

# The Negotiator Conference & Expo 25

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## Session 2

### Housing market trends and opportunities to win business in 2026

Richard Donnell, Executive Director, Zoopla



**A**gents are ending 2025 with a pretty decent pipeline of sales agreed and there's also strong rental inflation."

**Sales:** There is a real desire among the general public to move home in the next 2 to 3 years. In fact, 2 in 5 consumers are in the market, or are watching the market with a view of moving home soon. Agents need to engage with all those considering moving but affordability constraints will continue.

The sales pipeline is looking its healthiest for almost four years. This is equal to about £1 billion in sales commission. It may start to plateau, however, instead of rocketing up.

- ▶ Housing sales volumes to hold steady at approx 1.15 million in 2026
- ▶ House price inflation to increase 1-3%, with the highest uplift in regional markets
- ▶ Value of estate agency will increase by 4-6% in 2026

#### Who is driving the market?

- ▶ FTBs account for about 40% of transactions
- ▶ Existing homeowners buying with a mortgage account for about 33% of all transactions – these are the people agents need to get moving

- ▶ Cash buyers account for approx 20% of transactions, comprising investors, homeowners and downsizers
- ▶ Buy-to-let investors with a mortgage account for around 7% of transactions

The relaxing of mortgage stress/affordability tests positively impacted 2025's market but first-timer buyers in London & the South are having to look at cheaper homes as there is a lack of incentives to get them on the property ladder. The forecast is for mortgage rates to remain broadly flat in 2026 but we need wages to rise to help with affordability.

#### House price inflation:

- ▶ House prices are down in London, the South East (SE) and the South West (SW)
- ▶ House prices are generally rising elsewhere
- ▶ Some regions have a glut of homes for sale, which is holding back price inflation
- ▶ A third of homes for sale in London used to be buy-to-lets.
- ▶ We don't expect figures to look very different at the end of 2026
- ▶ House price growth gives people confidence to put their home on the market

#### Post Budget thoughts

The spectre of a tax on homes worth more than £500,000 has ended for now – the prospect did dent confidence and cause a market pause in the run up to the AB. Uncertainty has passed and we may see a rebound, with a pick-up in house price inflation.

Nothing happened to stamp duty in the AB but there is fiscal drag - the current stamp duty land tax (SDLT) thresholds haven't kept up with house price increases. There is a school of thought that feels SDLT should be abolished as part of wider tax reforms.

#### Future trends

Affordability pressure is making people look further afield for a new home. In the South, a third of people are looking more than 10 miles outside of where they currently live. In the North, that radius is 5 miles. As a result, agents' marketing needs to be wider geographically to persuade people to new areas. AI powered search will help those who are moving to new areas, especially those who aren't sure of what they can afford.

People aren't staying in their homes for as long as they used to; 33% will sell within 3 and 7 years. Agents need to stay in touch with just-moved clients and prospect relatively new homeowners. ▶

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### Rental snapshot

- ▶ Rental inflation of 2–4% for newly agreed lets forecast for 2026, with the highest rates in the most affordable markets
- ▶ Rents are up, on average, 35% in the last 5 years
- ▶ Moving forwards, rents will increase more slowly than earnings
- ▶ There are 4 enquiries for every available rental listed on Zoopla, keeping pressure on rental values

- ▶ New let values are falling in some cities, including Bristol and Leeds, but rising in centres such as Newcastle and Cardiff – increases are very city/region dependent, with localised peaks and troughs

The business of being a landlord has changed. There has been a flatlining supply of buy-to-lets; no mass exodus has been noted. Instead, the number of landlords leaving the private rental sector (PRS) is roughly equal to new landlords entering.

Portfolio landlords have been busy consolidating - half of all rented homes are owned by portfolio landlords who have 5 or more buy-to-let properties.

Yields have increased but so has the 'risk free rate'. Rents have outperformed house prices but people will look again at gilts and savings, as they offer less risk compared to compliance and costs in the PRS. Property investment by landlords will increase but it will be yield-chasing activity, perhaps in the Midlands and the North. ■