



PRIME LONDON MARKET MONTHLY BRIEFING



Prime London sales transactions subdued,
but properties going under offer and new
instructions rise

Rental growth slows as stock availability
rises

Analysis of the prime London housing market: 1 July – 31 July 2025



Lower transaction levels continue

In July London's prime London sales market continued in much the same vein as it had in the first half of the year. Low transaction volumes – despite healthy under offer numbers – were set against high levels of supply and price reductions. Meanwhile there was little change in average achieved prices.



Rising stock on the market

New sales instructions in July were 22.4% higher than last year and 9.4% higher than the 2017–2019 (pre- pandemic) July average. The stock of available homes for sale at the end of July was 15.8% higher than a year earlier and 31.5% up compared to July 2020.



Average achieved sold prices relatively steady

Average achieved sold prices fell by 0.4% on an annual basis in July. Compared to 2017–2019 (pre- pandemic) levels, values were 0.8% lower.



Under offer levels on the rise

There were 31.7% fewer transactions in July than a year earlier and 7.8% fewer than the 2017–2019 (pre- pandemic) July average. On an annual basis, under offer numbers increased by 17.5% and were 36.0% up on the 2017–2019 (pre-pandemic) average for the time of year.



Growing stock levels in £5m+ market

Transactions in the £5m+ market in July were 13.3% lower than the same month last year. New instructions in this market increased by 28.2% over the same period, with stock on the market also continuing to rise. The number of £5m+ homes available for sale across prime London has grown by 23.4% over the 12 months to the end of July.



Rental growth continues to creep higher

Annual rental growth of 3.3% was recorded in July across prime London, with average rents 34.8% above their 2017–2019 (pre-pandemic) average.



Uptick in new instructions

LonRes data for July indicated an annual decrease of 7.7% in lets agreed but a 7.7% rise in new instructions. Activity on both measures remained well below pre-pandemic levels. The stock of available rental properties increased on an annual basis, with 18.3% more homes on the market across prime London at the end of July than a year earlier.

Monthly prime data

(1 July to 31 July 2025)

	Prime Sales Annual Change	Prime Sales Change vs. 2017-19*	Prime Lettings Annual Change	Prime Lettings Change vs. 2017-19*
Achieved prices/rents	-0.4%	-0.8%	3.3%	34.8%
Properties sold/let	-31.7%	-7.8%	-7.7%	-54.7%
New instructions	22.4%	9.4%	7.7%	-39.5%

(Note: all price and rent figures based on £ per sq. ft. values) | *Pre-pandemic | Source: LonRes

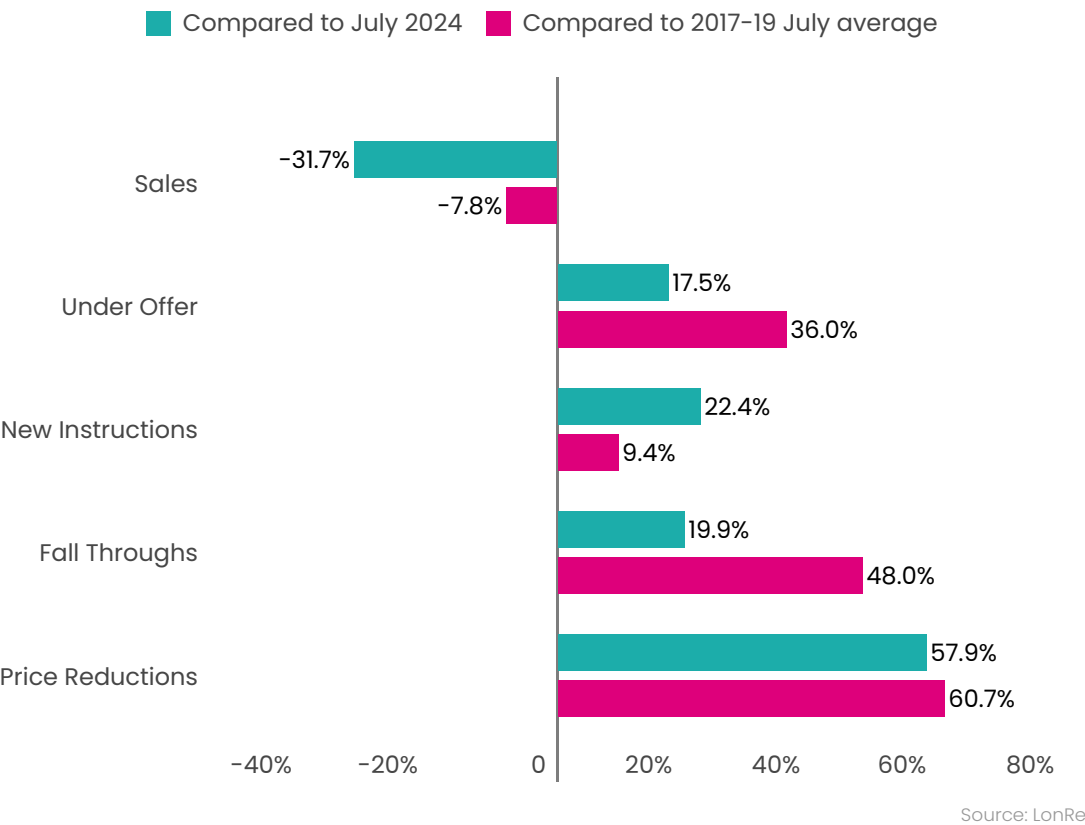
Sales volumes remain low but under offers, instructions, price reductions all rise

