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PRIME UK RESIDENTIAL

UK - AUTUMN/WINTER 2026



RESEARCH



THE SHARP EYE ON PRIME

HOLDING STEADY IN A CHANGING LANDSCAPE



ANDREW PERRATT
HEAD OF UK RESIDENTIAL

Against a backdrop of continued economic and geopolitical uncertainty, the prime property market has remained remarkably steady. While buyers and sellers continue to navigate a challenging landscape, activity is supported by those with a clear reason to move.

In the pages that follow, we explore the key trends shaping the market and what they mean for buyers, sellers, landlords and tenants over the months ahead.

While the wider policy backdrop appears relatively stable, proposed reforms to the buying and selling process could bring meaningful change to the residential sales market. Lucian Cook examines what these proposals could mean for buyers and sellers, and whether they could create a more efficient and transparent market.

Lucian also explores one of the most important decisions sellers face: how to price their property. Drawing on market-wide data of sales above £1 million, he highlights the importance of getting pricing right from the outset.

For those in the rental market, 2026 may transpire to have been a pivotal year. Following the introduction of the Renters' Rights Act, Jessica Tomlinson examines the initial impacts for landlords across the country on page 18.

Elsewhere, Frances McDonald explores buyer and seller sentiment, alongside trends across the UK's prime residential markets. One of the most encouraging findings is that the market remains resilient, with committed buyers continuing to transact and budgets proving more robust than many expected. However, against a backdrop of global uncertainty, living costs and mortgage rates are likely to remain elevated as we move towards 2027.

Waiting for certainty can mean waiting forever. Meanwhile, life goes on, and it is our families, careers and personal finances that ultimately drive moving decisions. Whatever your position, I hope this report provides useful insight as you consider your next move.

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PROGRESS OVER PERFECTION



FRANCES MCDONALD
DIRECTOR RESIDENTIAL RESEARCH

Why committed movers are driving activity in an imperfect market.

There is always a reason to wait. Yet prime market transactions continue because life events, family priorities, business decisions and wealth planning cannot be postponed indefinitely.

Price sensitivity undoubtedly remains but those who are realistic on what they're likely to achieve are by far the most successful in today's market.

+4.4%

**£1M+ REGIONAL
NET AGREED SALES
REMAIN ABOVE THE
AVERAGE OF THE
PAST 7 YEARS
IN SEPTEMBER**



THE WIDER BACKDROP

Despite a short-lived peace deal in mid-June, the conflict in the Middle East rumbles on, leading to higher fuel costs, inflation and mortgage rates.

Rumours surrounding the Autumn Budget have paled into insignificance compared to last year. Importantly, a wholesale review of property taxation appears to have been ruled out.

But there is still the possibility that the 2026 Budget will impact the prime property markets in some way.

PROGRESS THROUGH REPRICING

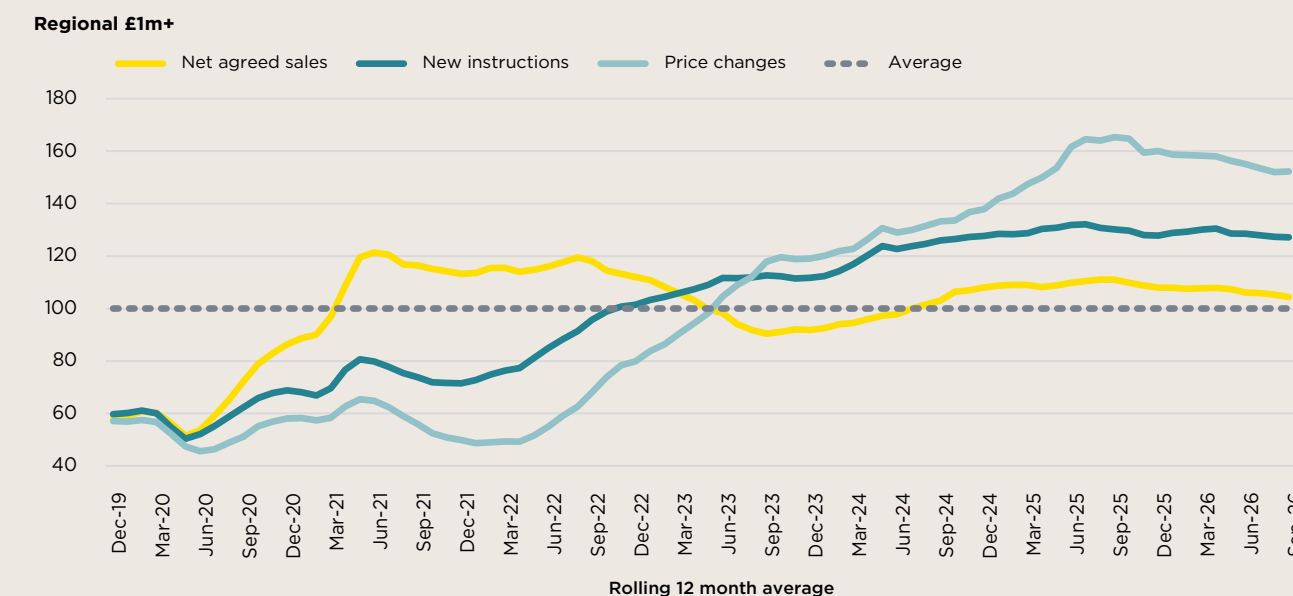
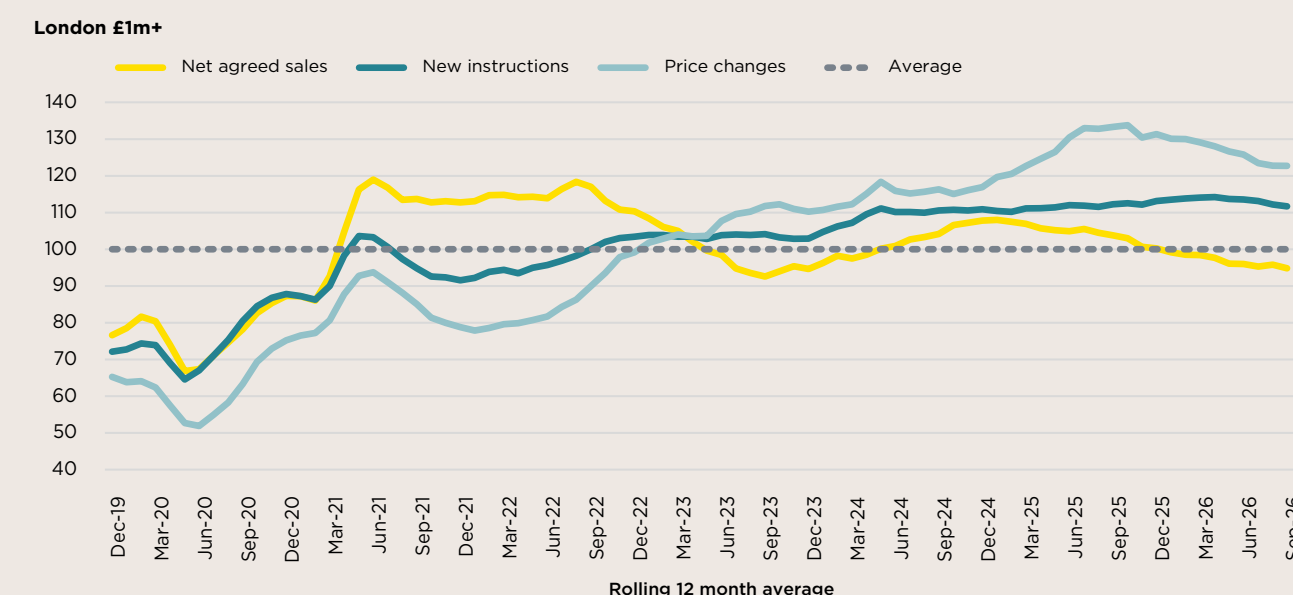
Our latest buyer and seller survey suggests that buyer budgets have held up relatively well, despite this challenging backdrop. So, while prime prices continued to fall during the third quarter, they generally did so at a slower pace than both the period from April to June this year and the same quarter of last year.

