

Spring 2026

Sales Report

**Confidence, cash and household change:
what's driving the 2026 property market?**

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Introduction

In recent years, affordability has been a significant challenge for buyers. However, 2026 is starting to look different. Wages have outpaced house prices, the Bank of England (BoE) base rate has fallen to 3.75% following four cuts in 2025, and mortgage rates – while volatile in the early months of 2026 – remain significantly more competitive than a year ago.

To understand how these shifts are playing out on the ground, we surveyed 307 buyers and sellers across England and Wales about their confidence, concerns and motivations heading into the spring market. Among the findings, 69% feel at least as confident as they did a year ago, nearly six in 10 expect to complete a move within

six months and the single biggest barrier to moving isn't affordability; it's finding the right property.

The report looks at who's active in today's market and why, how prepared buyers are financially, what's holding people back and what's driving the decisions of first-time buyers (FTBs), upsizers and downsizers.

With further BoE rate decisions ahead and global events adding fresh uncertainty to the outlook, the path for interest rates is less predictable than it seemed at the start of the year. But, as the following pages show, this is a market where the demand is real, the motivation is personal and most buyers are already prepared to move.



Kevin Shaw

National Sales Managing Director,
LRG

“What's encouraging is how prepared buyers are going into this Spring. Over half are cash buyers, and of those taking out a mortgage, more than 80% already have an agreement in principle. These aren't people waiting on the sidelines; they're ready to move.

“Likewise, more and more sellers across the wide geographical LRG landscape

are showing flexibility on price during negotiations to get sold. With the longer-term direction of interest rates still favouring buyers, there's no reason to delay, and there's a keenness to transact.

“After a few uncertain years, 2026 feels like a market that's found its footing.”



The 2026 landscape

Who's in the market

To understand how the market is moving, we must first understand who's shaping it. The mix of buyers active today tells us as much about where things are heading as any price index. Who's buying, why they're buying and how they're funding it all shape the pace, tone and direction of what lies ahead.

► Buyers in today's market

The largest group of respondents were downsizers (32%), with upsizers and first-time buyers (FTBs) evenly split at 21% and lateral movers accounting for a further 17%.

At the other end of the spectrum, investors remain a small but committed group at 6%, navigating higher Stamp Duty surcharges and evolving tax and regulatory requirements. Meanwhile, second-home owners make up 3% of respondents, a smaller share that reflects the higher upfront costs introduced in April last year.

32% - Downsizer

21% - Upsizer

21% - First-time buyer

17% - Lateral mover

6% - Investor

3% - Second-home owner

► What buyers and sellers are telling us:

"I'm glad prices are not growing at the moment while we're trying to find the right property to buy"

"Seems to me quite a good balance of buyers and homes for sale. Lots of young families wanting family homes with a garden"

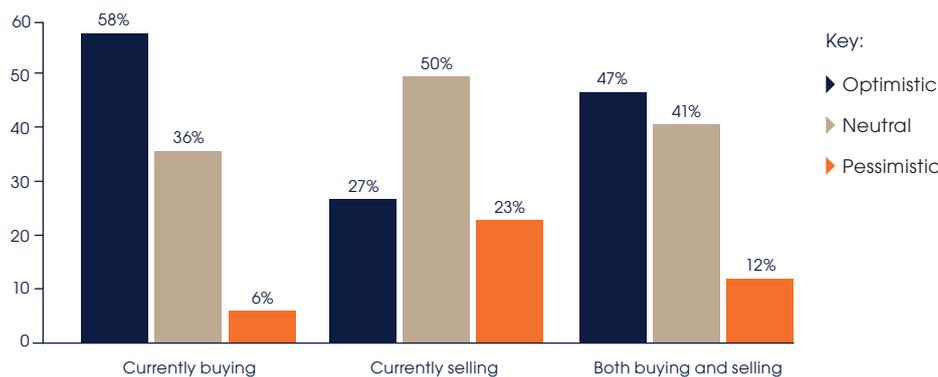


Market confidence

A glass half full

Following a year shaped by the Autumn Budget, Stamp Duty changes and volatile mortgage rates, the market appears to have found steadier ground heading into 2026. The BoE base rate has fallen to 3.75% and – while mortgage rates have edged up slightly in recent weeks – they remain significantly lower than a year ago.

