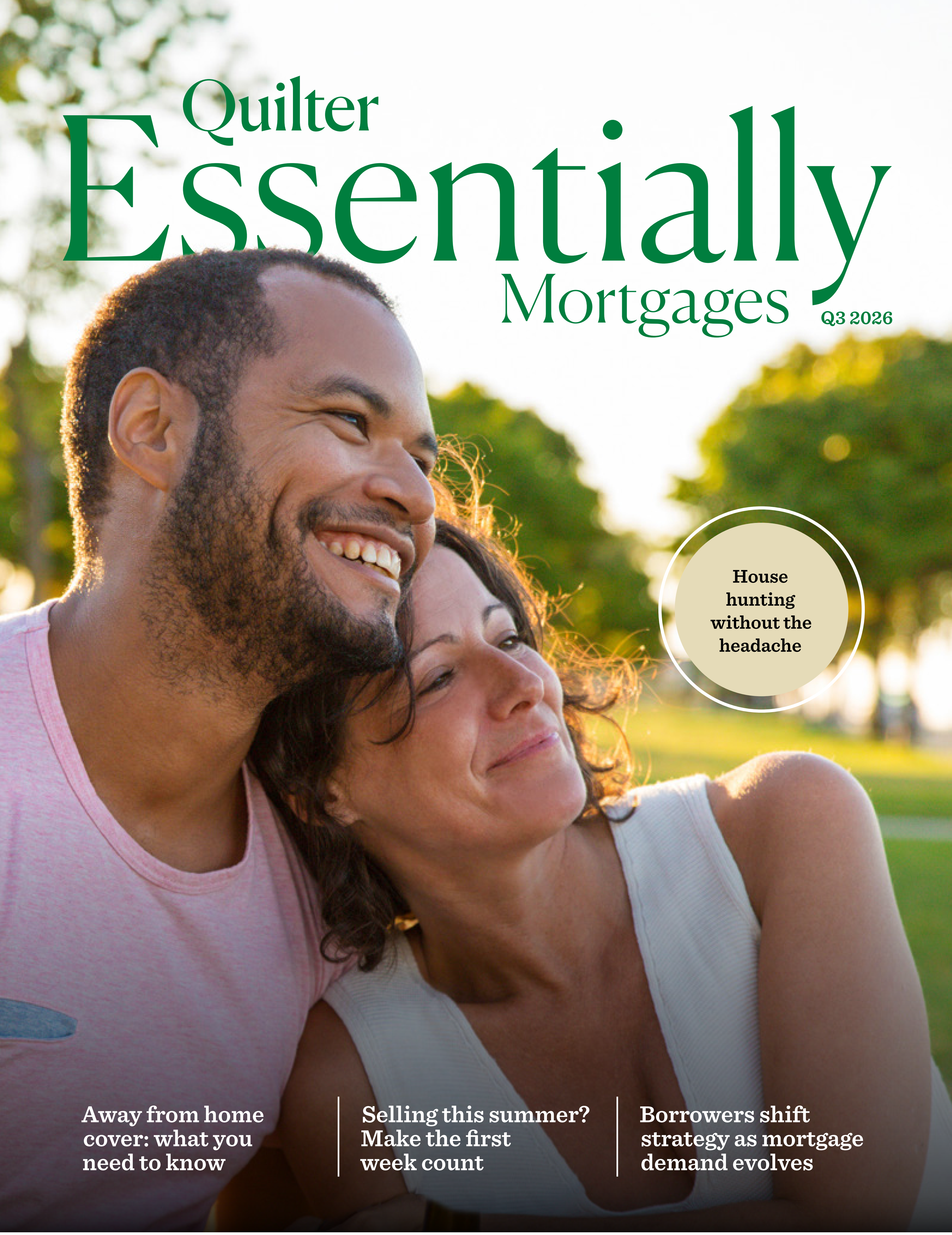

Quilter Essentially Mortgages

Q3 2026

House hunting without the headache

Away from home cover: what you need to know

Selling this summer? Make the first week count

Borrowers shift strategy as mortgage demand evolves


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Summer housing market snapshot

As we move through the summer months, the UK housing and mortgage markets are showing signs of resilience but also a clear shift towards more cautious, price sensitive behaviour from both buyers and lenders.

