PRIME LONDON MARKET DASHBOARD

Prime London Market Dashboard

May 2026 edition

April data

Activity rises in April for prime London sales, but the market remains uncertain. Rental growth subdued as prime central London underperforms.

MAY 2026

Source: LonRes
Independent analysis of the prime London housing market

OVERVIEW

Activity rises in April for prime London sales, but the market remains uncertain

The prime London sales market recorded a slight improvement in April after a slow first quarter. Transactions were higher than the same month last year and broadly in line with the long-term average for April, but other metrics continued to reflect the uncertain market conditions — both withdrawals and price reductions were high. In the prime lettings market, rents fell on an annual basis while activity increased.

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	-5.5%	-5.6%	-1.0%	31.0%
Properties sold/let	2.1%	-3.1%	19.2%	-37.4%
New instructions	-1.8%	27.4%	31.4%	-39.0%

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 **5.5%** on an annual basis in April. Compared to 2017–2019 (pre-pandemic) levels, values were **5.6% lower**.
- There were **2.1% more** sales transactions in April than a year earlier but **3.1% fewer** than the 2017–2019 (pre-pandemic) April average.
- New sales instructions in April were **1.8% lower** than last year but **27.4% higher** than the 2017–2019 (pre-pandemic) April average. The stock of available homes for sale at the end of April was **8.6% higher** than a year earlier.
- Transactions in the **£5m+ market** were 6.3% lower in April than the same month last year. New instructions in this market increased by 1.1% over the same period. The number of £5m+ homes available for sale grew by 4.3% over the 12 months to the end of April.
- Average rental values across prime London fell by **1.0%** in April on an annual basis, while average rents are **31.0% above** their 2017–2019 (pre-pandemic) average.
- LonRes data for April indicated an annual increase of **19.2%** in lets agreed and a **31.4% rise** in new instructions. The stock of available rental properties increased by **17.5%** over the year.

SALES HEADLINES

Signs of improvement in April ›

Price reductions reach record highs ›

Super prime settles into new conditions ›

LETTINGS HEADLINES

Rental growth remains subdued ›

Prime Central London underperforms ›

02 Prime London sales market activity shows signs of improvement in April

After a slow start to 2026, April saw some improvement in the prime London sales market, though overall it remains in a relatively weak position. Transactions were higher than the same month last year and broadly in line with the long-term average for April, but values are still under pressure.

There were 2.1% more transactions in April than the same month a year ago, but 3.1% fewer than the 2017–2019 (pre-pandemic) April average. The annual rise is the first for six months but partly reflects low activity in April 2025 when sales were brought forward to March to benefit from the final month of the stamp duty holiday.

Under offer numbers continued to indicate reasonable demand, being 7.7% higher than a year ago and 20.8% above the 2017–2019 (pre-pandemic) April average. New instructions fell by 1.8% in April compared to the same month last year but were 27.4% above the 2017–2019 April average.

The number of properties withdrawn from sale was significantly above the usual level for the time of year in April. This figure rose by 58.9% on an annual basis and was 44.5% above the 2017–2019 (pre-pandemic) April average. Despite this, stock on the market across prime London remains high, and was 8.6% higher at the end of April than at the same point last year.

