LONRES · RESEARCH

PRIME LONDON MARKET DASHBOARD

Prime London Market Dashboard

August edition

The prime London sales market slowed further in July. In the prime lettings market, evidence is increasing that the Renters' Rights Act is contributing to higher rental growth.

View the interactive dashboard online ›

AUGUST 2026

Source: LonRes
Independent analysis of the prime London housing market

Prime London Market Dashboard

August 2026 edition

AUGUST 2026

OVERVIEW

Summer slowdown for prime London sales market

Prime London lettings sees highest rental growth in 18 months

The prime London sales market slowed further in July. In the prime lettings market, evidence is increasing that the Renters' Rights Act is contributing to higher rental growth.

MONTHLY PRIME DATA – JULY 2026

	Prime Sales Annual Change	Prime Sales Change vs. 2017–19*	Prime Lettings** Annual Change	Prime Lettings** Change vs. 2017–19*
Achieved prices/rents	-7.9%	-5.7%	5.3%	41.0%
Properties sold/let	-11.5%	-7.3%	1.5%	-46.8%
New instructions	3.3%	26.2%	3.6%	-37.1%

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 **7.9%** on an annual basis in July. Compared to 2017–2019 (pre-pandemic) levels, values were **5.7% lower**.
- There were **11.5% fewer** sales transactions in July than a year earlier and **7.3% fewer** than the 2017–2019 (pre-pandemic) July average.
- New sales instructions in July were **3.3% higher** than last year and **26.2% higher** than the 2017–2019 (pre-pandemic) July average. The stock of available homes for sale at the end of July was **2.5% higher** than a year earlier but remains lower than the peak reached in September last year.
- Transactions in the **£5m+ market** were **20.0% lower** in July than the same month last year. New instructions in this market decreased by **30.3%** over the same period. The number of £5m+ homes available for sale across prime London at the end of July was **5.2% lower** than a year earlier.
- Average rental values across prime London rose by **5.3%** in July on an annual basis, while average rents were **41.0% above** their 2017–2019 (pre-pandemic) average.
- LonRes data for July indicated an annual increase of **1.5%** in lets agreed and a **3.6% rise** in new instructions. The stock of available rental properties increased on an annual basis, with **6.8% more** homes on the market at the end of July than a year earlier.

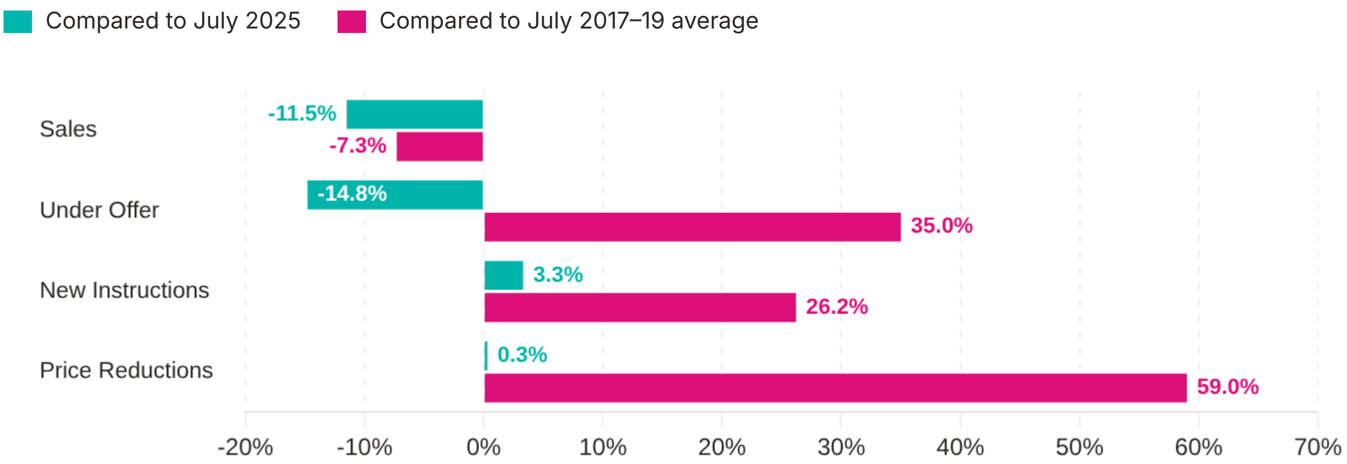
02 Summer slowdown for prime London sales market

