RESEARCH

MARKET IN MINUTES

AUCTIONS REVIEW & OUTLOOK

Mixed use - UK - Summer 2026

savills

KEY STATS

76%
SUCCESS RATE IN H1 2026

+17.3%
AVERAGE SALE PRICE OVER GUIDE

10.9
BIDS PER LOT

10.8%
GROSS YIELD ON FULLY LET STOCK

An oasis in a world of uncertainty

A challenging back drop

The UK property market had plenty to contend with in the first half of 2026. Economic growth remained muted and the outlook clouded by uncertainty.

This was not helped by the events in the Middle East; which brought with them the prospect of a further bout of inflationary pressures that was quickly reflected in gilts yields, swap rates and the cost of property finance.

And while Sir Keir Starmer did not announce his resignation until the 22nd of June, change at the top of government seemed inevitable for much of the first six months of the year, adding a layer of ambiguity over the direction of future economic, regulatory and fiscal policy.

If that wasn't enough, we also saw the single biggest change in the regulation of the English residential private rented sector for over 30 years, as the Renters Rights Act came into force.

Seemingly there was plenty to cause buyers and sellers of UK real estate to sit on their hands.

Success against the odds

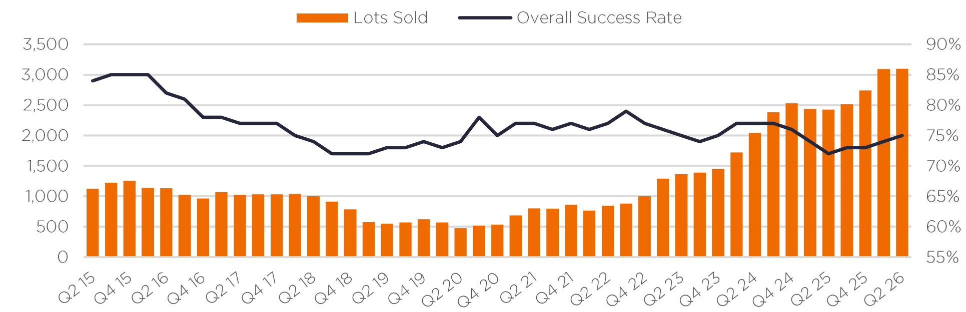
And yet, the auctions market remained remarkably active.

Indeed, a 76% sales success rate across the 10 auctions conducted by Savills was broadly in line with the preceding 10-year average. That was supported by a slightly higher success rate in the first quarter, which resulted in the successful sale of 1,591 lots with a total value in excess of £470 million over the six months as a whole.

Diversity and inclusion

While activity was supported by private residential landlords bringing stock to the market, the range of properties sold was as diverse as ever. On the one hand, 67 lots sold for over £1m ranging from 162,000 sq. ft multi-let industrial estate in Bangor to a 1,741 sq ft 3 storey mews house in Belgravia.

SAVILLS AUCTION RESULTS OVER TIME (12 MONTH ROLLING)



Source: Savills Research

On the other, 382 lots were sold at less than £100,000. These ranged from a one bed top floor flat in Aberdeen (which sold for £36,000) to a two-bedroom basement flat some 500 miles away in Penzance (at £90,000).

Navigating different routes to sale

The results for the first six months of the year also provided a salutary reminder of the different routes to market that remain on offer to those listing their properties in the auction catalogue.

Overall, the 59% of lots sold under the hammer were supplemented by just under 10% of lots that were sold prior to auction and 7.4% of lots sold afterwards.

Those pre-auction sales, peaked at over 20% prior to the auction held on the 17th of March, notably the first auction after the commencement of the US-Iran conflict. That reflected an increased desire of some sellers to reduce their risk exposure by taking advantage of pre-auction interest in the face of greater uncertainty.

Post auction sales became slightly more prevalent in the second quarter as the seam of demand became a little thinner.

Pricing and returns

Throughout the period, prices of properties sold under the hammer continued to achieve the highest premium over guide at 23.5%.

Investors purchasing fully let stock were still able to lock into a 10.8% gross yield on average.

That compared to a slightly higher average gross yield of 12.8% that was on offer to those buying post auction, often with the benefit of a slight discount to initial reserve price.

Learnings from asset classes

Over the course of the six months as a whole, demand remained strongest for houses. They commanded the highest numbers of bidders per lot which translated into the strongest rates of sale, particularly under the hammer. By contrast, the market for flats was a little more selective, though key metrics remained remarkably robust, given some of the pressures on investment buyers.

Commercial lots commanded an average of 7.3 bids per lot and a success rate of over 70%.

