



# PRIME LONDON MARKET MONTHLY BRIEFING



Price growth returns to prime London sales  
market

Prime London lettings sees activity fall and  
rents rise

# Analysis of the prime London housing market: 1 February - 28 February 2025



## £5m+ market recovery and stronger average house prices

February saw average house prices across prime London rise on an annual basis for the first time since June 2023. Sales activity was a little behind the same month last year but above the longer-term average. The £5m+ market recovered from a slow January while the lettings market remained subdued.



## Flurry of new sales instructions

New sales instructions in February were 24.0% higher than last year and 47.5% higher than the 2017-2019 (pre-pandemic) February average. The stock of available homes for sale also continued to grow. At the end of February it was 11.6% higher than a year earlier and 37.5% up on February 2020.



## Average achieved sold prices creep up

Average achieved sold prices grew by 0.6% on an annual basis in February the first increase in more than 18 months. Compared to 2017-2019 (pre-pandemic) levels, values are currently 1.2% lower.



## Promising under offer figures

There were 8.4% fewer transactions in February than a year earlier but 6.8% more than the 2017-2019 (pre-pandemic) February average. On an annual basis, under offer numbers increased by 11.0% and are 18.8% up on the 2017-2019 (pre-pandemic) average for the time of year.



## £5m+ rebound with new instructions on the rise

After a slow January, the £5m+ rebounded in February with 13.8% more transactions than a year earlier. New instructions in this market increased by 30.0% 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 risen by 21.1% over the 12 months to the end of February.



## Rental growth continues to rise

Annual rental growth across prime London increased to 6.0% in February, the highest level since November 2023. Average rents were 33.3% above their 2017-2019 (pre-pandemic) average.



## Lettings stock decrease

LonRes data for February indicated an annual decrease of 42.1% in lets agreed and a 29.4% decrease in new instructions with activity on both measures remaining well below pre-pandemic levels. The stock of available rental properties decreased by 19.9% on an annual basis.

# Monthly prime data

## (1 February to 28 February 2025)

	Prime Sales Annual Change	Prime Sales Change vs. 2017-19*	Prime Lettings Annual Change	Prime Lettings Change vs. 2017-19*
Achieved prices/rents	0.6%	-1.2%	6.0%	33.3%
Properties sold/let	-8.4%	6.8%	-42.1%	-66.2%
New instructions	24.0%	47.5%	-29.4%	-59.3%