Encouragingly, mortgage affordability has improved slightly, with the average two year fixed rate easing to around 5.07%, providing modest support to buyer confidence

5.07%

House prices and regional divergence

The latest data[1] shows that the average asking price fell to £376,191 in June, a 0.6% monthly drop and the largest June decline in 14 years, leaving prices 0.5% lower than a year ago.

This reflects a seasonal slowdown, but also heightened competition, with the number of homes for sale remaining historically high. As a result, sellers are increasingly pricing more realistically to attract buyers in a market where choice is elevated and demand is more selective.

A clear north–south divide persists. Prices have softened across southern England and Wales, while more affordable regions, including the North East and Scotland, are holding up better, underlining the ongoing impact of affordability constraints on regional performance.

Research by Savills highlights a broader slowdown in momentum. Annual price growth has eased, and the firm now forecasts a small overall price fall of around 2% in 2026, with the greatest pressure in higher-value markets. At a local level, Scotland and the North West continue to show relatively stronger growth, with some areas still recording gains above 8%.

Mortgage trends and shifting preferences

In the mortgage market, higher borrowing costs and rate volatility have driven notable changes in borrower behaviour. Demand for variable and tracker mortgages more than doubled[2] in the six months to April, rising from 6% to 13% of product searches, as some borrowers anticipate future rate reductions. At the same time, there has been a clear shift towards shorter-term fixed deals, while the popularity of five year fixes has declined, reflecting reluctance to lock in at elevated rates.

Encouragingly, mortgage affordability has improved slightly, with the average two year fixed rate[3] easing to around 5.07%, providing modest support to buyer confidence.

Looking ahead

Overall, the market remains active but increasingly price-sensitive, with regional divergence and cautious borrower behaviour set to shape conditions through the second half of the year.

[1&3]Rightmove 2026, [2]Moneyfacts 2026

> *“A clear north–south divide persists”*

Remortgaging gains momentum

Remortgaging has moved back into the spotlight, with recent data[4] indicating a sharp rise in activity during early 2026. Applications increased by roughly 45% in the first quarter, helping to lift overall mortgage volumes and signalling renewed confidence among borrowers.

This surge is largely driven by homeowners reaching the end of low fixed rate deals secured in previous years. As these arrangements expire, many are reassessing their options to avoid reverting to higher standard variable rates, making refinancing an increasingly attractive choice.

Why timing is key

With millions of fixed rate mortgages due to mature, demand for remortgaging is expected to stay high. Borrowers are also showing growing interest in shorter-term fixes, offering greater flexibility in an uncertain interest rate environment. This reflects a wider shift, where remortgaging is used not just to secure competitive rates, but to better manage risk and future-proof household finances.

Impact on buy-to-let

The buy-to-let sector is being impacted as well – UK Finance data shows lending in the remortgaging market rose sharply, up over 18% by volume year-on-year. Landlords are increasingly refinancing to improve returns, restructure borrowing or release equity for further investment.

[4]Stonebridge 2026

What this means for you

For both homeowners and landlords, remortgaging presents an opportunity to review current arrangements and align borrowing with future goals. Professional guidance can help navigate options and identify a suitable solution.

“*With millions of fixed rate mortgages due to mature, demand for remortgaging is expected to stay high*”

Selling this summer? Make the first week count

The first seven days after listing a property are widely seen as the most critical stage of the selling process. This is when a home is newly listed, gaining maximum exposure across property portals and attracting the highest levels of buyer interest.

For many sellers, this short window can set the tone for the entire sale, influencing both the speed of the transaction and the offers received.

