

October 2026

Executive Summary

Great Britain house prices rose 1.5% annually in September but fell 0.2% over both the quarter and the month as momentum softened.

Scotland leads annual growth at 3.5%, while London remains the only region in decline, with prices down 2.3% year on year.

Flats remain the clear outlier - almost four in ten London flats held for 5-10 years sold below their previous recorded price.

Flats recorded higher loss rates than houses in every region. By contrast, fewer than 2.2% of houses across Great Britain sold below their previous recorded price over the same period.

£328,900

GB Avg. Price (Sept 2026)

+1.5%

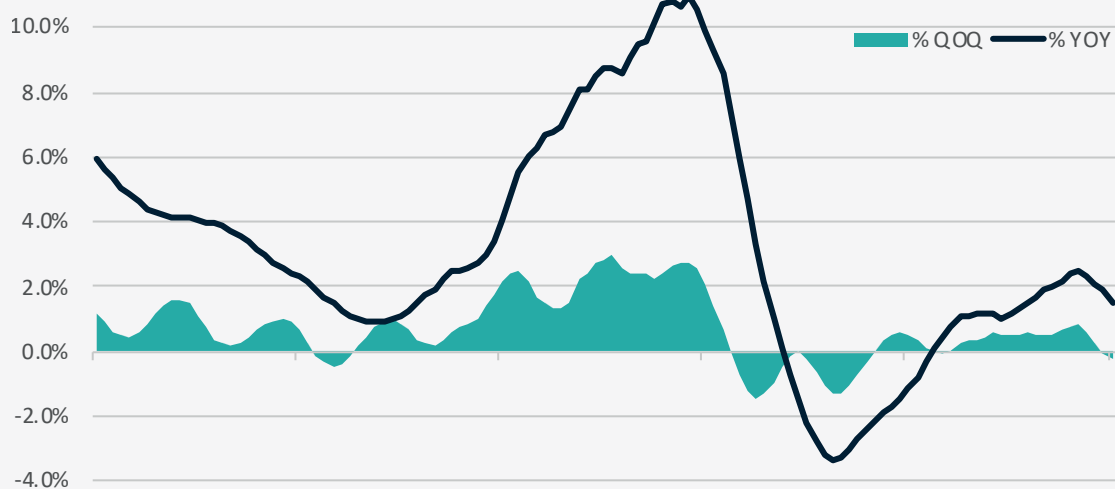
% Annual Price Change

Top Performing Regions

1. Scotland +3.5%

2. Yorkshire +3.4%

3. Wales +3.4%



Source: e.surv HPI, September 2026

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► House Price Growth Loses Momentum

Region	Price	%YOY	%QOQ	%MOM
Scotland	£234,000	3.5%	0.7%	0.1%
Yorkshire	£238,800	3.4%	-0.1%	-0.1%
Wales	£239,400	3.4%	0.0%	-0.1%
North West	£251,900	3.1%	0.1%	0.0%
North East	£194,200	2.7%	-0.1%	-0.1%
West Midlands	£278,700	2.4%	0.0%	-0.1%
East Midlands	£266,900	1.9%	-0.3%	-0.2%
South West	£329,700	1.2%	-0.6%	-0.2%
East of England	£373,900	0.6%	-0.3%	-0.2%
South East	£415,300	0.0%	-0.6%	-0.2%
London	£594,200	-2.3%	-0.8%	-0.3%
Great Britain	£328,900	1.5%	-0.2%	-0.2%

Source: e.surv HPI, September 2026

Great Britain house prices rose by 1.5% in the year to September, taking the average price to £328,900. Annual growth remains positive, but the pace has slowed steadily from 2.5% in May and is now back around the levels seen at the end of last year.

Prices fell by 0.2% over the quarter and by the same amount during September. Quarterly growth had remained positive through the spring and early summer, but slipped below zero in August and weakened further in September. This is still a relatively modest adjustment, but the direction has changed noticeably since the first half of the year.

Scotland remains the strongest market, with prices 3.5% higher than a year ago. Yorkshire and the Humber and Wales follow at 3.4%, while the North West is also

