PRIME LONDON MARKET MONTHLY BRIEFING

MARCH 2026 ISSUE

Further falls in prime London sales and values.

Prime London rental growth remains negative, but activity is on the rise.

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Analysis of the prime London housing market: 1 Feb - 28 Feb 2026

Subdued Sales and Rising Rental Activity

Based on transactions, the prime London sales market remained subdued in February, with values also falling sharply. But other activity metrics are a little more positive – under offers were up on last year and the long-term average. In the prime lettings market, February saw low rental growth, but activity is on the rise.

Fewer Transactions

There were 31.2% fewer sales transactions in February than a year earlier and 14.7% fewer than the 2017-2019 (pre-pandemic) February average.

Ups and Downs for New Instructions

New sales instructions in February were 5.4% lower than last year but 34.8% higher than the 2017-2019 (pre-pandemic) February average. The stock of available homes for sale at the end of February was 10.3% higher than a year earlier but has fallen back from the peak reached in September last year.

Average Achieved Sold Prices Fell

Average achieved sold prices fell by 10.0% on an annual basis in February. Compared to 2017-2019 (pre-pandemic) levels, values were 8.2% lower.

More £5m+ Properties Available

Transactions in the £5m+ market were 54.8% lower in February than the same month last year. New instructions in this market fell by 3.2% over the same period. The number of £5m+ homes available for sale across prime London grew by 9.7% over the 12 months to the end of February.

Average Rents Down, but Above Pre-Pandemic Average

Average rental values across prime London fell by 0.5% in February on an annual basis. This is in-line with the December and January figures, while average rents are 32.7% above their 2017-2019 (pre-pandemic) average.

Lets Agreed and New Instructions on the Rise

LonRes data for February indicated an annual increase of 39.1% in lets agreed and a 26.6% rise in new instructions. The stock of available rental properties increased on an annual basis, with 38.7% more homes on the market across prime London at the end of February than a year earlier.

Monthly Prime Data
(1 February- 28 February 2026)

	Prime Sales Annual Change	Prime Sales Change vs. 2017-19*	Prime Lettings Annual Change	Prime Lettings Change vs. 2017-19*
Achieved prices/rents	-10.0%	-8.2%	-0.5%	32.7%
Properties sold/let	-31.2%	-14.7%	39.1%	-48.2%
New instructions	-5.4%	34.8%	26.6%	-48.9%

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

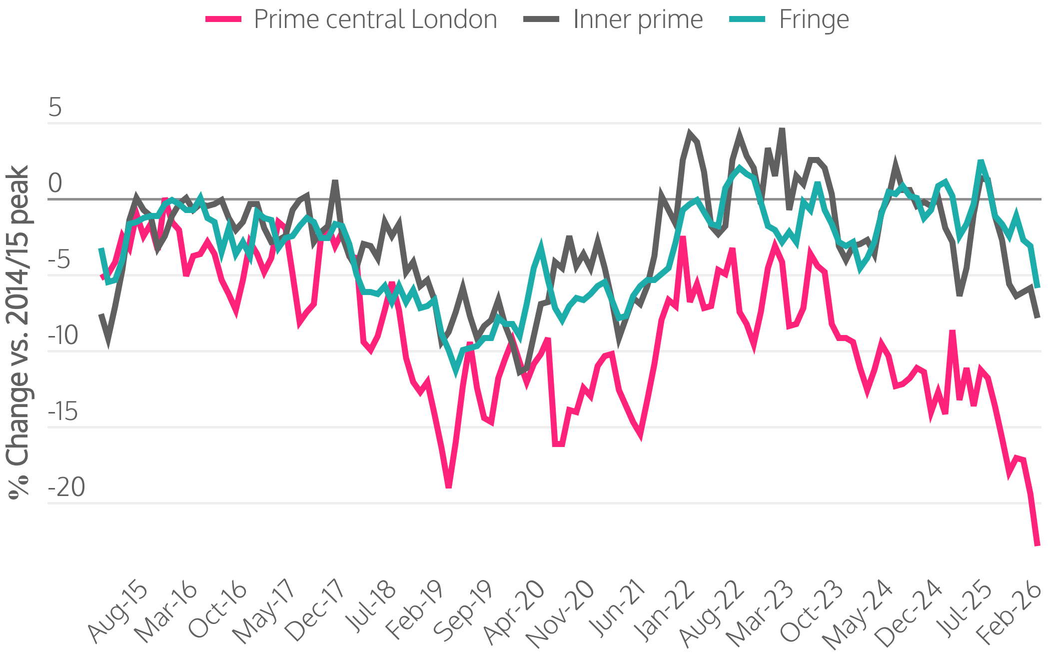
Significant February Falls for Transactions and Values in the Prime London Sales Market

