

News in Review

03 June 2026

“The UK economy and housing market have proved remarkably resilient in recent years”



The latest data from Nationwide shows that average UK annual house price growth slowed to 1.7% in May, down from 3.0% in April. Prices also saw a monthly decrease for the first time this year, falling by 0.6% month-on-month.

This weaker growth was expected due to the economic uncertainty caused by the Middle East conflict. Housing market sentiment has also declined in light of geopolitical events. In March, the Royal Institution of Chartered Surveyors (RICS) reported the lowest level of new buyer enquiries since 2023.

However, there are some reasons to remain positive about the market outlook. Robert Gardner, Chief Economist at Nationwide, commented, *“The UK economy and housing market have proved remarkably resilient in recent years. Household finances are solid, with total household debt at its lowest level relative to income for around two decades.”* He added, *“This provides some confidence that, if the latest shock passes relatively quickly, and energy prices normalise in the quarters ahead, any near-term softening in the housing market will also prove short lived.”*

London leads the way in tech sector

London has come out on top as Europe's leading tech spot in Dealroom's latest Global Tech Ecosystem Index. It ranked fourth globally behind Silicon Valley, New York and Boston. This is a reversal from last year's report when Paris briefly overtook London. The English capital showed recovery last year as London startups generated \$17.7bn, while AI investment nearly doubled to \$7bn.

Dealroom said London's strong performance was driven by *‘stronger venture capital investment, continued unicorn creation and depth across sectors.’*

Energy bills on the rise

Households in England, Wales and Scotland are likely to see their energy bills rise by 13% a year in July. Regulator Ofgem expects that the average household will pay an additional £18 a month for gas and electricity due to the war in Iran. The increased energy cap reflects the rising global price of gas, which has gone up by 25% due to the conflict. The cap will run until September; suppliers have warned that bills could rise even higher after that if the conflict carries on into winter.

UK vehicle production stabilising

The latest figures from the Society of Motor Manufacturers and Traders (SMMT) show that UK vehicle production fell by 1.2% in April. Commercial vehicle output declined by 10.9%, the smallest decrease in 13 months. Meanwhile, car production was relatively stable, recording a marginal fall of 0.7%. Exports continue to be a key driver of vehicle production, representing 76.4% of output in April. New car registrations rose by 24.0% year-on-year to 149,247, making it the strongest April since 2019.

Mike Hawes, Chief Executive of SMMT, commented, *“April's figures suggest production is stabilising, albeit at reduced levels, when the ambition remains to grow the sector. UK manufacturers still face high costs, notably in energy, and uncertainty in the trading relationship with key trading markets.”*

UK signs security agreement with Poland

The UK has signed a major defence and security treaty with Poland, designed to protect British borders, reduce organised crime and strengthen ties with the European Union. Polish Prime Minister Donald Tusk visited England last week to formalise the agreement. Prime Minister Keir Starmer said, *“There's no greater challenge for either of our countries than the challenge of Russian aggression, and we see that not just in Ukraine itself, but beyond Ukraine, impacting on our own countries. So that's the context in which we sign what is actually a generational uplift in the relationship on security and defence between our two countries.”*

The youth unemployment crisis

A landmark report has highlighted that unemployment is a serious challenge for young people. Former Labour Health Secretary Alan Milburn was commissioned to lead the review - he warned that *“we are at risk of a lost generation”* because over one million 16 to 24-year-olds are not in education, employment or training. Milburn said the education, health and welfare systems were no longer *“fit for purpose”* in preparing young people for adult life.

Here to help

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