



savills

ANNUAL AUCTIONS REVIEW & OUTLOOK

UK - 2025/26



RESEARCH

WELCOME

Welcome to our second annual Auction Review and Outlook. In this year's report, you'll find a detailed look at how the property auctions market performed in 2025.



ROBIN HOWESON
RESIDENTIAL AUCTIONS



NICHOLSON BOYD
COMMERCIAL AUCTIONS

From shifting buyer behaviour and evolving sector dynamics to the forces shaping both residential and commercial auctions activity, we bring together data rich insights from our annual buyer survey alongside our expert view on what lies ahead for 2026. The auctions market in 2025 was a year of two halves. Up until the mid-point, momentum was tempered by regulatory change and the uncertainty this created for buyers, while as the year progressed simultaneous base rate cuts helped restore confidence and aligned with the Government's continued efforts to loosen planning rules.

Although slowing house price growth and the stamp duty surcharges on additional homes encouraged more sellers to choose the auction route, price sensitivity remained key across all asset types. Against this backdrop, Savills delivered market-leading auction sales of £950 million in 2025 — a record that reflects strong buyer engagement when genuine value is evident. When opportunities have been priced accordingly, buyers have continued to act quickly. At a time when speed, transparency and certainty matter more than ever, we expect this decisiveness to remain a defining theme throughout the coming year.

If you are planning to buy or sell at auction in 2026, we hope our insights help you to reach an informed decision in your property journey – and that our sales record, on page 14, brings you confidence in what Savills can help you to achieve. For more specific guidance, our team is, of course, always here to advise.

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Discover how muted house price growth, shifting regulation and changing investor behaviour reshaped residential auctions in 2025, and what this means for buyers and sellers in 2026.

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Explore how strong occupational markets, rising retail demand and selective investor strategies powered robust commercial auction activity, and where the biggest opportunities lie.

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Delve into a data-rich view of what our clients have revealed about motivations, risk appetite, sector preferences, and their buying intentions.

14-15 TRACK RECORD

From sought-after family homes and high-performing investment lots to standout offices, view a selection of our landmark sales that defined 2025.

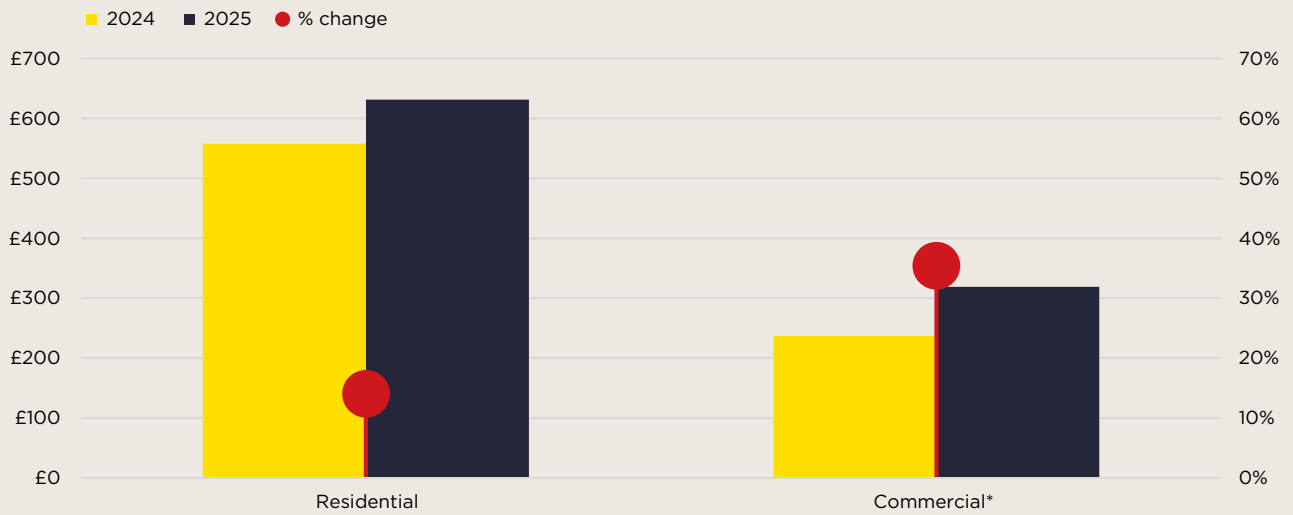
FOREWORD

OUR RESULTS IN 2025

	2024	2025	% Change
Value of assets sold	£794m	£950m	+20%
Number of lots sold	2,501	2,699	+8%
Success rate	74%	71%	n/a

