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PRIME LONDON MONTHLY BRIEFING

December
2025 ISSUE

Budget tax rise for prime property but
major pain avoided

Annual rental growth across prime London
drops to four-year low



Market appearing to welcome the certainty

Prime London property avoided the worst of the potential Budget outcomes, with the market appearing to at least welcome the certainty, though it is too soon to fully record any impact.



Year on year, transactions improve in November

There were 5.6% more transactions in November than a year earlier but this was 7.7% lower than the 2017-2019 (pre-pandemic) November average.



High stock on the market but new instructions decline

New sales instructions in November were 29.1% lower than last year and 19.1% lower than the 2017-2019 (pre-pandemic) November average. The stock of available homes for sale at the end of November was 8.7% higher than a year earlier but has fallen back from recent highs.



Dip in average achieved sold prices

Average achieved sold prices fell by 4.0% on an annual basis in November. Compared to 2017-2019 (pre-pandemic) levels, values were 4.2% lower.



Drop in transactions and new instructions in £5m+ market

Transactions in the £5m+ market were 3.3% lower in November than the same month last year. New instructions in this market decreased by 31.3% over the same period, but stock on the market continued to rise on an annual basis. The number of £5m+ homes available for sale across prime London grew by 11.3% over the 12 months to the end of November.



Slight increase in annual rental growth

Annual rental growth of 0.7% was recorded in November across prime London, the lowest figure since July 2021. However, average rents remain 35.9% above their 2017-2019 (pre-pandemic) average.



Lets agreed and new instructions both increase

LonRes data for November indicated an annual increase of 7.9% in lets agreed and a 6.1% rise in new instructions. The stock of available rental properties increased on an annual basis, with 33.7% more homes on the market across prime London at the end of November than a year earlier.

Monthly prime data

(1 November to 30 November 2025)

	Prime Sales Annual Change	Prime Sales Change vs. 2017-19*	Prime Lettings Annual Change	Prime Lettings Change vs. 2017-19*
Achieved prices/rents	-4.0%	-4.2%	0.7%	35.9%
Properties sold/let	5.6%	-7.7%	7.9%	-44.1%
New instructions	-29.1%	-19.1%	6.1%	-46.1%

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

Budget increases prime property tax burden but brings clarity to market

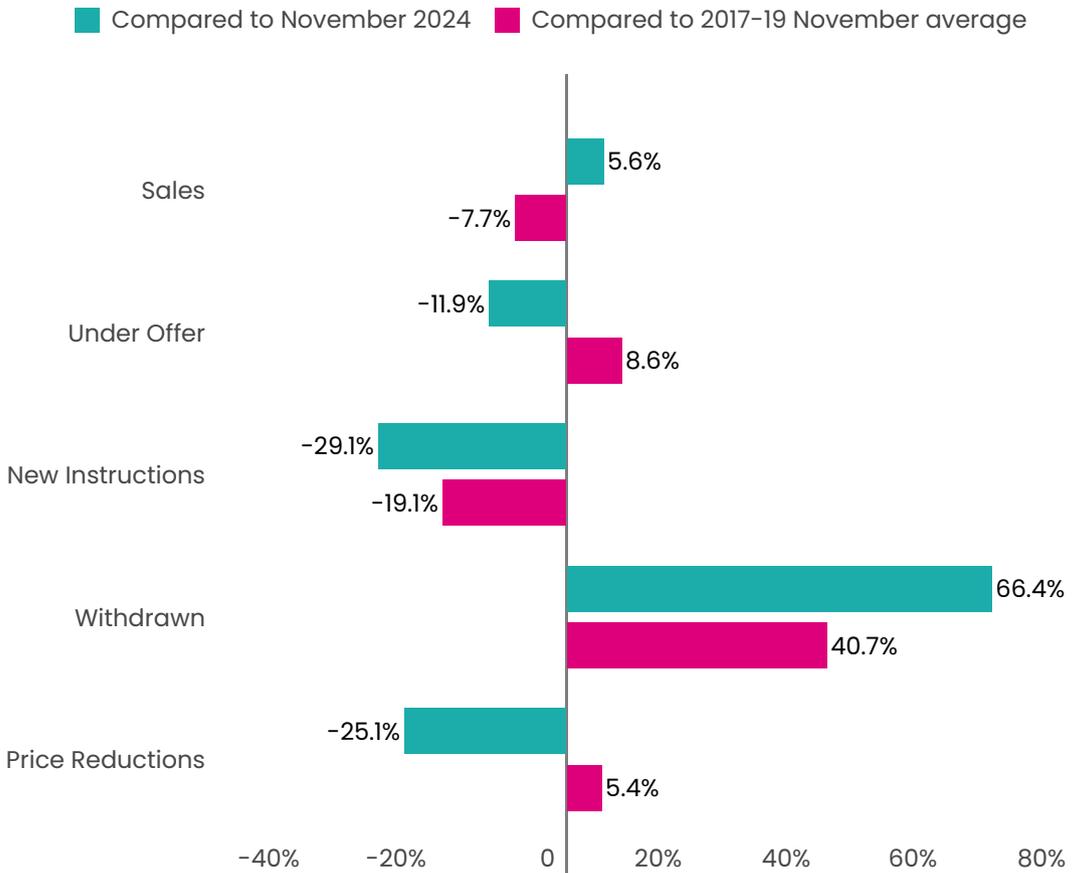
The Budget did deliver two of the many proposed property tax increases but, while unwelcome news for the market, sentiment is likely to improve in the immediate term as the most punitive measures were avoided and there is now clarity on future tax liabilities for anyone thinking about buying or selling after a long period of uncertainty.

