SANDHÜTEL · REAL ESTATE WEEKLY
Week ending Sunday 30 August 2026 · sandhutel.com

Buyers Are Back Looking. They Are Not Yet Buying.

THIS WEEK AT A GLANCE

- Buyer intent is recovering faster than buyer commitment.
- Pricing power still sits with the patient seller, not the eager one.
- London is testing this pattern first, and testing it hardest.

Something happened across the last four weeks of August that has not happened in over a year. Every region and nation of the UK began searching for a home again at the same time. That should read as good news, and cautiously, it is. But searching is not buying, and the same four weeks that produced the strongest home search rebound in twelve months also produced a monthly fall in completed transactions and no meaningful lift in achieved prices. The market has re-engaged. It has not yet recommitted.

This is not the story of a market waking up broken, nor of one about to boom. It is a market where interest has returned before conviction, and the gap between the two is now the most useful number in property. Every section that follows traces that same gap in a different place, in the mortgage market, in the transaction data, and most visibly of all in London.

The lesson is straightforward and easy to miss under the noise of improving sentiment surveys. A buyer who looks is not a sale. An agreed price is not a completion. A market that feels warmer to browse in is not automatically a market that has repriced. Believe the completions, not the click counts, until the two start moving together.

Rates And Lending

The Bank of England held Bank Rate at 3.75% this month. The vote split six to three, with three members wanting a rise to 4.00%, and the next decision does not land until 17 September. None of that changed what a borrower actually pays. 5-year swaps sit around 4.3%, 10-year gilts trade just above 5%, and Moneyfacts had the average two year fix at 5.59% and the average 5-year fix at 5.63% as of 28 August. The best widely available deals, at 4.47% and 4.51% at 60% loan to value, remain the exception rather than the rule.

This is the affordability story sitting behind every search that does not convert. A buyer weighing up a purchase today is pricing a mortgage that costs meaningfully more than the headline policy rate implies, because term funding costs, not the base rate the Monetary Policy Committee sets each month, are what lenders are actually passing through. Landlords feel it hardest of all. Moneyfacts had the average 2-year buy to let fix at 4.91% at 60% loan to value and 5.27% at 75%, as of 1 August, a leverage sensitivity that keeps landlord purchasing more selective than owner occupier purchasing.

Until swaps move meaningfully, the mortgage market will keep behaving like a market pricing higher for longer, whatever the search data says about renewed appetite.

Demand And Transaction Activity

Zoopla's data to 16 August put home searches 7% higher than a year earlier, the strongest annual increase in twelve months. Homes for sale were 5% higher over the same measure, so buyers returned to a market with genuine choice rather than a shortage to compete over. Sales agreed, however, were still 6% down on the year, an improvement on the 9% fall reported in Zoopla's prior release, but still a fall. RICS's July survey told the same story from its own vantage point. New buyer enquiries held at a net balance of -28, unchanged on June, and agreed sales held at -30, also unchanged.

The completions data, which lags this activity by two to four months, confirmed the gap rather than closed it. HM Revenue and Customs recorded 96,710 seasonally adjusted residential transactions in July, down 2% on June and 1% on the year. Achieved price growth on Zoopla's measure slowed to 0.9% to July, against 2.0% annual growth in the Office for National Statistics and HM Land Registry measure to June, and a 1.0% annual fall in Rightmove's asking prices in August, the largest August asking price fall the portal has recorded since 2018. Three different measures, three different definitions of price, one consistent direction. Momentum is slowing, not building.

Look underneath the national figure and the divergence sharpens by property type. Zoopla had flats and maisonettes down 1.6% on the year in July, while terraced, semi-detached and detached houses all posted modest gains. The buyer who has returned to searching is, on the evidence, hunting for a house rather than a flat, and is not yet willing to pay up for either.

London

London is where this month's pattern shows up first and most starkly, because London is where the gap between activity and price has the most room to open. Knight Frank recorded prime central London transactions 3% higher and transactions across greater London 14% higher in the three months to July than the same period a year earlier, activity Knight Frank itself frames against a weak 2025 comparison rather than as evidence of a genuine recovery. Set that against the official numbers. The Office for National Statistics and HM Land Registry measure had London prices down 2.5% annually to June, the tenth consecutive month of decline, and Zoopla had London down 1.0% to July against 3.1% growth in the North-West over the same measure.

The affordability arithmetic explains why activity and price have come apart so completely in the capital. Zoopla estimates a London buyer now needs roughly £35,500 of additional deposit to offset the rise in mortgage rates since January, against an average of £18,200 across the United Kingdom as a whole, almost double the national burden concentrated in a single city. A London landlord, meanwhile, is collecting the highest rents in the country, an average of £2,317 a month in July, up 3.0% on the year, with Kensington and Chelsea alone averaging £3,629. Knight Frank's own year ahead price expectation balance for London fell to -23 in July from -10 previously, its own professionals turning more cautious even as transaction counts improve.

This is not a London recovery. It is London liquidity returning before London pricing power does, and it is worth watching closely, because whatever happens here this autumn tends to describe the rest of the country a few months later, not the other way round.

