

May 2026

### Executive Summary

**GB house prices are still rising, but slowly.**

Average prices are **£327,800**, up **1.7% year on year**, with prices rising **0.2% over the month** and **0.3% over the quarter**.

**Regional growth is being led by more affordable markets, while London lags.**

Scotland is up **4.4%**, the North West **3.7%** and Yorkshire and the Humber **3.2%**, while | London is the only region in negative territory, **down 3.6% year on year**.

**London’s weakness is not evenly spread.**

Analysis shows a clear split between inner and outer London, with inner boroughs and flat-heavy markets explaining much of the drag on the capital’s headline figure.

**£327,800**

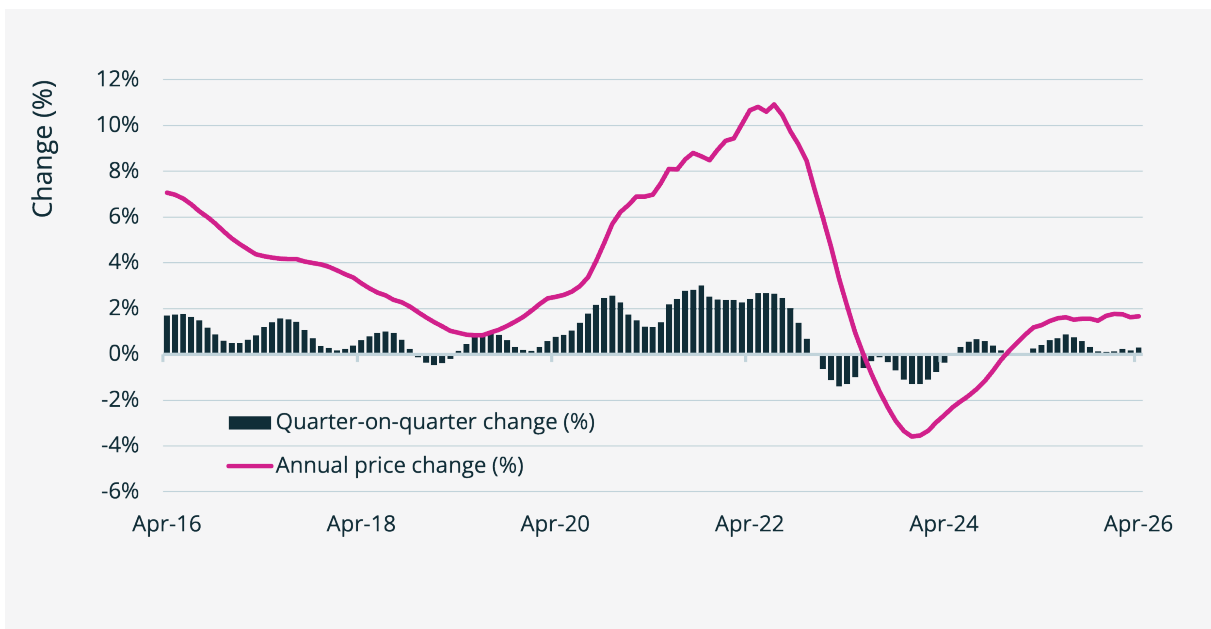
GB Avg. Price (April 2026)

**+1.7%**

% Annual Price Change

### Top Performing Regions

- 1. Scotland **+4.4%**
- 2. North West **+3.5%**
- 3. Yorkshire **+3.2%**



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## ► GB market: prices still rising, but slowly

The GB housing market continues to record positive price growth, but the pace remains modest. **Average prices are now £327,800, up 1.7% year on year.**

Prices also rose 0.2% over the month and 0.3% over the quarter. This points to a market that is still moving forward, but without strong momentum. The headline GB figure masks a wide range of regional positions. Most regions are still recording annual price growth, but London is moving in the opposite direction. The spread between the strongest and weakest regions

is now 8.0 percentage points, with Scotland up 4.4% and London down 3.6%. The small monthly and quarterly gains show there is still support for prices, but the pace remains steady rather than strong. Without a clearer improvement in affordability and mortgage rates, national growth is likely to remain modest.

Region	Price	%YOY	%QOQ	%MOM
Scotland	£228,300	4.4%	0.9%	0.3%
North West	£248,600	3.7%	0.5%	0.2%
Yorkshire	£234,400	3.2%	0.4%	0.1%
Wales	£235,900	3.0%	0.5%	0.3%
East Midlands	£267,200	2.8%	0.5%	0.2%
West Midlands	£277,200	2.7%	0.5%	0.2%
North East	£189,600	2.5%	0.3%	0.2%
South West	£327,900	1.4%	0.1%	0.1%
East of England	£373,400	1.0%	0.2%	0.1%
South East	£416,400	0.4%	0.1%	0.1%
London	£586,900	-3.6%	-0.1%	0.1%
Great Britain	£327,800	1.7%	0.3%	0.2%

Regional price growth remains mixed. More affordable parts of GB are recording the strongest annual increases, while London and parts of southern England are recording weaker annual increases.

