

March 2026

### Executive Summary

**Prices up, but only modestly**

National growth at 1.8% with momentum led by Scotland, Wales and the North.

**London and the South still soft**

The capital down 2.5% YoY, dragging national averages.

**Global uncertainty a risk**

Strong early year demand could be tested if geopolitical tensions escalate further, with the Middle East conflict already adding volatility to swap rates and slowing the pace of mortgage rate reductions.

**£329,000**

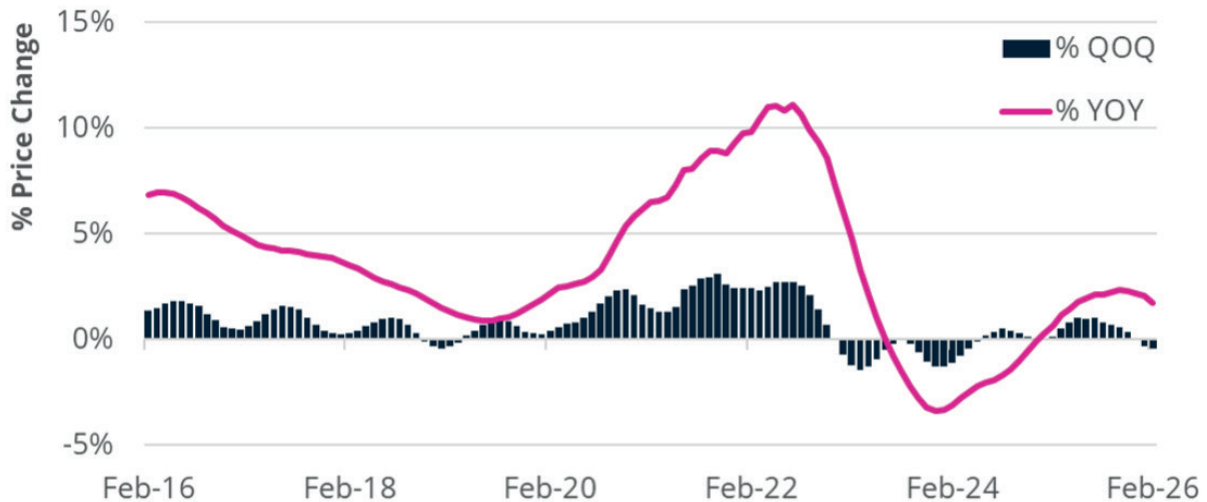
GB Avg. Price (Feb 2026)

**+1.8%**

% Annual Price Change

### Top Performing Regions

- 1. Scotland +4.3%
- 2. North West +3.4%
- 3. Wales +3.4%



Source: e.surv, Feb 2026

## ► House Prices: Modest Growth as the Market Stabilises

The housing market has entered 2026 on relatively steady ground, even as the wider economic backdrop has become more uncertain.

Our latest HPI shows activity strengthening through the first two months of the year, supported by improving affordability, reduced rate volatility, and the return of buyers who delayed decisions last autumn.

A key leading indicator supports this trend. Mortgage valuation volumes in our systems remain ahead of expectations with solid activity from both first time buyers and movers. Historically, this level of valuation activity feeds into completed sales over the next two to three months, suggesting the pipeline into late spring is strengthening.

Despite this firmness in demand, price growth remains modest. Across Great Britain, annual house price growth stands at +1.8%, with month on month and quarter on quarter changes at -0.1% and -0.4%. Buyers remain price sensitive, lenders cautious on margins, and affordability constraints continue to shape behaviour - particularly in higher value regions.

Scotland continues to out-perform, with annual growth of +4.3%, supported by a market structure that remains more resilient to shifts in borrowing costs.

The North West and Wales (both +3.4%) and Yorkshire (+3.0%) also post solid annual gains, reflecting a combination of comparatively affordable pricing and buyer demand that has held up well through the past year. These regions have consistently delivered above average growth since mid 2024, underlining the stronger momentum across the northern half of the country.

Further south, conditions are steadier. The West Midlands (+2.8%) and East Midlands (+2.3%) show moderate annual increases, with marginal monthly movements suggesting balanced demand across first time buyers and movers.