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

## First price rise since summer 2023 but Prime London sales market remains mixed

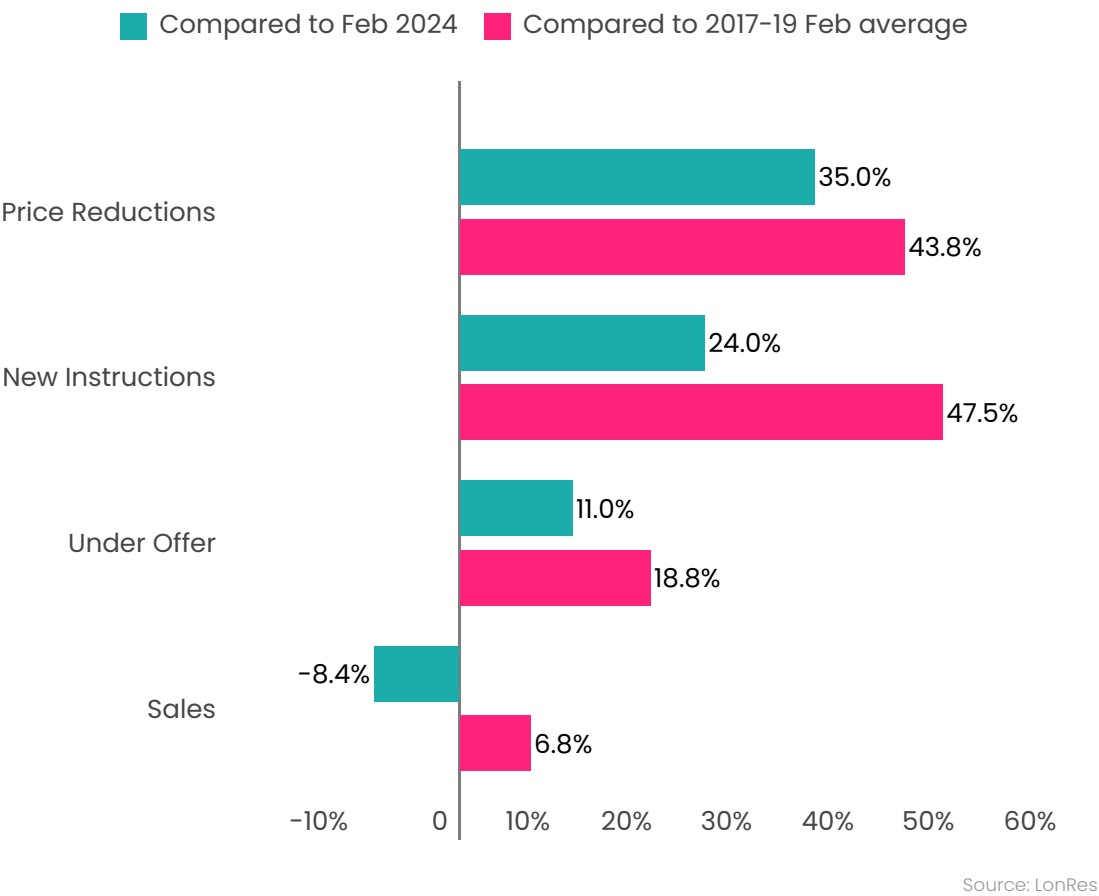
February the saw the first annual rise in prices for prime London since June 2023. This is despite stock on the market continuing to increase, with the monthly activity data showing supply growing faster than demand.

The latest February data indicated a reasonable volume of activity for the time of year. Sales transactions fell by 8.4% compared with the same month last year but were 6.8% higher than the 2017-2019 (pre-pandemic average) February average. The number of properties going under offer was 11.0% higher than a year ago, and 18.8% more than the 2017-2019 (pre-pandemic average) February average.

Actual transactions underperforming under offers suggest that demand is relatively strong but that there are difficulties getting deals finalised. Fall throughs rose again on an annual basis in February but at 17.2% this was a much slower pace than the 47% rise recorded in January.

On the supply side, new instructions increased by 24.0% in February compared to the same month last year and were 47.5% above the 2017-2019 February average. There was further growth in the number of price reductions, with 35.0% more than a year earlier and 43.8% above the 2017-2019 February average. Buyers continue to have a lot of choice – stock on the market across prime London was 11.6% higher at the end of February than a year earlier.

# Sales Activity Measures in February 2025, All Prime London



In February, average achieved prices across prime London rose by 0.6% on an annual basis. The last time this measure was positive was June 2023, more than 18 months ago. Compared to pre-pandemic (2017 to 2019) average levels, prices are 1.2% lower.

The longer-term context is that values in prime London have lagged inflation and other property markets in the UK. The change in average achieved £ per sq ft prices over 10 years in prime London ranges from an 8.8% fall in prime central\* areas to a 2.9% rise in prime fringe\*. Average mainstream values in Greater London have risen by almost 30% over the same period, according to the Nationwide index. Even this level of growth has not kept pace with inflation, with CPI rising by 36.9% over the past decade. Other markets around the country have seen growth in excess of inflation, with the Nationwide’s UK figure recording a 43.9% rise.

# Long-term Price Measures Compared

	10 years ago	Latest	Change	Latest date
Prime Central (Average £psf, LonRes)	£1,803	£1,645	-8.8%	Feb-25
Prime (Average £psf, LonRes)	£1,202	£1,224	+1.8%	Feb-25
Prime Fringe (Average £psf, LonRes)	£933	£960	+2.9%	Feb-25
London (Average price, Nationwide)	£406,730	£525,535	+29.2%	Dec-24
UK (Average price, Nationwide)	£187,964	£270,493	+43.9%	Feb-25
Inflation (CPI, ONS)	98.7	135.1	+36.9%	Jan-25