The prime London sales market continued to underperform in July, with transactions and average values lower than the same month last year and down compared to longer-term benchmarks. Metrics such as discounts and reductions also point to weaker market conditions.

There were 11.5% fewer transactions in July than the same month a year ago, and 7.3% fewer than the 2017–2019 (pre-pandemic average) July average. The number of properties going under offer was 14.8% lower than a year ago but 35.0% higher than the 2017–2019 (pre-pandemic average) July average. Last July saw unusually high levels of under offers so the longer-term comparison is more representative than the annual one here, showing a higher number of deals continuing to be agreed. However, the proportion of these offers moving through to exchange remains significantly below historical levels.

Supply continued to rise slightly in July, with new sales instructions 3.3% higher than the same month last year and 26.2% higher than the 2017–2019 July average. Stock on the market at the end of July was 2.5% higher than a year earlier but 1.6% down on the peak reached in September 2025. The growth in the number of price reductions stalled on an annual basis, rising 0.3% in July, but even this result continued the record of every month so far in 2026 seeing the highest ever number of reductions for that month.

Sales Activity Measures in July 2026, All Prime London



Source: LonRes

SALES

03 Summer slowdown for prime London sales market (continued)

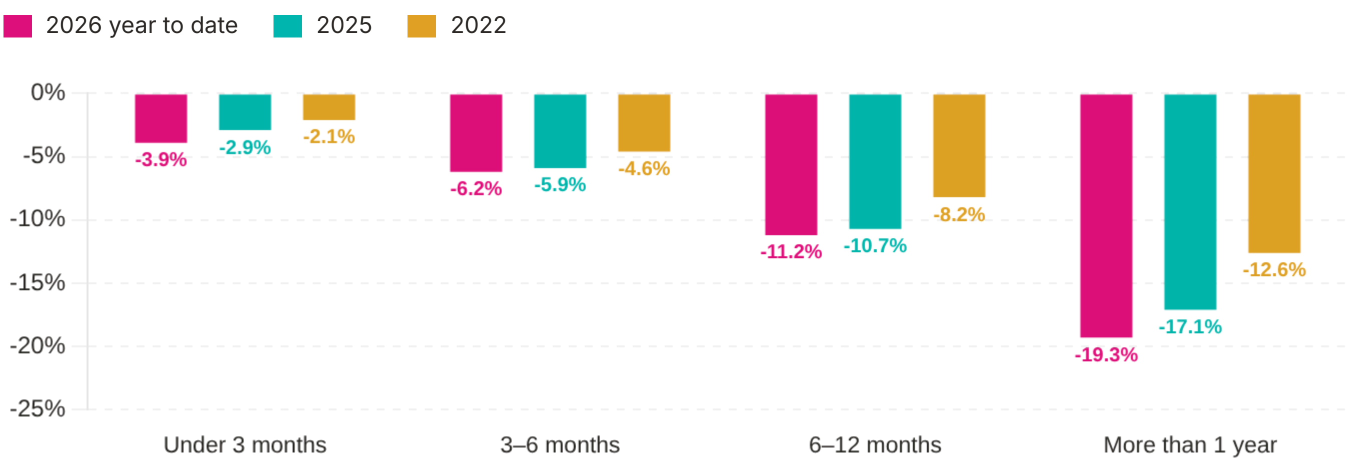
AUGUST 2026

The record number of price reductions continues to have an impact on sale prices. The average achieved price across prime London fell by 7.9% in July on an annual basis, leaving values 5.7% lower than their pre-pandemic (2017 to 2019) average. Of the properties sold in July, over 50% did so after at least one reduction in asking price, while the average discount remains high at 10.4% across all prime London.