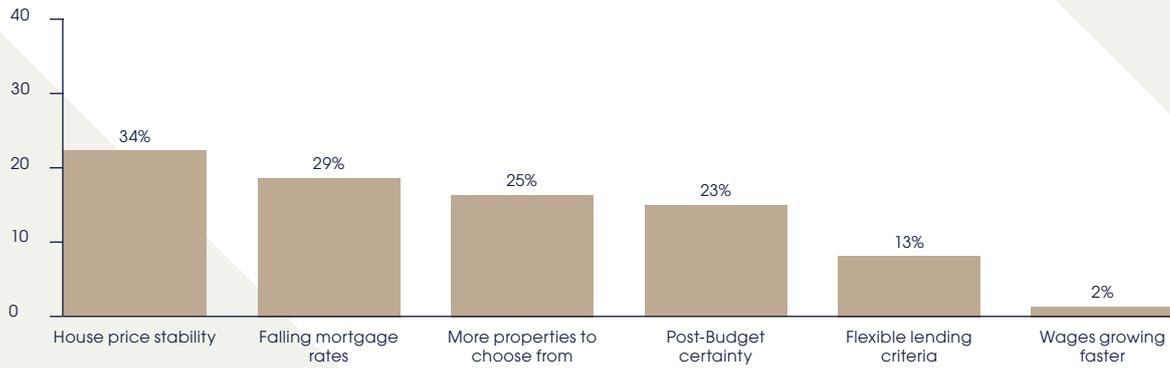
► Optimism about achieving property goals in 2026



When it comes to optimism, there's a clear gap between buyers and sellers. 58% of those currently buying feel optimistic about achieving their property goals in 2026, compared to 27% of those currently selling. Sellers are naturally more cautious, with half taking a neutral position. Among those buying and selling, 47% are optimistic.

Despite the differences in outlook, the intention to move is strong: 59% of respondents expect to complete within six months and 31% aim to do so within three.

What's driving confidence?



Base: 143 respondents who feel confident about the market

For those feeling confident, house price stability is the biggest driver (34%), followed by falling mortgage rates (29%) and more properties to choose from (25%).

Post-Budget certainty also features, with 23% citing greater clarity now that it's passed.

Among FTBs specifically, 35% cite lower mortgage rates as the key factor boosting their confidence, underlining the direct link between borrowing costs and getting onto the ladder.



▶ **59% of respondents expect to complete within six months and 31% aim to do so within three**

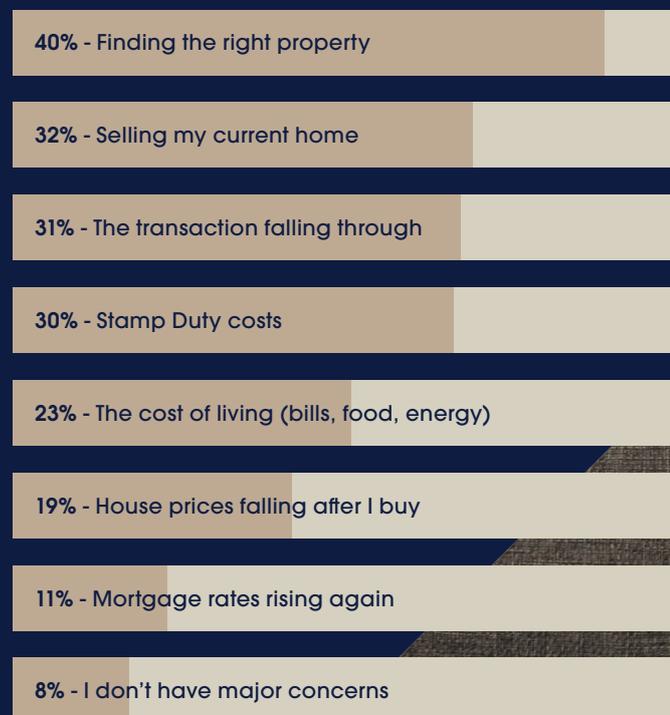
Concerns and costs

What's really on buyers' and sellers' minds?

When asked what concerns them most about buying or selling in 2026, the top answer wasn't mortgage rates or the cost of living; it was finding the right property (40%). Selling a current home (32%), the transaction falling through (31%) and Stamp Duty costs (30%) follow closely behind.

The fear of fall-throughs echoes what we heard in our Winter report. The government's Homebuying and Selling Reform Consultation closed at the end of 2025, with proposals including upfront property information, digital logbooks and earlier binding agreements, measures that trials suggest could cut fall-through rates by up to 30%. A full reform roadmap is expected this year, though no changes have been enacted yet.