Price it right from the start

Getting the asking price correct is essential. Setting it too high can discourage early interest and reduce the likelihood of a successful sale. Research[5] shows that 44% of UK homes listed in recent years failed to sell, with overpricing identified as the leading cause.

In fact, even a modest increase above market value can have an impact, with every 5% overpricing reducing the chances of selling.

Preparation makes all the difference

Before going to market, presentation should be a priority. Buyers often form opinions within seconds, particularly when browsing online listings.

Simple improvements such as decluttering, addressing minor repairs and ensuring your home is well lit can make it more appealing. High-quality photography is equally important, as strong visuals help attract attention and encourage viewings, while poor images may deter buyers before they engage further.

“High-quality photography is equally important, as strong visuals help attract attention and encourage viewings, while poor images may deter buyers before they engage further”

Don’t overlook financial readiness

Alongside preparing your property, it’s equally important to plan your next move. Having your finances and mortgage arrangements organised early can help you act quickly when you find a suitable property.

Whether you are moving up, downsizing or buying and selling simultaneously, understanding your borrowing position in advance can make the whole process smoother and give you greater confidence when making decisions.

[5]Zoopla 2026

House hunting without the headache

Few people expect buying a home to be stress-free, but many are surprised by just how intense the process can be. In fact, a survey[6] of 2,000 UK homeowners found that moving house ranks among life's most stressful experiences, even above childbirth, job interviews and trips to the dentist!

As the weather and housing market heats up, what are the best ways to stay cool and in control?

Stay organised from the start

Anyone who's been through a home move will tell you that organisation is key. The process often involves delays, paperwork and factors outside your control.

Planning ahead is vital – organising finances and documents can help reduce stress. Act promptly where you can but take the time to review key decisions carefully to avoid costly mistakes later on.

Be realistic about your budget

When house hunting, it's important to be honest about what you can afford. Buying a home involves far more than just the purchase price. Costs such as a deposit, mortgage repayments, Stamp Duty, legal fees, surveys and moving expenses can quickly add up, with deposits alone often reaching tens of thousands of pounds for buyers.

Understanding the full financial picture early on can prevent disappointment and help you search with confidence.

Think long term

It's easy to focus on what suits your needs right now, but a home is a long-term investment. Consider how your lifestyle might change over the next five to ten years, whether that's working from home, growing your family or needing more, or perhaps less, space.

Choosing a property with future flexibility can save you from having to move again sooner than planned.

[6] Compare My Move 2026

Get support where needed

Buying a home can feel overwhelming, but you don't have to do it alone. Professional advice can highlight potential issues and help you make informed decisions.

A little preparation and the right support can go a long way in helping you keep your cool.

A changing path to homeownership

> *Many borrowers are opting for longer mortgage terms of 35 to 40 years*

The classic route of purchasing a home, steadily repaying a mortgage and reaching retirement mortgage-free is shifting. UK Finance highlights that first-time buyers are now entering the housing market later, at around age 33 on average.

To keep repayments manageable, many borrowers are opting for longer mortgage terms of 35 to 40 years, meaning commitments increasingly extend into their 60s.

Lending that reaches into retirement

With later entry and extended terms, borrowing is naturally continuing further into later life. What was once considered a niche area is now becoming far more common, influenced by higher property prices and changing lifestyle expectations.

Beyond traditional equity release

Later life lending is no longer defined purely by equity release products. UK Finance data shows a broader mix of activity: in Q4 2025, more than 41,000 new mortgages were taken out by borrowers aged over 55, including standard residential mortgages. While lifetime mortgages and retirement interest-only options remain significant, many borrowers in their late 50s still rely on mainstream products.

Growth in remortgaging activity

Remortgaging has emerged as the largest area of activity among older borrowers. Many are refinancing to secure improved rates or to access equity as part of their retirement planning, rather than depending on a single lending solution.