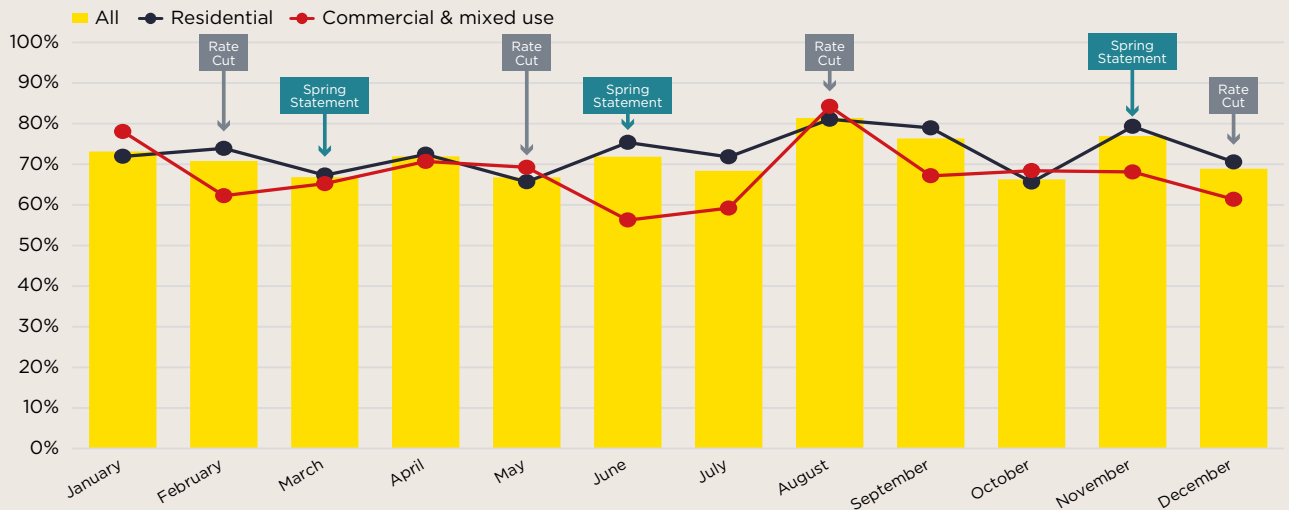
Source: Savills Research using EIG.

VALUE OF ASSETS SOLD 2025 V 2024 £M



*Includes mixed use. Source: Savills Research using EIG

% OF LOTS SOLD BY MONTH



Source: Savills Research using EIG



RESIDENTIAL



LUCIAN COOK
HEAD OF RESIDENTIAL RESEARCH



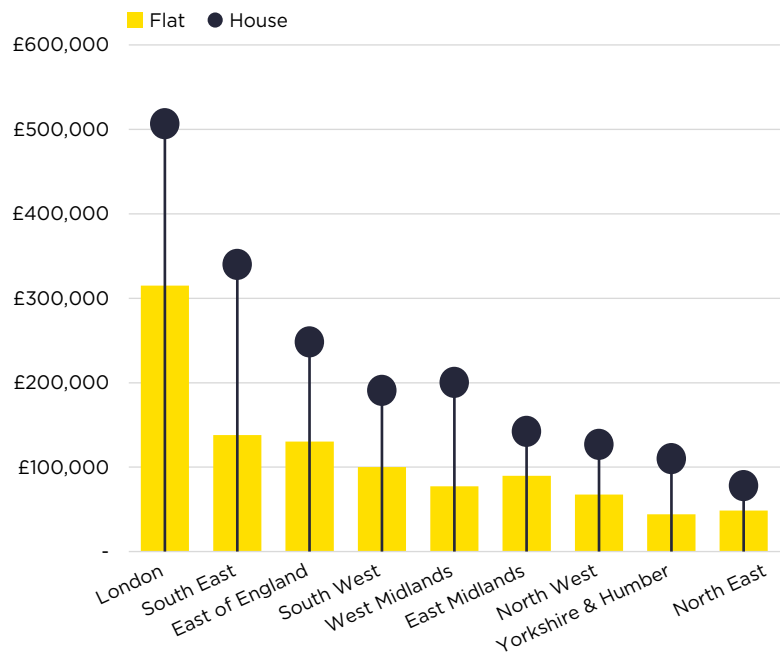
GARY MURPHY
DIRECTOR, AUCTIONS

While mortgage markets became increasingly competitive as the Bank of England cut interest rates four times, house price growth was muted. Indeed, the Nationwide put annual price growth at just +0.6% in 2025, as - in the face of an uncertain economic outlook - underlying buyer confidence remained relatively fragile.

