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PRIME LONDON MARKET DASHBOARD

Prime London Market Dashboard

September edition

August was a subdued month for the prime London sales market, with supply and transactions significantly lower than usual for the time of year. The prime lettings market also saw lower activity but rental growth remained robust.

View the interactive dashboard online ›

SEPTEMBER 2026

Source: LonRes
Independent analysis of the prime London housing market

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Prime London Market Dashboard

September 2026 edition

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OVERVIEW

Quiet August for prime London's sales market

Activity slower but rental growth continues for prime London lettings

August was a subdued month for the prime London sales market, with supply and transactions significantly lower than usual for the time of year. The prime lettings market also saw lower activity but rental growth remained robust.

MONTHLY PRIME DATA – AUGUST 2026

	Prime Sales Annual Change	Prime Sales Change vs. 2017–19*	Prime Lettings** Annual Change	Prime Lettings** Change vs. 2017–19*
Achieved prices/rents	-7.0%	-6.7%	3.8%	41.4%
Properties sold/let	-19.0%	-25.6%	-27.5%	-57.7%
New instructions	-22.1%	-17.9%	-3.5%	-41.3%

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 **7.0%** on an annual basis in August. Compared to 2017–2019 (pre-pandemic) levels, values were **6.7% lower**.
- There were **19.0% fewer** sales transactions in August than a year earlier and **25.6% fewer** than the 2017–2019 (pre-pandemic) August average.
- New sales instructions in August were **22.1% lower** than last year and **17.9% lower** than the 2017–2019 (pre-pandemic) August average. The stock of available homes for sale at the end of August was **1.1% lower** than a year earlier and **4.9% lower** than the peak reached in September last year.
- Transactions in the **£5m+ market** were **18.8% lower** in August than the same month last year. New top-end instructions decreased by **10.4%** over the same period. The number of £5m+ homes available for sale across prime London at the end of August was **6.4% lower** than a year earlier.
- Average rental values across prime London rose by **3.8%** in August on an annual basis, while average rents were **41.4% above** their 2017–2019 (pre-pandemic) average.
- LonRes data for August indicated an annual decrease of **27.5%** in lets agreed and a **3.5% fall** in new instructions. The stock of available rental properties increased on an annual basis, with **6.1% more** homes on the market at the end of August than a year earlier.

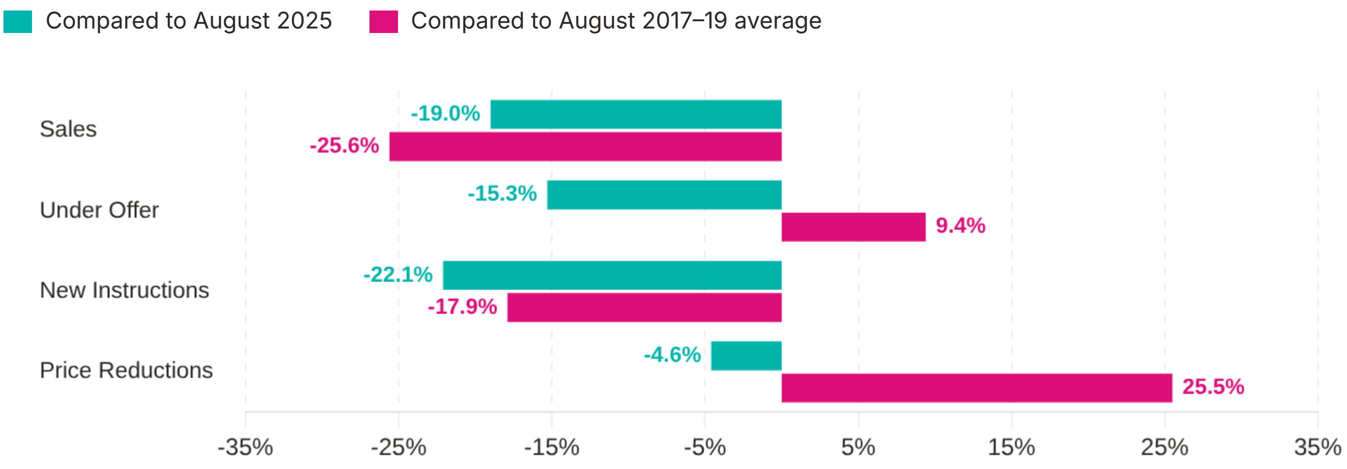
02 Values under pressure as supply and demand slip lower in August

