

Bath Q1 2026

Residential Market Survey

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Bath Q1 2026

This report is produced for informational purposes only and does not constitute financial or investment advice. Data is sourced from ONS, HM Land Registry, Savills and local lettings agencies. Past performance is not indicative of future results. Readers should seek independent professional advice before making investment decisions.

MARKET OVERVIEW

Bath's property market enters 2026 in a period of measured stability. After a modest price correction from the 2023 peak, values are stabilising while the rental market continues to tighten. Heritage-driven supply constraints, strong tenant demand and an affluent buyer profile position Bath as a market defined by resilience and long-term capital preservation rather than headline yield.



A Heritage City in Steady Motion

Average property prices in Bath stand at approximately £556,000, with the BA1 Georgian core commanding premiums well above this level. Private rents reached £1,812 per month by December 2025, reflecting 9.3% annual growth. The affordability ratio of 9.7 times median earnings continues to channel demand toward the rental sector, supporting occupancy rates and yield stability across the city.



Bath's property market enters 2026 in a period of recalibration, with the city's premium positioning creating a distinct dynamic compared to the UK's higher-yielding regional centres. As of early 2026, the average property price in Bath and North East Somerset stands at approximately £421,000–£440,000, with prices in the city itself averaging closer to £556,000 according to Land Registry data. Annual price growth has been modest at around 2–3%, following a slight correction from the 2023 peak of nearly £592,000.

Private rents, however, have told a different story. The average monthly rent in Bath reached £1,812 by December 2025 — a striking 9.3% annual increase driven by chronic undersupply and sustained tenant demand. The city's two universities, the University of Bath and Bath Spa University, continue to underpin rental demand, while a growing professional tenant base drawn to the city's quality of life and proximity to Bristol adds further depth to the lettings market.

On the supply side, Bath faces unique constraints. As a UNESCO World Heritage Site, planning restrictions and conservation requirements limit the pace and density of new development. The affordability ratio in BANES stands at 9.7 times median earnings — significantly above the national average — creating barriers for first-time buyers and channelling more households into the rental sector.

Looking ahead, Savills projects 18.2% cumulative price growth across the prime regional market over the five years to 2029, with rental growth forecast at 12.6% over the same period. While Bath's gross yields of 4–5% sit below northern cities, the combination of heritage-driven scarcity, strong capital preservation and affluent tenant demand continues to attract investors seeking stability over headline returns.

This report examines the key trends, data, and outlook shaping the Bath residential market in Q1 2026.

RESEARCH

This report draws on data from the ONS UK House Price Index, HM Land Registry transaction records, the ONS Private Rental Index, and Savills Prime Regional Market reports. Rental yield calculations use gross annual rent divided by average purchase price for each property type and sub-market. Occupancy figures are derived from local lettings agency void rate data and cross-referenced with BANES Council housing statistics.

01



Data Collection & Sources

Property transaction data is sourced from HM Land Registry, covering all registered sales in the BA1 and BA2 postcode districts. Rental values are benchmarked against the ONS Private Rental Index for Bath and North East Somerset, supplemented by asking rent data from Rightmove and Zoopla for granularity at the property-type level.

Capital growth figures use the ONS repeat-sales methodology, which tracks price changes for the same properties over time, reducing the distortion caused by changes in the mix of properties sold in any given period.

Yield calculations represent gross figures before deduction of management fees, maintenance, insurance and void periods. Net yields will typically sit 1.5–2.5 percentage points below the gross figures presented. All data is current as of Q1 2026 unless otherwise stated.