Average values across prime London fell by 4.0% on an annual basis in November and were 4.2% below their pre-pandemic (2017 - 2019) average level. The average discount from initial asking price increased to 9.3% in November, from a revised 9.1% in October. The new annual tax on £2m+ homes could put further downward pressure on values, although it is likely that the recent falls have partly been a result of a potential change being 'priced in' by buyers and sellers.

In November, new instructions across prime London were 29.1% lower than the same month last year and 19.1% lower than the 2017-2019 November average. Buyers were less reticent, with 5.6% more transactions in November than the same month a year ago, though this was 7.7% fewer than the 2017-2019 (pre-pandemic) November average.

Price reductions in November decreased by 25.1% compared to last year, the first fall on this basis for over a year. But the level of withdrawn properties was much higher, up 66.4% relative to November 2024. Fewer instructions and more withdrawals means that stock on the market has started to fall back from recent highs, though at the end of November it remained up by 8.7% on an annual basis.

Measures of Market Activity, November 2025, All Prime London



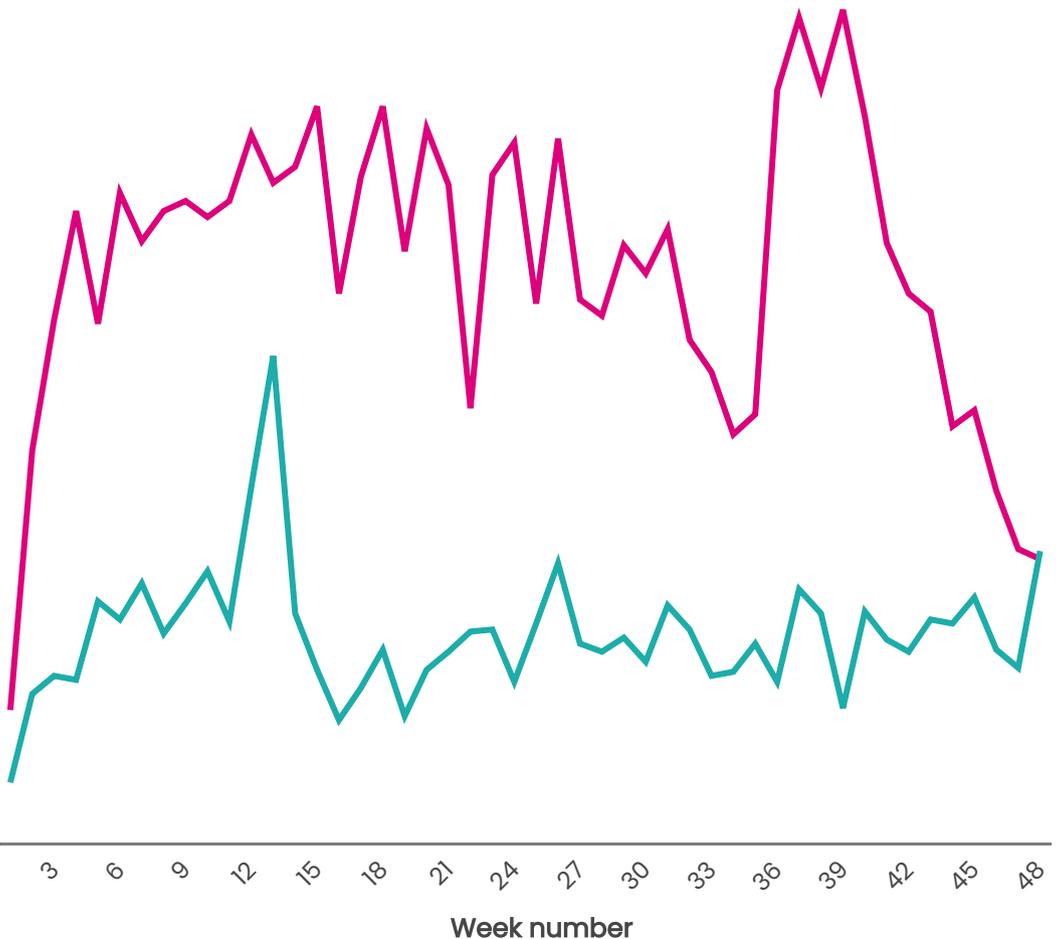
Source: LonRes