Sales Activity Measures in April 2026, All Prime London

Source: LonRes

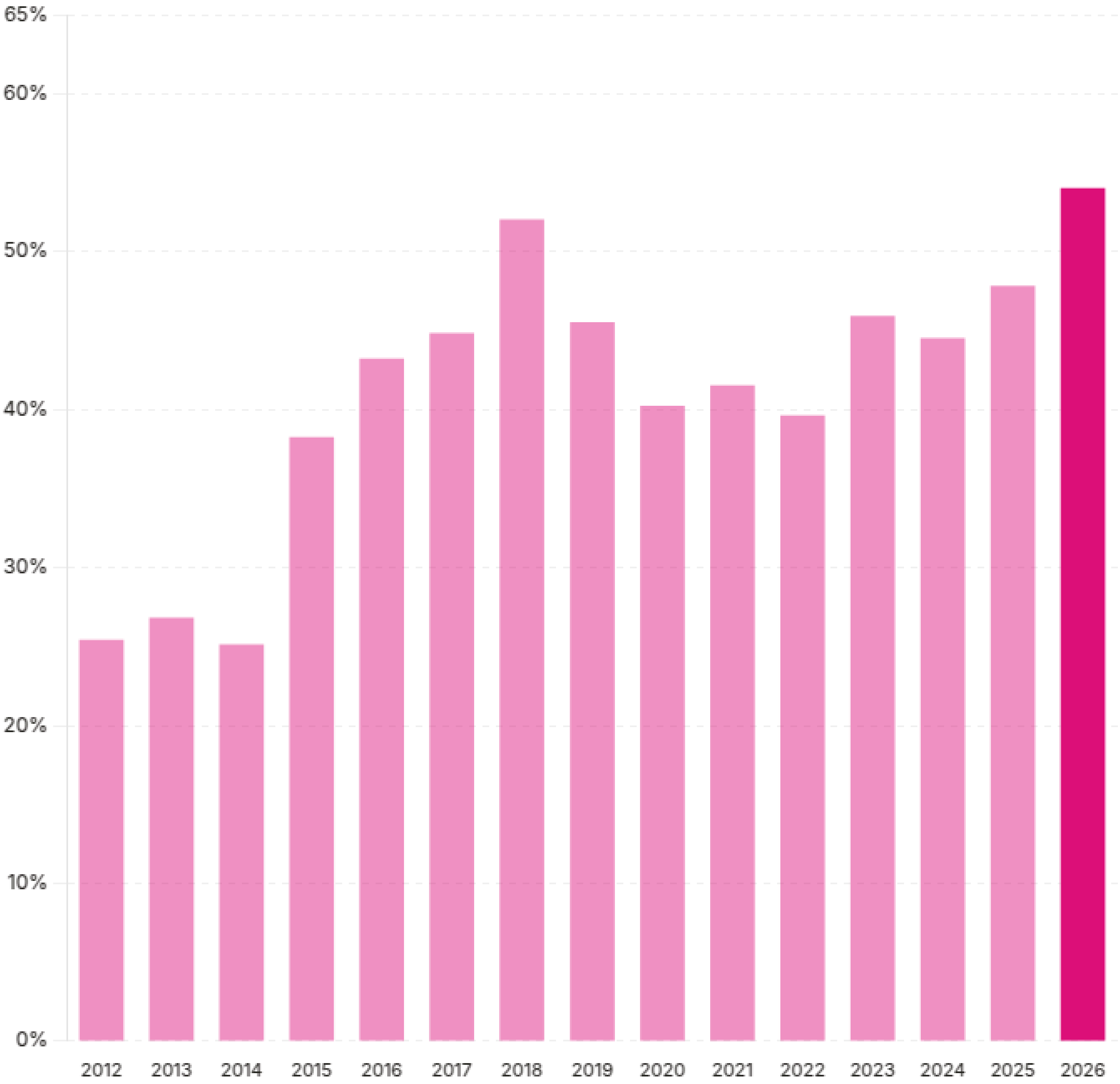
03 Price reductions reach record highs as vendors compete for buyers

Average achieved prices across all prime London fell by 5.5% on an annual basis in April. While this annual figure does not appear positive, the monthly April figure showed a small increase compared to February and March. It is possible that this result signals values bottoming out, with the market now adjusted to the more uncertain environment and likely higher borrowing costs. However, the amount of stock for sale and the ongoing level of price reductions may mean that there is further to fall.

The number of price reductions increased by 19.4% on an annual basis. All four months so far this year have seen the highest ever number of reductions for that month, highlighting the level of competition amongst vendors. 2025 saw the highest number of price reductions in a single year and the year-to-date figure for 2026 so far is 20.4% above that.

Of all the properties sold so far in 2026, 54.0% did so after seeing at least one asking price reduction. The highest previous figure for a full calendar year on this metric is 52.0%, recorded in 2018. The average discount from initial asking price was 10.6% in April — the highest level for seven years.