And market activity above £1 million continues to be steady. Cash buyers, unaffected by borrowing costs, have played a crucial part, accounting for more than half of prime purchases so far this year.

Still, in common with other buyers, they have only been willing to commit when prices and quality clearly align.

This alignment has been necessary because there has been a gap between agreed sales and new properties coming to the market. Over time this has led to a gradual build-up of unsold properties, allowing buyers to be more selective and meaning sellers have had to compete for interest.

£1M+ ACTIVITY LEVELS



Source: Savills Research using TwentyCi

MARKET OVERVIEW

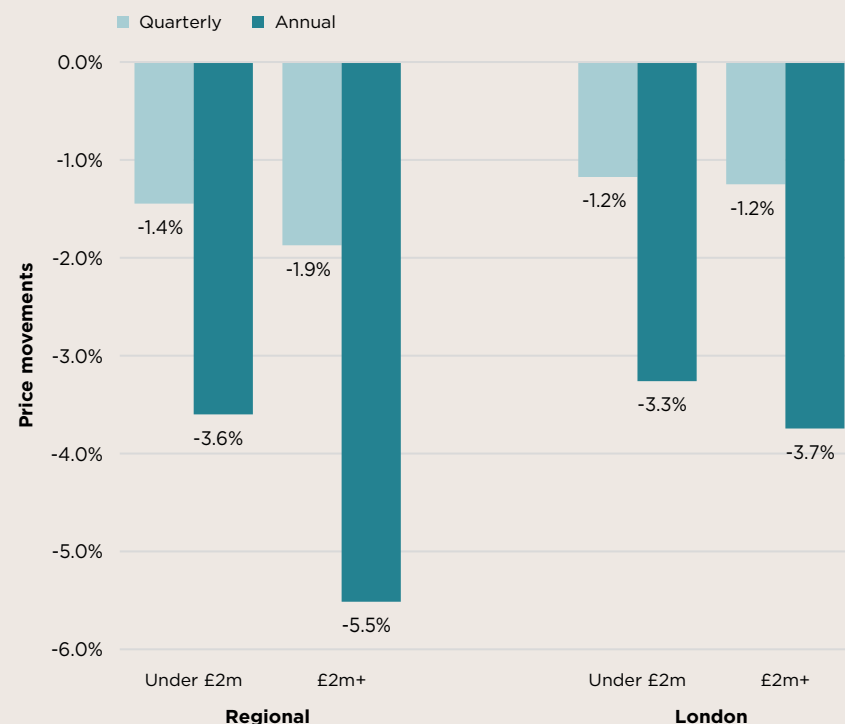
PINCH POINTS

The resultant pressure on prices has been particularly evident in the market over £2 million in England.

Of course, this comes at a time when valuations are being undertaken for the new High Value Council Tax Surcharge. The thresholds have not just become sticking points, they have also added to the scrutiny around pricing more generally.

Even so, there is a sense that buyers are beginning to realise the value on offer in the country house market, where larger price adjustments have come earlier and there are the first signs of a shortage of new stock coming to the market.

BREAKDOWN BY PRICE BAND



Source: Savills prime indices, Q3 2026



MARKET OVERVIEW

REGIONAL TRENDS

Prime markets furthest from the capital, including the Midlands and North of England, Scotland and Wales, have generally been most resilient. They have seen price falls of less than -1% in the past quarter, while the price falls in London's commuter zone and across the rest of the South of England have averaged closer to -2%.

Prices in prime central London have also continued to adjust. Buyers have remained selective,

as they look to take advantage of the opportunity to buy at values that are well below previous peaks. Consequently, there has been a sharp eye on quality and pricing. Secondary and overpriced stock has proved much harder to sell or evoke buyer interest.

In London's more domestic prime markets, a greater reliance on mortgage debt means values fell by -1.1% in total during the third quarter, unchanged from the preceding three months.



Until we have more certainty, progress will continue to matter more than perfection.



CONCLUSION

The outlook for the prime property market remains dependent on a number of external political and economic factors.

It seems increasingly unlikely that we will see a swift resolution to the standoff in the Strait of Hormuz. That suggests inflationary pressures in the economy will continue to gradually build, adding to the likelihood that the Bank of England will raise the base rate over the coming months.

This has quickly fed into fixed rate mortgage costs, which are likely to remain elevated for the rest of this year and into next. On the flip side, there appears to be less risk of extensive property tax changes compared to this time last year.

That points to less disruption at the top end of the housing market than at the end of 2025, but continued price sensitivity. While these influences will continue to drive sentiment, they are unlikely to completely supersede the underlying motivations that drive people to move.