That, combined with a higher stamp duty surcharge on the purchase of additional homes introduced in 2024, gave investors and developers in particular little margin for error.

It also meant that owner occupiers became somewhat more circumspect; less prepared to push toward the edge of their budgets, especially once the stamp duty holiday came to an end on 31 March.

VACANT POSSESSION SALES: AVERAGE SALES PRICE AT AUCTION



Source: Savills Research using EIG

A MIXED BAG OF REGULATION

And from a regulatory perspective too, it was something of a mixed bag.

On the one hand we saw the less rigid application of mortgage regulations, as the FCA and lenders together put a renewed focus on increasing first time buyer activity. And at the same time the government continued to loosen planning regulations in an equally concerted effort to increase housing delivery.

The first of these measures supported record mortgage lending to first time buyers of £83bn in the year to the end of September, despite turgid underlying market conditions. But in the absence of a more direct demand stimulus, neither the number of new homes, or the planning consents on which they rely, increased.

Small, medium, and large housebuilders alike remained cautious about the prospects for the markets they were selling into, as development costs continued to rise on the back of more demanding building regulations.

Meanwhile, the prospect of the Renters’ Rights Act hung over the investor market for almost the whole year. It was not until 27 October that it gained Royal Assent. And it was several weeks later that the implementation date of 1 May 2026 was made known.

And though the 2024 Leasehold Reform Act had already passed through Parliament, it remained subject to a legal challenge. That challenge was eventually dismissed by the High Court in October, although the decision remains open to appeal, meaning a degree of uncertainty continues to surround the value of ground rents.

AN AIR OF CAUTION IN 2025

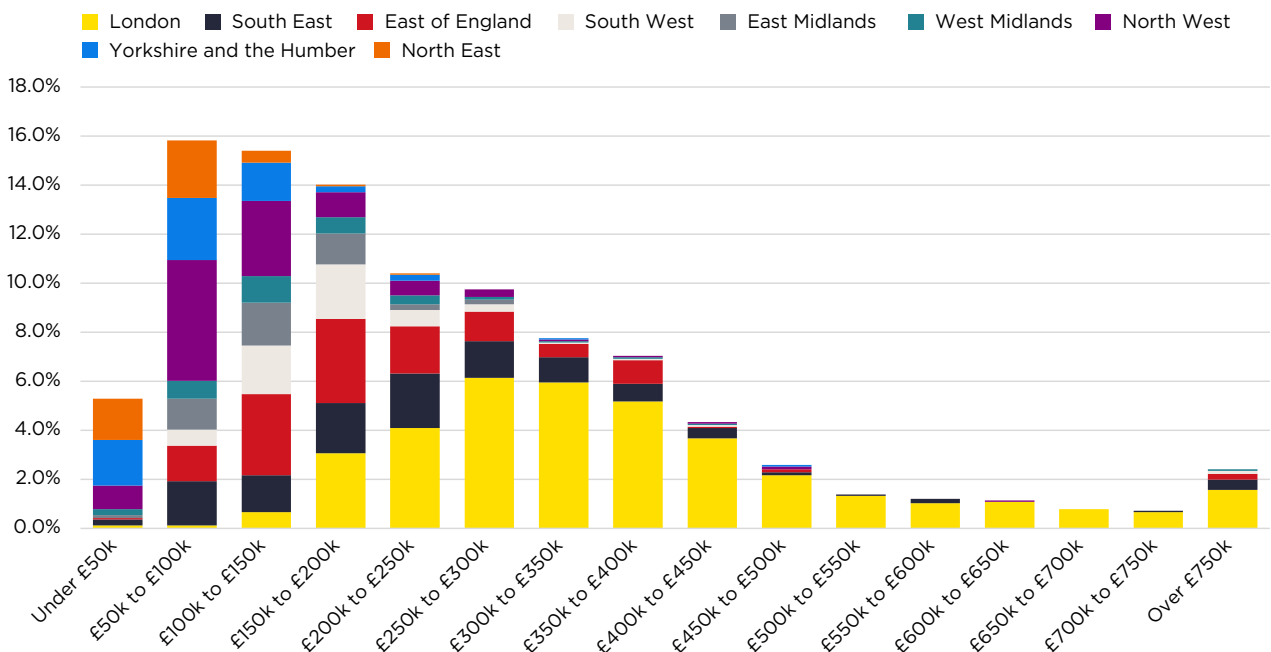
Added to all of this was a late Budget, precipitated by a prolonged period of unheralded speculation and rumour, much of it focussed on the taxation of property.

