

Stability Builds in Plymouth as 2026 Gets Started



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The UK housing market ended the year on firmer footing than many expected. After a period of uncertainty driven by higher interest rates, stamp duty changes and Budget speculation, activity has proved resilient and confidence is slowly returning. While price growth in Plymouth and the South West has moderated, the overall picture is one of stability rather than decline.

Rightmove reports that average new seller asking prices fell by a larger-than-usual 1.8% in December, bringing the national average to £358,138. This seasonal dip means prices are 0.6% lower than a year ago, reflecting sellers' willingness to price competitively after a subdued second half. Much of that slowdown followed rumours of property tax changes ahead of November's Budget, which caused both buyers and sellers to pause. With that uncertainty now largely resolved, Rightmove expects a strong "Boxing Day Bounce" and is forecasting a 2% rise in asking prices during 2026.

Despite the softer second half, 2025 has been more positive than headlines suggest. Sales agreed are up 3% on last year, and mortgage approvals have remained close to pre-Covid norms. Nationwide describes the market as "resilient", noting that affordability pressures have eased as house price growth slowed from 4.7% at the end of 2024 to around 1.8% by November 2025. With earnings continuing to rise faster than prices and mortgage rates edging down, buyer demand has been well supported.

Mortgage conditions are a key factor behind this stability. The average two-year fixed rate now sits around 4.33%, down from over

5% a year ago. Halifax highlights that affordability is at its strongest since late 2015 when measured against incomes, and mortgage costs as a share of earnings are at their lowest level in around three years. This has been particularly beneficial for first-time buyers, whose share of purchases is now above the long-run average.

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Regionally, performance remains uneven. Northern Ireland has been the standout, with annual price growth of around 11%, while northern English regions have continued to outperform the South, narrowing the long-standing price gap. London has been the weakest performer, with growth closer to 1%, reflecting stretched affordability at higher price points.

Looking ahead, most forecasters expect gradual improvement rather than a sharp rebound. Nationwide is predicting house price growth in the 2–4% range in 2026, while Savills expects slower growth in the near term as economic confidence rebuilds. With buyer choice remaining relatively high, realistic pricing and good presentation will remain crucial. Overall, the market is entering 2026 on steadier, more sustainable foundations, offering a healthier balance between buyers and sellers than seen in recent years.



Source: This report has been made by ResiAnalytics for Martin&Co Plymouth. The data in this report comes from HM Land Registry, Office for National Statistics and ResiAnalytics. The last three months of sales data displayed are projections based on historical data. Disclaimer: This property market report is for informational purposes only and should not be used as a substitute for conducting your own research when making a property purchase decision. Please consult with a qualified professional to ensure all factors are considered in your investment choices.



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