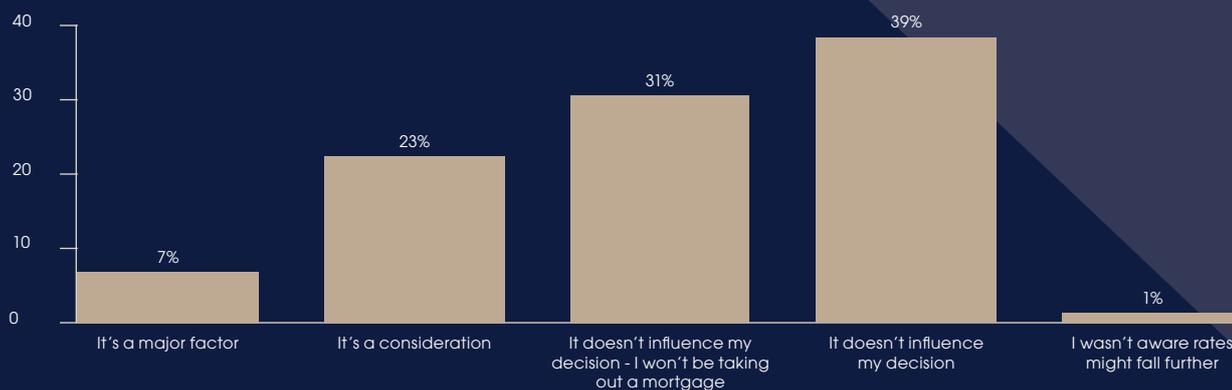
Concerns about buying or selling in 2026



*Source: GOV.UK Home Buying and Selling Reform Consultation (2025)

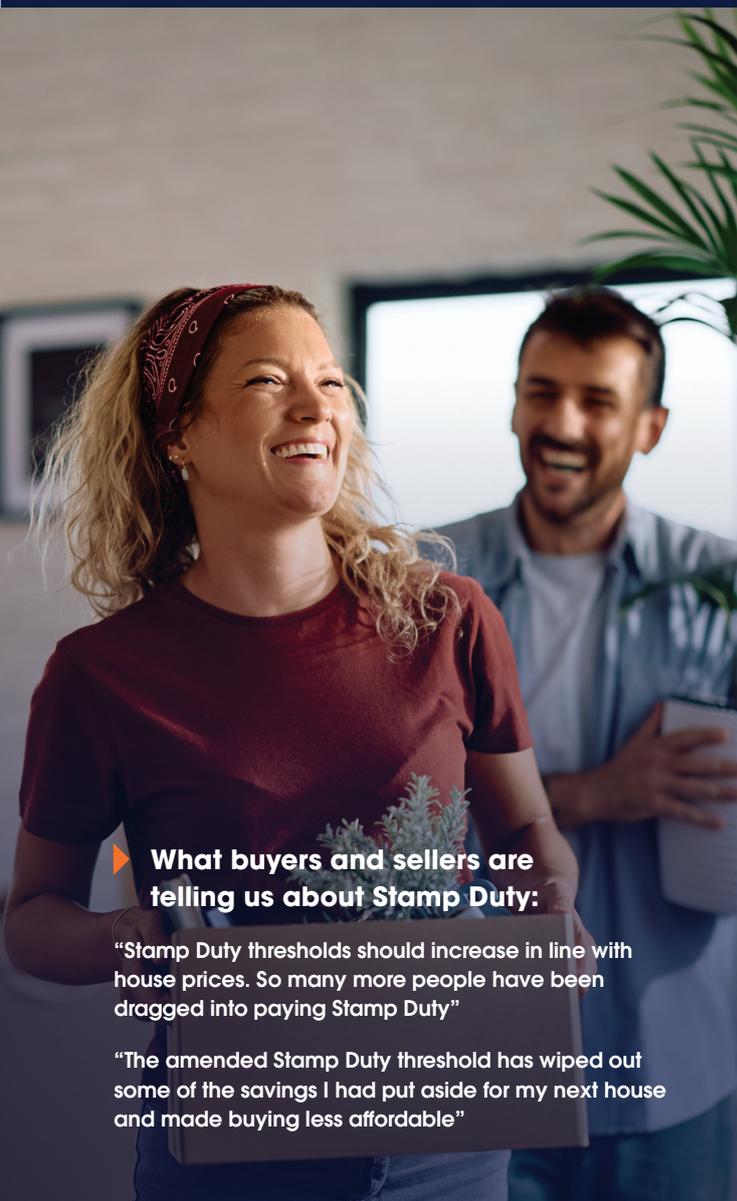
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How predicted rate cuts are influencing decisions



As for interest rates, predicted cuts are influencing relatively few decisions. Just 30% of respondents say rate reductions are a factor, with only 7% calling them a major one; partly explained by the volume of cash buyers who don't need a mortgage at all.