August was a slow month for the prime London sales market, even by the usual standards of the summer break. New instructions and transactions were both down around a fifth compared to last August, while values continued to fall.

There were 19.0% fewer transactions in August than the same month a year ago, and 25.6% fewer than the 2017–2019 (pre-pandemic average) August average. The number of sales was the lowest in any August since 2008. Meanwhile the number of properties going under offer was 15.3% lower than a year ago but 9.4% higher than the 2017–2019 (pre-pandemic average) August average. This suggests that underlying demand has not completely fallen away but that agreed offers are slow to progress through to confirmed sales.

Sellers were similarly inactive in August, with new sales instructions 22.1% lower than the same month last year and 17.9% lower than the 2017–2019 August average. Stock on the market at the end of August was 1.1% lower than a year earlier and 4.9% down on the peak reached in September 2025, with high levels of withdrawals reducing the volume of homes for sale. The number of price reductions fell on an annual basis, by 4.6% in August, but remained high compared to longer-term benchmarks – up 25.5% compared to the 2017–2019 (pre-pandemic average) August average.

Sales Activity Measures in August 2026, All Prime London



Source: LonRes

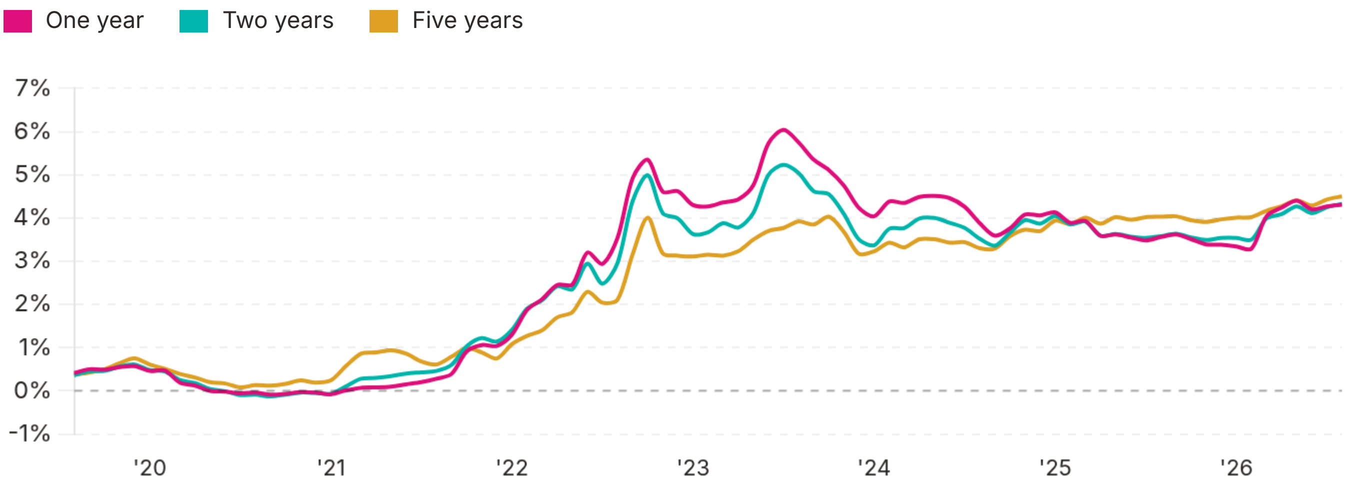
03 Values under pressure as supply and demand slip lower in August (continued)

Although the number of price reductions fell on an annual basis, the proportion of stock on the market that has been reduced remains high at 50%. Combined with weaker buyer demand, values continue to be under pressure.

