



## **Spring Market Report 2026**

### **UK housing market gains momentum as confidence builds in 2026**

The UK housing market has started the year with renewed momentum, following a quieter close to 2025, says Kate Taylor, Director of Taylor & Co, a Member of The Guild of Property Professionals in Abergavenny, adding that greater mortgage choice and lower rates compared to last year are supporting growing confidence among both buyers and sellers.

Kate notes that the latest figures show inflation continuing its downward trend. Consumer Price Inflation eased to 3.0% in January, down from 3.4% in December, and is forecast to move closer to the Government's 2% target by the end of 2026. Interest rates were held at 3.75% in February, a widely anticipated decision given the mixed economic backdrop. However, economists expect one or possibly two further 0.25% reductions later this year. "While economic growth is projected to be modest at around 1.1% in 2026, this level has historically been sufficient to support positive house price growth," adds Kate.

Mortgage choice is now at its highest level since 2007. According to Moneyfacts, there were 7,158 mortgage products available in January. Notably, the number of deals for borrowers with 5% and 10% deposits has reached an 18-year high, offering first-time buyers a welcome boost. Five-year fixed rates have also dipped below 4% for the first time since September 2022, helping to ease affordability pressures and fuel the desire to move.

Some lenders are offering greater flexibility, with loans of up to six times income now available to eligible applicants. Nationwide recently extended its high loan-to-income lending and reported a 57% increase in first-time buyer mortgages above five times income during 2025, highlighting improved access to finance.

In terms of activity, there were 94,680 transactions recorded in January, 1% lower than the same month last year. Across 2025, transaction volumes aligned with the

10-year annual average of 1.2 million, and similar levels are expected throughout 2026.

While demand at the start of this year is approximately 9% lower than the unusually busy period ahead of last April's stamp duty deadline, underlying market conditions remain solid.

Nationally, average UK house prices now stand at £271,188, up 2.5% year-on-year, according to the Office for National Statistics. Most regions are reporting positive annual growth, with the strongest gains in Northern Ireland, the North East and Scotland. Expectations of easing interest rates and continued wage growth are helping to improve affordability, and over half of agents surveyed anticipate price growth of between 1% and 3% during 2026.

"Here in Wales, the picture reflects both national trends and local dynamics. Average property values in Wales are up 0.7% on last year's levels. The strongest growth has been seen in Blaenau Gwent and Swansea, where prices have increased by around 6.7% and 5.1% respectively. As always, pricing and demand vary by location and property type, so tailored advice is key," comments Kate Taylor.

This year has begun with the highest level of homes for sale in over eight years, with the average agent marketing around 32 properties. Increased stock gives buyers more choice and greater negotiating power, which is helping to keep price growth steady and sustainable.

"Encouragingly, sentiment has strengthened. The latest survey from Royal Institution of Chartered Surveyors shows 12-month sales expectations at their highest level since late 2024. In Wales, sales agreed were up 7% year on year, reflecting renewed confidence in the market," Kate adds.


For those thinking of selling, timing matters. February and March have proven to be the most successful months to list, with over 66% of homes listed during this period going on to complete, well above the annual average. February is also among the fastest months to secure a buyer, averaging 51 days, on par with January, with March and April close behind at around 52 days.

"So, while the market is more balanced than it was during the post-pandemic surge, the fundamentals remain strong. With improving affordability, greater mortgage

choice and steady demand, 2026 is shaping up to be a solid year for movers," comments Kate Taylor.

For a personalised market appraisal or to discuss your next move in Wales, please contact Taylor & Co. Our experienced team would be delighted to assist you.

You can contact Kate and her team here >

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