That all contributed to an air of caution at auction, especially after the stamp duty holiday ended in March. Buyers became more cost conscious and, as our survey shows, more selective. And so, yes, the sales success rate for sales of residential lots fell. But not dramatically.

In 2024 it was 75%. In 2025 it was 73%. That is a testament to the enduring appeal of residential bricks and mortar, especially when the price is right and the potential returns warrant the investment.

But more than that it reflected the continued impetus for private and public sector owners to restructure their portfolios.

VACANT POSSESSION SALES: DISTRIBUTION OF AUCTION SALES PRICES



Source: Savills Research using EIG

RESIDENTIAL

RESPONDING TO A NEW ENVIRONMENT

The resolve of smaller, more indebted Buy to Let Landlords was severely tested. Larger landlords have looked better placed to cope with strengthened tenants' rights, the introduction of local authority licencing schemes and the

prospective challenge of having to meet more stringent energy efficiency standards.

Some have seen this as an opportunity to expand and exploit the economies of scale - which increasingly look like an important component of running a successful rental business.

The drive to zero carbon has continued to provide a catalyst for Registered Providers to review their portfolios, especially given the returns from their core portfolios are crucial to increasing their development aspirations that central government is so keen to unlock.

GROSS RESIDENTIAL YIELDS

8.5%

MEDIAN
ON AST
STOCK

11.4%

75TH
PERCENTILE
ON AST STOCK

6.2%

25TH
PERCENTILE
ON AST STOCK

4.8%

MEDIAN ON
REGULATED
TENANCIES

Source: Savills Research using EIG



Investors are likely to be more yield aware this year. This is likely to drive residential demand to auctions specifically, given the returns on offer relative to the wider market.





Pembridge Square formed part of a wider transaction in December 2025, which encompassed the sale of two additional lots selling for a total of £28 million.

OUR BUYERS' SURVEY AND THE OUTLOOK FOR 2026 (AND BEYOND)

As we look further into 2026, we expect these factors to continue to drive stock to auction. In particular there is potential for a further wave of sales of Buy to Let properties during the first half of the year now that the Renters' Rights Act has become law.

Notably, just under 20% of respondents to our survey said they would look to reduce the size of their residential portfolio. 39% confirmed they would maintain their existing investment approach, while 6% were looking to increase their exposure.

Investors are likely to be more yield aware this year. This is likely to drive residential demand to auctions specifically, given the returns on offer relative to the wider market.

But despite the expectation of further cuts in bank base rate, we expect buyers across the market to remain relatively cautious and risk averse in 2026. This reflects the weakness in lead indicators of housing demand that were also evident in our survey responses.

We are forecasting average house price growth of just 2% this year; a delayed recovery that reflects the underlying short term economic outlook.

But we expect the outlook to improve from 2027 onwards as the economy picks up, thereby encouraging prospective buyers to take advantage of improved affordability. And with the FCA taking a further look at relaxing mortgage regulation to encourage more demand from first time buyers and the self-employed, so the pool of potential buyers should start to open up over the next 12 to 24 months.

Against that backdrop we are forecasting price growth of 22% over the next five years, albeit weighted to later cycle markets away from London and the South East.

That means those cannily buying at auction in 2026 should benefit from market led growth on top of the inherent value already on offer.

+2%

FORECASTED
AVERAGE HOUSE
PRICE GROWTH
IN 2026

*Source: Savills Research



COMMERCIAL



MAT OAKLEY
HEAD OF COMMERCIAL RESEARCH



BEN HODGE
DIRECTOR, AUCTIONS

2025 was more a year of evolution than revolution in the commercial property investment market, with the mainstream investment market showing a modest improvement in both transactional volumes and prices, but the rate cutting cycle not feeding through into the bond market or property pricing.

