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PRIME LONDON MARKET DASHBOARD

Prime London Market Dashboard

June edition

May saw an annual rise in prime London sales volumes but values fell and the longer-term picture remains subdued. In the prime lettings market, rents rose on an annual basis after six months of falls.

JUNE 2026

Source: LonRes
Independent analysis of the prime London housing market

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OVERVIEW

Mixed May for prime London sales market with some signs of improvement

May saw an annual rise in prime London sales volumes but values fell and the longer-term picture remains subdued. In the prime lettings market, rents rose on an annual basis after six months of falls.

MONTHLY PRIME DATA

	Prime Sales Annual Change	Prime Sales Change vs. 2017–19*	Prime Lettings** Annual Change	Prime Lettings** Change vs. 2017–19*
Achieved prices/rents	-5.1%	-4.7%	2.7%	34.5%
Properties sold/let	6.7%	-13.1%	16.6%	-49.6%
New instructions	2.2%	10.1%	28.7%	-30.2%

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 **5.1%** on an annual basis in May. Compared to 2017–2019 (pre-pandemic) levels, values were **4.7% lower**.
- There were **6.7% more** sales transactions in May than a year earlier but **13.1% fewer** than the 2017–2019 (pre-pandemic) May average.
- New sales instructions in May were **2.2% higher** than last year and **10.1% higher** than the 2017–2019 (pre-pandemic) May average. The stock of available homes for sale at the end of May was **5.9% higher** than a year earlier but remains lower than the peak reached in September last year.
- Transactions in the **£5m+ market** were 20.6% lower in May than the same month last year. New instructions in this market decreased by 24.5% over the same period. The number of £5m+ homes available for sale across prime London was effectively unchanged (+0.2%) over the 12 months to the end of May.
- Average rental values across prime London rose by **2.7%** in May on an annual basis, while average rents are **34.5% above** their 2017–2019 (pre-pandemic) average.
- LonRes data for May indicated an annual increase of **16.6%** in lets agreed and a **28.7% rise** in new instructions. The stock of available rental properties increased on an annual basis, with **23.0% more** homes on the market across prime London at the end of May than a year earlier.

02 May saw transactions rise and values fall as the market remains mixed

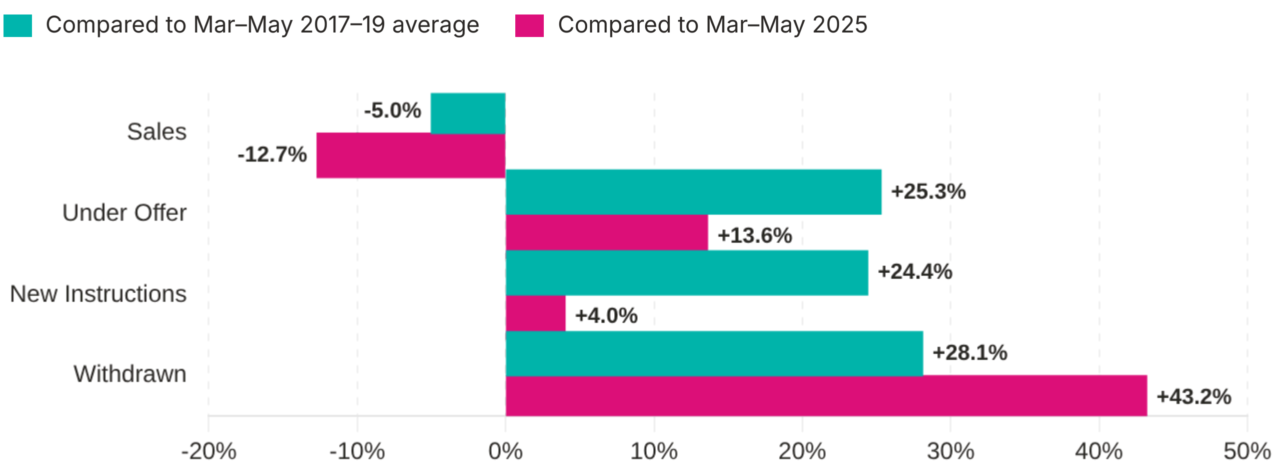
May saw further gradual improvement in activity for the prime London sales market, with sales volumes recording another year-on-year rise. However, values continued to fall, albeit at a slower pace than previously, and our other key metrics confirm it's still a mixed picture for London's prime markets.

There were 6.7% more transactions in May than a year ago, but 13.1% fewer than the 2017–2019 (pre-pandemic) May average. Properties going under offer were 8.1% higher than a year ago and 8.8% higher than the 2017–2019 May average, potentially indicating rising transaction volumes in the next few months.

Supply remains high but growth has plateaued; new instructions in May were 2.2% higher than last year and 10.1% higher than the 2017–2019 May average. Stock at the end of May was 5.9% higher than a year earlier and 13.0% above the level five years earlier (May 2021). Price reductions are well above historical trends, up 19.4% on last year, and every month so far in 2026 has set a record high for that month.