Our November monthly data is based mostly on activity that took place prior to the Budget, so reflects the previous mood of caution rather than any post-Budget reaction. However, the very latest weekly data shows some interesting trends. In week 48 (the last week of November) there were more sales across prime London than new instructions, the first time this had happened all year. The number of sales recorded in that week was the highest of the year to date too, barring the two weeks leading up to the end of the stamp duty holiday, weeks 12 and 13 (last two weeks of March).

The decline in new instructions since week 39 (end of September) is not an unusual trend – similar seasonal patterns are seen in most years – though the steepness of the drop was particularly high this year due to the Budget build-up. Even now with clarity around taxation, a proportion of potential vendors may hold off selling until the new year given the limited number of working days until the Christmas break. We will have to wait and see before the full picture on supply emerges.

Weekly New Instructions vs. Sales in 2025, all prime London

— New Instructions — Sales



Source: LonRes

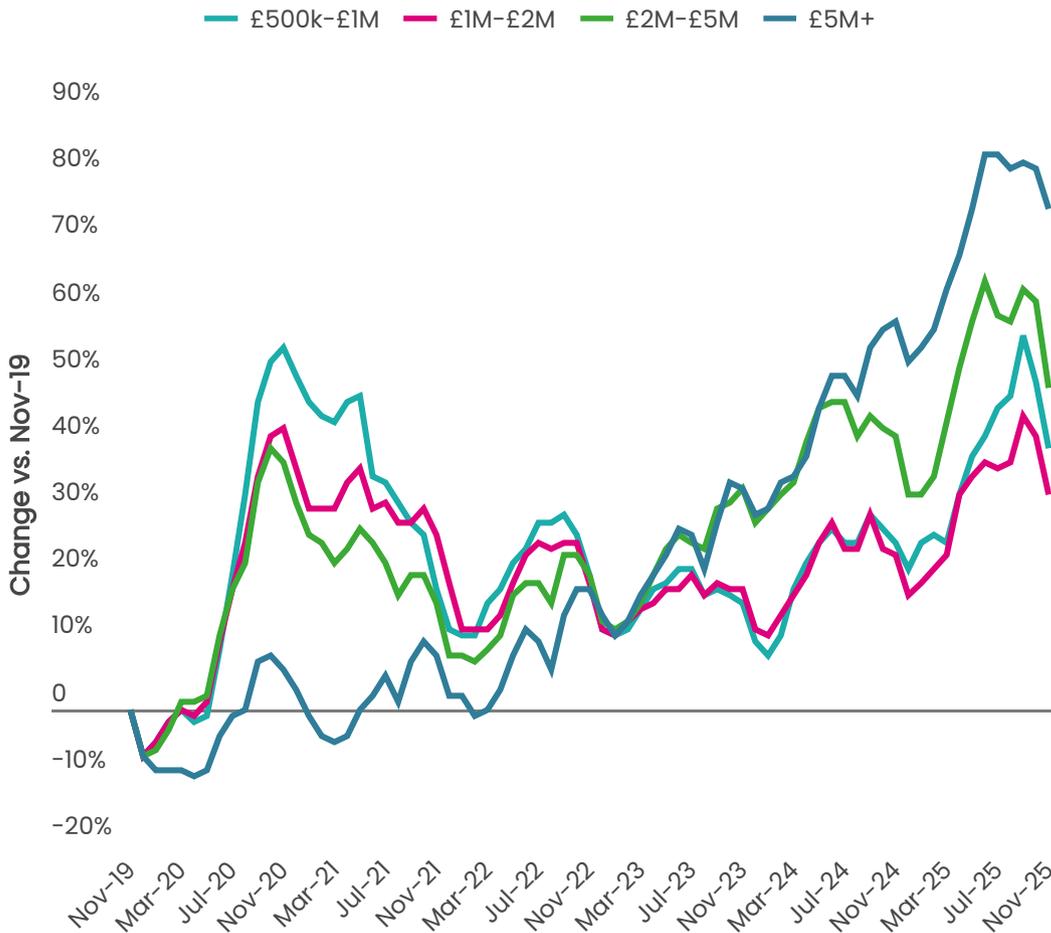
Super prime stock build up eases in November

Demand in the £5m+ market has been hit hard by tax fears but activity recovered somewhat in November, with transactions 3.3% below the same month last year – an improvement on the larger falls seen in the previous three months. As always the longer-term context is important in this market. Sales were 10.1% higher than the 2017 to 2019 November average and for the year to date are more than 21% up on the equivalent from that period.