02



Sub-Market Definitions

The report segments Bath into two sub-markets. "City Centre & Georgian Core" covers the BA1 postcode district including the Circus, Royal Crescent, Milsom Street, Walcot and Lansdown — the most prestigious and supply-constrained



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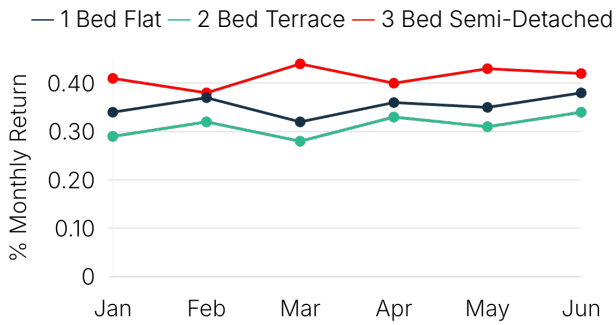
areas. "Outer Bath & Surrounding Villages" covers BA2 and adjacent areas including Oldfield Park, Combe Down, Batheaston, Bear Flat, Widcombe and Twerton.

This segmentation reflects the distinct pricing, tenant profiles and yield characteristics observed across Bath's compact but varied residential landscape.

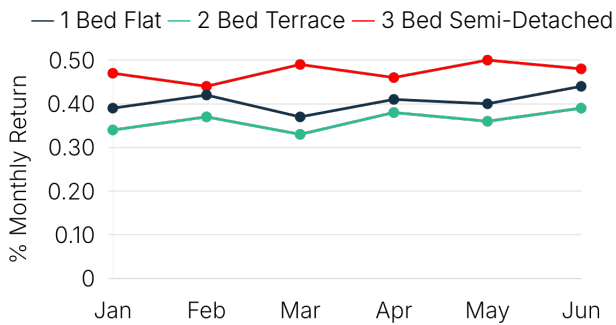
FINANCIAL

Monthly Returns by Property Type

City Centre & Georgian Core

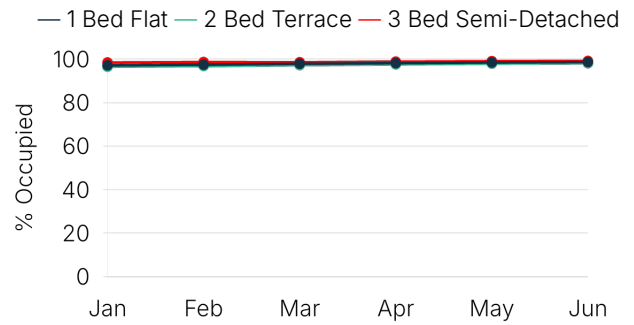


Outer Bath & Surrounding Villages

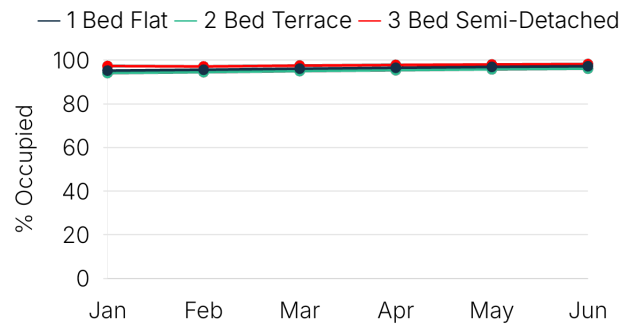


Occupancy Rates

City Centre & Georgian Core

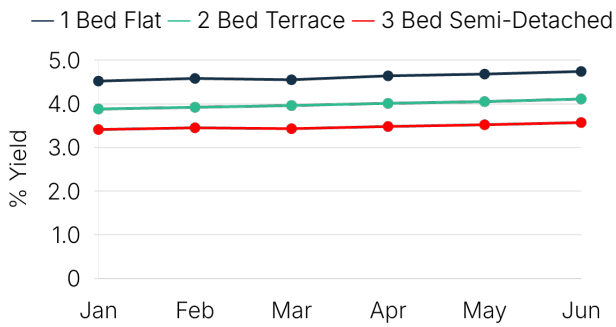


Outer Bath & Surrounding Villages

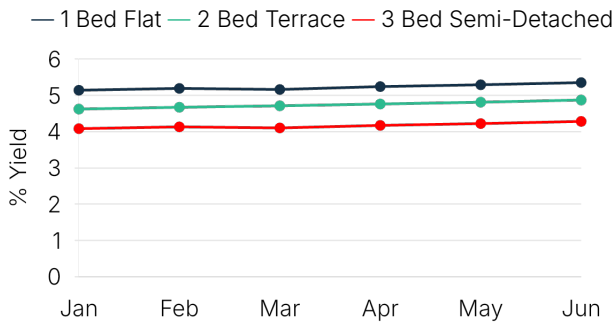


Gross Rental Yield (Annualised)