While the April and May year-on-year data suggested activity may be recovering, sentiment remains weak and the wider context matters. The March 2025 stamp duty deadline brought transactions forward, leaving April and May 2025 with lower volumes and distorting the benchmarks, so we have looked at the past three months combined. Transactions from March to May 2026 were down 12.7% on the same period in 2025 and 5.0% below the 2017–2019 average for the time of year.

Sales Activity Measures, March to May 2026, All Prime London



Source: LonRes

Under offers are less affected by deadlines, and the 13.6% annual rise and 25.3% growth on the long-term average suggest underlying demand is relatively strong. New instructions from March to May were 4.0% higher than last year and 24.4% above their 2017–2019 average. Withdrawals rose sharply, up 43.2% on the same three months last year.

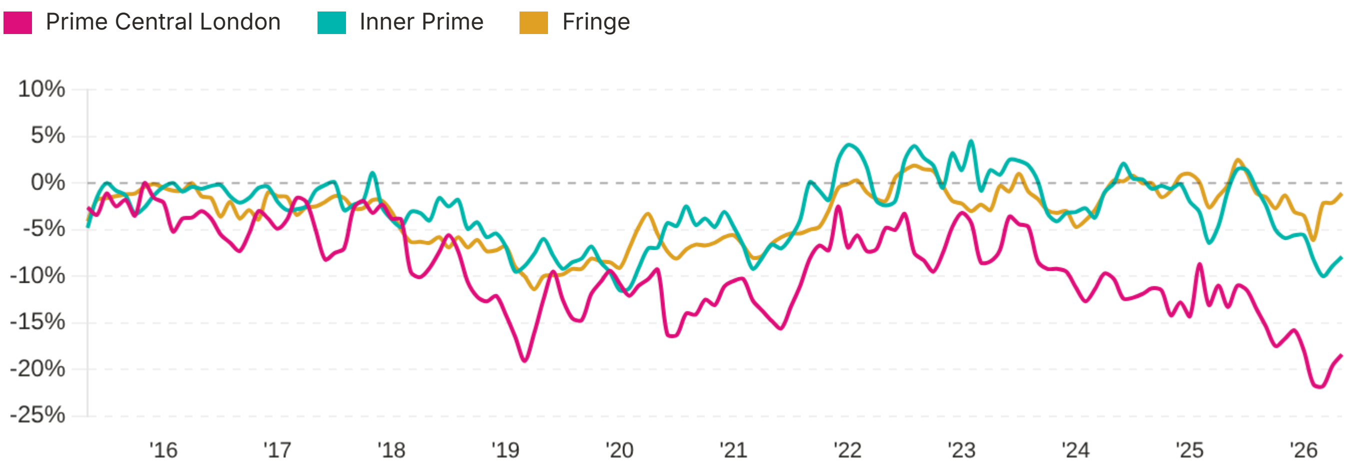
03 Values under pressure

Average achieved prices across all prime London fell by 5.1% on an annual basis in May, a slower rate of fall than April. On a monthly basis, prices are picking up from the low point reached in February and March but they remain low compared to historical trends – they are 4.7% below their 2017–2019 (pre-pandemic) average.

Values have been under pressure for many months, particularly in the second half of 2025 as speculation around additional taxes unsettled the market. Some of the damage done around this time has been reversed, but the impact on prime central London is more significant. In May, average prices there were 18.4% below their 2014/15 peak. This is an improvement from the recent low point of -21.8% reached in March but compares unfavourably to the performance of the inner prime and prime fringe catchments.

The average discount from initial asking price decreased to 10.1% in May, from a revised 10.8% in April. Of all the properties sold in May, 52.1% did so after seeing at least one asking price reduction. Both measures are slightly improved from their position at the start of the year, but higher than long-term average levels.

House Price Change Since 2014/15 Peak, by Area



Source: LonRes

04 Under offers rising in the super prime market but transactions fall

The number of properties going under offer increased over the course of the month. Meanwhile transaction numbers and supply numbers fell and price reductions rose.

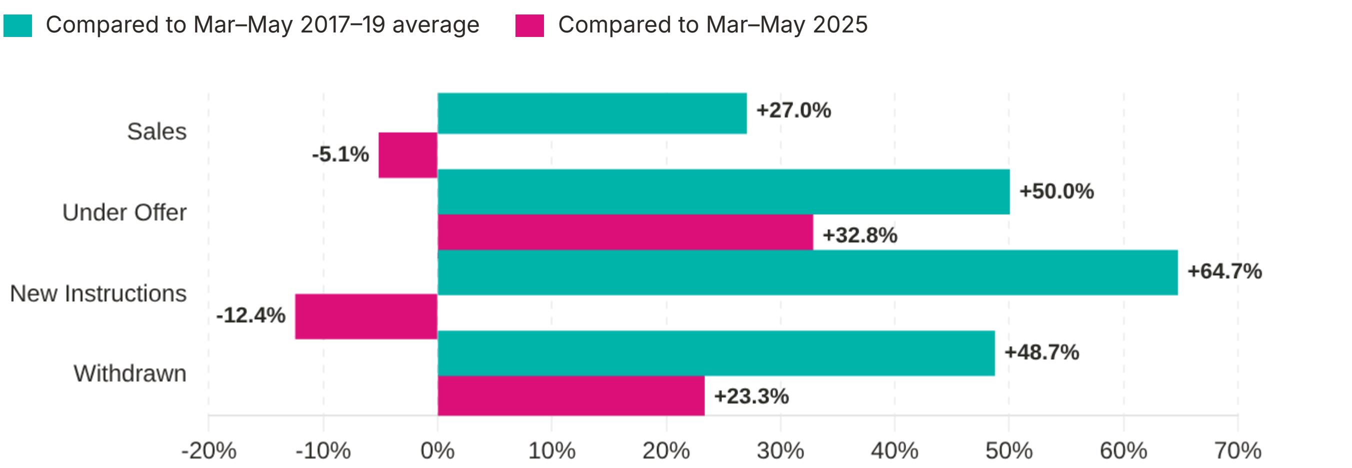
£5m+ transaction volumes in May were 20.6% lower than the same month last year and unchanged from the 2017–2019 May average. Under offer numbers rose by 75.0% compared with last May and were 40.0% higher than the 2017–2019 May average. New instructions in May recorded a 24.5% fall compared to a year earlier but were 21.8% higher than the 2017–2019 May average. The number of price reductions increased by 6.5% on an annual basis but this is off a high base – the May figure was the highest ever recorded for a single month.