Source: LonRes, Nationwide, ONS

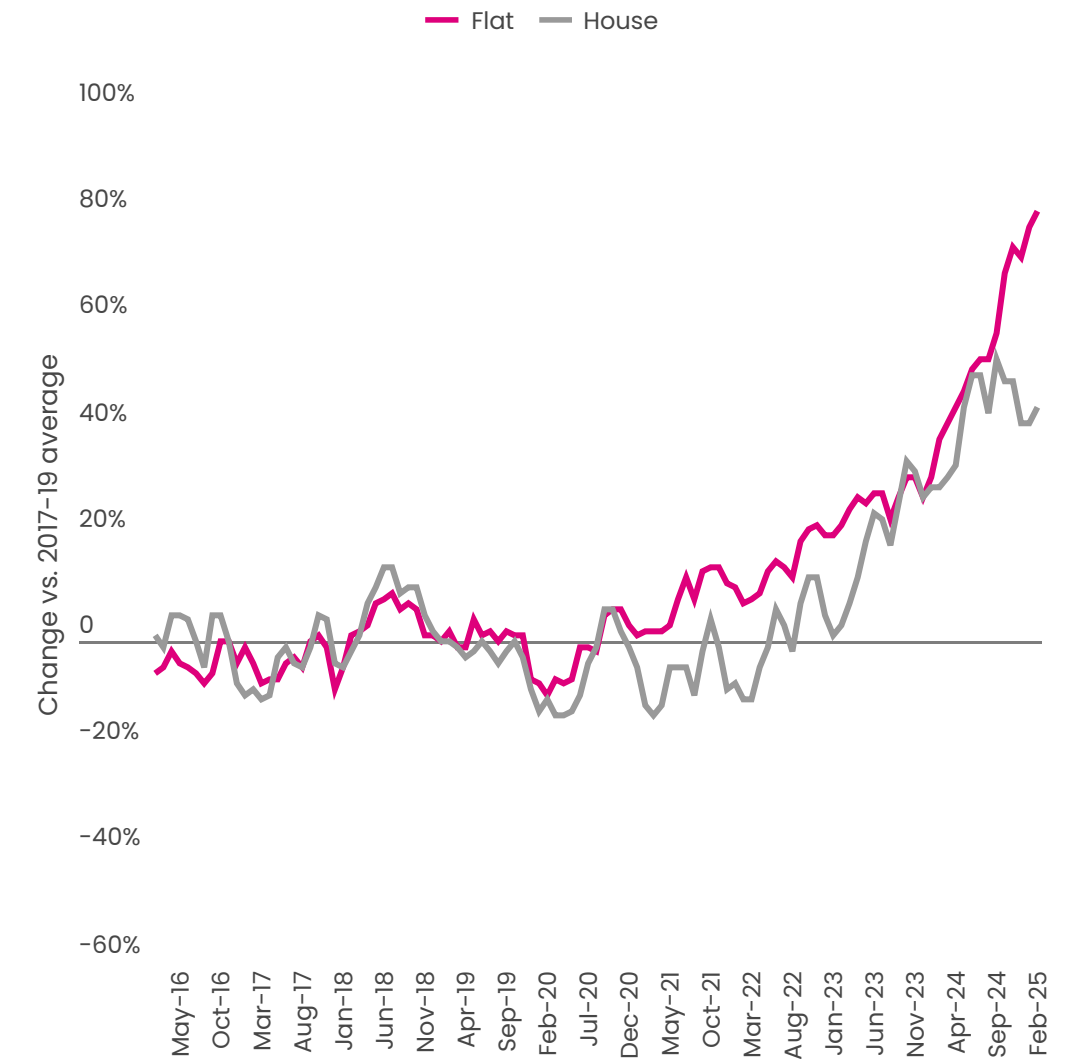
## Top end starts 2025 sluggishly but with some promising signs

Activity levels in the £5m+ market recovered in February, with transactions 13.8% higher than in the same month last year. Sales volumes at this price point peaked in 2021 and 2022 and have been slowing down ever since, but compared to pre-pandemic trends the current level is still relatively high. Over the 12 months to February 2025 there were 33% more £5m+ sales than the 2017 to 2019 annual average.