Measures of sales activity across prime London remained mixed in July. New instructions and under offers increased but transaction volumes fell. Average achieved prices were broadly unchanged on an annual basis.

There were 31.7% fewer transactions in July than the same month a year ago, and 7.8% fewer than the 2017-2019 (pre-pandemic average) July average. Given under offers picked up in June and recorded another strong month in July – up by 17.5% on an annual basis – this suggests deals may either be taking a long time to conclude or are falling through in greater numbers than usual.

The time from under offer to exchange has not increased over the past few months, but clearly this does not yet account for current deals that haven't reached exchange. Higher numbers of fall throughs were recorded in July – 19.9% more than a year earlier and 48.0% more compared to the 2017-2019 (pre-pandemic average) July average. These figures add weight to the idea of a market with low confidence amongst both buyers and sellers.

Measures of Market Activity, July 2025, All Prime London

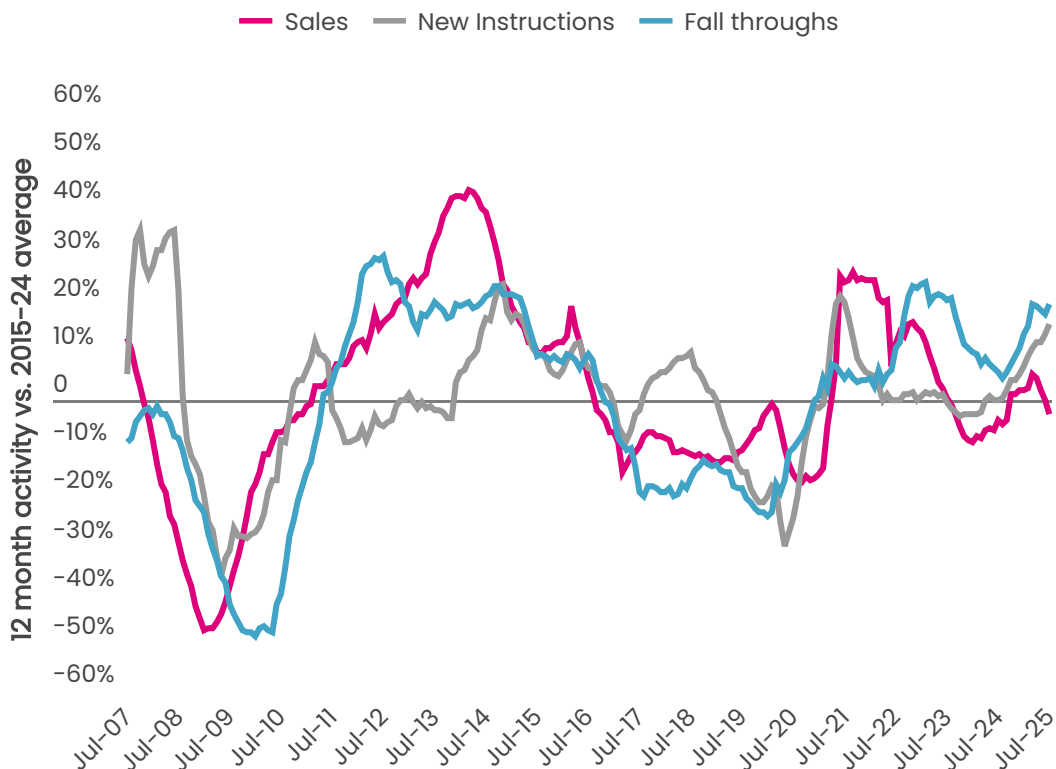


On the supply side, new instructions were 22.4% higher than the same month last year and 9.4% higher than the 2017–2019 July average. For those homes already on the market, the number of price reductions continued to rise in July – by around 60% compared to both last July and the 2017–2019 July average. Stock on the market at the end of July was 15.8% higher than last year and 31.5% above the level five years earlier (July 2020) – although it’s worth mentioning that the 2020 baseline is volatile due to the impact of lockdown on the market.