At the end of May there were 0.2% more £5m+ properties on the market than at the same time last year and, while stock levels are significantly above the long-term average, the current level is around 4% below the peak reached in June 2025.

Looking at the past three months of data combined shows that the super prime market is behaving differently to prime London as a whole. £5m+ transactions from March to May 2026 were down 5.1% on an annual basis but were up 27.0% compared to the 2017–2019 (pre-pandemic) average for the time of year.

The change on the supply side is even more marked. New instructions were 12.4% lower from March to May compared to last year but 64.7% higher relative to their 2017–2019 average. Under offers and withdrawals are both up on an annual basis and compared to longer-term average levels.

£5m+ Sales Activity Measures, March to May 2026, All Prime London



Source: LonRes

05 Rental growth returns to prime London lettings market

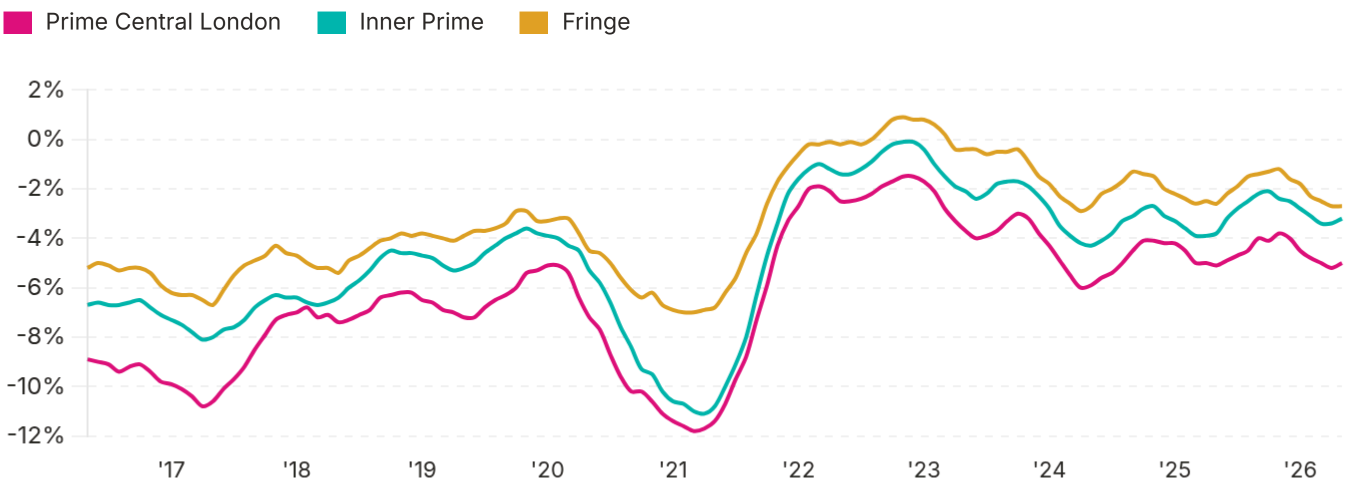
Rental values increased on an annual basis in May, while activity continued to recover from previous low levels.

LonRes data for May indicated an annual increase of 16.6% in lets agreed and a 28.7% increase in new instructions. The stock of available rental properties increased on an annual basis, with 23.0% more homes on the market at the end of May 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 2.7% on an annual basis in May. While this was the fastest growth since last August, more generally rental growth over the past three years has been subdued compared to the rapid growth seen from 2021 through to 2023. Current values are 34.5% above their 2017–2019 (pre-pandemic) average.

Data on average discounts confirms that demand is a little weaker than it was in 2023. Discounts have increased across all three main catchments compared to 2023 but remain lower than typical pre-pandemic levels. Average discounts in prime central London are consistently larger than in other areas and were 5.0% in May.

Average Discount to Asking Rent, by Area



Source: LonRes | 6-month smoothed

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 service.