However, sensitivity to rates varies sharply by buyer type. Among FTBs, 67% say rate cuts are a factor, compared to 37% of upsizers and just 8% of downsizers – nearly half of whom won't need a mortgage at all.



What buyers and sellers are telling us about Stamp Duty:

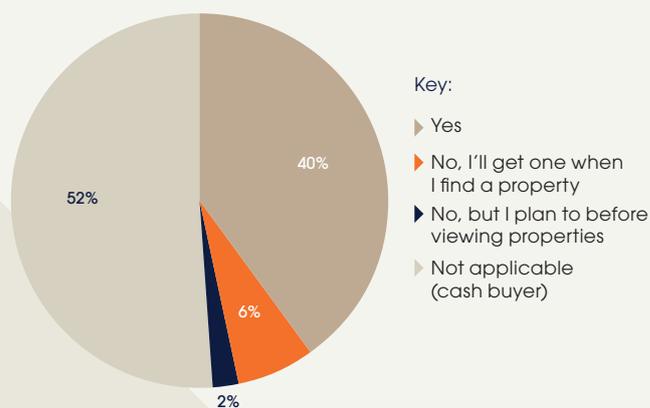
"Stamp Duty thresholds should increase in line with house prices. So many more people have been dragged into paying Stamp Duty"

"The amended Stamp Duty threshold has wiped out some of the savings I had put aside for my next house and made buying less affordable"

Where funding is concerned, buyers are well prepared. Over half (52%) of active buyers in our survey are cash purchasers, and of those who do need a mortgage, 81% have already secured a Decision in Principle (DIP). Just 6% are waiting until they find a property before arranging finance.

That level of readiness likely reflects the concerns raised in the market confidence section. When the risk of losing a property or a transaction falling through weighs heavily, having finances in place early makes sense.

Have you already obtained a Mortgage Agreement in Principle?

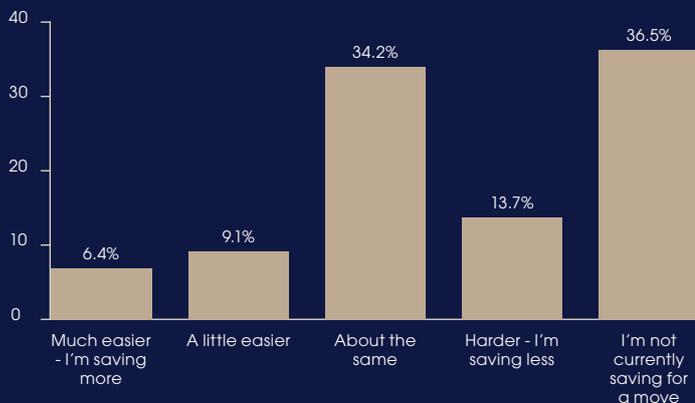


Among non-cash buyers, 81% have already secured a DIP

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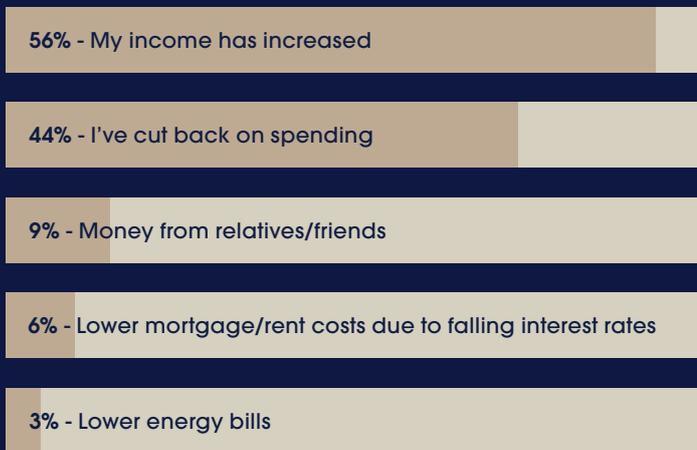
Where the money's coming from

Ability to save towards a deposit or moving costs



Of those saving towards a move, opinion is split on whether it's become easier or harder over the past year. Around a quarter say it's become easier, a similar proportion (22%) say it's harder and the rest report no change. Where saving has become easier, the main drivers are increases in income and cutting back on spending.

