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PRIME LONDON MARKET DASHBOARD

Prime London Market Dashboard

July edition

The prime London sales market was mixed in June, with values falling but activity showing a slight improvement. In the second month post Renters' Rights Act, rents grew across the prime lettings market.

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JULY 2026

Source: LonRes
Independent analysis of the prime London housing market

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OVERVIEW

Prime London sales market sees values slide despite steady activity

The prime London sales market was mixed in June, with values falling but activity showing a slight improvement. In the second month post Renters' Rights Act, rents grew across the prime lettings market.

MONTHLY PRIME DATA – JUNE 2026

	Prime Sales Annual Change	Prime Sales Change vs. 2017–19*	Prime Lettings** Annual Change	Prime Lettings** Change vs. 2017–19*
Achieved prices/rents	-8.2%	-5.5%	2.4%	37.1%
Properties sold/let	4.8%	-2.1%	-1.1%	-45.4%
New instructions	2.2%	13.3%	11.4%	-34.0%

All price and rent figures based on £ per sq. ft. values | *Pre-pandemic | **Excludes Prime Fringe | Source: LonRes

KEY HEADLINES

- Average achieved sold prices fell by **8.2%** on an annual basis in June. Compared to 2017–2019 (pre-pandemic) levels, values were **5.5% lower**.
- There were **4.8% more** sales transactions in June than a year earlier but **2.1% fewer** than the 2017–2019 (pre-pandemic) June average.
- New sales instructions in June were **2.2% higher** than last year and **13.3% higher** than the 2017–2019 (pre-pandemic) June average. The stock of available homes for sale at the end of June was **3.1% higher** than a year earlier but remains lower than the peak reached in September last year.
- Transactions in the **£5m+ market** were **7.1% higher** in June than the same month last year. New instructions in this market decreased by **17.3%** over the same period. The number of £5m+ homes available for sale across prime London at the end of June was **3.3% lower** than a year earlier.
- Average rental values across prime London rose by **2.4%** in June on an annual basis, while average rents were **37.1% above** their 2017–2019 (pre-pandemic) average.
- LonRes data for June indicated an annual decrease of **1.1%** in lets agreed and an **11.4% rise** in new instructions. The stock of available rental properties increased on an annual basis, with **19.1% more** homes on the market at the end of June than a year earlier.

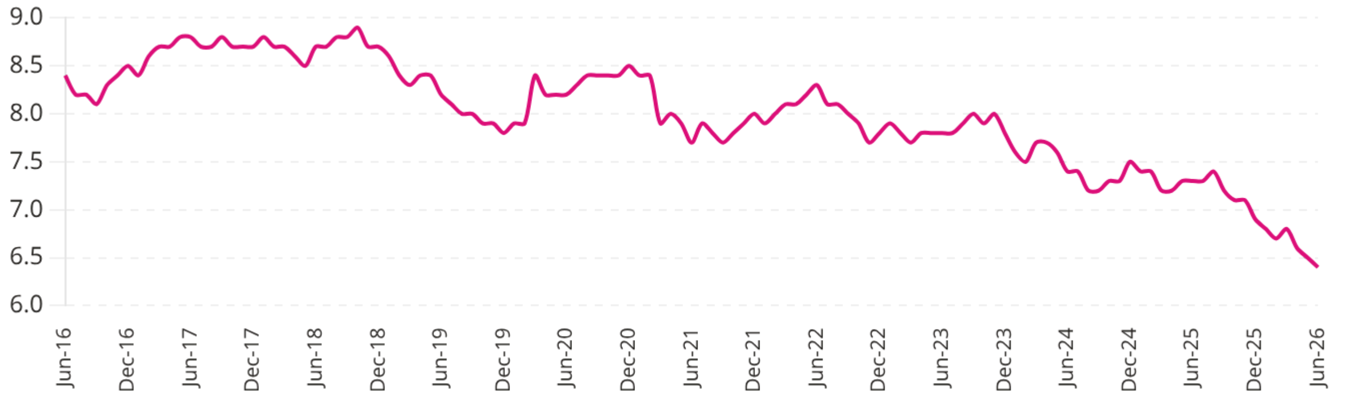
02 Gradual recovery in activity but values under pressure again in June

For June alone there were small annual increases in both new instructions and transactions, but the bigger picture remains underwhelming. Sales volumes over the first half of the year were down compared to 2025 and the long-term average. Values fell on an annual basis as the large number of price reductions over recent months start to feed into achieved prices.