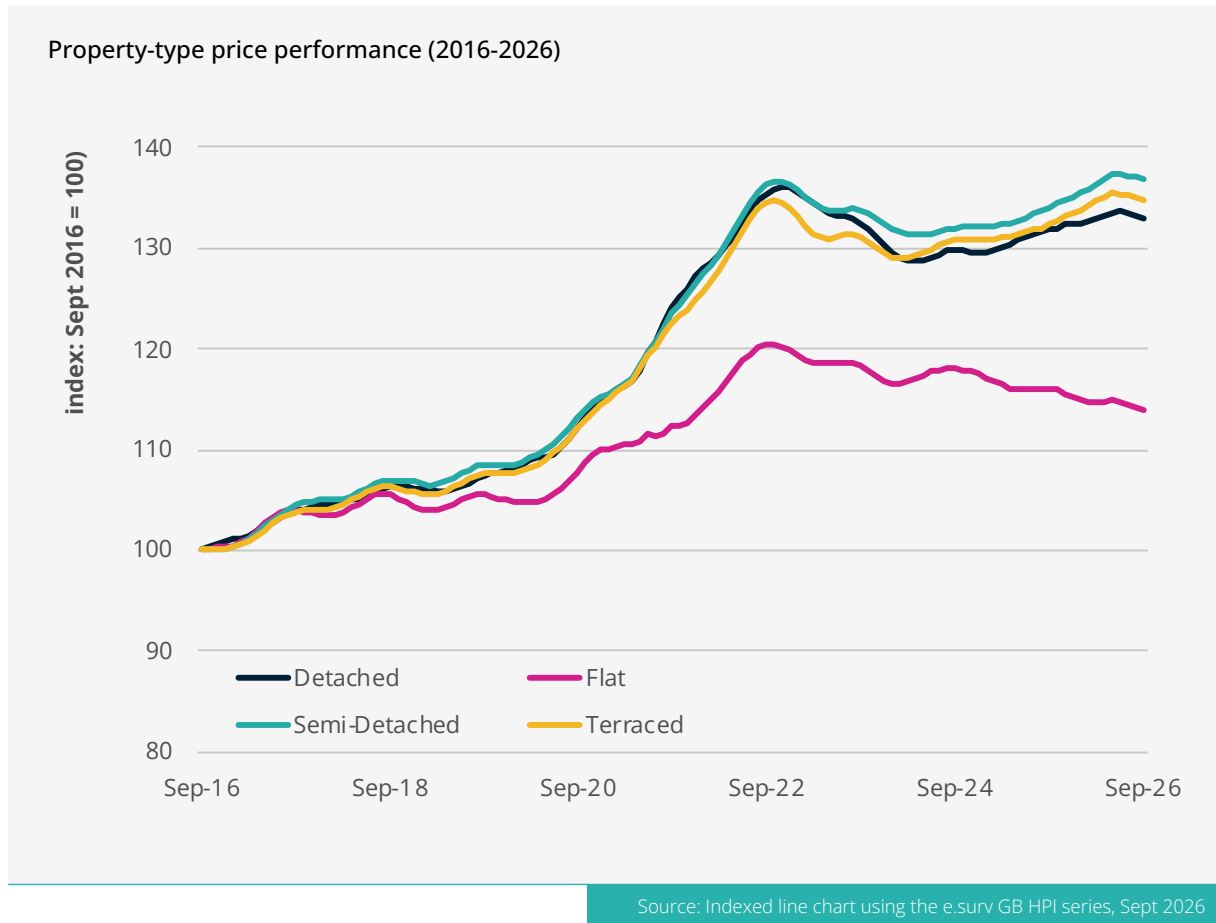
recording annual growth above 3%. Scotland was also the only part of Great Britain to record quarterly growth above 0.1%, with prices up 0.7%.

Further south, growth is much weaker. Annual price growth has slowed to 1.2% in the South West and 0.6% in the East of England, while prices in the South East are unchanged from a year ago. All three regions recorded quarterly falls.

London remains the outlier. The average price of a London home fell to £594,200 in September, down 2.3% from a year ago and 0.8% over the quarter. It is now the only region recording annual price falls, leaving a 5.8 percentage-point gap between the top and bottom performing regions.

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► Years of flat underperformance are showing up when owners sell



Almost four in ten London flats sold in 2025/26 after being held for five to ten years sold for less than their previous purchase price.

