REAL ESTATE WEEKLY

WEEK ENDING 15 NOVEMBER 2026

The Economy Grew 0.7%. Housing Went The Other Way.

+0.7% | Q3 GDP growth

-4.7% | Private new housing output, Q3

-24 | RICS agreed sales balance, October



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REAL ESTATE WEEKLY
Week ending Sunday 15 November 2026 · propertynumbers.com

The Economy Grew 0.7%. The Housing Market Went The Other Way.

THIS WEEK AT A GLANCE

- Expect housing to trail the wider recovery, not follow it.
- Lenders are cutting fixed rates into rising funding costs, and that gap will close.
- Rental income, not capital growth, will carry property returns through the winter.

The UK economy grew faster in the third quarter, and housebuilding shrank inside it. The ONS first estimate puts GDP up 0.7% on the quarter, from 0.5% in Q2, and 1.9% on the year, with services output up 0.9%. Private new housing output fell 4.7% over the same 3 months.

Surveyors read the same divide from the ground. In October's RICS survey the agreed sales balance fell to -24 from -18 and the price balance to -36 from -34, while expectations for prices over the next 12 months dropped to -17 from 0. These are net balances of opinion, not counts of sales, and every one of them points down.

Money got dearer as the week went on. The Bank of England's fitted 2-year SONIA swap rate rose to 4.77% on 12 November from 4.54% a week earlier, yet Rightmove's average 2-year and 5-year fixes each fell 0.05 percentage points in the week to 13 November. Lenders are cutting into rising funding costs.

This edition reads housing on its own numbers.

RATES AND LENDING

The funding market turned against lenders this week. The fitted 2-year swap rose on each trading day from 10 November, to 4.77% on the 12th, and the 5-year reached 4.73% from 4.51%. Gilts moved with it: the fitted 10-year yield rose to 5.26% on 12 November from 5.14% on 6 November.

Fixed pricing moved the other way. Rightmove's headline 2-year fix fell to 5.46% and the 5-year to 5.44% in the week to 13 November, with both terms lower at every loan-to-value band. A broker report on 11 November listed selected cuts of up to 0.40 percentage points at Barclays and up to 0.16 points at Santander, and a NatWest 2-year fix at 60% loan-to-value priced below 4.90%.

Those cuts sit on funding that has already moved. Moneyfacts listed the cheapest 2-year purchase fix at 4.70% on 13 November, from Yorkshire Building Society with a £1,495 fee at the 60% tier, below the fitted 2-year swap rate of the day before. Average Moneyfacts pricing remains far higher, at 5.93% for 2 years and 5.95% for 5. Margins this thin rarely last.

DEMAND AND TRANSACTION ACTIVITY

Buyer demand is still weakening, at an unchanged pace. RICS new buyer enquiries held at -24 in October, while agreed sales slipped 6 points to -24 and new instructions turned to -8 from +6. Surveyors expect sales to fall over the coming year, with that balance at -17.

The portals show more stock chasing fewer deals. Zoopla's October report has homes for sale up 7% on a year earlier and sales agreed down 7%. Rightmove put the wait to secure a buyer at 68 days in October, from 67, even as new sellers lifted asking prices 1.0% to £371,015. Asking prices are hopes; agreed sales are evidence. Completions have held up better so far, with HMRC recording 94,800 residential transactions in September against 95,300 in August.

Housebuilders are cutting back faster than buyers. Construction as a whole fell 0.7% in Q3, but private new housing fell 4.7%, and the S&P Global construction PMI dropped to 43.6 in October from 46.1. Construction output prices are still rising, up 3.2% over the year to September. Building is getting smaller and dearer at the same time.

LONDON

Prime London is losing value and gaining income. Knight Frank's prime central London index fell 2.1% in the year to October, against a 2.0% fall in the year to September, while prime central rents rose 1.4%. In prime outer London, prices were down 0.7% and rents up 3.3%.

Tenant demand explains the rent side. Knight Frank counted 6.3 prospective tenants for every new rental listing across its prime markets in the 3 months to October, from 5.3 a year earlier. Across all of London, Rightmove's rental listings were down 9% on the year in Q3, with advertised rents at £2,825 a month.

The sales side is slower and patchier. London sellers waited 78 days for a buyer in October, unchanged and well beyond the 68 days nationally, and the ONS provisional average for homes sold in Westminster was £887,000 in August, 14.3% lower than a year earlier. New supply is still being permitted: Newsteer counts 5,199 London homes granted planning in Q3. Permission is not a start.

COMMERCIAL PROPERTY

Commercial property shows rents holding while values slip. CBRE's October index had all-property capital values down 0.2% and rental values up 0.1%, for a total return of 0.2%. Offices lost 0.4% of capital value with rents up 0.2%, while retail was the firmer sector, with values up 0.2% and rents up 0.4%.

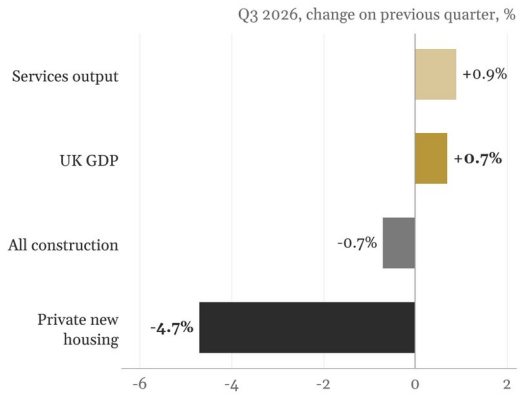
Credit is the tightest constraint. The RICS Q3 commercial survey put credit conditions at -37, its weakest balance, from -23 and investment sentiment at -13 from -8, yet expected rental growth for prime offices stands at +41 and prime industrial at +38. In central London, CBRE reports Q3 office leasing up 19% on the quarter to 3.2m sq ft and vacancy down to 6.3% from 6.6%.