What's helped people save more



The biggest factor helping people save is rising income (56%). This is consistent with national data: Rightmove figures* show average earnings have risen 4.7% year-on-year while property prices have remained flat. Over the past three years, wages are up around 17% compared to just 1.5% for house prices.

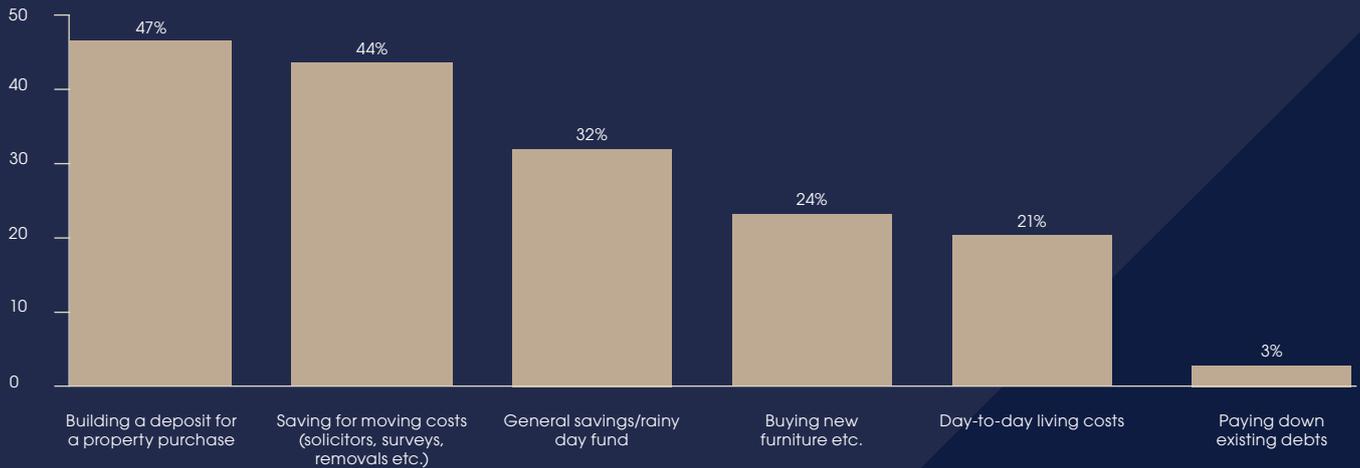
*Source: Rightmove House Price Index (February 2026)

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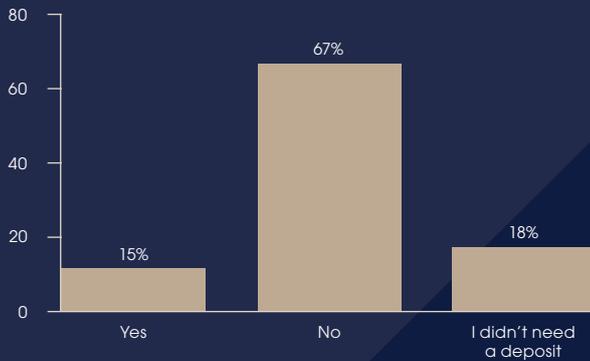


▶ **Savings are going towards deposits (47%) and moving costs (44%)**

▶ **Where extra savings are going**

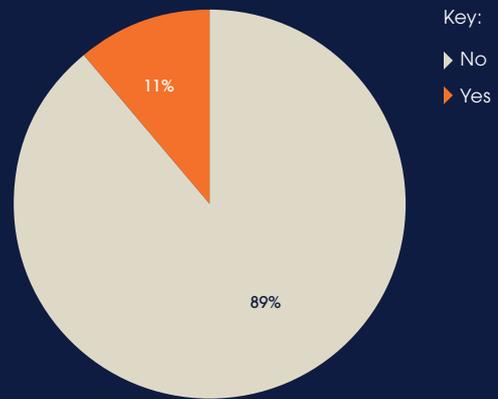


▶ **Have you had help from family or friends in saving for the move or the deposit?**



Family support remains a significant factor, but it's overwhelmingly an FTB story. While 45% of FTBs received financial help from family or friends, that figure drops to fewer than 10% for upsizers, lateral movers and investors, and just 2% for downsizers.

▶ **Was the help family and friends provided partly motivated to reduce inheritance tax?**



Of those who received help, just 11% said inheritance tax (IHT) planning played any part. For most, the motivation is simply helping the next generation onto the ladder.