And the experience of the past year tells us that activity doesn't necessarily depend on perfect market conditions. Buyers and sellers have continued to transact, adapting their expectations to an evolving economic and political environment.

Price growth is only likely to return once we have more certainty. In the meantime, progress will continue to matter more than perfection.



DILEMMA, DILEMMA:

THE PSYCHOLOGY AND SCIENCE OF PRICING IN THE CURRENT MARKET



LUCIAN COOK
HEAD OF RESIDENTIAL RESEARCH

Having made the decision to move, one of the greatest dilemmas is how to price your property to ensure you get the right price, while avoiding a protracted period of marketing.

IMPLICATIONS OF DIFFERENT MARKET CONDITIONS

In strong market conditions this presents much less of a conundrum. When prices are rising you can be relatively bullish in the knowledge that, unless your asking price is in completely the wrong ballpark, the market should eventually catch up with your price expectations.

In weaker market conditions, such as those we have seen over the past four years, it becomes much more of a quandary. On the one hand, you don't want to run the risk of undercooking and underselling what is probably your most valuable single possession. On the other, if you overcook it, you could easily see tumbleweed blowing through

the crucial first few weeks of marketing. And as weeks turn into months, you can then find your property turning stale in the eyes of prospective buyers, who start to assume there must be something more to it.

PRICE CUTTING

TOP END PECULIARITIES

At the top end of the market, the predicament isn't helped by the fact that from a valuation perspective, the balance between art and science can become more weighted to the former than the latter. That helps to explain why the advice received from estate agents regarding value can vary quite significantly, which at times can depend on how keen they are to secure an instruction and deal with what follows a little later down the line.

57 DAYS

AVERAGE TIME TO AGREE
A £1M+ SALE IF NO PRICE
CUT IS NEEDED

30%

OF £1M+ SALES
REQUIRED ONE OR
MORE PRICE CUT

LOGIC AND PSYCHOLOGY

Of course, logic suggests that if you are committed to selling, you should price at a point guaranteed to generate competitive interest, so you can sleep easy knowing you have captured the full spectrum of market demand.

But logic and seller psychology do not always go hand in hand, increasing the value of some empirical analysis.

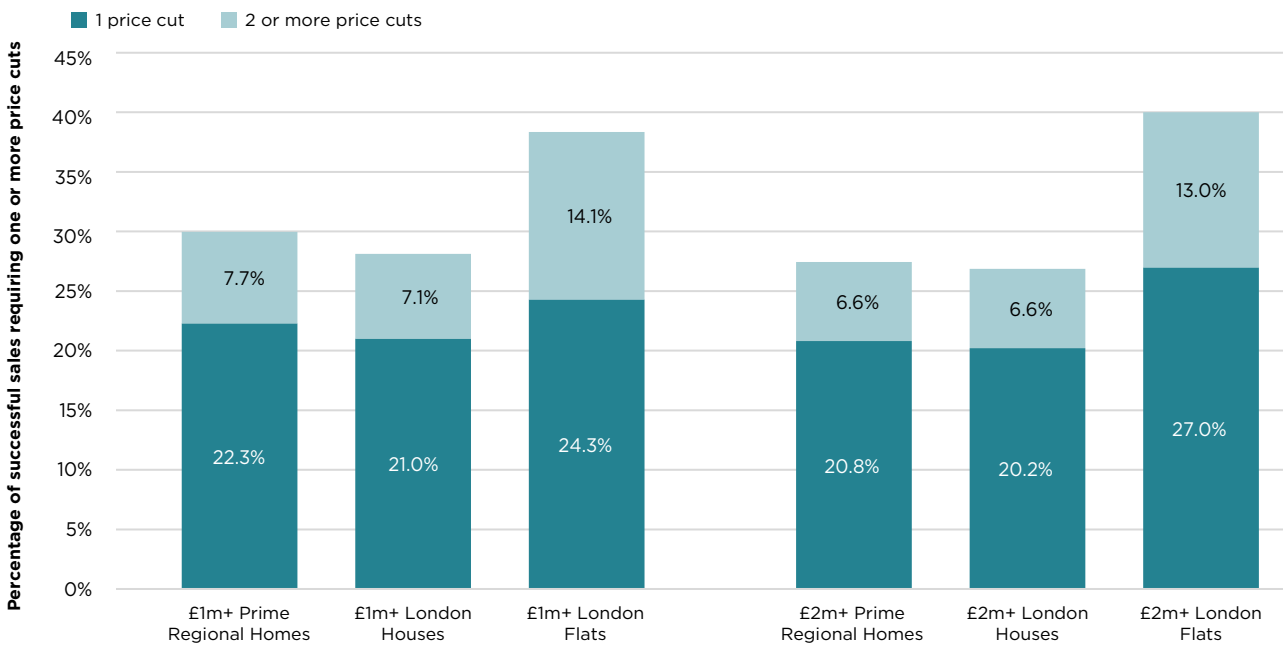
THE APPLICATION OF COLD, HARD STATISTICS

To do this we have looked at data relating to publicly marketed stock across all agents, ensuring the analysis isn't fettered by Savills approach.

And we have confined our analysis to properties where a successful sale has been achieved in the past two years. That means it ignores those circumstances where a property has been withdrawn from the market because a buyer could not be found at the price advertised.

Generally, selling prime properties takes more time given the discerning nature of buyer demand but there are various nuances around price cutting that are also unique to the top end of the market.

PROPORTION OF PROPERTIES REQUIRING A PRICE CUT



Source: Savills Research using listings data of £1m+ publicly marketed stock.
N.B. all numbers in this article exclude the period from agreeing a sale to legal exchange. Price cuts reflect changes in asking prices, rather than the agreed sale price.
All figures are UK averages. Scotland generally operates on an "offers over" rather than an "asking or guide price" system, meaning figures are less applicable north of the border.