As our pre-pandemic, 2017–19 baseline moves further into the past, we’ve considered whether it is the correct longer-term benchmark for a “normal”, stable market. We’ve therefore looked at an extended long-term baseline this month, comparing current figures to the 10-year average from 2015 to 2024, to give some additional context to the current state of the market. Those 10 years contained some good and bad periods for prime London residential but that is the nature of any cyclical market.

Based on rolling 12-month totals for sales and new instructions across prime London, the market is currently relatively close to that long-term average, with sales over the past year 3.1% below the 2015–2024 average and new instructions 15.6% above. Fall throughs are 20.0% above the long-term average, having been at an elevated level since late 2022.

Long-term Activity Trends, All Prime London



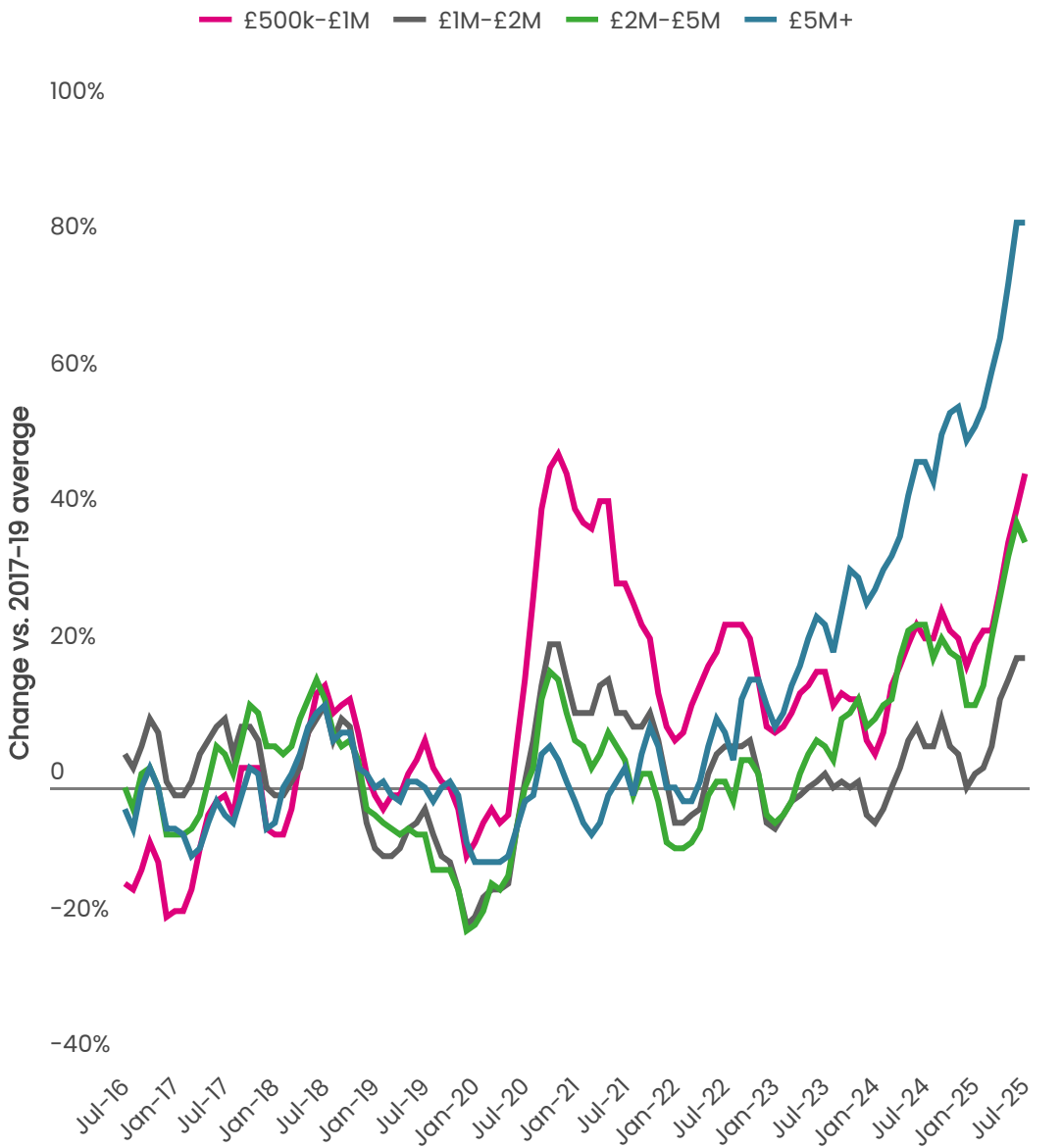
Source: LonRes

Average values across prime London fell by 0.4% on an annual basis in July and were 0.8% below their pre-pandemic (2017 to 2019) average level. This continues a trend of relatively small price movements over the past 18 months to two years. The average discount from initial asking price increased to 9.3% in July compared to 8.2% in June. This is the highest figure this year, reversing six months of discounts steadily reducing.

£5m+ transactions lower but supply still rising

The recent trends in the £5m+ market continued, with reasonable demand and high levels of supply and price reductions. There were 13.3% fewer £5m+ transactions in July than the same month a year ago, but 11.4% higher than the 2017-2019 (pre-pandemic average) July average. New £5m+ instructions were 28.2% higher than the same month last year and 89.6% higher than the 2017-2019 July average.

Stock on the Market by Price Band, Compared to 2017-19 Average



Source: LonRes