Time on the market has a significant bearing on the size of discount required, particularly in a market where prices are falling or, at best, static. For 2026 so far, the average discount for homes selling in under three months was just 3.9%, while the discount for those taking more than 12 months was 19.3% – a 15.5 percentage point difference.

Last year the pattern was much the same but with slightly lower discounts across the board. Back in the stronger market of 2022, the trend was still similar but the discount gap between sub-three months and more than 12 was much lower, at 10.5 percentage points. This highlights that avoiding overvaluation is particularly important in a weaker market.

Prime London Discount to Asking Price by Time to Sell



Source: LonRes

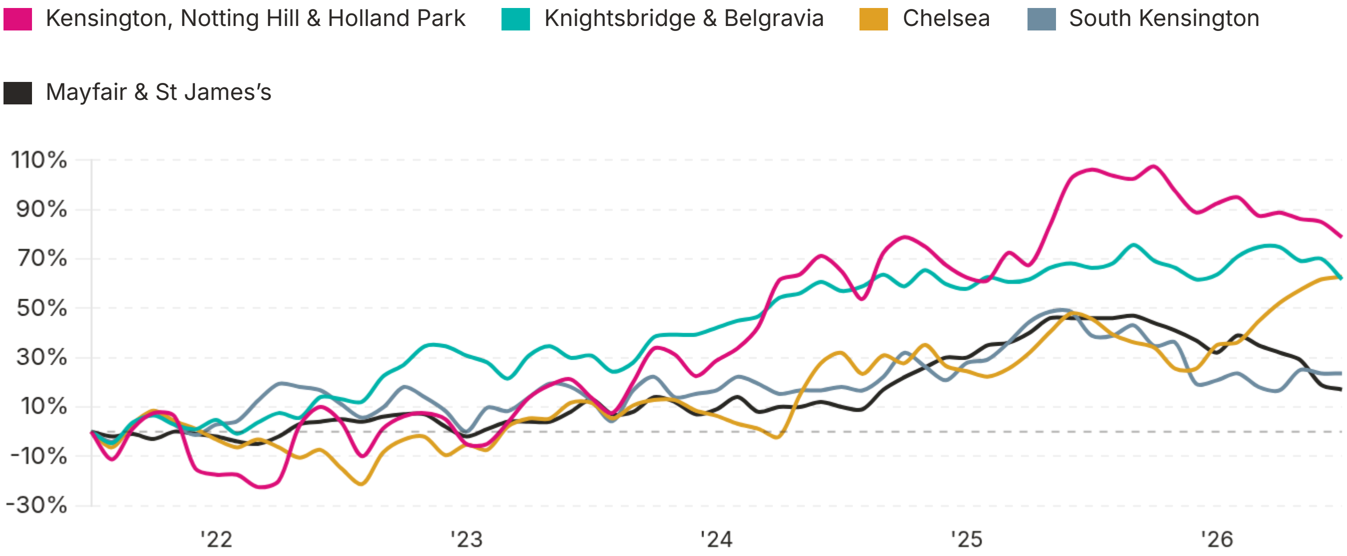
04 Super prime slowdown across all measures

There were 30.3% fewer new £5m+ instructions in July compared to the same month last year, but this was still 30.1% higher than the 2017 to 2019 July average. There were 20.0% fewer transactions in July on an annual basis, 20.0% above the 2017 to 2019 July average.

Other metrics also suggest that there is a general air of caution – perhaps even inactivity – across the top end of the market this summer. Under offer numbers have slipped in the past couple of months after a reasonable start to the year – they were down 50.0% in July compared to last year. There were also 30.6% fewer price reductions in July compared to last year.

At the end of July there were 5.2% fewer £5m+ properties on the market than at the same point last year, but 61.8% more than five years earlier (July 2021). Broken down by local area, the volume of homes for sale has varied significantly over the past few years. The increase in available stock over five years ranges from 17% in Mayfair & St James's to 79% in Kensington, Notting Hill & Holland Park. This latter figure follows a decline from the peak of 108% in October last year, while Chelsea has seen a significant increase over that same period.