### Strong Regional Performers: Scotland, Wales and the North Lead Again

Region	Price	%YOY	%QOQ	%MOM
Scotland	£226,500	4.3%	-0.1%	0.0%
North West	£249,000	3.4%	0.2%	-0.1%
Wales	£235,500	3.4%	0.3%	0.0%
Yorkshire	£226,000	3.0%	-0.3%	0.2%
West Midlands	£279,500	2.8%	-0.2%	-0.1%
North East	£191,500	2.5%	-0.7%	-0.2%
East Midlands	£266,000	2.3%	-0.3%	-0.2%
South West	£330,500	1.4%	-0.7%	-0.2%
East of England	£376,000	1.1%	0.6%	-0.2%
South East	£418,000	0.7%	-0.6%	-0.2%
London	£583,000	-2.5%	-0.7%	-0.2%
Great Britain	£320,000	1.8%	-0.4%	-0.2%

## ▶ London and the South Drag on National Growth

In contrast, London and the South remain softer. London prices are -2.5% year on year, extending a run of 34 consecutive months of price falls. The South East and East of England, while both still in positive annual territory, recorded small quarterly declines (-0.6% to -0.7%). Higher average loan sizes leave these regions more exposed to shifts in funding costs, and confidence at the upper end of the market remains sensitive to broader economic sentiment. Although activity is improving, London and the South continue to act as a drag on the national picture.

Overall, the index shows a market gradually normalising: transactional momentum has been building since late last year; prices are stable to modestly rising; and regional affordability advantages in Scotland, Wales, the North and the Midlands continue to reflect stronger price performance. The north-south divide remains the defining feature of the current market.

## ▶ Budget Stability but Heightened Global Uncertainty

The housing market entered March on a relatively stable footing, but renewed geopolitical tensions - particularly the escalation of conflict in the Middle East - have introduced new risks. While the Chancellor's Spring Forecast set out a steady outlook, rising geopolitical risk has pushed up commodity prices and unsettled markets. Higher gilt yields and increased swap rate volatility have created a more unpredictable lending environment than was expected earlier in the year.

Reports suggest some lenders have increased rates over the past week, with a number also withdrawing products. However, overall pricing remains below late 2023 peaks, and these shifts point to caution, with reductions likely only once swap rate conditions stabilise.

The macro backdrop remains mixed. The OBR expects GDP to grow just over 1% in 2026 and forecasts a slightly higher unemployment rate than previously anticipated. This reflects a labour

market gradually cooling after several years of tight conditions rather than a sharp downturn. For housing, underlying demand should remain supportive, but the market remains sensitive to any deterioration in household confidence, particularly among borrowers relying on higher loan-to-income multiples.

The next key moment will be the Bank of England's 19 March decision, though a rate cut from the current 3.75% now seems unlikely.

For now, activity is strengthening, prices are rising modestly, and regional affordability patterns remain the dominant driver of performance across Britain. The key question for spring is whether buyer demand can stay resilient enough to offset continued softness in London and the South against an increasingly unsettled global backdrop.

### About the e.surv House Price Index

The index is based on the actual prices at which homes are bought and sold, drawing on HM Land Registry and Registers of Scotland data, which captures the vast majority of completed transactions. To provide a timely view of current market conditions, the index also incorporates modelled sold subject to contract data on the leading edge, helping to smooth short term volatility.

Our indices are published in good faith and represent our best endeavours, but no assurance is given as to their precision, accuracy or suitability for any specific purpose.

### About e.surv Chartered Surveyors

e.surv is the UK's largest valuation provider, directly employing over 600 residential surveyors across the UK, supported by a network of consultant valuers.

The business is appointed as Panel Manager for more than 20 mortgage lenders and other entities with interests in residential property, and also provides a number of private survey products direct to the home-buying public.

e.surv is part of LSL Property Services plc, which includes household names Your Move, Reeds Rains and PRIMIS.

For further information, please visit our website: [www.esurv.co.uk](http://www.esurv.co.uk)

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