Supply of £5m+ properties is high and rising. New instructions in February were 30.0% higher than a year earlier and this was more than double the level of the 2017-2019 February average. At the end of February there were 21.1% more £5m+ properties on the market than at the same time last year.

The growing stock is relatively evenly distributed across central London areas, with the main difference seen when splitting by property type. Through the stronger market of 2021 and 2022, growth in the number of flats for sale was faster than that for houses, but the gap closed by late 2023. Since then, growth has accelerated for both types but significantly faster for flats. Over the past 12 months the stock of £5m+ flats for sale has grown by 31.3% to reach 81% above the 2017-2019 average, while for houses the equivalent figures are 11.5% annual growth and 44% above 2017-2019.

## £5m+ Stock on the Market by Type, Compared to 2017-19 Average



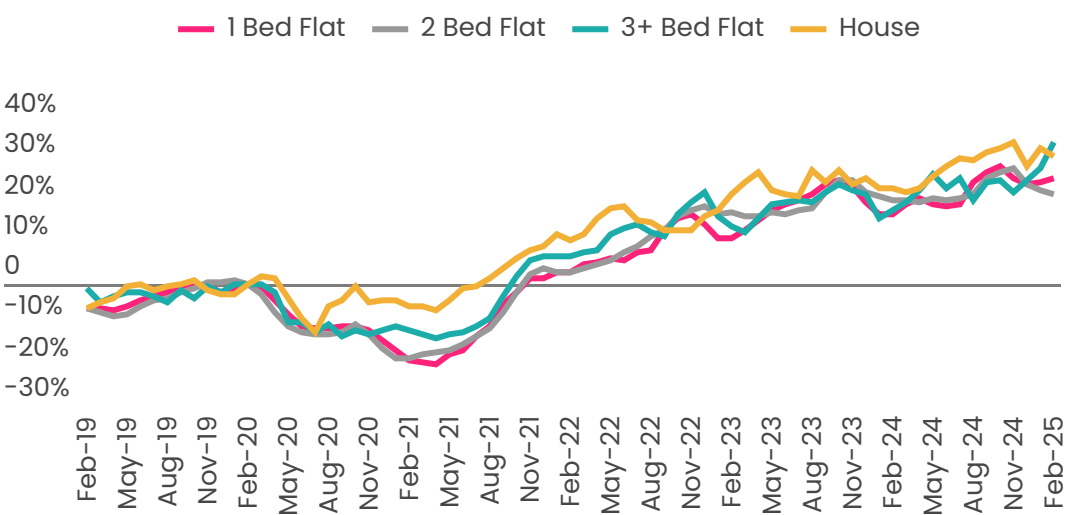
Source: LonRes

# Rising rental growth and falling supply for prime London lettings

February provided more evidence that constrained supply may be feeding into higher rents in the prime London lettings market. Annual rental growth increased to 6.0% – the highest in 16 months – and took rents to 33.3% above their 2017–2019 (pre-pandemic) average.

February 2020 was the last month before the prime London lettings market was disrupted by the pandemic, so we now have five years of data to look back on. Broken down by property type, rental values for all categories are more than 20% ahead of their level from five years ago. Rental values for houses withstood the impact of the pandemic best, avoiding the second dip in 2021 and getting back to February 2020 by August 2021. Flats quickly followed and all sizes overtook houses in late 2022. Since then, rental rises have been more muted but all types have seen further growth. Over the past 12 months, 3+ bed flats have seen the largest rises, with annual growth reaching 13.9% in February 2025.

## Rental Growth Since February 2020 by Detailed Property Type



Source: LonRes

LonRes data for February indicated an annual decrease of 42.1% in lets agreed and a 29.4% decrease in new instructions with activity on both measures remaining well below pre-pandemic levels. The stock of available rental properties decreased on an annual basis, with 19.9% fewer homes on the market across prime London at the end of February than a year earlier. A part of all these decreases in measured activity can be explained by fewer rental properties being advertised rather than truly not being available, but alternative data sources also indicate significant drops in supply relative to longer-term trends.



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 28 February 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.*

LON  
RES

LonRes Research

[research@lonres.com](mailto:research@lonres.com)