REGULATORY AND POLICY DEVELOPMENTS

This was a quiet week for regulation. No new stage for Basel 3.1, renters' rights, EPC standards, stamp duty or leasehold reform was confirmed between 9 and 14 November, so the live measures are the ones already set.

The measure closest to this quarter's numbers targets new-build buyers. Your First Home, announced on 28 October, offers eligible first-time buyers of new-build homes in England a 20% government equity loan with a minimum deposit of 2.5%. Applications are indicated for February 2027 and the scheme is not yet in force, so it does nothing for a builder's order book this winter.

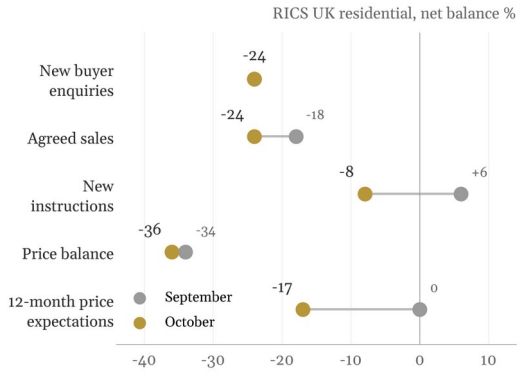
Builders already work under 2 recent changes. The revised National Planning Policy Framework has applied to planning decisions in England since 17 August, and the England Building Safety Levy commenced on 1 October.



GROWTH UP, HOUSING DOWN

GDP rose 0.7% in Q3, led by services at 0.9%. Private new housing output fell 4.7%, far below construction as a whole at -0.7%.

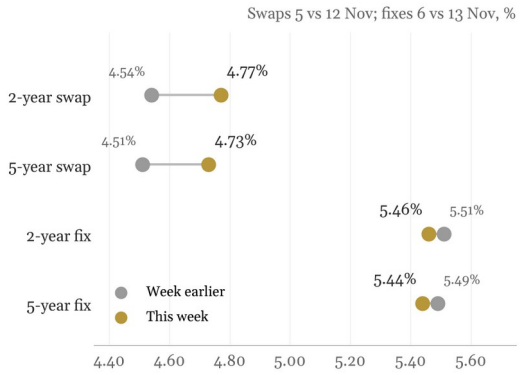
Source: ONS, GDP first quarterly estimate (UK) and construction output (GB), Q3 2026 (12 Nov 2026)



SURVEYORS LOWER THEIR SIGHTS

Every October balance but new buyer enquiries weakened. Price expectations for the next 12 months fell furthest, to -17 from 0.

Source: RICS, UK Residential Market Survey, October 2026 (9 Nov 2026)



FUNDING ROSE, FIXES FELL

The fitted 2-year swap rose 0.23 percentage points in the week to 12 November. Average 2-year and 5-year fixes fell 0.05 points.

Source: Bank of England fitted SONIA curve via SwapRates (5 and 12 Nov 2026); Rightmove / Podium, headline fixes (6 and 13 Nov 2026)

UK GDP, Q3	PRIVATE NEW HOUSING	RICS AGREED SALES	2-YEAR SWAP
▲ 0.7%	▼ 4.7%	▼ -24	▲ 4.77%
Quarter on quarter, from 0.5% in Q2	*Q3 output, quarter on quarter*	*October net balance, from -18*	*12 Nov, from 4.54% on 5 Nov*

Sources: ONS (12 Nov 2026); RICS (9 Nov 2026); Bank of England via SwapRates (12 Nov 2026)

DAVID'S VIEW

The economy grew this quarter and housing shrank. Price property on housing's numbers, not the economy's.

Lenders learn early that a strong economy does not repay a weak loan. Q3 is a clean example. Services led GDP growth of 0.7%, while private housebuilding fell 4.7% and surveyors marked down their price expectations for the year ahead.

Set Rates And Lending against Demand And Transaction Activity and the risk for buyers is timing. Lenders cut fixed rates in a week when their own funding rose by more than 20 basis points. That is a choice to win volume while agreed sales are falling, and it can be withdrawn faster than it was offered. Anyone with a purchase or refinance in hand should treat this pricing as a window, not a trend.

Put London next to Commercial Property and the return has moved to income. Prime rents are rising while prime prices fall, and commercial rents are edging up while capital values slip. Owners who can hold and let are being paid. Owners counting on capital growth to rescue a thin yield are not.

For developers the order is cost, credit, then demand. Build prices keep climbing, commercial credit conditions have tightened, and the government's new-build buyer support is not due to take applications until February 2027. A scheme has to work on today's price and today's money.

"GDP is not a buyer. Price the asset, not the economy."

THE WEEK AHEAD

Wednesday 18 November tests the rate story. The ONS releases October inflation at 7am, after CPI of 3.5% in September, and at 9.30am its private rents and house prices release, with rents last up 3.8% and prices up 0.9%. A firm inflation print would give swap rates no reason to fall back.

Jobs and borrowing bracket it. Tuesday 17 November brings the labour market figures at 7am, with unemployment last at 4.7% for June to August, and on Friday 20 November at 7am the ONS reports October public sector borrowing, which was £24.5bn in September.



David R. Sandhu

Founder of PropertyNumbers, the weekly macro property read for investors and developers, and Principal at Sandhütel, a London based property investment, management and design firm. Over 15 years' leadership across credit strategy, investment management and real asset development, including as Global Head of Credit Product Management at Barclays Wealth.

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