City Centre & Georgian Core

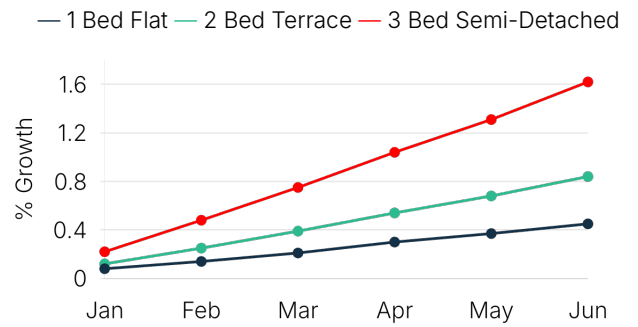


Outer Bath & Surrounding Villages

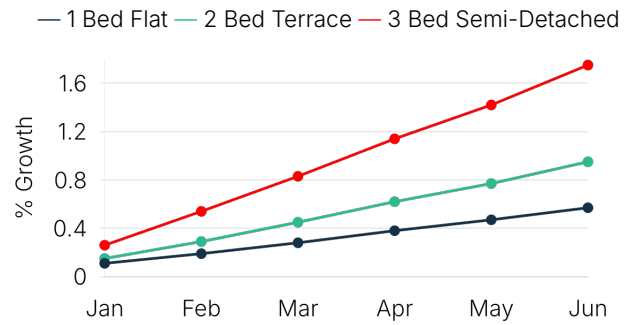


Capital Growth (Cumulative YTD)

City Centre & Georgian Core



Outer Bath & Surrounding Villages



SURVEYOR'S COMMENTARY

Bath's residential market in Q1 2026 presents a picture of cautious stability. After a period of price correction through 2024, transaction volumes are beginning to recover as mortgage rates ease and buyer confidence gradually returns. The lettings market remains exceptionally tight, with demand far outstripping available stock across almost every property type and price bracket in the city.



Sales

The sales market in Bath has shown signs of renewed activity in early 2026, though pricing remains sensitive. Properties in the Georgian core continue to attract strong interest from relocators and downsizers, with the BA1 postcode holding its value more firmly than outer suburbs. Semi-detached properties have seen the strongest annual price growth at 3.6%, while flat values have remained broadly static.

Buyer profiles are shifting. We are seeing increased interest from Bristol-based professionals seeking better value and lifestyle, alongside the traditional retiree and second-home market. First-time buyer activity remains constrained by the affordability ratio, with the average first-time buyer price at £344,000 — well above the South West average of £365,000.



Lettings

The lettings market in Bath remains the standout story of Q1 2026. Average rents have risen 9.3% year-on-year, with one-bedroom properties seeing the sharpest increases at 10.2%. Demand from students, young professionals and families continues to significantly outstrip supply, with well-located properties typically letting within days of being listed.

Landlord sentiment is mixed. While rental growth is strong, the incoming Renters' Rights Bill and evolving EPC requirements are prompting some portfolio landlords to reassess their holdings. This is reducing available stock further, which in turn is pushing rents higher — a cycle that shows no sign of breaking in the near term.



DesignCrest Studio

THE TAGLINE HERE

Enduring Value

Bath's unique combination of heritage status, architectural distinction and constrained supply creates a property market unlike any other in the South West. Whether for capital preservation, rental income or lifestyle investment, the city continues to reward those who take a long-term view.

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