PRICE CUTTING

WHAT DO THE £1 MILLION+ NUMBERS TELL US



Price cutting is pretty common in current market conditions

30%
of sales required one or more price cuts, with **8%** requiring two or more

38%
of London flats required at least one price cut, reflecting greater price sensitivity



If you get the price right first time, the process can be a whole lot quicker

57 days
Average time to agree a sale if no price cut is needed

But with wide variation, ¼ were agreed within 22 days while a further ¼ took >116 days



175 days
Average time to agree a sale if one or more price cut is needed



The size of a required price cut depends on individual circumstances but needs to be meaningful

6.6%
Average price cut when successfully results in a sale

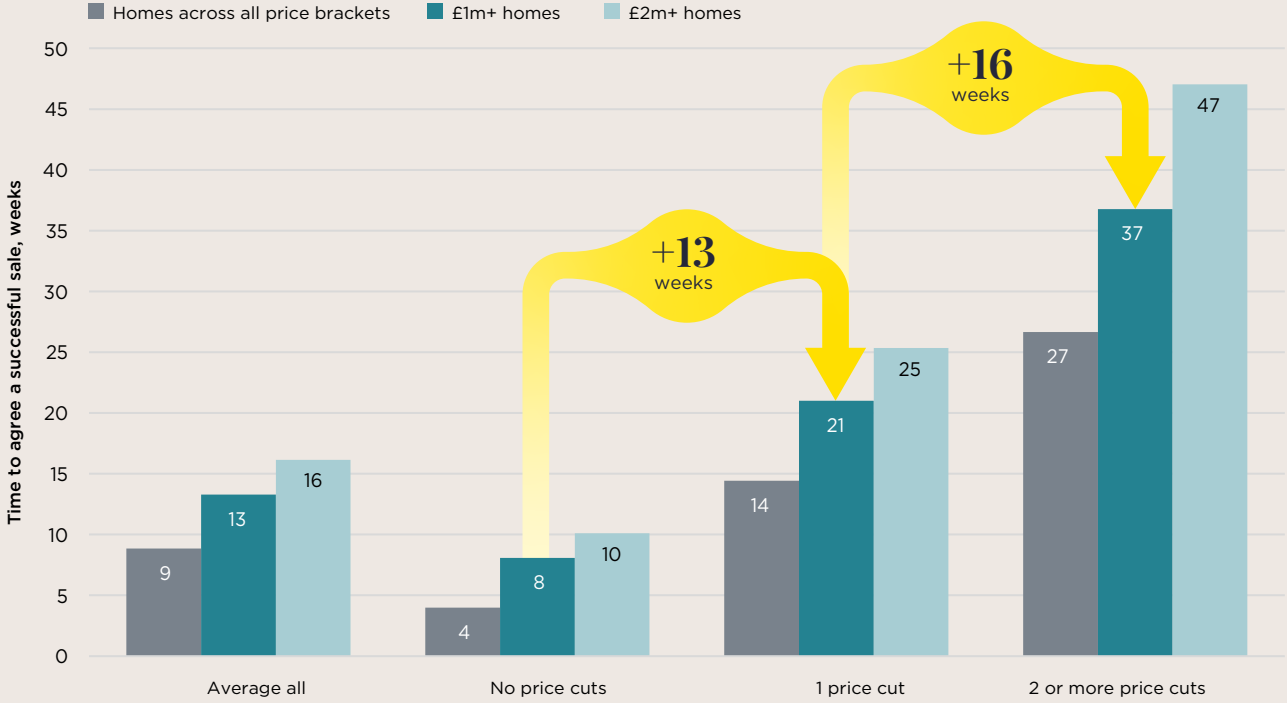
Cuts of <2% are relatively rare, while cuts of >=10% have been required in 17% of cases

Source: Savills Research using listings data of £1m+ publicly marketed stock

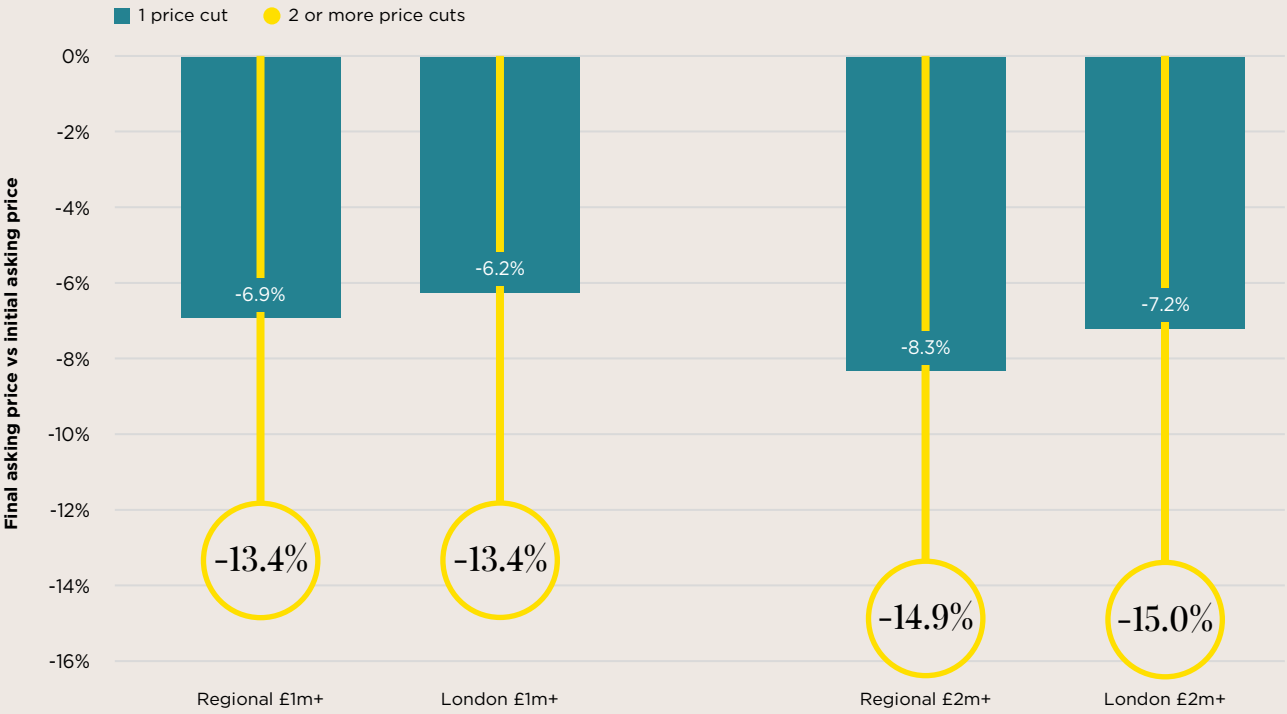


PRICE CUTTING

MORE PATIENCE REQUIRED IN THE PRIME MARKET



HOW BIG A HAIRCUT IS NEEDED ON AVERAGE?