What this means for borrowers

This evolving market brings both greater choice and added complexity. Later life lending is increasingly about flexibility; balancing affordability, lifestyle objectives and long-term financial stability. We can help you to understand your options, whatever your age, so you can make informed decisions with confidence.

Equity release and lifetime mortgages will reduce the value of your estate and can affect your eligibility for means tested benefits.

A modern take on the annexe

What was once known as the traditional 'granny annexe' is taking on a new identity.

Today, garden annexes are increasingly being reimagined as stylish, self-contained living spaces for younger generations, often referred to as 'grad pads.'

This shift reflects how household dynamics are changing, with properties adapting to meet new needs.

Supporting young adults at home

With rising rental costs and house prices, many young adults are staying at home for longer. Rather than compromising on independence, families are investing in garden rooms or annexes that provide a private space while remaining within the family setting. These setups allow for a balance of autonomy and support, which is becoming more important in today's climate.

Flexible living for modern lifestyles

These garden spaces are more than just bedrooms; instead, they are designed to be multi-purpose. From working remotely to studying or relaxing, grad pads can adapt as needs change. This flexibility makes them a practical long-term investment, not just a temporary solution.

> *"Many young adults are staying at home for longer"*

A sign of wider change

The growth of the garden grad pad highlights a broader shift towards multi-generational living. Driven by affordability pressures and evolving expectations, homeowners are finding creative ways to maximise space and support family life under one roof.

Renters' Rights Act update

The Renters' Rights Act, which came into force in England in May 2026, represents one of the biggest changes to the private rental sector in decades. It aims to improve security for tenants while introducing clearer rules for landlords. Early implementation has already brought noticeable structural changes to how tenancies operate and how disputes are managed.

Key changes introduced

- One of the most significant reforms is the abolition of Section 21 no fault evictions. Landlords must now provide a valid legal reason to end a tenancy, using defined grounds
- Fixed-term tenancy agreements have been removed. All tenancies are now rolling or periodic, meaning they continue without a fixed end date. Tenants can typically leave with notice, offering greater flexibility
- Additional measures include limits on rent increases to once per year, a ban on rental bidding wars and caps on upfront rent payments.

What it means for tenants

For renters, the reforms focus on improving stability and fairness. Greater protection from eviction and more predictable rent increases aim to reduce uncertainty. Tenants also have expanded rights, such as requesting to keep a pet and protection against discrimination, including bans on refusing tenants with children or those receiving benefits.

What it means for landlords

For landlords, the Act introduces new compliance requirements and processes. Evictions now require evidence-based grounds and rent increases must follow formal procedures. While landlords can still regain possession in certain circumstances, such as selling a property or rent arrears, the process is more regulated.

Ongoing rollout

Although major changes are already in place, further elements, such as a landlord database and ombudsman service, are expected later in 2026. These are designed to improve transparency and provide structured dispute resolution across the rental sector.

Key home insurance trends every homeowner should know

The home insurance landscape continues to evolve, with everyday risks, environmental factors and property type all playing an increasing role in shaping both claims and premiums.

Everyday accidents are driving more claims

Recent data[7] shows that it's not always major incidents that lead to claims. Everyday mishaps now account for nearly a third (32%) of home insurance claims. Spills, dropped items and DIY blunders all play a part, with the average claim value rising significantly in recent years – from £1,148 in 2022 to £1,869 in 2026.

It's worth asking: does your policy include accidental damage cover?

Flood risk is rising in new-build homes

Flood risk is becoming a growing concern, even for newer properties. One in nine (11%) homes built between 2022 and 2024 are already located in areas at medium or high risk of flooding. Projections suggest that up to 15% of these homes could face significant flood risk by 2050.

For homeowners and buyers alike, understanding a property's flood exposure is more important than ever.

Period homes: character can come at a cost

While period properties remain highly desirable, they can be significantly more expensive to insure. Premiums can be more than double those of modern homes, due to older materials, ageing systems and higher repair costs.