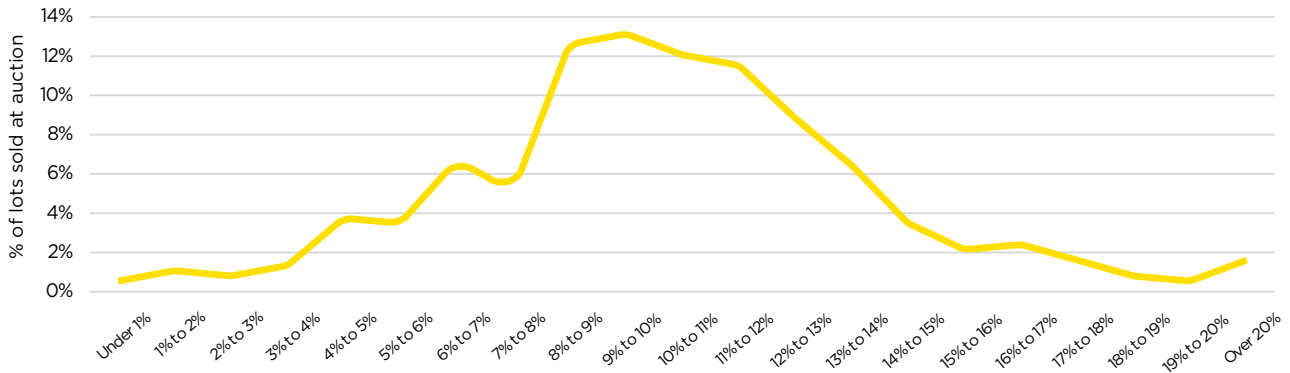
While transactional volumes in the mainstream investment market were up a respectable 13% year-on-year, it was in our auctions rooms where commercial activity experienced a surge. Purely commercial transactions rose by 55% to

£188m in 2025, and overall commercial and mixed-use sale volumes were up by 35% year-on-year, bringing the total to £320m.

Retail remained the most popular commercial asset class in the auction room in 2025, accounting for 37% of the commercial value traded. This was in part due to the very attractive median yield of 10.6%, but also mirrors a wider acceptance across the UK markets that good retail was recovering from the squeeze on the cost of living in terms of both tenant demand and rental growth.

Generally, the occupational story across all of the main commercial property sectors remains robust, based around low levels of development activity and normal levels of tenant demand. This has continued to deliver higher than normal prime rental growth across all sectors. However, the last year has shown us how selective tenants are on location, with prime buildings in secondary spots proving much harder to let than would be normal in this phase of the property cycle.

YIELD DISTRIBUTION ACROSS COMMERCIAL AND MIXED-USE LOTS



Source: Savills Research using EIG

INVESTMENT MARKET SENTIMENT IS GENERALLY LAGGING THE OCCUPATIONAL MARKET

Funnily enough, it was the lack of distress post-Covid that held transactional volumes in the mainstream investment back in 2025. This created a target-poor environment for the opportunistic buyers who typically kick off any recovery phase of the cycle. This, combined with the less than attractive spread between some property yields and the all in cost of debt, goes a long way to explaining why the recovery in investment volumes and prices has been more muted than normal.

Many institutional investors still have legacy issues with their portfolios to deal with, and this has left an open playing

field for more fleet of foot private investors to jump in and capitalise on weak pricing across the whole of the commercial property market.

2025 was also characterised by a higher-than-normal level of uncertainty about domestic and international political changes, and this uncertainty kept some investors out of the market, as well as keeping sovereign bond yields high.

There is no doubt that our economy has its challenges, and we expect that economic growth will be weaker in 2026 than 2025, but this is not unique to the UK. Our peers across Europe and Asia are equally challenged by demographic change and weak productivity growth.

Even when we turn to things that the Chancellor can affect, the story isn't particularly negative, with the UK having the second lowest debt to GDP ratio in the G7.

2026 should see a rising recognition that the UK is in a comparatively good place, and the immediate reaction of the bond markets to the latest Budget suggests that they are happy that it was fiscally responsible. While the local elections in May will undoubtedly lead to feverish speculation around the incumbent government's future, we believe that the outlook is more stable than it was a year ago and that businesses and investors should be more capable of making balanced decisions than they were six or 12 months ago.