Source: Savills Research using listings data of £1m+ publicly marketed stock.
N.B. all numbers in this article exclude the period from agreeing a sale to legal exchange. Price cuts reflect changes in asking prices, rather than the agreed sale price. All figures are UK averages. Scotland generally operates on an "offers over" rather than an "asking or guide price" system, meaning figures are less applicable north of the border.

BUYER AND SELLER SURVEY



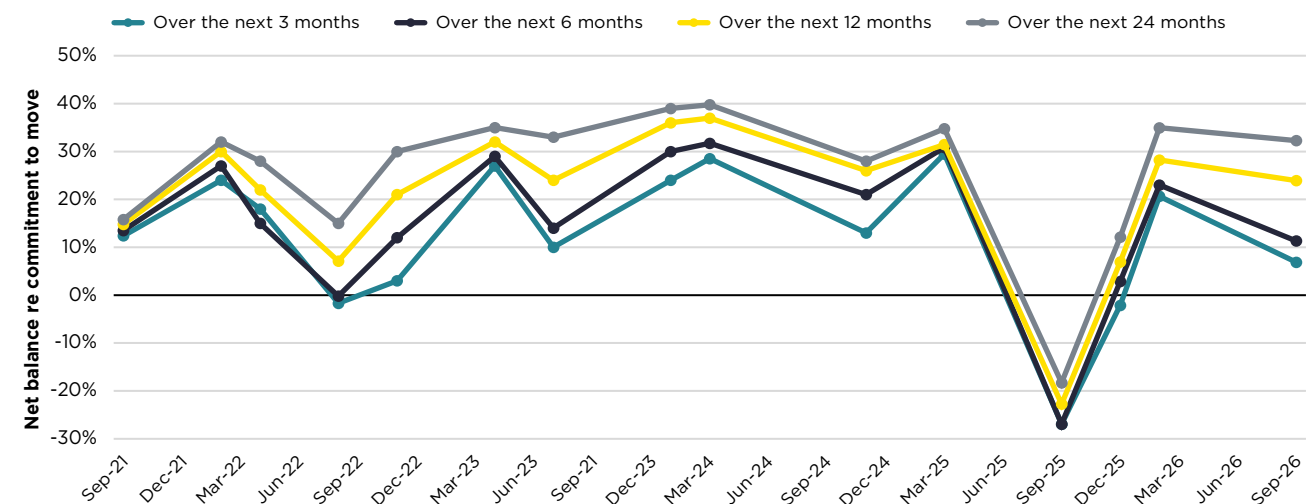
FRANCES MCDONALD
DIRECTOR RESIDENTIAL RESEARCH

We had around 1,100 responses to our latest buyer and seller survey.

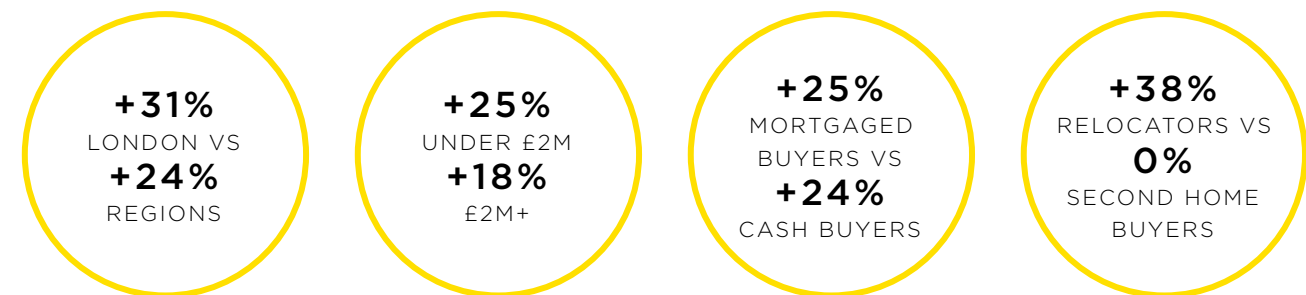
It suggests that commitment to move home remains in positive territory, despite some general uncertainty surrounding the property market. Buyers' budgets have also remained relatively resilient in the wake of domestic political change and higher mortgage costs.

A lack of quality stock also featured highly as a hesitation regarding the current market, as despite a high number of available properties, fewer new instructions are beginning to impact on choice.

COMMITMENT TO MOVE REMAINS IN POSITIVE TERRITORY

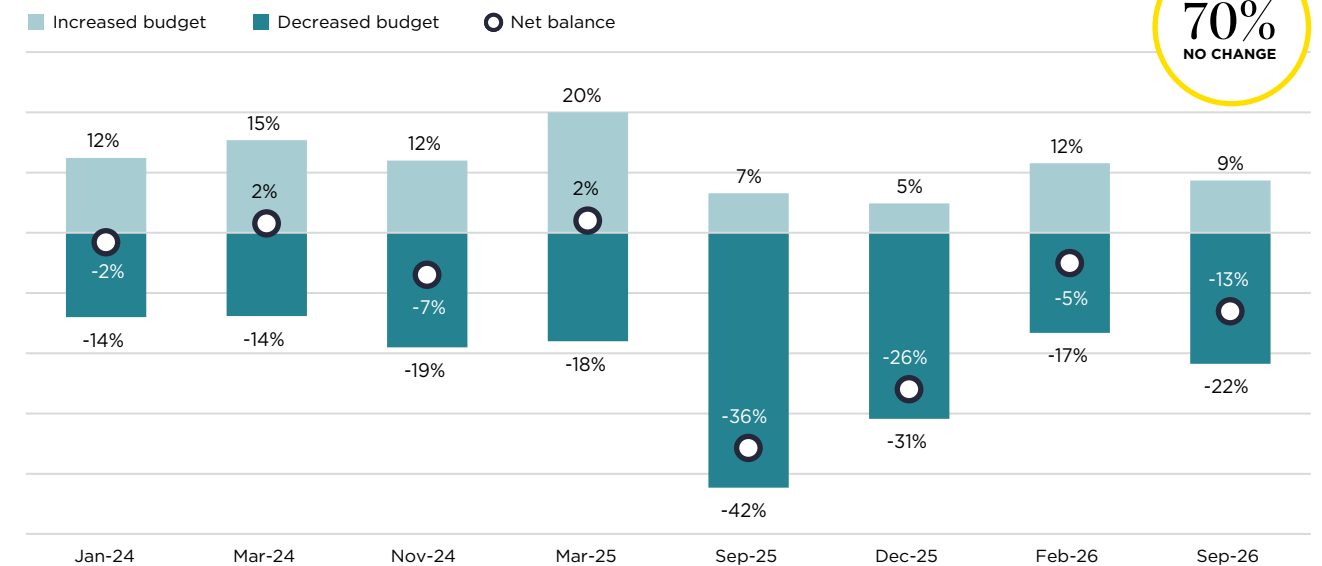


WHO HAS BECOME MORE COMMITTED?



