

News in Review

13 May 2026

“The housing market continues to display the resilience that has been its hallmark in recent years”



The latest data from Halifax shows that house prices remained relatively stable last month, recording a monthly fall of only 0.1% after a 0.5% decline in March. The average property price now stands at £299,313, which is 0.4% higher than April 2025.

House prices continue to vary depending on region, with Northern Ireland recording the strongest UK growth where prices are up 7.6% annually. Meanwhile, the north-south divide persists. In England, the North East led the way with annual growth of 4.5% in April, while southern regions saw price declines. The South East recorded the biggest drop of 2.0%, while prices in London fell by 1.4% annually.

Amanda Bryden, Head of Mortgages at Halifax, commented, *“After a strong start to the year, recent global developments have added a greater degree of uncertainty to the outlook.”* She added, *“Even so, the housing market continues to display the resilience that has been its hallmark in recent years. While activity is likely to cool in the near term, the underlying picture remains one of relative stability, supported by wage growth that continues to outpace house price inflation.”*

Bryden also pointed out that, while higher mortgage rates may be particularly challenging for first-time buyers, the average price paid by a new homeowner has fallen to the lowest level this year (£238,908).

Elections shake up UK politics

Last week’s elections indicated a changing political landscape across the UK. Reform UK gained 1,451 council seats in total.

These wins were at the expense of both the Labour and Conservative parties, who lost 1,496 and 563 seats respectively. Meanwhile, the Green Party won 441 seats and took their first two London mayoralities.

On Saturday, Starmer appointed former PM Gordon Brown as Special Reviewer on Global Finance and Co-operation. He will focus on developing new international finance partnerships to support defence and security-related investment, including measures to reinforce the UK’s relationship with Europe. Former Labour deputy leader Harriet Harman was appointed as Adviser on Women and Girls. Harman will focus on tackling violence against women and girls, unlocking economic opportunity and improving representation.

After a tense Downing Street cabinet meeting on Tuesday, Keir Starmer insisted his leadership remains secure and told this cabinet he will focus on governing. Pressure continues to mount amid internal unrest.

In the Scottish Parliament election, the SNP held on to power for the fifth consecutive year but did not secure an overall majority. Labour and Reform tied in second place with 17 seats each. In Wales, Labour faced a historic defeat after 27 years in power, as Plaid Cymru became the largest party in the Senedd but fell six seats short of a majority.

Manufacturing sector sees positive start to Q2

The UK manufacturing sector showed signs of recovery in April as S&P Global’s Purchasing Managers’ Index (PMI) rose to 53.7, the highest level in 47 months.

This is the sixth consecutive month that the reading has been above the 50.0 no-change

threshold, indicating expansion in the sector. The improvement was largely due to a rise in output, new orders and employment.

However, supply chain and price pressures increased further due to the conflict in the Middle East, causing business optimism to fall to the lowest level in a year.

Equity release market update

The equity release market was affected by global economic uncertainty in Q1, as lending declined quarterly by 9% to £574m. According to the Equity Release Council, the number of new and returning customers also fell by 7% to 12,958. However, 45% of firms reported an increase in customer enquiries, which suggests that underlying demand is resilient.

Chair of the Equity Release Council, David Burrowes, highlighted the reasons to be positive, *“It could well be that we are set for an uplift as conditions stabilise and delayed cases begin to complete. Over the longer term, the underlying drivers of demand remain in place, and housing wealth continue to play an important role in supporting financial resilience later in life.”*

UK borrowing costs soar

Last week, long-term UK borrowing costs reached their highest level since 1998, as the Middle East conflict continues to affect economies around the world. The yield on 30-year UK government bonds peaked at 5.78%, while the 10-year yield reached an 18-year high of 5.1%.

Here to help

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.