Average values across prime London fell by 8.2% on an annual basis in June and were 5.5% below their pre-pandemic (2017 to 2019) average level. While this latest annual figure showed an acceleration in the pace of price falls, the monthly data in 2026 so far has been broadly steady – the size of the annual drop mostly reflects higher values in the baseline period last year. Prime London values remain under pressure, and this is unlikely to change in the short term given the lack of drivers for significant price growth.

At a national level, house price growth has been faring better than prime London, but that is a low bar. Nationwide's index recorded annual growth of 2.2% in June for the UK, noting that their London and South East regions are underperforming this overall figure. Over the past decade, the ratio of the average prime London sale price to the national average house price has been steadily declining. Having peaked at 8.9 in October 2018 the ratio has fallen to 6.4 in June 2026.

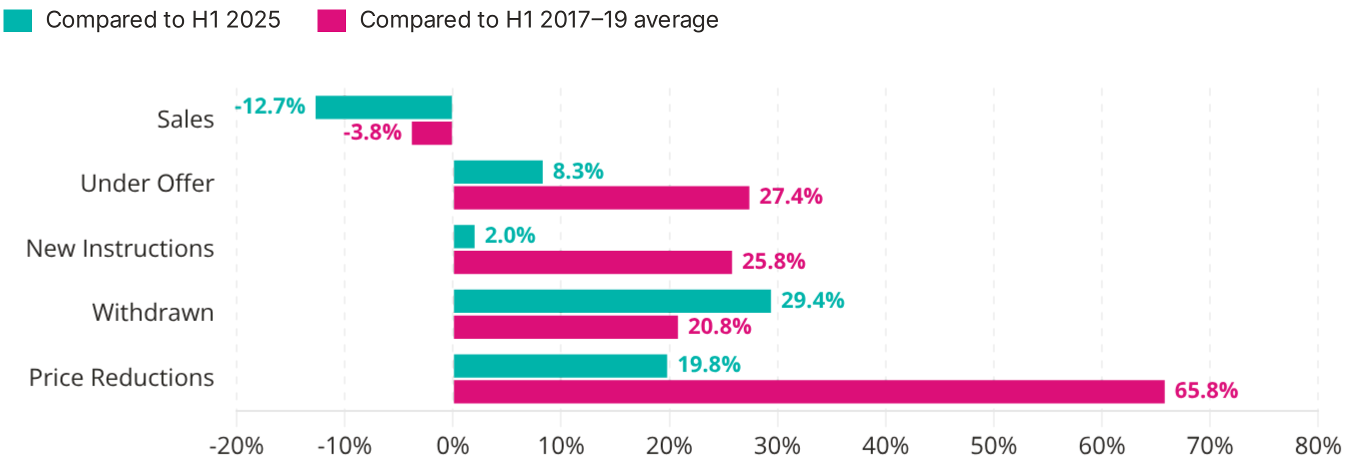
Ratio of Average Sale Prices: Prime London vs. UK



Source: LonRes, Nationwide House Price Index | 12-month smoothed

03 Gradual recovery in activity but values under pressure again in June (continued)

Sales Activity Measures, First Half of 2026, All Prime London



Source: LonRes

Other pricing indicators suggest that demand is relatively weak. The average discount from initial asking price across prime London was 10.4% in June and the proportion of sold properties that had previously been reduced was 50.5%. Neither measure is at a recent high point but both are towards the top end of historical trends.

Activity data for June was mildly positive but as with last month, comparisons with last year's benchmarks are impacted by lower activity in Q2 2025 following the end of a stamp duty holiday. Across prime London there were 4.8% more transactions in June than the same month a year ago, but 2.1% fewer than the 2017–2019 (pre-pandemic average) June average. The number of properties going under offer was also 4.8% higher than a year ago, and 14.0% higher than the 2017–2019 (pre-pandemic average) June average.