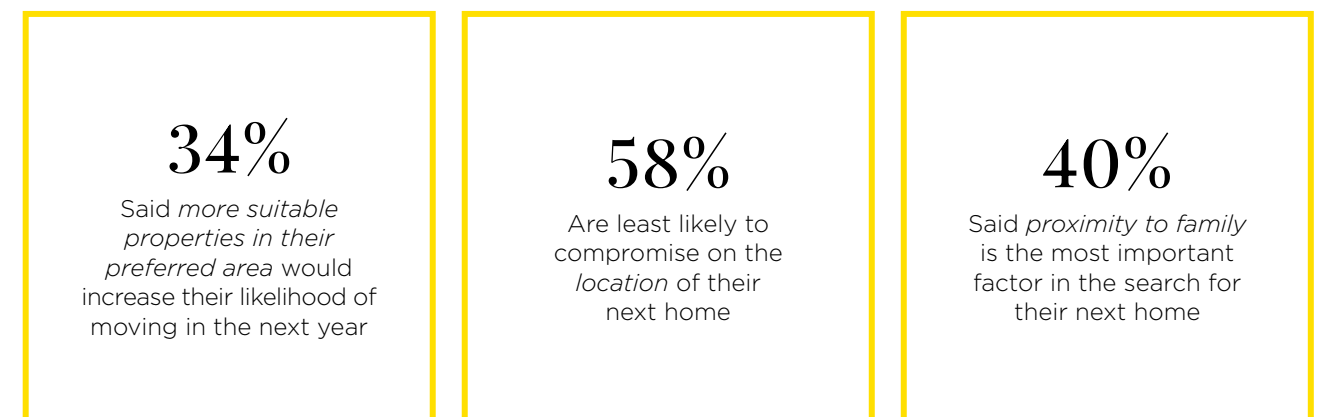
Source: Savills Research buyer and seller survey, September 2026

BUDGETS TIGHTENING BUT STILL ABOVE LAST YEAR

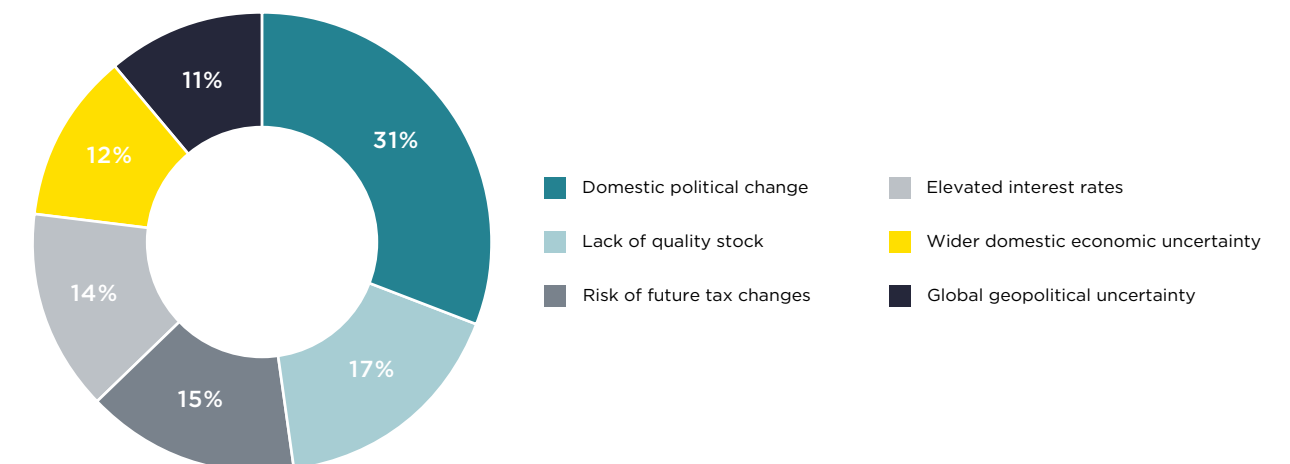


70%
NO CHANGE

LOCATION, LOCATION, FAMILY



POLITICAL CHANGE MAINTAINS BUYER CAUTION



Source: Savills Research buyer and seller survey, September 2026



CHANGE IS COMING: REFORMING THE PROCESS OF BUYING AND SELLING A HOME IN ENGLAND



LUCIAN COOK
HEAD OF RESIDENTIAL RESEARCH

Having put rental reform to bed with the Renters' Rights Act, the government has turned its attention to the process of buying and selling a home. Lucian Cook looks at what it could mean if the proposals are adopted.

When our youngest had just turned four, my wife sent me a text at work which read: "I am never going to attempt to get a passport photo from a machine for our son again. It was the single most traumatic experience of my life. Childbirth was easier." Since then, we have moved house twice. Neither move was quite as challenging as this particular endeavour. But neither were they

a cakewalk. We were lucky to have the benefit of a proactive estate agent and an experienced conveyancing solicitor. Yet it still felt like an unduly convoluted and protracted process.

The government first announced proposals to overhaul the buying and selling process across England on the 6 October 2025. Shortly afterwards, I was asked

to provide my opinion on their potential impact on national radio. It soon became apparent that my personal frustrations paled into insignificance compared to other members of the public.

And so, there is little doubt that reform is needed. But what is being proposed and what are the likely implications?

1 MANDATORY UPFRONT SALES PACKS

This would require much more information being made available before a property is brought to the market. These are expected to include title and tenure details (with leasehold costs and obligations where relevant), property searches and, to a degree at least, information on the condition of the property.

This element of reform has parallels with the Scottish Home Report, though north of the border this also requires an independent valuation alongside a prescriptive condition report. That speeds up the sales process, but only when lenders are comfortable with the findings.

And this goes to the nub of the issue.

Experience tells us that the provision of more information up front, helps to the extent that buyers, their lawyers and mortgage providers are prepared to rely on it.

