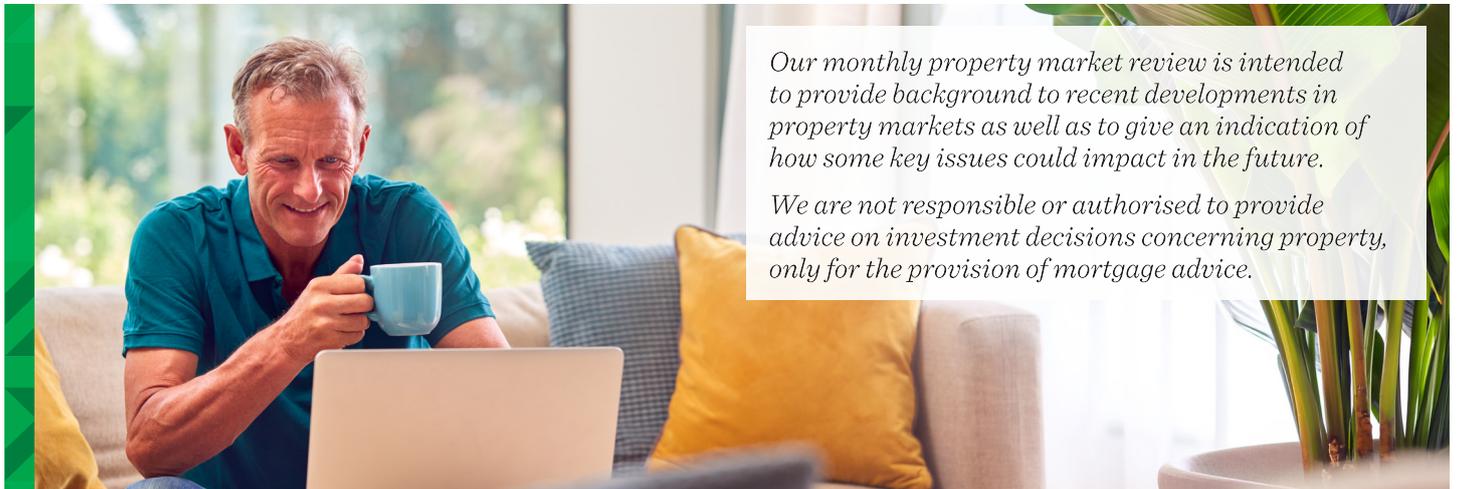


Quilter Property review

March 2026

🕒 8 minute read



Our monthly property market review is intended to provide background to recent developments in property markets as well as to give an indication of how some key issues could impact in the future.

We are not responsible or authorised to provide advice on investment decisions concerning property, only for the provision of mortgage advice.



Strong demand for Central London offices

Investment into the Central London office sector has surged as more companies implement return-to-office mandates.

According to research from BPS London, the office sector was one of the strongest-performing commercial property asset classes last year. This was driven by increased activity in Central London, where office investment rose by 45.1% annually, increasing from £4.79bn to £6.95bn. This reflects a shift back to office working after the pandemic, with demand for office spaces rising in London. As a result, office rents have gone up in the capital's most desirable locations, reaching £185 per sq. ft in the West End. Interestingly, transaction levels across the office sector have fallen by 6.9%, suggesting that investors are becoming more selective, targeting premium spaces that make office-working more appealing. The focus on high-quality offices may make it difficult for smaller businesses to afford spaces in London in future, as they risk being priced out of the market.



How is life sciences performing?

Figures from CBRE offer an insight into life sciences activity across the UK Golden Triangle.

The Golden Triangle refers to the life sciences cluster encompassing London, Cambridge and Oxford. In H2 2025, total take-up was 633,700 sq. ft, almost three times the level recorded in H2 2024. This brought take-up for the whole year to 889,800 sq. ft, with Oxford accounting for 75% of this.

Oxford was also the only market that recorded any investment activity in the second half of last year, with just over £1bn transacted. This is well above the average level of £0.38bn, driven by the £890m sale of Oxford Science Park. Cambridge and London did see notable investment activity in H1 2025.

More life sciences space is in development – at the end of 2025, 3.6 million sq. ft of space was under construction across the Golden Triangle, expected to be complete by the end of 2028.



Industrial and logistics sector update

What can we expect from the industrial and logistics sector this year? Knight Frank has shared its predictions.