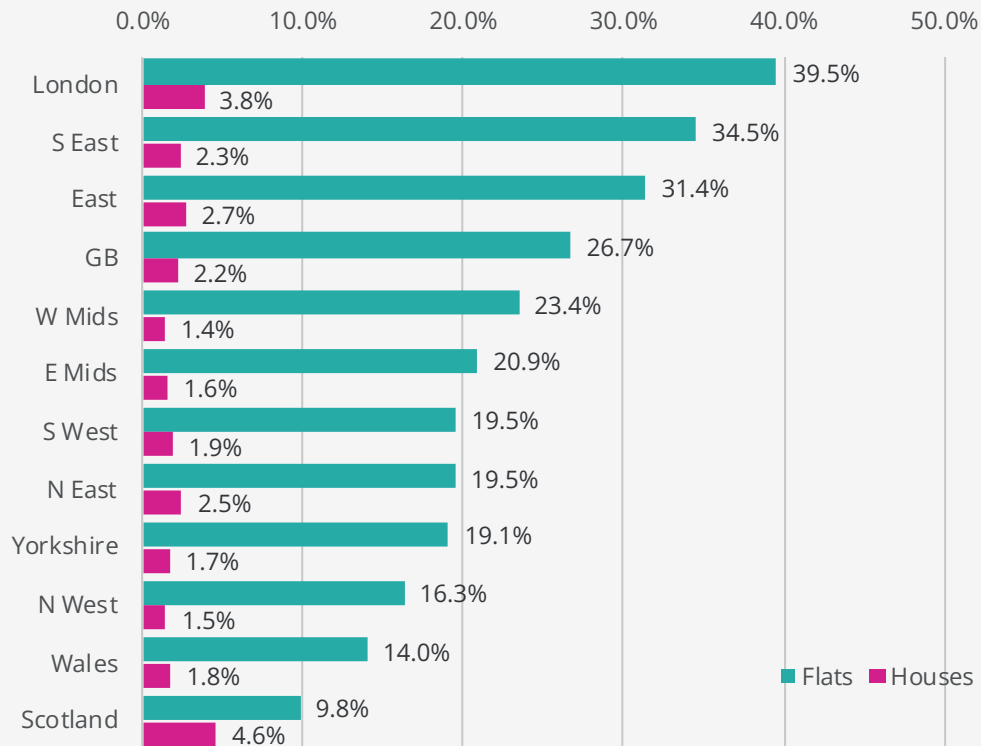
For houses held for the same length of time, the figure was below 4%.

Last month we looked at the widening gap between e.surv's property-type indices. Since July 2024, semi-detached and terraced homes had recorded the strongest growth, while flats had fallen behind. That analysis showed the divergence in prices. This month, repeat sales let us look at what that divergence has meant when owners actually come to sell.

London is the most extreme example, but the pattern reaches well beyond the capital. Around a third of flats in the South East and East of England also sold at a nominal loss after five to ten years. Across the Midlands and North, the proportion was closer to one in five.

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% of Losses Resold with 5-10 years



e.surv analysis of HMLR and RoS

In London, detached prices are 6.0% lower than a year ago, compared with falls of 3.2% for semi-detached homes and 2.9% for both terraces and flats. Detached homes sit at the upper end of an already expensive market, where higher borrowing costs place greater pressure on purchasing power. They also form a relatively small part of London's housing stock, in contrast to flats, which account for around three-fifths of homes in the capital.

Flats remain weaker across most regions

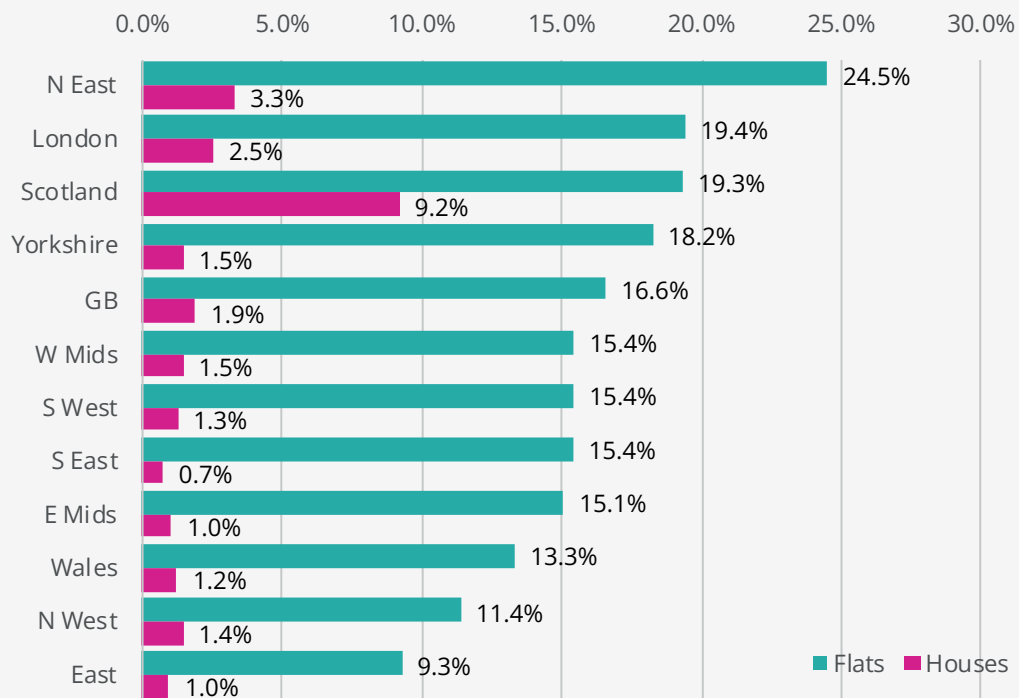
Across much of the Midlands, the North and Wales, the three house types are more closely grouped, with flats generally weaker. In Yorkshire and the Humber, for example, detached prices are up 4.7%, semi-detached 4.1% and terraced 4.9%, while flats are down 2.0%.