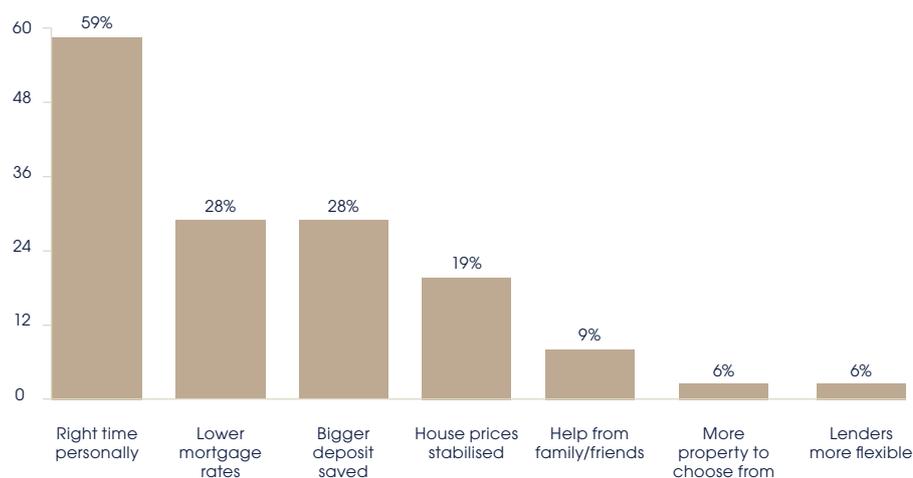


Who's buying and why

First-time buyers

FTBs accounted for nearly 40% of all UK property sales in 2025 according to Zoopla*, the single largest buyer group nationally. And while affordability remains a challenge, this is a group that isn't waiting on the sidelines. With most saying now is simply the right time in their lives to buy, and they're finding ways to make it happen.

▶ What's giving FTBs confidence?



Base: 32 FTB respondents who feel confident about buying

The decision to buy is being driven by life stage rather than market timing. The average FTB in England is now 34[†] – two years older than before the pandemic – and the proportion aged between 35 and 44 has risen from 21% to 28% compared to the previous year. The proportion of those aged 45 and over has also grown, from 5% pre-pandemic to nearly one in 10.

Among those feeling confident, six in 10 say now is simply the right time for them personally, while 28% say falling mortgage rates have given them confidence and another 28% point to their ability to save a bigger deposit.

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[†] Sources: Zoopla House Price Index (December 2025), English Housing Survey 2024-25, GOV.UK (December 2025)

What would help FTBs buy sooner?

65%

House prices coming down

45%

Finding the right property

40%

More government support for FTBs

35%

Mortgage rates falling further

25%

Saving a bigger deposit

When asked what would motivate them to move sooner, 65% say a fall in house prices, 45% say finding the right property and 40% want more government support.

The desire to buy is there for many, it's the conditions that need to catch up.

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▶ What FTBs are telling us:

"More help for first-time buyers (is needed). Cutting Stamp Duty – it's not fair that London has the same £300k rule as the rest of England"

"Help first-time buyers...and keep rates low"

"I'm just fortunate to have found a career and be born into a family that gave me space to save for a good deposit"



Downsizers

For upsizers and downsizers, the decision to move is personal. In a market dominated by talk of mortgage rates, Stamp Duty and affordability, these two groups tell a story of life changes rather than market conditions. Across both groups, two-thirds (67%) of motivations are lifestyle-driven, such as needing more or less space, retirement, growing families and moving closer to relatives.

▶ For both downsizers and upsizers, finding the right property is the single biggest thing holding them back. Among downsizers, concerns about the economy, the Budget and mortgage rates collectively account for less than 10%.