Supply growth was relatively low in June, with new sales instructions 2.2% higher than the same month last year and 13.3% higher than the 2017–2019 June average. Stock on the market at the end of June was 3.1% higher than June last year and 19.9% above the level five years earlier (June 2021). The number of price reductions increased from an already high level, rising 21.2% in June compared to last year and extending the record of every month so far in 2026 seeing the highest ever number of reductions for that month.

At the halfway point of the year, reviewing the year-to-date figures helps put the current market in context. Transactions, or sales, in the first six months of 2026 were down 12.7% compared to the same period in 2025 and down 3.8% on the 2017–2019 (pre-pandemic) H1 average. Under offer numbers are up 8.3% annually and 27.4% up on their 2017–2019 average level. New instructions were 2.0% higher compared to last year and 25.8% higher relative to their 2017–2019 average. Withdrawals have seen the biggest annual increase, rising by 29.4%, while price reductions are up 65.8% over the longer comparison period.

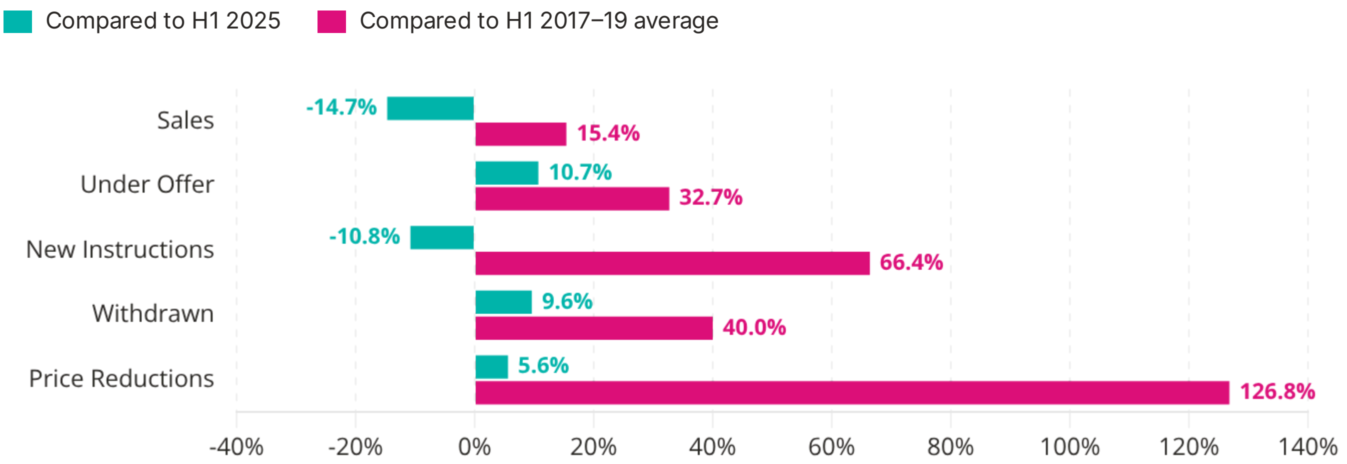
04 Available super prime stock falls as new instructions slow

There were 17.3% fewer new £5m+ instructions compared to the same month last year, but this was still 50.0% higher than the 2017–2019 June average. There were 7.1% more transactions in June on an annual basis, 11.1% above the 2017–2019 June average. At the end of June there were 3.3% fewer £5m+ properties on the market than at the same time last year. The number of price reductions decreased by 14.8% on an annual basis while withdrawals were 30.8% higher, highlighting the discretionary nature of many vendors as they opt to pause their sales efforts rather than reduce asking prices further.

Over the first half of the year the super prime market behaved broadly in line with wider prime London, particularly in terms of annual comparisons. £5m+ transactions, or sales, in the first six months of 2026 were down 14.7% compared to the same period in 2025 but 15.4% higher than the 2017–2019 (pre-pandemic) H1 average. Under offer numbers are up 10.7% annually and 32.7% on their 2017–2019 average level.