Proportion of Sold Properties Requiring At Least One Price Reduction, by Year



Source: LonRes | 2026 figure is year-to-date

04 Super prime market settles into new conditions

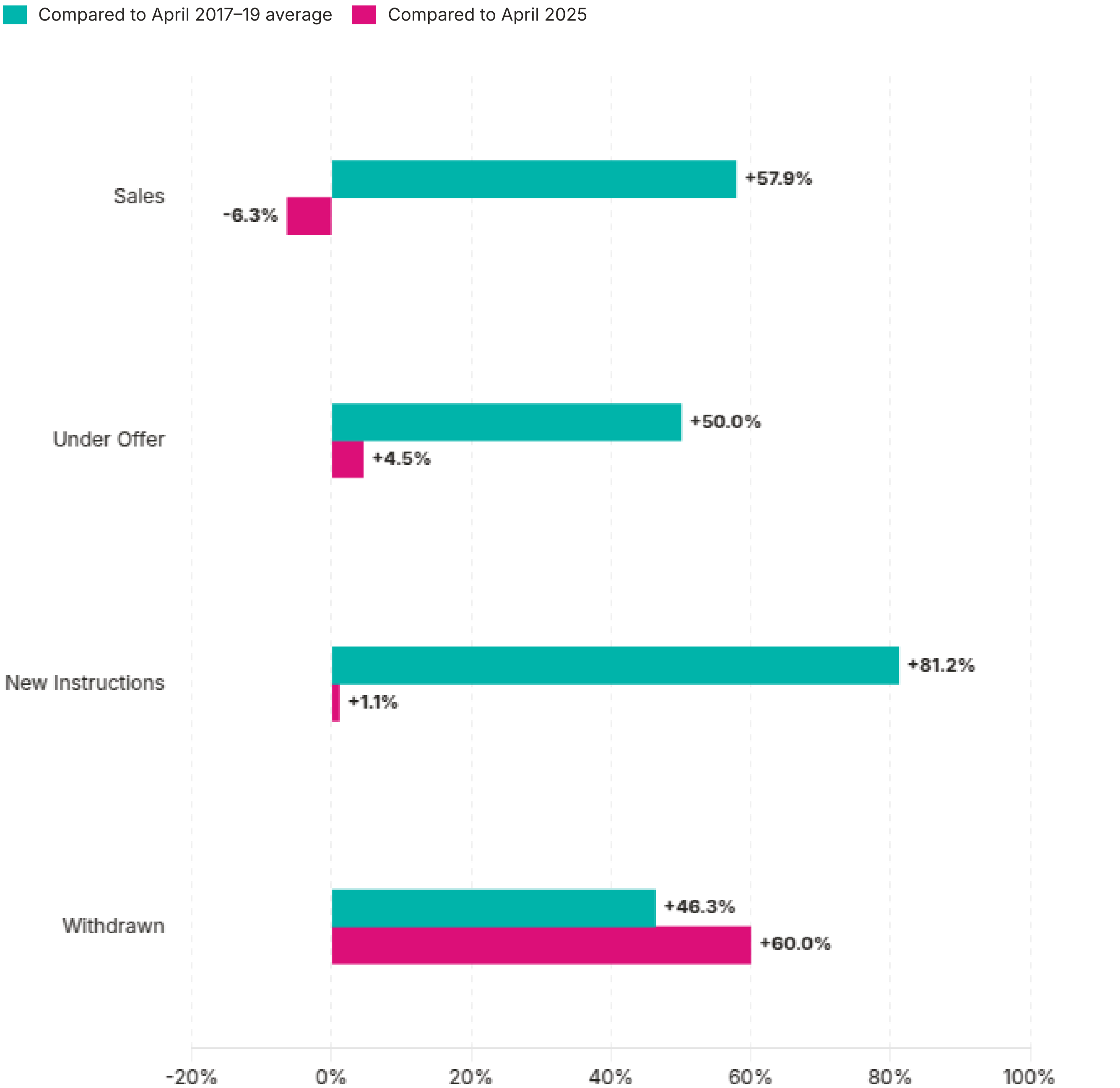
Most £5m+ market metrics saw limited change in April, lending weight to the idea that the market is settling down after the upheaval of late 2025 and the first quarter of 2026.

£5m+ transaction volumes in April were 6.3% lower than the same month last year but 57.9% higher than the 2017–2019 April average. Under offer numbers rose by 4.5% compared with last April and were 50.0% higher than the 2017–2019 April average. New instructions in April recorded a 1.1% fall compared to a year earlier but were 81.2% higher than the 2017–2019 April average.

Like the wider market, withdrawals were the only metric to record significant annual change, up 60.0% on last year. At the end of April there were 4.3% 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.

The number of price reductions increased by 1.6% on an annual basis, but this measure is already at a high level — April recorded the second highest ever number of reductions in a single month. Of all the £5m+ properties sold so far in 2026, 44.4% did so after seeing at least one asking price reduction.

£5m+ Sales Activity Measures in April 2026, All Prime London



Source: LonRes

05 Lettings market waits for impact of Renters' Rights Act

Rental values fell on an annual basis in April, and while activity increased compared to the low levels of 2025 it remains significantly below the longer-term average.