The sector appeared to be entering a more stable phase at the start of 2026, with Knight Frank forecasting an increase in core capital investment due to improved investor confidence. This was expected to be supported by decreasing debt costs, however the outlook has become more uncertain due to the economic impact of the war in Iran. Overall, any growth is likely to be driven by rental income and a modest rise in property value, rather than yield compression.

In the occupier market, demand was resilient in 2025, with UK take-up increasing by 13% year-on-year, reaching 40.8 million sq. ft. The average transaction size rose by 8% annually, reflecting heightened demand for higher-spec buildings that are automation-ready. Occupier demand is expected to stabilise further this year, with operators continuing to prioritise the efficiency of a building.



Muted activity in housing market

The UK housing market is struggling to gain momentum as geopolitical tensions cause uncertainty about what's on the horizon.

According to the latest survey from RICS, new buyer enquiries declined further in February, falling to a net balance of -26%, down from -15% the previous month. Agreed sales slipped slightly too, posting a net balance of -12%.

The recent outbreak of war in Iran has affected the short-term outlook, with near-term sales expectations dropping to -2%, the weakest reading since last November. The current longer-term outlook is a little more positive, with a net balance of 17% of respondents expecting sales activity to rise over the next twelve months.

The full economic impact of the Middle East conflict remains to be seen, but the mortgage landscape was muted before tension escalated. According to the Bank of England, only 60,000 mortgage approvals were recorded in January, down on the six-month average of 64,100.



Rental market becomes more balanced

Competition for rental properties has slowed to a six-year low, according to Zoopla.

Supply and demand are becoming slightly more balanced across the rental market. In March, tenant demand was 14% lower than the previous year, while the number of available properties rose by 11%. This increase in supply may be due to more renters getting on the property ladder, therefore freeing up their homes. As a result, competition among renters is easing, with the number of enquiries per property falling annually from 6.5 to 4.8. This is the lowest level for six years but is still double the pre-pandemic average.

The relative improvement in rental conditions has helped to slow the pace of annual rental growth to 1.9% in March, down from 2.8% the previous year. There is some regional variation, with northern cities such as Liverpool and Newcastle showing stronger growth of 4.6% and 4.5% respectively.



Local housing markets rebound

Research from Yopa indicates that about 70% of local housing markets are in recovery.

The national picture for house price growth may be muted, but analysis of local authorities suggests that the landscape may be shifting upwards. Of the 349 districts analysed, 241 show monthly house price increases. Some of the strongest rebounds were seen in areas such as South Ayrshire, East Cambridgeshire and Northumberland. Meanwhile, the most expensive areas continue to see homes decrease in value – this is particularly evident in London, where Kensington and Chelsea, Camden, and Hammersmith and Fulham are among those seeing notable price declines.

Verona Frankish at Yopa commented, "After a difficult couple of years shaped by economic uncertainty and rapidly rising mortgage rates, conditions have undoubtedly been challenging... the fact that most Local Authorities are already in recovery demonstrates that the market is not in decline, but in transition."

House price Headline statistics



House Price Index (November 2025) **102.9**



Average House Price **£268,000**



Monthly Change **-0.3%**



Annual Change **1.3%**



Average house prices in the UK increased by **1.3%** in the year to January 2026



House prices decreased by **0.3%** on average between December 2025 and January 2026



The average price in London was **£554,422**

House price Price changes by region

Region	Monthly change (%)	Annual change (%)	Average price (£)
England	-0.2%	1.1%	£290,437
Northern Ireland	1.4%	7.5%	£195,936
Scotland	-0.3%	1.3%	£187,716
Wales	-1.7%	2.0%	£210,186
East Midlands	-0.4%	2.1%	£241,497
East of England	-0.2%	1.2%	£336,455
London	0.8%	-1.7%	£554,422
North East	-2.8%	2.2%	£158,295
North West	-0.8%	3.1%	£214,443
South East	0.4%	-0.5%	£379,532
South West	0.0%	-0.1%	£301,518
West Midlands Region	0.3%	2.4%	£247,251
Yorkshire and The Humber	-0.5%	3.0%	£206,470

All details are correct at the time of writing (24 March 2026).

Source: The Land Registry | Release date: 25/03/26 | Next data release: 22/04/26

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