On the supply side, new £5m+ sales instructions in H1 were 10.8% lower compared to 2025 but 66.4% higher relative to their 2017–2019 H1 average. Despite fewer instructions, the number of price reductions increased by 5.6% on an annual basis, with the 126.8% rise compared to their 2017–2019 average level an indication of both how much the super prime market has expanded, and its relative weakness.

£5m+ Sales Activity Measures, First Half of 2026, All Prime London



Source: LonRes

05 Prime London lettings market sees steady rental growth in June

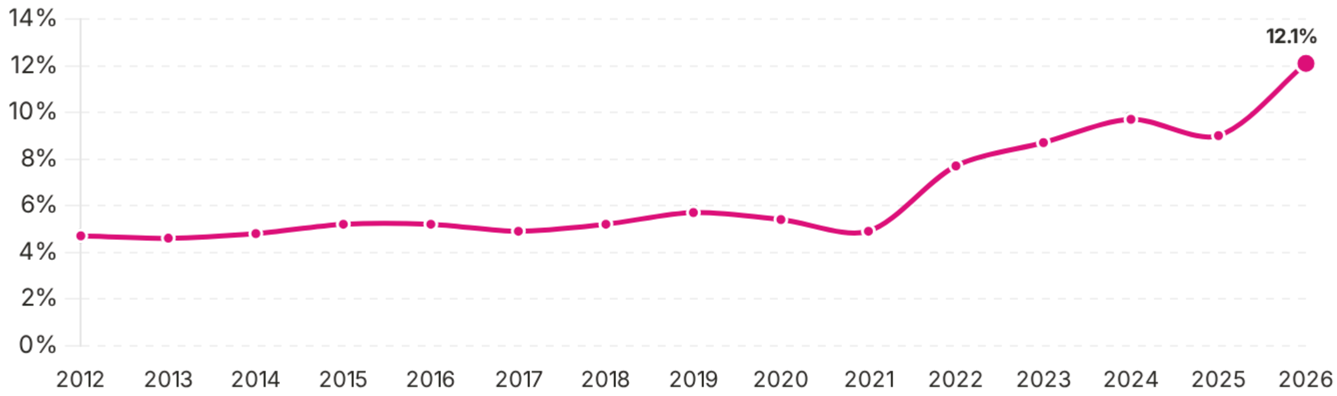
Lettings activity was broadly steady in June while rents recorded a small increase.

LonRes data for June indicated an annual decrease of 1.1% in lets agreed and an 11.4% rise in new instructions. The stock of available rental properties increased on an annual basis, with 19.1% more homes on the market at the end of June than a year earlier. Note that these activity figures exclude listings in our Prime Fringe** catchment as this has been impacted by a change in the way listings are collected for our new rental checker tool.

Average rental values rose by 2.4% on an annual basis in June. This is the second consecutive rise, following six months of falls, but movements in either direction over the past three years have been relatively small as the market stabilised after the rapid growth seen from 2021 through to 2023. Current values are 37.1% above their 2017–2019 (pre-pandemic) average.

The uptick in rental growth has coincided with the introduction of the Renters' Rights Act (RRA) on 1 May. It is still too early to make a direct link, but we will closely observe this dataset over the rest of the year to look for any impacts the policy change may have on the market. One other point to note with the RRA is that tenancies where the annual rent is over £100,000 are Common Law tenancies and therefore exempt. With recent rental growth this is covering an increasing share of the market, almost 1 in 8 properties across prime London let so far in 2026 were above the threshold.

Proportion Of Properties Let At Or Above £100k, All Prime London, By Year



Source: LonRes

NOTES

Prime London analysis includes properties within the following postcodes:
Prime Central London: SW1Y, SW1X, SW1W, SW1A, SW3, SW7, SW10, W1S, W1K, W1J, W8.
Prime Inner London: NW1, NW3, NW8, SW1P, SW1V, W1T, W1H, W1U, W1G, W1W, W2, W11, W14.
Prime Fringe: SE1, SE11, SW4, SW5, SW6, SW11, W4, W6, W9, W10.

**Lettings activity analysis currently excludes Prime Fringe postcodes due to a change in the way listings are collected for our new rental checker tool.