Scotland is the strongest-performing region, with prices up 4.4% year on year. The North West follows at 3.7%, Yorkshire and the Humber at 3.2%, and Wales at 3.0%. These outperforming markets have lower average prices than GB as a whole. Scotland (£228,300), the North West (£248,600), and Yorkshire and the Humber (£234,400) are all well below the GB average price of £327,800, highlighting the role affordability plays in supporting growth.

The Midlands sit just above the national average. Prices are up 2.8% in the East Midlands and 2.7% in the West Midlands, with both regions also recording positive monthly and quarterly growth. This puts them

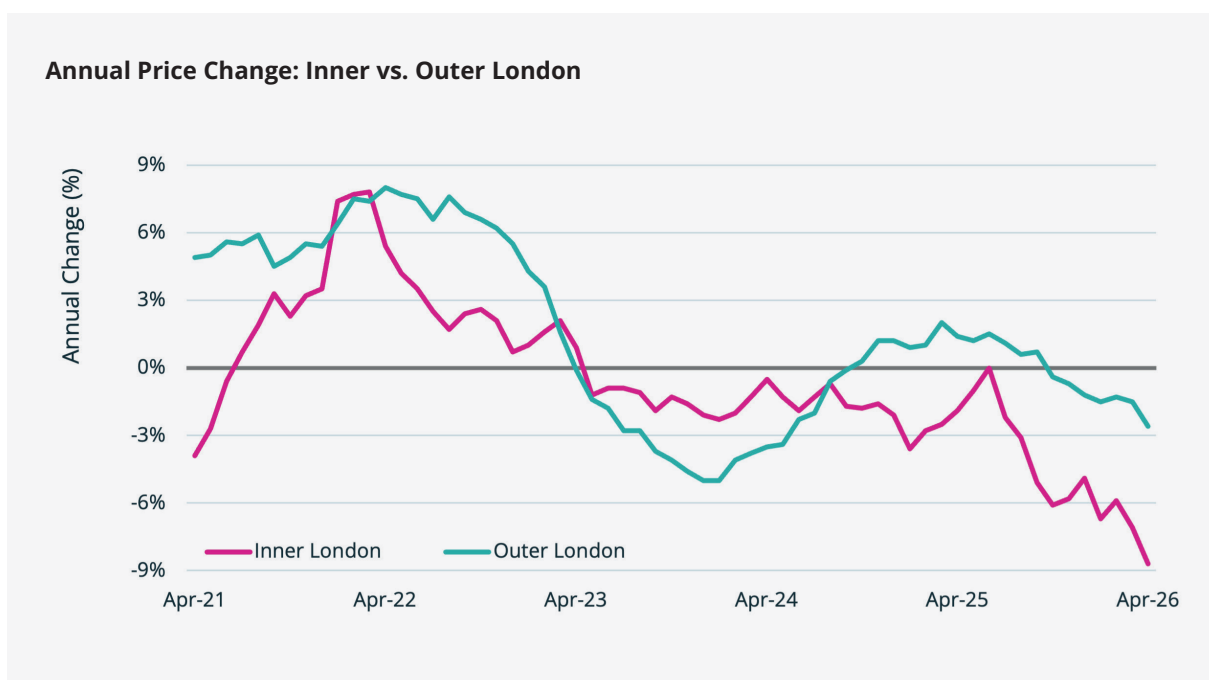
in the middle of the regional pack: not leading the market, but showing steadier growth than London and the South.

Southern England is below the GB growth rate. The South East is up just 0.4% year-on-year, the East of England is up 1.0%, and the South West is up 1.4%. Prices are still rising, but at a slower pace than the national average. London is the only region in negative territory. Average prices are £586,871, the highest in the table, but values are down 3.6% year on year. London is also the only region showing negative quarterly growth, at -0.1%.

This leaves a clear split in the regional data: Lower-priced regions are still seeing steady growth, while higher-priced markets are more subdued. London is the exception, with both annual and quarterly prices falling.

## ► Inner London leads the fall in capital values

London's headline price falls hide a split within the capital. While average prices across London are down 3.6% year on year, analysis of inner/outer London data shows that the pressure is concentrated in the higher-value inner boroughs.