£5m+ Stock on the Market vs. July 2021, Selected Neighbourhoods



Source: LonRes | Indexed to July 2021 = 0%

05 Rental growth accelerates across Prime London lettings market

In July, the prime London lettings market saw the strongest rental growth in 18 months, while activity increased slightly.

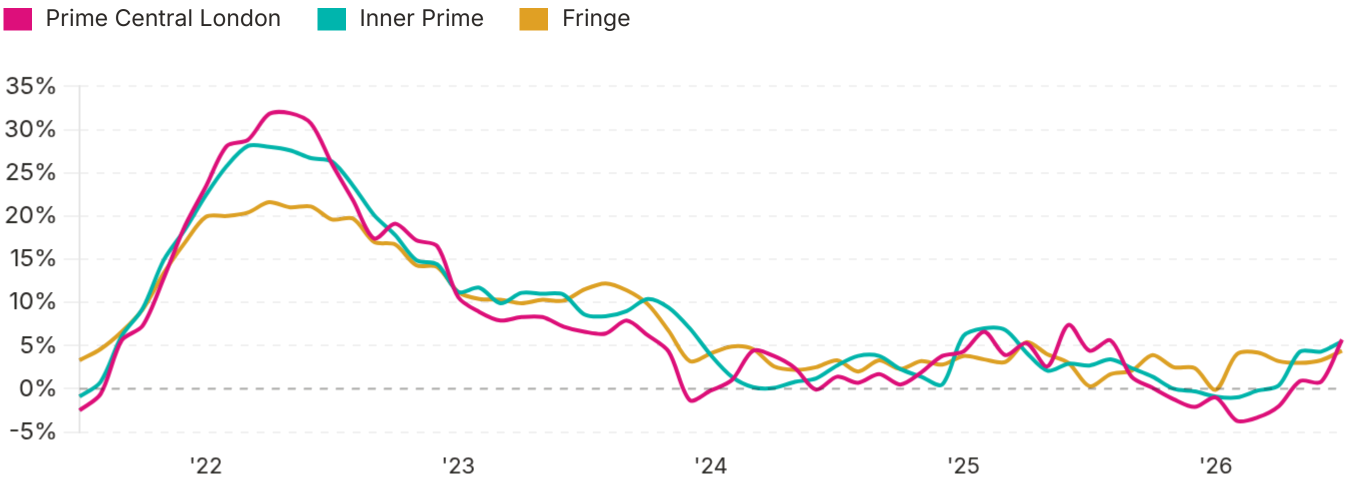
LonRes data for July indicated an annual increase of 1.5% in lets agreed and a 3.6% increase in new instructions. The stock of available rental properties increased on an annual basis, with 6.8% more homes on the market at the end of July than a year earlier. Note that these activity figures exclude listings in our Prime Fringe** catchment as these have been impacted by a change in the way listings are collected for our new rental checker calculator.

Average rental values increased by 5.3% on an annual basis in July, the strongest performance since February 2025. Average rental values were 41.0% above their 2017–2019 (pre-pandemic) average.

All three main catchment areas recorded similar rates of annual growth in July, but this follows significant variation at the start of the year. Prime central London has seen the largest turnaround, moving from a 3.7% fall in February to a 5.7% rise in July. The outer areas have seen steadier growth in recent months.

It is possible that the changes introduced by the Renters' Rights Act have quickly led to higher rental growth. Before its introduction it was predicted that supply could tighten and that asking rents would increase in response to the banning of 'bidding wars'. The increase in rental growth has coincided with the Act's May start date, but the largest improvement has been seen in PCL, where the highest proportion of properties – more than 20% in 2026 so far – are exempt from the Act due to annual rent being over £100,000. So, it is probable that other factors are also contributing to the increase.

Annual Rental Growth by Area



Source: LonRes | Data to July 2026

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.