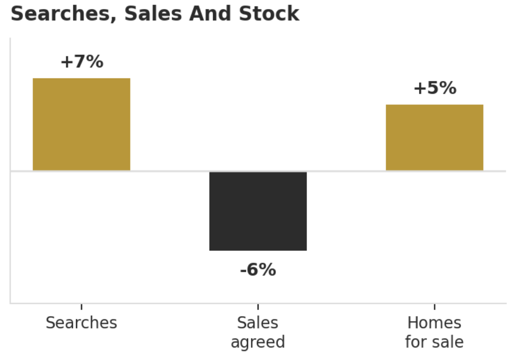
Regulatory And Policy Developments

Two policy threads matter this week, and both cut against quick conviction. Savills flagged the Renters Rights Act as the defining regulatory change of the year for the private rented sector and identified landlords bringing stock to auction as a direct response, evidence that regulatory cost is now a visible driver of supply rather than a background pressure. Savills's own auction data for the first half of the year showed 1,591 lots sold for more than £470m at a 76% success rate, proof that transparently priced stock still clears even where financing and policy uncertainty weigh on the wider market.

The second thread is one nobody can yet write as fact. Knight Frank's commentary this week explicitly links expectations of wealth and asset taxation, ahead of the autumn Budget, to continued caution at the top of the prime residential market. No measure has been announced, no rate has been set, and nothing beyond speculation currently exists in government sources. It would be a mistake to price a policy that has not been written, and an equal mistake to ignore that the market is already behaving as though it might be. That tension, priced in before it is confirmed, is doing real work on prime London sentiment right now, regardless of what the Budget eventually contains.

Put the two threads together and the message for anyone weighing a decision this autumn is the one this whole edition has been building toward. Regulatory and fiscal uncertainty rewards the buyer, seller or landlord who acts on rules that exist, and penalises the one waiting for a rule that has not yet been written.

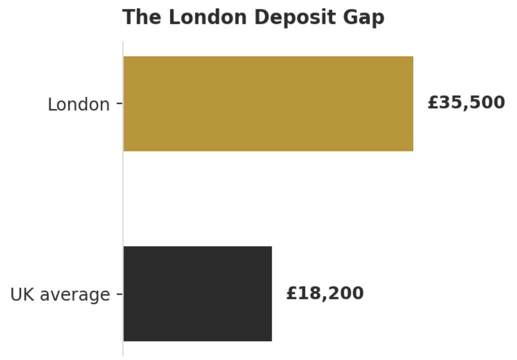
Searches, Sales And Stock



This is the whole edition in one chart. Buyers are searching at the fastest rate in a year, and they have more homes to search than they did in January. What they are not doing, in the same measure and the same window, is committing.

Source: Zoopla, House Price Index, 27 August 2026, four weeks to 16 August.

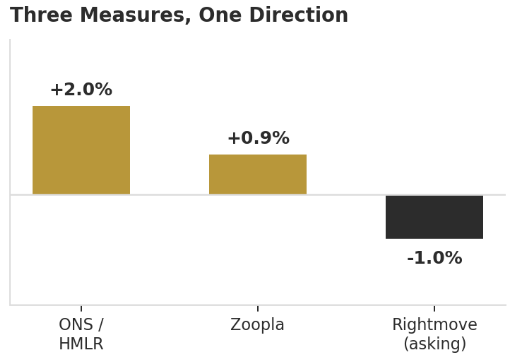
The London Deposit Gap



Every buyer in Britain is paying for the rise in mortgage rates since January in the same currency, extra deposit. London is paying almost twice the national rate, which is the plainest explanation available for why the capital's activity has recovered while its prices have not.

Source: Zoopla, House Price Index, 27 August 2026.

Three Measures, One Direction



These three indices measure different things, official completions, portal achieved prices, and asking prices, over different reference periods. None of that changes the direction. Every one of them is decelerating, and the most current of the three, Rightmove's August reading, is the only one already in negative territory.

Source: ONS/HM Land Registry, Zoopla, Rightmove, August 2026 releases.

SEARCHES	SALES AGREED, ANNUAL	HMRC COMPLETIONS	RIGHTMOVE ASKING
+7% ▲	**-6%** ▼	**-2%** ▼	**-1.0%** ▼
Twelve month high	*Improved from -9% prior*	*Month on month, July*	*Largest August fall since 2018*

Sources: Zoopla, HM Revenue and Customs, Rightmove. Data as at week ending 30 August 2026.

DAVID'S VIEW

This is a market that has learned to window shop before it commits. Bank Rate has not moved, yet 5-year swaps near 4.3% and 10-year gilts above 5% are keeping the average mortgage well above the level that would turn a search into a sale, which is exactly why buyer searches are at a twelve-month high and sales agreed are not.

This market rewards the buyer who has already sorted their financing, not the one hoping the rate will move to meet them. London proves it. Transactions there are improving faster than anywhere else in the country, and prices are still falling for a tenth consecutive month, because the affordability gap a London buyer has to close is nearly double the national figure. Activity without pricing power is not a recovery. It is a queue forming in front of a price nobody has agreed.

The seller who prices for the buyer who is actually there, not the one who searched and left, is the seller who converts this autumn. Everyone else joins a reductions column that is already crowded, while policy uncertainty at the top end gives even the willing buyer one more reason to wait.

My own positioning has not changed on the back of this week's data. I continue to buy where the numbers work without needing the search data to turn into completions first, on yield, on realistic price, and on financing already secured rather than assumed.

> ***A search is not a signature. This is a market being toured, not yet trusted.***

The Week Ahead

The Bank of England publishes its Money and Credit release for July on 1 September, the first hard lending data point since the search rebound began. Nationwide and Halifax both publish their August house price readings in the early part of the coming week, tested against Rightmove's largest August asking price fall since 2018.

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