e.surv House Price Index, April 2026

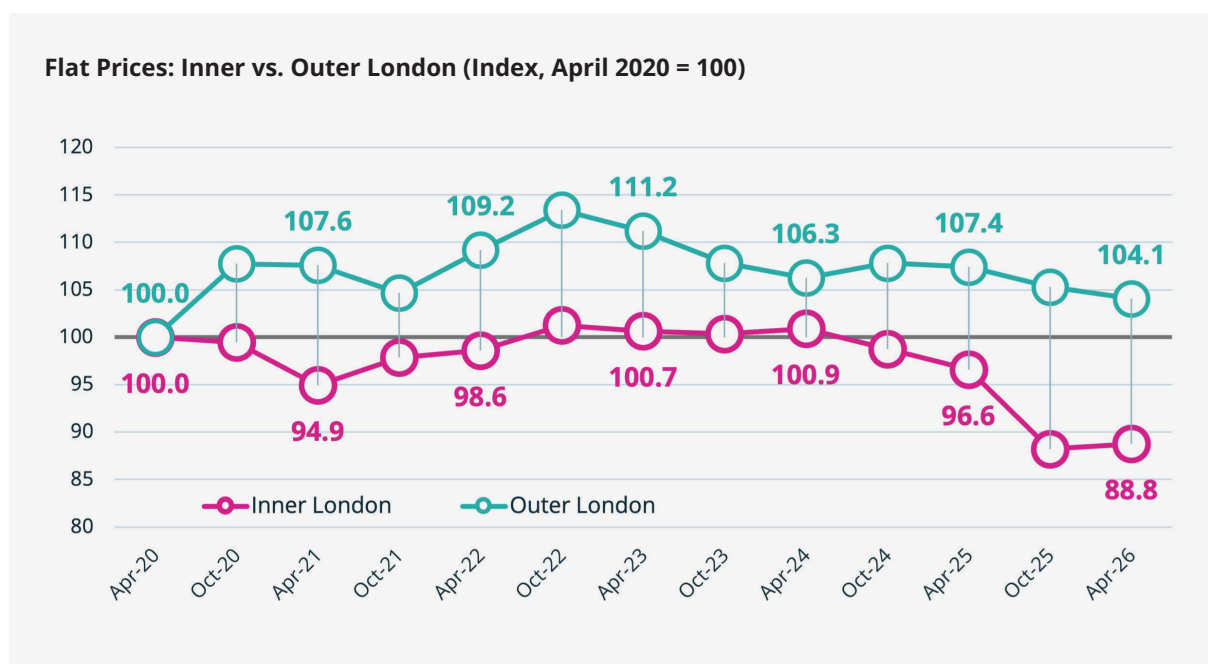
Inner London prices are down 8.7% year on year, compared with a 2.6% fall in outer London. The average inner London price is £687,415, compared with £518,655 in outer London — a gap of almost £169,000. The most expensive parts of the capital are seeing the sharpest falls, while outer London is weakening by much less.

Outer London continued to show annual price growth through much of 2024 and early 2025, while inner London had already started to register price falls. Those falls have become sharper over the past

year, suggesting the pressure in London started in the higher-value inner boroughs before spreading more widely.

Outer London is softer than a year ago, but the sharper fall is in inner boroughs. Higher values leave buyers more exposed to affordability pressure, while tax changes are likely to weigh most heavily on the top end of the market. The composition of the market also matters: inner London has a larger flat sector, and flats have been one of the weakest parts of the capital's housing market.

## ► Inner London flats under pressure



e.surv House Price Index, April 2026

Inner London flat prices are now 11.2% below April 2020 levels, with the index at 88.8 in April 2026. Outer London flats have softened, but remain 4.1% above their April 2020 level.

Outer London flats rose strongly after 2020, reaching 113.4 on the index in October 2022. Prices have eased since then, but remain above the starting point. Inner London flats followed a different path, briefly returning to their April 2020 level at 100.9 in April 2024, before falling to 96.6 in April 2025 and 88.8 by April 2026.

The weakness in inner London flats highlights several overlapping pressures. Higher mortgage rates have had a bigger impact where prices are highest, reducing buying power for first-time buyers and mortgaged investors. Higher service charges and running costs have also made some flats less attractive relative to houses or lower-density homes. The end of Help to

Buy removed a source of demand for new-build flats, while some inner London markets continue to work through a larger supply of apartment stock.

Tax changes add another layer of pressure at the top end. Higher stamp duty costs for overseas buyers, alongside the introduction of a 'mansion tax' affecting higher-value homes from 2028, are likely to be felt most in inner London, where values are highest and exposure to international buyers is greater. These factors are unlikely to explain the full fall in flat prices, but may be adding to caution in a market already constrained by weaker affordability and softer demand.

For sellers and lenders, this points to a more price-sensitive inner London flat market, where sold prices are reflecting weaker demand, higher buyer costs and increased competition from similar stock.

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## Outlook

The near-term outlook remains steady rather than strong. Prices are still rising, but modest monthly and quarterly growth suggest the pace is easing.

Mortgage pricing remains the key challenge. Volatility in gilt yields and swap rates – driven by global and domestic uncertainty – is feeding through into mortgage rates and keeping affordability under pressure. While momentum is easing, overall market conditions remain relatively resilient.

More affordable regions should remain better supported while borrowing costs stay elevated. London looks more exposed, but the pressure is not spread evenly. Inner boroughs and flats are bearing most of the strain, while outer London is softer

The picture is not one of broad-based weakness, but increasing divergence. Growth remains modest overall, but pressures are concentrated in London – particularly in inner boroughs and the flats market – while more affordable areas continue to hold up. Affordability, rather than demand, remains the key constraint.



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### About the e.surv House Price Index

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Powered by a nationwide network of 600+ RICS-registered surveyors and backed by growing in-house expertise in data science, analytics and technical insight, we complete a valuation roughly every 25 seconds - giving lenders unparalleled scale, resilience and risk intelligence.

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