Much will depend on the extent of the information required, which – for the avoidance of doubt – is yet to be confirmed. The more comprehensive the information provided up front, the smoother the process should be later down the line (accepting there is always the potential for unforeseen complications). But there is a balance.

However that balance is struck, it will almost certainly take longer and cost more to bring a property to the market, especially in the early stages of change.

Sellers will undoubtedly need to start their preparations earlier to catch the spring and autumn selling seasons.

But it is also likely that fewer people will embark on the process, unless they are wholly committed to selling. The impact on the amount of publicly available stock will be greatest in weaker market conditions (something which contributed to the demise of Home Information Packs in the wake of the credit crunch).

It should also mean fewer homeowners chancing their arm with a high asking price to test the market, assuming agents do not succumb to the temptation of pricing high to maintain a book of instructions.



2 EARLIER BINDING AGREEMENTS FOR SALE

As it stands, once the provision of more upfront information has bedded in, the government will seek to introduce binding conditional contracts for sale upon a deal being agreed. Buyers and sellers would only be able to withdraw for legitimate reasons.

And so, sellers will not only have to be more steadfast in their

decision to bring their property to the market, but also in accepting an offer. But it isn't just about tying in sellers.

During my stint on the nation's airways, I was particularly struck by how many committed sellers had suffered from a buyer pulling out, often for spurious reasons and often quite late in the day.

And so, the effectiveness of these measures will not just depend on clarifying what does and doesn't constitute a legitimate reason to withdraw from a purchase, it will also depend on what penalties the buyer incurs, if they decide not to proceed.



3 GREATER USE OF TECHNOLOGY DIGITISATION

In an age where your supermarket can predict when you are about to run out of granola, it seems odd that technology has been used so little to streamline the buying and selling process.

Centralised anti-money laundering checks and digital identification verification are perhaps the lowest hanging of all the fruit that could be harvested through technological innovation.

Digital document sharing and the use of electronic signatures sit not far above, provided they are supported by sufficient cyber security.

More ambitious, but no less revolutionary, are the proposals for digital property logbooks. These would centrally hold the bulk of legal and regulatory information needed to progress a transaction, avoiding the need

for the repeat of a laborious collection process each time a property is bought and sold.

Their impact depends on how comprehensive they are, how much they can be tailored to more complicated situations and how easy it is to assimilate the information relating to each property. As ever, it is all about their implementation, their adoption and a need for them to become the industry standard.



4 GREATER REGULATION AND PROFESSIONALISATION OF THE ESTATE AGENCY SECTOR

Though some way ahead of social media influencers, estate agents came seventh from bottom in the 2025 Ipsos Veracity Index, with 32% of the public having faith in their honesty. Whichever way you look at it, there is room for improvement.

This is recognised in government proposals for a Code of Practice for Estate Agents, which they

have indicated could be put on a statutory footing if needed. Mandatory qualifications would be subject to a separate consultation.

If anything, the case for greater professionalisation increases as more regulation is introduced.

In the meantime, it remains important to use an agent who you trust to act in your best interests and minimise the stress of selling your home.

It is a shame that the same service isn't offered to parents who need a passport photograph for an under five.



A PIVOTAL YEAR FOR THE RENTAL MARKET



JESS TOMLINSON
ASSOCIATE DIRECTOR RESIDENTIAL RESEARCH

2026 has all the credentials to be regarded as a pivotal year for the rental market. The abolition of the Assured Shorthold Tenancy Agreement has marked the biggest change in landlord and tenant regulation since, well, its introduction.



THE POWER OF THREE-LETTER ACRONYMS

The Assured Shorthold Tenancy (or AST) was introduced in January 1989. The buy-to-let (or BTL) mortgage came later, being launched in the auspicious surroundings of the RAC on Pall Mall on the 24 September 1996.

Together they were transformational, though it was not until the turn of the century that their impact on residential property investment started to become apparent.

DELAYED RESPONSES

Changes in tax legislation, albeit to deter rather than support property investment, also took time to show their hand.

A 3% stamp duty surcharge (introduced in 2016) was initially swallowed by investors. When it was upped in 2024 to 5% (8% in Scotland), it became less easy to digest. Meanwhile, the impact of restricting tax relief on mortgage interest only really became apparent when mortgage rates increased.

TAKING TIME TO REASSESS

And so, it remains a little early to confidently say what the precise legacy of the Renters’ Rights Act will be. This is especially so in the prime market, where the changes do not apply to the most expensive properties with a rent of over £100,000 per annum.

For now, we know that it has made landlords more cautious, causing many to reassess their options; irrespective of whether they are invested in mainstream or prime.

INITIAL MARKET IMPACTS

And there are signs that this is impinging on the amount of stock available to rent. In turn that is supporting rental growth, particularly for smaller properties, much as we saw north of the border after the regulatory changes here in 2017.

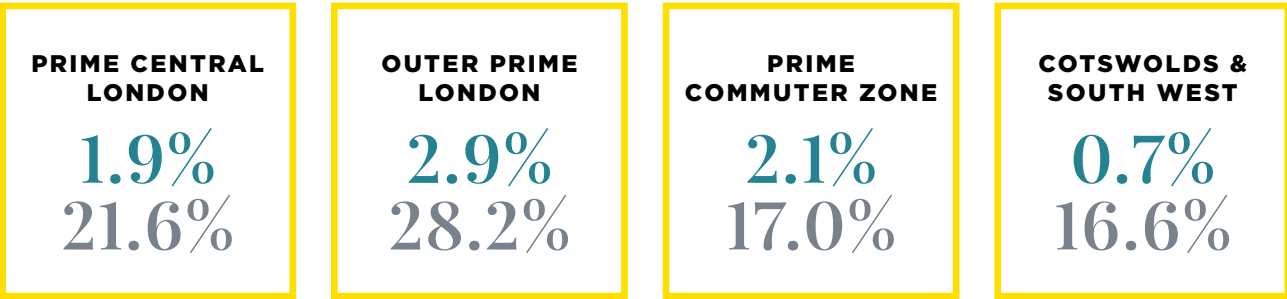
Despite strong five-year appreciation, for now annual prime rental growth is relatively modest, reflecting current pressures on tenants’ household finances.

How much that builds ultimately depends on how many landlords decide to call it a day or look to take advantage of the buying opportunity currently on offer. Evidence suggests that will also take time to become clear, as figures from HMRC of all places, attest.