COMMERCIAL

RENTAL GROWTH TO REMAIN STRONG IN THE MOST UNDER-SUPPLIED LOCATIONS

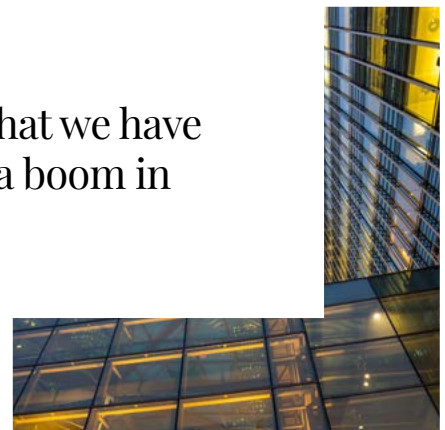
The higher-than-normal prime rental growth that we have seen over the last five years has not been about a boom in tenant demand but the lack of supply. So, unless we see a surge in development completions in 2026 (or a rise in tenant exits) the undersupply and rental growth will be sustained.

The office market remains our most favoured pick for investors in 2026, with steady (but highly location-focused) tenant demand, a lack of new supply, and better than normal rental growth. The definition of prime has changed and is more location specific than ever. Indeed, in some cases, we believe that a perfect location can compensate for a less than five-star building, something that should enable developers to value-engineer plans to a better return.

Retail property remains in the growth phase of a traditional cycle, with vacancy rates in dominant locations down to cyclical lows. This is delivering demonstrable rental growth, though we do expect that to soften in 2026 as retailers have to adapt to higher operating costs. Industrial remains popular with all investor types, though vacancy rates remain high and rental growth has cooled. In common with the other main sectors, location is key in the logistics sector.



The higher-than-normal prime rental growth that we have seen over the last five years has not been about a boom in tenant demand but the lack of supply.





BANK SPACE - SOLD JULY 2025

**THE OUTLOOK FOR 2026
(AND BEYOND)**

The most interesting thing about the commercial property market at the start of 2026 is the lack of recovery in pricing that we saw in 2024 and 2025. Yields, even on prime, remain high and in some cases spreads between locations are throwing up some interesting questions about where mispricing could lead to inward yield shift.

WE EXPECT A GENTLE SLOPE UPWARDS IN PRICES AND VOLUMES IN 2026, RATHER THAN A TYPICAL V-SHAPED BOUNCE

*Source: Savills Research

YIELD DISTRIBUTION ACROSS COMMERCIAL PROPERTY LOTS

	25th percentile	Median	75th percentile
Mixed Use	7.0%	9.2%	11.1%
Retail	8.9%	10.6%	12.6%
Other	6.1%	10.5%	12.3%

In the retail and office markets yields are in line with their GFC peaks, and in the office market the spread between central London and the regions is wider than it has ever been.

The factors that held back a V-shaped recovery in 2025 are still mostly present in 2026. We do expect several more cuts in the Base Rate, but are less confident

that these falls will feed through into the gilts market and hence borrowing costs.

We expect that income will remain the most important component of total returns over the next five years, and this will mean that careful stock selection will be more important than ever in terms of capturing the best of the recovery phase of this cycle.

BUYER SURVEY RESULTS

Our second auctions survey at the end of 2025 received over 370 responses. It told us that full time investors and developers have become more committed compared to those looking at it as a side hustle. Meanwhile the appetite has grown most from those looking to pick up a property for their own use.

The impact of the Autumn Budget

HOW HAS YOUR APPETITE FOR RISK CHANGED?



-6%

DECREASED APPETITE TO RISK

HOW HAS YOUR ATTITUDE TO BUYING AT AUCTION CHANGED?



-7%

DECREASED APPETITE TO BUY AT AUCTION

HOW HAS YOUR ATTITUDE TO SELLING AT AUCTION CHANGED?

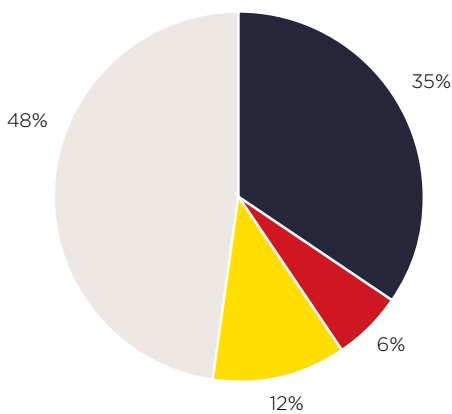


2%

INCREASED APPETITE TO SELL AT AUCTION

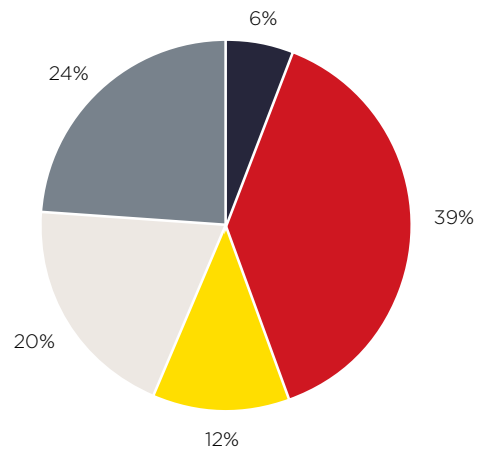
The above figures reflect the net balance of respondents.