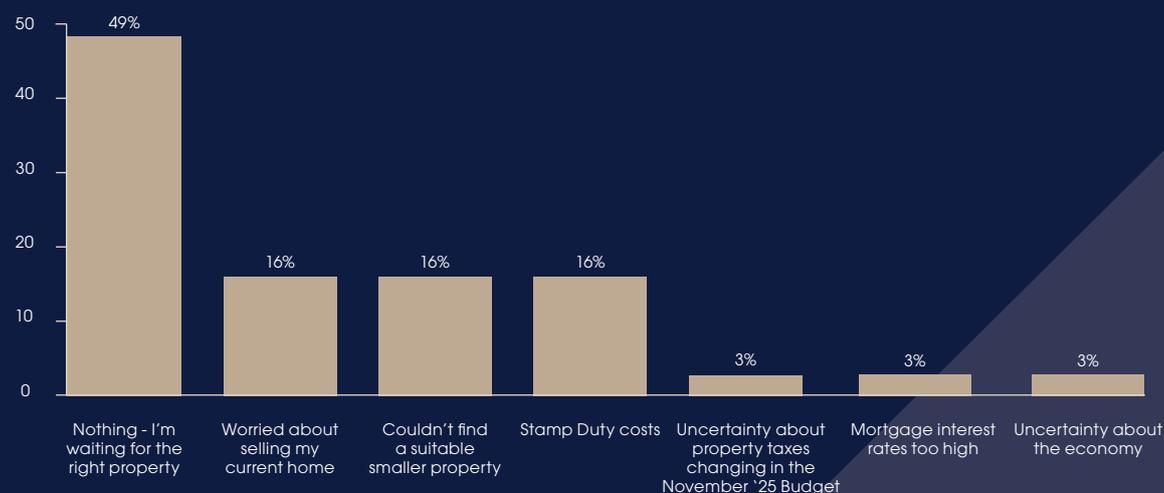
▶ What's motivating downsizers to move?



The top three reasons for downsizing are all rooted in lifestyle: their current property is too large (31%), retirement or a change in lifestyle (28%) and wanting to move closer to family (22%).

Reducing costs and releasing equity feature further down the list at 16% each, but they're secondary to the personal reasons driving these moves.

▶ What's held downsizers back?



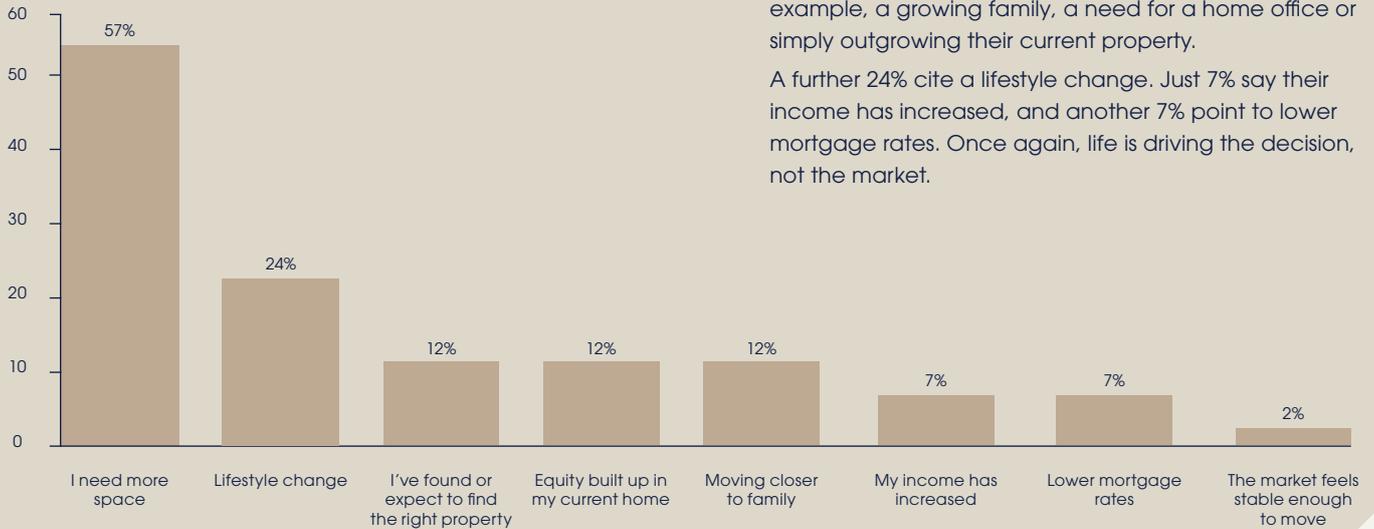
When it comes to what's holding them back, nearly half (49%) are simply waiting for the right property to come along. Concerns about selling their current home, finding a suitable smaller property and Stamp Duty costs are evenly matched at 16% each.

The economy, mortgage rates and Budget uncertainty barely register, which is unsurprising for a group who are often mortgage-free and sitting on significant equity.