The average achieved price across prime London fell by 7.0% in August on an annual basis, leaving values 6.7% lower than their pre-pandemic (2017 to 2019) average. The average discount across all prime London for properties sold in August was 10.4%.

Expectations of lower mortgage rates have been a key factor in driving a cautious approach to the market from both buyers and sellers, as they await better conditions. However, higher inflation is reducing the chance of meaningful interest rate cuts and data based on swap rates suggests that the Bank of England base rate is likely to increase, over each of the one, two and five-year measures. The shorter-term expectations have increased particularly sharply in recent months, with the one year figure up a whole percentage point since the start of the year (January average 3.3%, August 4.3%).

Financial Market Expectations For BoE's Bank Rate



Source: Bank of England | Monthly averages of instantaneous forward curve, data to August 2026

04 Stop-start activity at top end of the sales market

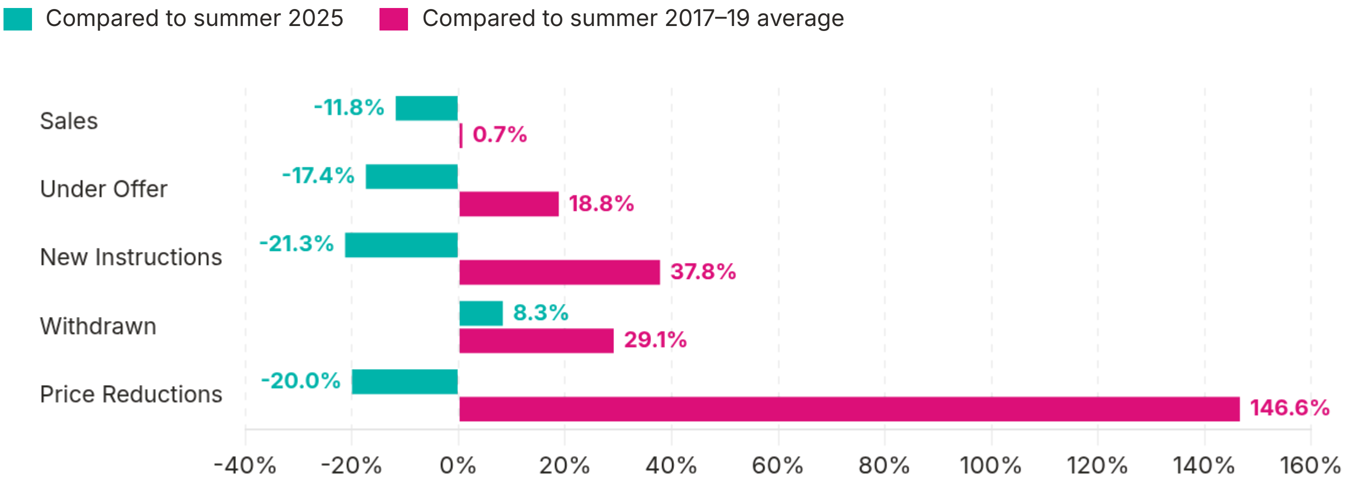
There were 10.4% fewer new £5m+ instructions in August compared to the same month last year, but this was still 43.3% higher than the 2017 to 2019 August average. There were 18.8% fewer transactions in August on an annual basis, 39.1% above the 2017 to 2019 August average.

Under offer numbers bounced back from two poor months and were up 37.5% on an annual basis in August, while price reductions saw a small increase of 3.8% over the same period, though they remain high compared to longer-term averages. At the end of August there were 6.4% fewer £5m+ properties on the market than at the same point last year, but 64.9% more than five years earlier (August 2021).