Supply of super prime homes was very high in the early part of the year, leading to an all-time high of £5m+ stock on the market at the end of June, but new listings have slowed since the summer. November saw a 31.3% fall in new £5m+ sales instructions across prime London compared to a year earlier. Combined with rising levels of withdrawn properties over the past three months, available stock has fallen back from its peak though it remained 11.3% higher on an annual basis at the end of November.

Compared to other price points, £5m+ stock has seen a smaller decline – from a higher relative peak – so the supply-demand imbalance remains largest at the top end of the market. There were 75% more £5m+ properties for sale at the end of November than six years earlier, compared to a 43% rise for the wider market over that period.

Stock on the Market by Price Band, Compared to November 2019



Source: LonRes

Prime London rental growth slows to four year low

Activity across the prime London lettings market was broadly steady in November, with small rises for both new instructions and agreed lets. Annual rental growth slipped to its lowest rate in more than four years.

LonRes data for November indicated an annual increase of 7.9% in lets agreed and a 6.1% increase in new instructions. The stock of available rental properties increased on an annual basis, with 33.7% more homes on the market across prime London at the end of November than a year earlier.

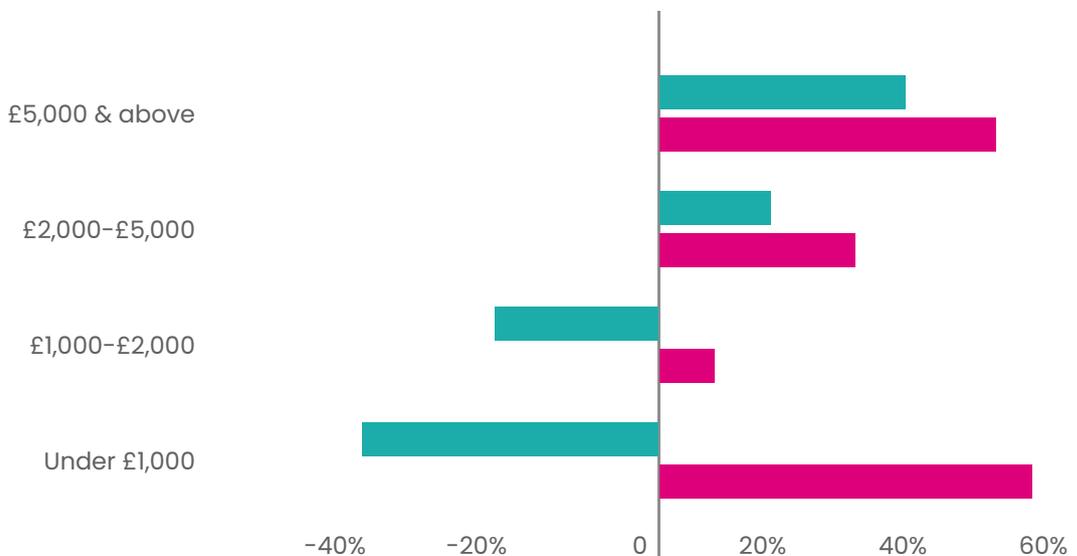
Annual rental growth in November averaged 0.7% across prime London, down from a revised 1.8% in October. This is the lowest rate since July 2021, but rents remain high in a longer-term context at 35.9% above their 2017-2019 (pre-pandemic) average.

Broken down by price band, the levels of stock on the market have risen across all weekly rents on an annual basis but the longer-term trends vary significantly.

Below £1,000 per week, availability was 53% higher at the end of November than a year earlier but it remains 42% below where it was six years ago. At £5,000+ per week annual growth is slightly slower at 48%, but stock levels are 35% higher than November 2019.

Stock on the Market by Weekly Rent at end of November, All Prime London

■ vs. November 2019 ■ vs. November 2024



Source: LonRes



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 30 November 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, W11, W14.
Prime Fringe: SE1, SE11, SW4, SW5, SW6, SW11, W4, W6, W9, W10.

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