It's also worth noting that the specialist materials and tradespeople often required for repairs can increase rebuild costs, adding further pressure to premium costs.

What this means for you

Regularly reviewing your cover can help ensure you remain properly protected.

[7] Aviva 2026

Away from home cover: what you need to know

Home contents insurance protects your belongings inside your home but cover outside the home isn't always included as standard.

Often, personal possessions or 'away from home' cover is an optional add-on that protects items like phones, jewellery and laptops against loss or damage when you're out and about.

This cover typically applies to items you regularly carry with you, but you'll need to choose the right level of cover based on the total value of what you might take out at one time. Higher-value items may also need to be individually specified on your policy to ensure they're fully protected.

When cover may not apply

It's important to be aware that there are exclusions. For example, items may not be covered if they're left unattended in unsafe conditions, used for business purposes, or damaged while being used (such as sporting equipment). Theft from vehicles is usually only covered if the car is locked and items are hidden, often with payout limits.

Tips to stay protected

To stay protected during summer trips or holidays, keep valuables with you, use safes where possible and check your policy details carefully. Taking these steps can help ensure your belongings are properly covered wherever you go.

Borrowers shift strategy as mortgage demand evolves

Demand for variable and tracker mortgages has increased sharply in recent months, according to Moneyfacts. These products accounted for just 6% of searches in September 2025 but rose to 13% by April 2026, more than doubling in popularity.

While still a smaller part of the market overall, this growth highlights a clear shift in borrower behaviour, with more people willing to consider alternatives to traditional fixed-rate deals.

Market pressures behind the trend

A key driver of this change has been the impact of geopolitical events, particularly the conflict involving Iran. Rising oil prices heightened inflation concerns, which in turn pushed up funding costs for lenders and led to a rapid increase in mortgage rates.

As fixed rates surged in a short period, some borrowers have been more inclined to wait and see, opting for variable or tracker options that often start with lower initial rates.

Demand for flexibility grows

Alongside this trend, shorter-term fixed deals have also gained popularity. Demand for two-year fixed mortgages rose by around 13%, reflecting a growing preference for flexibility during uncertain market conditions. Many borrowers are reluctant to lock into longer-term deals at higher rates, especially when there is hope that borrowing costs may stabilise or fall in the near future.

A balancing act for borrowers

Overall, the data suggests borrowers are increasingly balancing risk and flexibility. While fixed-rate mortgages still dominate, more people are exploring variable options or shorter fixes as they navigate a rapidly changing market.

Many first-time buyers could borrow more than they think

A significant number of first-time buyers (FTBs) may be underestimating what they can afford. Recent research[8] shows that some borrowers could access up to £40,000 more than they could just 12 months ago, reflecting changes in lender affordability criteria and greater flexibility in the market.

Around 27% of FTBs say saving for a deposit is the main barrier to getting onto the property ladder

However, around half of prospective buyers remain unaware of this shift, suggesting outdated assumptions are still influencing decisions.

Deposits remain the biggest hurdle

Despite improvements in borrowing power, saving for a deposit continues to be a key challenge. Around 27% of FTBs say this is the main barrier to getting onto the property ladder. Many are also taking several years to save, which can delay plans unnecessarily, particularly if they are unaware of the range of low-deposit options now available.

A changing lending landscape

Mortgage lending has evolved in recent months, with lenders adapting criteria in response to market conditions. This means some buyers who may have struggled to borrow in the past could now be in a stronger position than they realise. At the same time, affordability is still front of mind, with many potential buyers comparing mortgage repayments to current rental costs when deciding if homeownership is within reach.

Why advice matters

With borrowing rules shifting and more options available, understanding what's possible is more important than ever.

If you're considering buying your first home, talk to us about your options and to get an understanding of how much you could borrow so you don't rule yourself out too soon.

[8] MAB 2026