HAS THE BUDGET AFFECTED YOUR AUCTION BUYING STRATEGY?



- Yes - I will be more selective in the properties I bid on
- Yes - I will look to target different locations / property types
- Unsure
- No - I will stick to my usual strategy

WHERE APPROPRIATE, HOW WILL THE RENTERS' RIGHTS ACT AFFECT YOUR INVESTMENT STRATEGY?



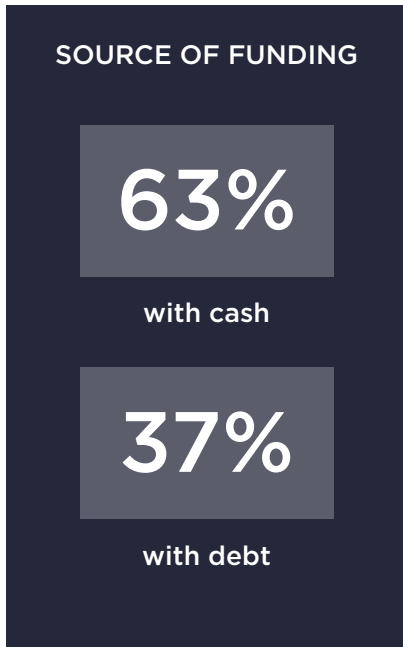
- I'll invest more in residential rental properties
- I'll maintain my current investment approach
- I'll reduce new investment in residential rental properties with a more targeted approach
- I'll look to reduce the size of my residential investment portfolio
- I'll shift focus away from the longer term residential investment properties to other property types

Source: Savills Research

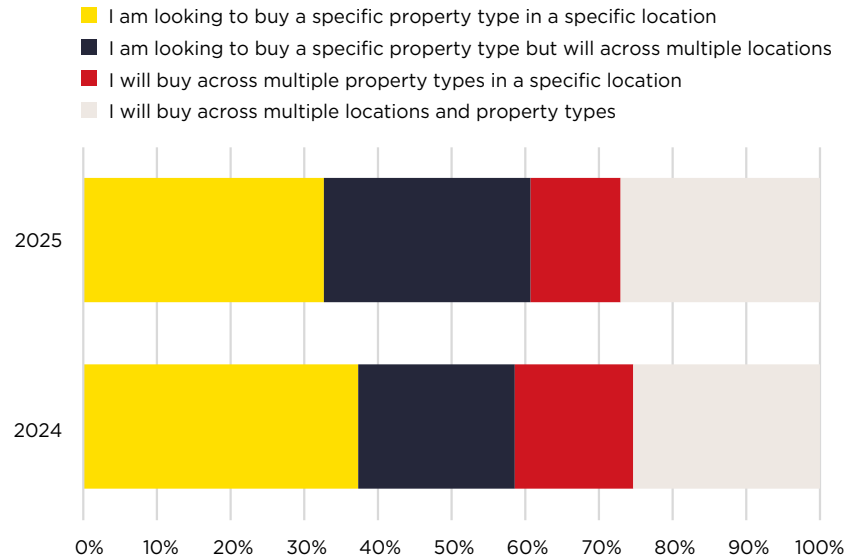
Source: Savills Research

BUYER SURVEY RESULTS

Despite interest rate cuts, budgets have not universally risen with a relatively modest increase in the use of debt. The greatest loosening of the purse strings has been among investors in commercial property. Investors have generally become more selective, especially in the residential space given the implementation of the Renters' Rights Act from May 2026 and a lower appetite for risk since the Autumn Budget.



