asking price, but overshooting can come at a cost. Data[4] shows that a seller who gets their asking price right first time can get an agreed sale within 28 days. However, if you set it too high and need to reduce the asking price, it can take 100 days for a sale to be agreed.

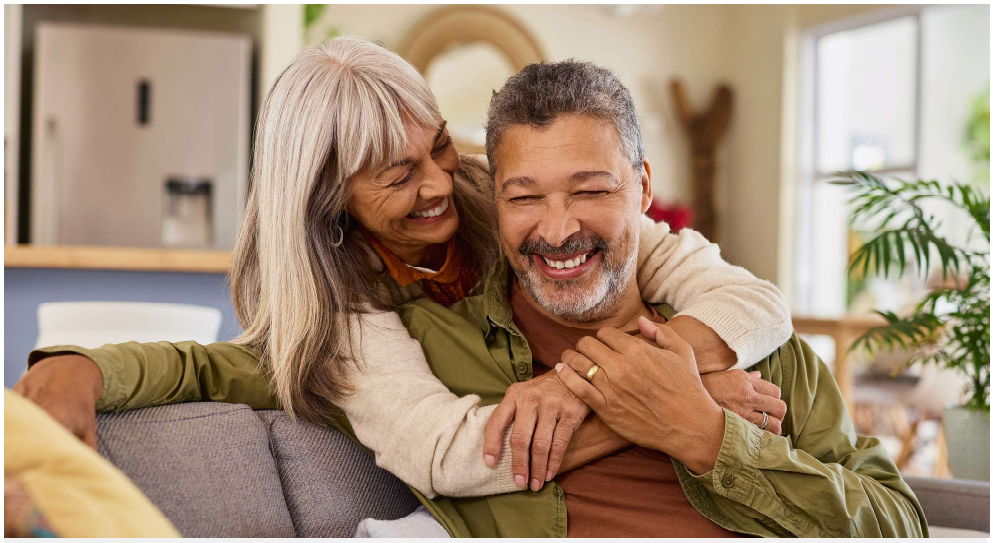
First impressions count. Make sure your home is presentable, including the front and back gardens, so that it appeals to prospective buyers. Decluttering the property can help to make your home feel more spacious. Now is a good time to do the maintenance tasks that you've been putting off, such as changing the dodgy lock and fixing the dripping tap.

Be realistic

Successful sales often come from adapting to the market rather than waiting for it to change, so it's important to stay flexible.

[3]Zoopla, [4]Savills





Protect your mortgage

Have you considered what would happen if your income suddenly stopped? That's what protection is for.

Many people underestimate the financial impact of being unable to work due to illness or injury, as only one in five UK workers have some form of protection in place[5]. Even fewer (one in ten) self-employed people are covered, which is worrying as they don't have the safety net of statutory sick pay.

The risk of relying on savings

The study highlighted that too many people are overly optimistic about how they would support themselves financially if they stopped work.

Over half (53%) of self-employed and 47% of workers said they would rely on their savings, but the typical respondent thought they would only last three months before running out of money.

Think it through

Subject to policy terms and conditions, income protection insurance can provide regular benefits if you are unable to work due to illness or injury. Protection such as this could help you to keep up with essential mortgage repayments.
So why not get ahead with an early new year's resolution and get it sorted? Sitting down with an adviser can help you ascertain how long you can realistically cover essential expenses if you were unable to work.

[5]LV

Financial protection policies typically have no cash in value at any time and cover will cease at the end of the term. If premiums stop, then cover will lapse. As a mortgage is secured against your home or property, it could be repossessed if you do not keep up mortgage repayments.

Budget incoming – keep calm and carry on

That time of year again - the Budget is fast approaching. With a new Prime Minister and a new Chancellor, attention will inevitably turn to what the government might do next, and what that could mean for the housing market.

There has already been plenty of speculation about what an Andy Burnham government could mean for property taxation, including possible changes to Stamp Duty and, longer term, whether we could see a different approach to taxing property and property ownership.

However, it is important to distinguish speculation from policy. The Prime Minister has subsequently sought to dampen some of the more dramatic predictions, making clear that homeowners should not expect major property tax changes in the short term.

That does not necessarily mean the government will simply leave the current system untouched. Housing affordability, taxation and home ownership remain important political issues, and reform could still be part of the longer-term agenda.

For now, though, speculation is unlikely to help homeowners or prospective buyers make sensible decisions. Predictions about possible tax changes can create unnecessary uncertainty and unease, particularly in a housing market already facing plenty of moving parts.

The sensible approach is to keep calm and carry on. For any advice in the meantime, please get in touch; we'll keep you posted with any relevant announcements.

It is important to take professional advice before making any decision relating to your personal finances. Information within this newsletter is based on our current understanding of taxation and can be subject to change in future. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK; please ask for details. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor. Changes in the rates of exchange may have an adverse effect on the value or price of an investment in sterling terms if it is denominated in a foreign currency. Taxation depends on individual circumstances as well as tax law and HMRC practice which can change. The information contained within this newsletter is for information only purposes and does not constitute financial advice. The purpose of this newsletter is to provide technical and general guidance and should not be interpreted as a personal recommendation or advice. The Financial Conduct Authority (FCA) does not regulate Will writing, tax and trust advice and certain forms of estate planning. All details are correct at time of writing – September 2026.

IF YOU WOULD LIKE ADVICE OR INFORMATION ON ANY OF THE AREAS HIGHLIGHTED IN THIS NEWSLETTER, PLEASE GET IN TOUCH