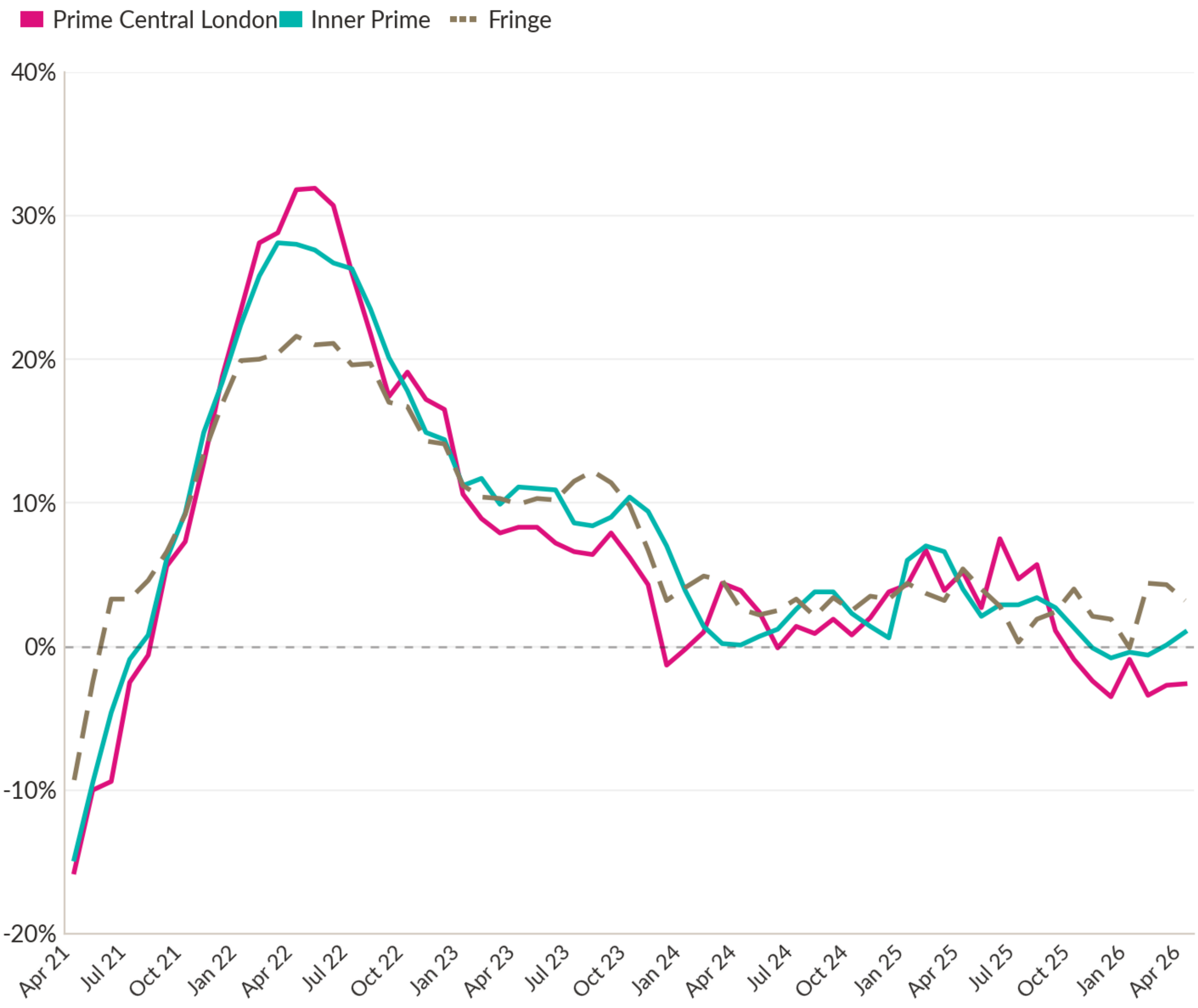
LonRes data for April indicated an annual increase of 19.2% in lets agreed and a 31.4% increase in new instructions. The stock of available rental properties increased on an annual basis, with 17.5% more homes on the market at the end of April than a year earlier. Note that these activity figures exclude 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 fell by 1.0% on an annual basis in April, continuing the trend over the past 12 months of relatively small movements in either direction. This is in contrast to the rapid growth in rents seen from 2021 through to 2023, which has contributed to values being 31.0% above their 2017–2019 (pre-pandemic) average.

Rental growth has been relatively subdued since 2024, and this is true for all three of our main catchment areas. While they have mostly moved in similar patterns, for the past few months Prime Central London has underperformed, recording an annual fall of 2.6% in April.

The impact of the Renters' Rights Act on pricing remains to be seen. With bidding wars banned and rent increases more limited, one would expect asking prices to rise, but the effect on actual rents paid is less clear. So far, our data on average discounts has not shown any significant changes.

Annual Rental Growth by Area



Source: LonRes | Data to April 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 service.