This was supported by higher numbers of pre-auction sales, despite a relatively challenging market backdrop.

As such, auctions have been an increasingly important route to market, not just for high-street retail and mixed-use assets that have traditionally been the bread and butter of the commercial property auction but increasingly also larger office and industrial lots.

Regional dialects

As would meet the approval of Andy Burnham, lots located in North West England led the way both in terms of buyer interest (measured by bidders per lot) and the sales success rate. However, demand for London assets was also above the UK average, suggesting it is still someway from handing its crown to Manchester

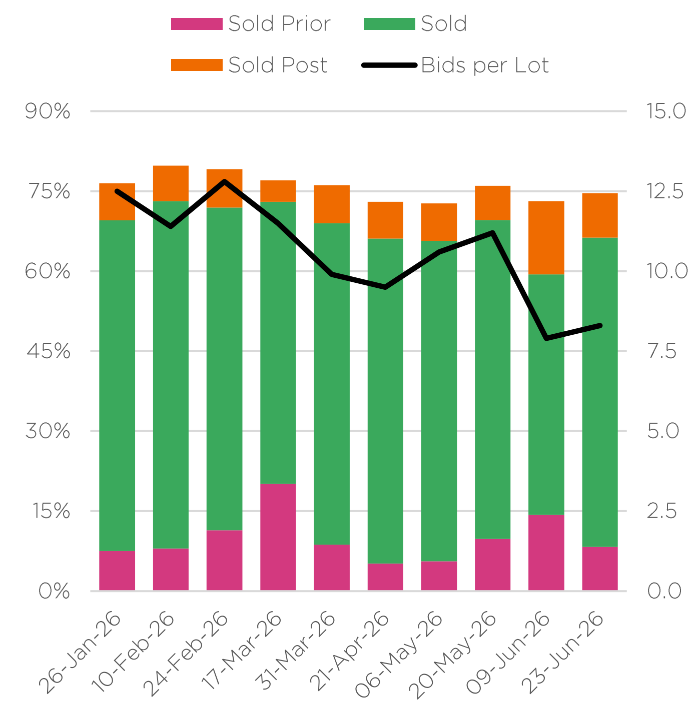
Outlook

While it would be wonderful to report that the clouds of uncertainty are expected to give way to the bright rays of renewed optimism over the remainder of 2026, the reality is that geo-political uncertainties remain, pushing out the prospect of interest rate cuts to late 2027 and raising the possibility that the Bank of England has to increase rates later in the year.

On the domestic front, it will take time for the reincarnated government to flesh out its policy agenda, with the prospect of continued uncertainty in the run up to the next budget.

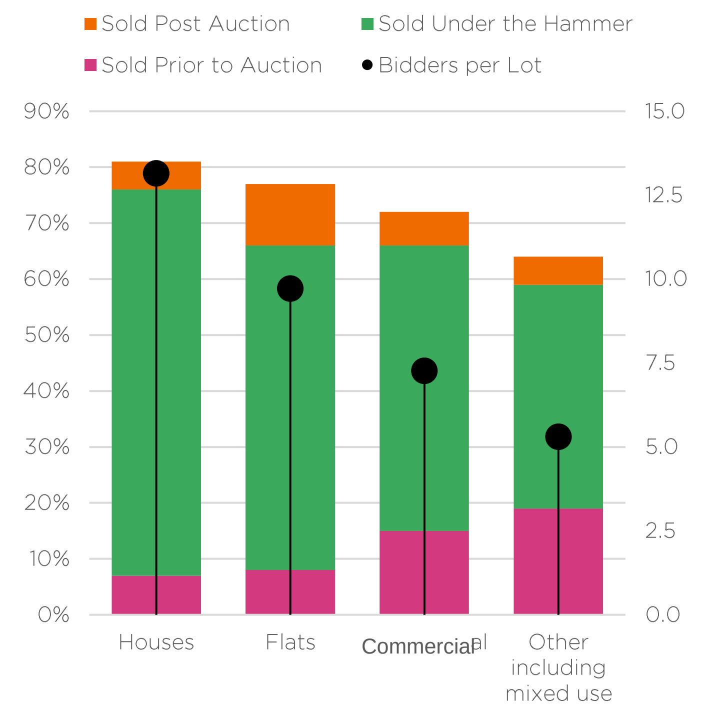
In those circumstances, we expect auctions to continue to provide an important route to market for sellers and viable investment opportunities for cost conscious buyers.

SUCCESS RATE AND BIDS PER LOT BY DATE OF AUCTION



Source: Savills Research

SUCCESS RATE AND BIDS PER LOT ASSET CLASS



Source: Savills Research

Savills Research

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