With the monthly data volatile, looking at data for the whole summer – July and August combined – smooths out some of the noise. £5m+ transactions in summer 2026 were down 11.8% on an annual basis but were up 0.7% compared to the 2017–2019 (pre-pandemic) average for the time of year.

New instructions were 21.3% lower in summer 2026 compared to last year but 37.8% higher relative to their 2017–2019 average. Withdrawals are the only measure to show an annual increase, up by 8.3% compared to summer 2025. Combined, these figures indicate a lack of urgency in the super prime markets, from either buyers or sellers.

£5m+ Sales Activity Measures, Summer (July and August) 2026, All Prime London



Source: LonRes

LETTINGS

05 Steady rental growth as prime London lettings market activity slows

SEPTEMBER 2026

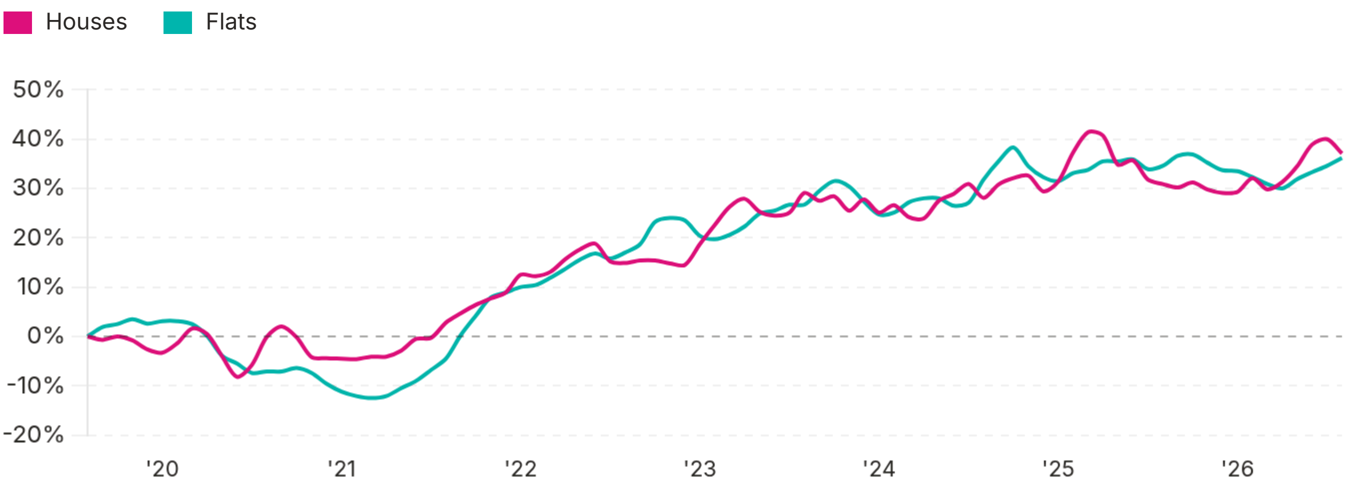
Activity across the prime London lettings market slowed a little in August, but rents continued to grow steadily.

LonRes data for August indicated an annual decrease of 27.5% in lets agreed and a 3.5% decrease in new instructions. The stock of available rental properties increased on an annual basis, with 6.1% more homes on the market at the end of August 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 3.8% on an annual basis in August, a slightly lower rise than July but continuing a series of significant month-on-month rises going back to May. Average rental values were 41.4% above their 2017–2019 (pre-pandemic) average.

Looking at rental growth broken down by property type, houses and flats have followed similar trajectories over the past few years. Rents for flats fell faster than for houses in late 2020 and into 2021 due to changing tenant preferences in the pandemic but recovered quickly and closed the gap by the end of 2021. Since then, both property types have seen rental growth move together for five years. The latest data shows growth since August 2019 of 37.1% for houses and 36.2% for flats.

Rental Growth Since August 2019, by Type



Source: LonRes | Indexed to August 2019 = 0%, data to August 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.

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