Upsizers

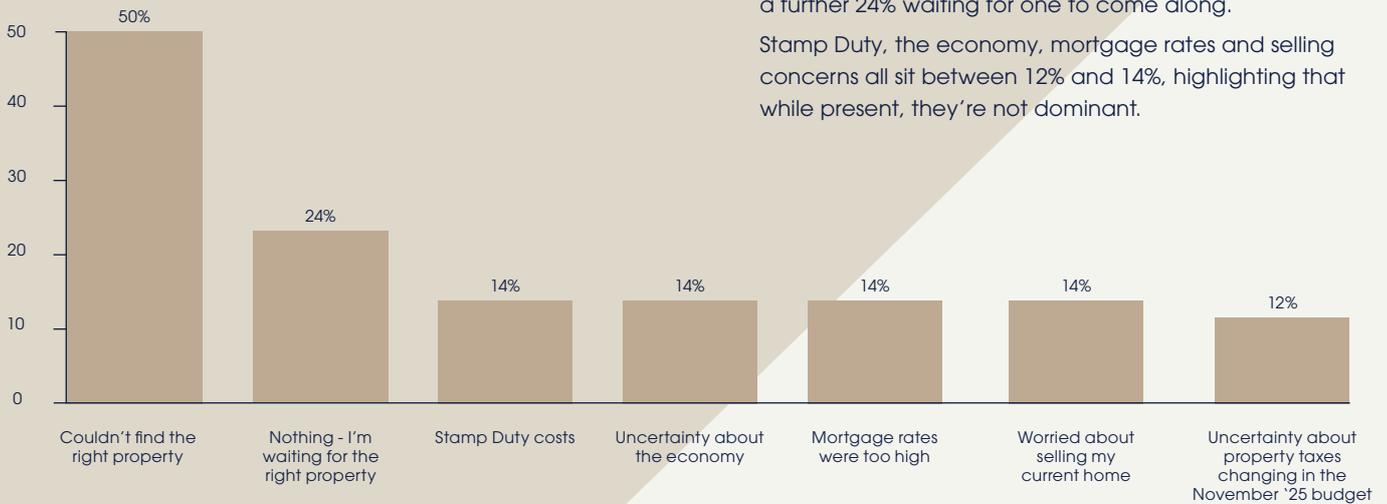
Why upsizers are moving



The picture is strikingly similar for upsizers. More than half (57%) are moving because they need more space; for example, a growing family, a need for a home office or simply outgrowing their current property.

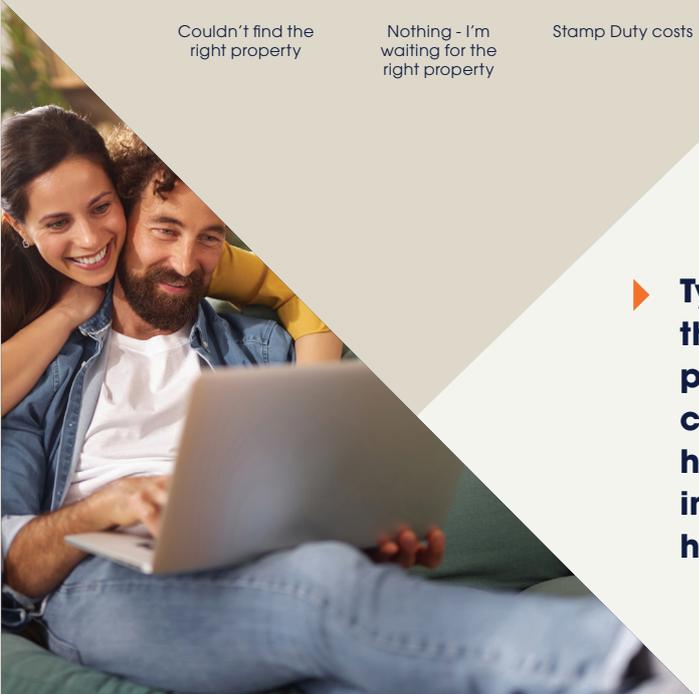
A further 24% cite a lifestyle change. Just 7% say their income has increased, and another 7% point to lower mortgage rates. Once again, life is driving the decision, not the market.

What's held upsizers back?



As for what's keeping them from moving, half say they simply haven't been able to find the right property, with a further 24% waiting for one to come along.

Stamp Duty, the economy, mortgage rates and selling concerns all sit between 12% and 14%, highlighting that while present, they're not dominant.



Typically taking on a larger mortgage rather than releasing equity, upsizers feel financial pressures more keenly than their downsizing counterparts. A family moving from a £300,000 home to a £500,000 property now faces £15,000 in Stamp Duty; yet even here, finding the right home remains the bigger concern.

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