INVESTMENT STRATEGY OF THOSE LOOKING TO BUY



Source: Savills Research

CHANGE IN APPETITE BY BUYER TYPE (NET BALANCE OF RESPONDENTS)

	2026
Full time developer	+8%
Part time developer	0%
Full time investor	+11%
Part time investor	-11%
Opportunistic buyer	-3%
Purchase for own use	+17%
Overall	+3%

CHANGE IN BUDGET BY BUYER TYPE IN THE LAST 12 MONTHS COMPARED TO THE YEAR PRIOR (NET BALANCE OF RESPONDENTS)

	2025	2026
Commercial investment	+34%	+23%
Commercial refurbishment and development	+29%	0%
Residential investment	+17%	+8%
Residential refurbishment and development	+18%	+14%
Residential own occupation	+13%	0%

TRACK RECORD

From unmodernised residential assets, development opportunities, sought-after family homes and high-performing investment lots to standout offices, retail spaces and industrial units, 2025 was a year of exceptional success across our auction business. It was a period marked by strong demand, competitive bidding and significant results for our clients. Showcasing the true breadth of what we deliver, here are some of the landmark sales that defined our year.

RESIDENTIAL PROPERTIES



Pembridge Square

A freehold pair of Grade II Listed Victorian double fronted detached villas

SOLD: £16,000,000



Grove End House

Prominent freehold block of 157 flats

SOLD: £8,160,000

GUIDE PRICE: £6,750,000



Sonning Court

Thameside mansion with river frontage

SOLD: £4,450,000



Boyce Court

Grade II listed, twelve bedroom country house and annexe

SOLD: £870,000

GUIDE PRICE: £800,000



Bernat Klein Studio

Listed, detached former Bernat Klein textile studio

SOLD: £279,000

GUIDE PRICE: £18,000



Peabody Estate

Two-bed top-floor flat

SOLD: £330,000

GUIDE PRICE: £240,000



Frederick Road

Three bedroom terraced house

SOLD: £275,000

GUIDE PRICE: £389,000



Banstead Road South

Six-bed detached house

SOLD: £960,000

GUIDE PRICE: £960,000



Percival St

Two-bed mid-terrace house

SOLD: £181,000

GUIDE PRICE: £80,000

TRACK RECORD



**FIND OUT MORE ABOUT
OUR AUCTION SERVICES.**

Savills Auctions is the UK's market leading live streamed commercial and residential auction house, backed by decades of specialist experience and some of the longest standing experts in the industry. Supported by the nationwide Savills network, specialist departments and robust market research, we deliver an unrivalled service designed to achieve the best possible outcome for your property.

COMMERCIAL PROPERTIES



Retail - Cheltenham

Prime Retail Investment

INVESTMENT LET AT £40,000 P.A.

SOLD: £584,000



Convenience Store - Hove

Freehold Mixed Use Investment

INVESTMENT LET AT £121,266 P.A.

SOLD £1,550,000



Alternative Use - Greenwich

Long leasehold data centre

INVESTMENT LET AT £1,359,000 P.A.

SOLD PRIOR £7,500,000



Mixed Use - Pembridge

Freehold Mixed Use Investment

INVESTMENT LET AT £327,428 P.A.

SOLD £5,000,000



Development - Brighton

Student block investment opportunity

INVESTMENT LET AT £830,000 (2024)

SOLD £8,300,000



Industrial - Rochford

Freehold former HQ factory premises

Arranged over 2 sites totalling 9.36 acres

SOLD £6,500,000



Shopping Centre - Bangor

City Centre Shopping Centre

INVESTMENT LET AT £508,000 P.A.

SOLD £2,755,000



Medical Use - Stratford

Substantial Freehold Investment Let to NHS

INVESTMENT LET AT £117,000 P.A.

SOLD £1,900,000



Retail Parade - Sunderland

Freehold Retail Parade

INVESTMENT LET AT £59,875 P.A.

SOLD £885,000



Savills Research

We're a dedicated team with an unrivalled reputation for producing well-informed and accurate analysis, research and commentary across all sectors of the UK property market. To view copies of our previous publications, go to www.savills.co.uk/insight-and-opinion/



Auctions

Robin Howeson

Head of Auctions
+44 20 7824 9053
rhoweson@savills.com

Nicholson Boyd

Director
+44 20 7824 9039
nicholson.boyd@savills.com

Gary Murphy LLB FRICS

Director
+44 7977 716 161
gary.murphy@savills.com

Ben Hodge MRICS

Director
+44 7974 298 726
ben.hodge@savills.com

Research

Lucian Cook

Head of Residential Research
+44 207 016 3837
lcook@savills.com

Mat Oakley

Head of Commercial Research
+44 207 409 8781
moakley@savills.com