In Scotland, flats have been the strongest-performing property type for the past eight months and are currently 7.2% higher than a year ago. Scotland has a substantial established flat market, particularly in Glasgow and Edinburgh. Flats are also the strongest-performing type in the North East, at 4.6%, although the regional flat series is more volatile and the precise annual rate warrants some caution when interpreting the result.

Across most of England and Wales, flats remain weaker than the three house types. In the higher-value southern markets, detached homes have also fallen behind semi-detached and terraced properties. Scotland continues to record stronger flat-price growth.

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% of Losses Resold with 10-15 years



e.surv analysis of HMLR and RoS

Flat losses remain higher after 10-15 years

The longer-run e.surv HPI shows flats and houses beginning to pull apart around 2017. Grenfell sits close to the start of that break. In the years that followed, building safety came under much greater scrutiny, while cladding, service charges and leasehold became more prominent concerns for parts of the flat market.

Flats are also more heavily concentrated in London and other markets where price growth has been weaker, while demand for different types of housing shifted during and after the pandemic.

The repeat-sales data show how that weaker performance has carried through to the point of sale. For many flat owners the result will still be a gain, albeit a smaller one than for comparable houses. For a sizeable minority, particularly among five-to-ten-year owners in southern England, there has been no nominal gain at all.

Scotland looks different, with fewer than one in ten flats held for five to ten years sold below their previous recorded price. The gap with houses is also much narrower compared to London, the South East or the East of England.

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Scotland has a different framework for owning and managing flats from the leasehold structure prevalent in England and Wales. The much smaller gap between flats and houses does not prove that tenure is the cause. But it does suggest that weaker flat outcomes may not be explained simply by flats being flats — smaller homes, different buyer demand or their concentration in urban markets. The way flats are owned and managed may also matter.

At the Labour conference last month, the government announced further protections for leaseholders, including powers to cap permission and administration fees and plans for independent

regulation and licensing of property agents. It also committed to introducing a Bill before the end of the year to further reform leasehold.

Those changes come after several years in which flat market performance has already diverged from houses.

Last month's property-type analysis showed the gap opening in the indices. The repeat-sales work shows the accumulated effect behind those lines. For some owners, flat underperformance has meant more than missing out on part of the growth seen elsewhere in the market. It has potentially made moving up the housing ladder more difficult



Summary

The housing market enters the autumn moving slowly rather than decisively in either direction. Annual price growth remains positive, but shorter-term measures have softened and activity continues to face pressure from higher borrowing costs.

Flats remain one of the clearest areas of weakness. Our repeat-sales analysis shows that this is no longer simply a gap between property-type indices, for some owners it is being crystallised when they sell. Understanding more about the factors behind that performance — including building safety, tenure, service charges, new-build premiums and resale outcomes — should help buyers make better-informed decisions and give lenders a clearer view of the risks sitting behind the headline valuation.

Attention now turns to the October Budget later this month. Beyond the final detail of the government's new Your First Home equity-loan scheme, few major housing-market interventions have so far been signalled. The return of a government-backed scheme could support demand and delivery, but it arrives in a very different market from the early years of Help to Buy, with affordability, financing costs and development viability all providing a tougher backdrop.

About the e.surv House Price Index

e.surv Chartered Surveyors is the UK's leading provider of residential property surveying, valuation and risk services, with over 35 years of market experience. We work with many of the country's major mortgage lenders, delivering a full range of RICS-accredited survey reports and helping customers make informed decisions with confidence.

We are the UK's only provider offering the full spectrum of valuation methodologies within one fully integrated digital ecosystem - from AVMs and remote assessments to complex physical inspections. Our next-generation, surveyor-led AVM blends real-world valuation experience with advanced modelling, delivering greater speed, accuracy and certainty across the mortgage lifecycle.

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.

Part of LSL Property Services - home to brands such as Your Move, Reeds Rains, and PRIMIS - e.surv is committed to delivering accurate, timely and trusted property advice. Our national reach, sector-leading technology, and award-winning expertise ensure we continue to meet the evolving needs of lenders, surveyors, and homebuyers in a fast-changing UK property market.

For more information, visit www.esurv.co.uk

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