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Residential Property Review

January 2026

Our monthly property market review is intended to provide background to recent developments in property markets as well as to give an indication of how some key issues could impact in the future.

We are not responsible or authorised to provide advice on investment decisions concerning property, only for the provision of mortgage advice.

Market predictions for 2026

What's in store for the residential market this year? Rightmove has shared its predictions.

House prices unexpectedly fell by 0.6% last year, however they are anticipated to increase nationally by 2% in 2026 as affordability improves. Regional variations will persist, with stronger price growth expected in Scotland, Wales and the north of England. Meanwhile, London and the south of England will likely see slower growth.

First-time buyers may benefit from a greater supply of homes giving them more negotiating power. Plus, rent is rising at a slower annual pace, which may help prospective FTBs save up for their deposit. However, many new homeowners will still rely on help from the Bank of Mum and Dad to get on the property ladder.

At the very top end of the market, there may be some sluggishness – this is dueto the new Mansion Tax on homes above £2m, which is due to come into effect in April 2028.

London prime market

According to data from Benham and Reeves, buyer demand in London's prime property market increased in Q4 2025.

For homes in the capital valued between £2m and £10m, demand rose quarterly to 13.2% in Q4. This is up 1.2% on the previous quarter but down 1.3% when compared with the previous year. Chiswick recorded the strongest activity, with 43.3% of prime properties securing buyers. This represents an 11.4% quarterly increase. Islington and Putney followed closely behind, selling 42.4% and 42.2% of prime properties respectively.

Meanwhile, Battersea saw the sharpest decline in buyer demand (7.6%), followed by Clapham (5.3%) and Canary Wharf (4.2%). Director of Benham and Reeves, Marc von Grundherr commented, *"Despite the renewed noise around further taxation on higher value homes, prime London demand strengthened as we moved through the final quarter of the year, with buyers clearly prepared to act on the right property at the right price."*

Boxing Day activity reaches record high

Rightmove recorded its busiest ever Boxing Day in December 2025.

Housing activity typically recommences on 26 December after the festive season and 2025 was no exception. Rightmove reported a record number of site visits, with traffic rising 93% between Christmas Day and Boxing Day. This is bigger than 2024's surge of 87%.

In the five days after Christmas, enquiries from those wanting to view homes rose by 67% when compared with the five days before Christmas. Over this same period, new property listings increased by 143%. The South East, East of England and London saw the highest levels of activity.

Steve Pimblett at Rightmove commented, *"It's early days, but Boxing Day's data suggests agents could have a busy start to 2026 after a quieter festive period during December, which was also impacted by the lateness of the Budget and the uncertainty around potential policies in the lead up to it."*

House price
Headline statistics

House Price Index (November 2025)	103.9
Average House Price	£271,000
Monthly Change	0.3%
Annual Change	2.5%

– Average house prices in the UK ***increased by 2.5%*** in the year to November 2025

– House prices decreased by ***0.3%*** on average between October and December 2025

– The average price in London was ***£553,258.***

House price
Price changes by region

Region	Monthly change (%)	Annual change (%)	Annual change (%)
England	0.4%	2.2%	£293,131
Northern Ireland	4.3%	7.1%	£193,247
Scotland	0.3%	4.5%	£193,114
Wales	-0.6%	0.7%	£208,935
East Midlands	-0.2%	2.7%	£242,180
East of England	-0.7%	1.8%	£338,286
London	-1.3%	-1.2%	£553,258
North East	1.8%	6.8%	£166,568
North West	0.9%	4.1%	£216,741
South East	-0.8%	1.0%	£381,369
South West	-0.8%	1.9%	£306,045
West Midlands Region	0.3%	2.1%	£248,653
Yorkshire and The Humber	1.2%	3.7%	£209,236

All details are correct at the time of writing (21 January 2026)

Source: The Land Registry | Release date: 21/01/26 | Next data release: 18/02/26