Stock levels at the top end of the market reflect this imbalance, with the number of £5m+ homes close to the record high set in June. At the end of July this figure was 23.4% higher than last year and 87.1% above the level five years earlier (July 2020). While supply has grown faster than demand at all price points over the past three years, the scale of growth has been highest for £5m+ properties.

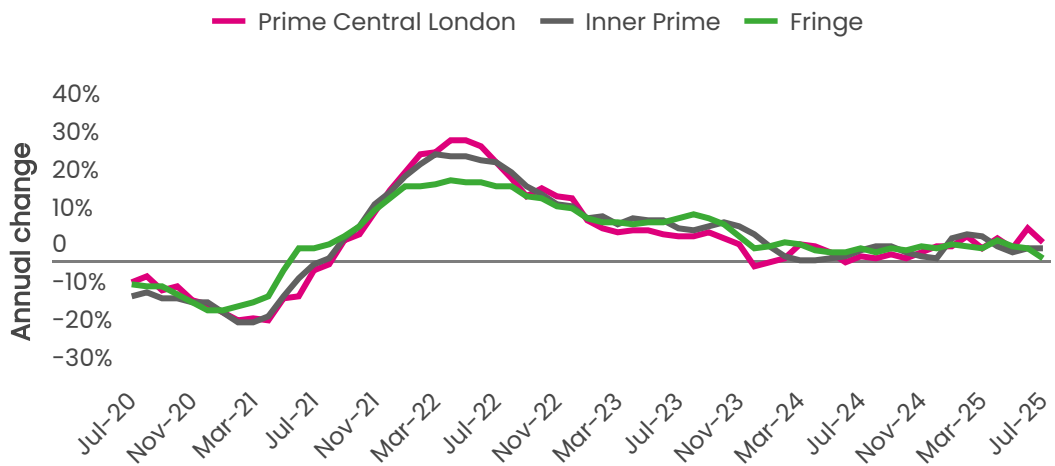
More stock to rent and slower rental growth

Rental availability across prime London increased to a four-year high as new instructions grew in July. The number of agreed lets fell on an annual basis in July, while rental growth slowed slightly.

Annual rental growth in July was 3.3%, down from a revised 5.4% in June and back in line with the average over the past 18 months of 3%. Rents across prime London are now 34.8% above their 2017–2019 (pre-pandemic) average.

Broken down by sub-market, rental growth is in general behaving similarly across our core catchments, but prime central London has been the best performer in recent months. Covering neighbourhoods such as Mayfair and Knightsbridge, annual rental growth in PCL in July was 5.1%. More generally, all areas have seen relatively steady growth averaging around the 3% mark since the start of 2024, well below the double-digit rises seen in 2023 and the even higher level prior to that where annual growth peaked at over 20% in 2022.

Annual Rental Growth by Area



Source: LonRes

LonRes data for July indicated an annual decrease of 7.7% in lets agreed but a 7.7% increase in new instructions, with activity on both measures remaining well below pre-pandemic levels. The stock of available rental properties increased, with 18.3% more homes on the market across prime London at the end of July than a year earlier.



Analysis of LonRes data for this Monthly Briefing has been carried out by Nick Gregori, Head of Research at LonRes.
This Prime London Market Briefing uses data up to 31 July 2025.

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, W1I, W14.

Prime Fringe: SE1, SE1I, SW4, SW5, SW6, SW1I, W4, W6, W9, W10.

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