PRIME RENTAL GROWTH

■ Annual ■ Past 5 years



Source: Savills prime rental indices, Q3 2026



PROFITS AND DISPOSALS: WHAT HMRC IS TELLING US



LUCIAN COOK
HEAD OF RESIDENTIAL RESEARCH

Over the summer, HMRC released two sets of statistics that provide useful insight into both the financial pressures on landlords and the extent to which they have headed for the exit, battened down the hatches or adapted to their new regulatory surroundings.

LANDLORD PROFITABILITY

The first of these shows that the average tax-paying landlord saw their profit fall by -11.2% in 2024-25. That was on the back of a +32% rise in finance costs.

THE PROFIT SQUEEZE

Average per taxpayer	2023-24	2024-25	Change	% change
Rental income	£20,275	£20,483	+£207	+1.0%
Residential finance costs	£3,361	£4,451	+£1,090	+32.4%
Repairs & maintenance	£2,303	£2,226	-£77	-3.3%
Legal, management & prof fees	£1,471	£1,444	-£26	-1.8%
Rent, rates & insurance	£1,319	£1,323	£4	+0.3%
Non-residential finance costs	£501	£462	-£40	-7.9%
Services, including wages	£238	£569	+£332	+139.6%
Other allowable expenses	£1,605	£1,590	-£14	-0.9%
All costs	£10,797	£12,066	+£1,269	+11.8%
Profit	£9,478	£8,417	-£1,061	-11.2%

Source: Savills Research using HMRC. * figures are subject to rounding

Of course, not all landlords will be bearing such finance costs. Indeed, the income tax figures show that just under 40% of private landlords have a mortgage.

That provides a useful reminder that most landlords are debt free. As such, the majority are relatively well placed to stand up

to the regulatory and financial headwinds facing the sector, however downtrodden they may feel right now.

Those who do carry debt are likely to progressively find their finances squeezed, as their fixed rate mortgages come to an end.

That suggests a further fall in taxable profits in 2025-26. But it also points to a much more gradual – and somewhat less dramatic – sell-off of buy-to-let properties than many feared.



Source: Savills Research using HMRC

LANDLORD SALES

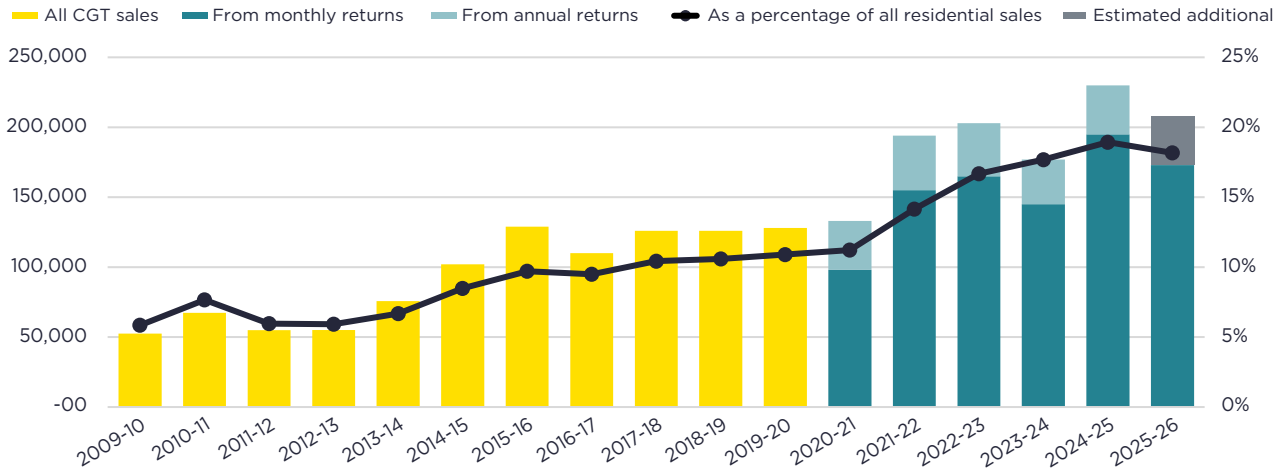
This is supported by the second data release from the Tax Office. Its capital gains tax statistics suggest that sales of investment properties and second homes fell slightly in 2025-26, despite the Renters' Rights Act working its way through parliament at the time.

The prevalence of a wait-and-see approach chimes with our recent prime landlords' survey. It found that a relatively small number of investors (11%) had sold to date. Somewhat more indicated that they would consider a sale, as underlying conditions in the prime housing market improve.

A PRE-BUDGET FLURRY?

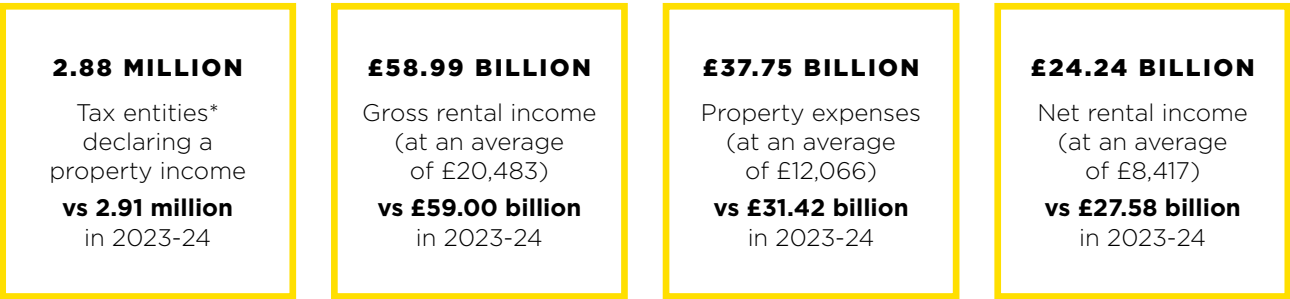
That is not to rule out another flurry of landlord sales in the run-up to the Autumn Budget. However, we expect the spike to be less pronounced this time around. The need to act quickly and the complexities of securing vacant possession since the abolition of section 21 is likely to temper any surge in sales.

CGT SALES OF INVESTMENT PROPERTIES AND SECOND HOMES



Source: Savills Research using HMRC

PROPERTY RENTAL INCOME HEADLINE STATISTICS 2024-25 (UNINCORPORATED LANDLORDS)



Source: Savills Research using HMRC
* individuals and partnerships (excludes companies)



Savills Research

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