The prime London sales market produced some negative figures in February, although the forward-looking indicators suggest some signs of improvement. Transactions and prices both saw substantial falls from what were already relatively weak positions, but under offer numbers picked back up after slowing around the turn of the year.

Values were most affected, with the average achieved price across all prime London falling by 10.0% on an annual basis. This is the largest fall since the global financial crisis of 2008-09 and was driven primarily by prime central London, where values have fallen 23% below their 2014/15 peak. This compares to single-digit falls in the other prime catchment areas.

The deals feeding into the latest pricing data are likely to have been agreed in the closing months of 2025, when the market was impacted by uncertainty surrounding potential tax changes in the Budget. It appears buyers took advantage of this to drive some hard bargains. It will be interesting to see whether this drop is temporary or if there is a sustained reset of values.

House Price Change Since 2014/15 Peak by Area



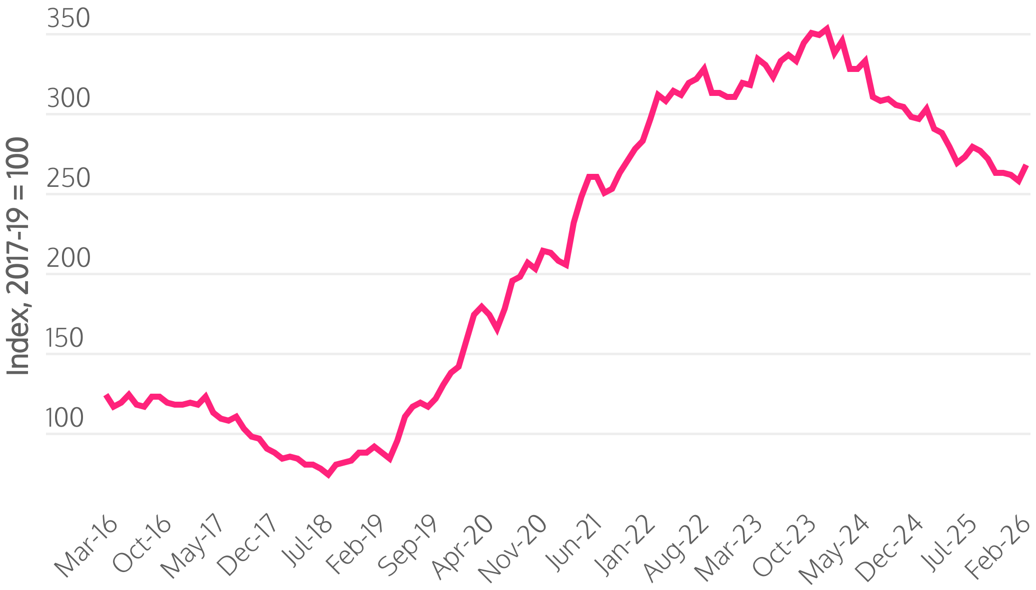
Source: LonRes

The average discount from initial asking price increased to 10.8% in February, from a revised 10.0% in January. Of all the properties sold in February, 58.8% did so after seeing at least one asking price reduction. Both measures are at their weakest since 2018-19, highlighting the lack of demand in the market over recent months. Transactions in February fell by 31.2% compared to a year ago and by 14.7% compared to the 2017-2019 (pre-pandemic) February average.

On the supply side, new instructions across prime London in February were 5.4% lower than the same month last year but 34.8% higher than the 2017-2019 February average. Stock on the market at the end of February was up 10.3% compared to a year earlier, though it has fallen back by around 8% from the peak reached in September 2025. The number of price reductions in February was 35.7% higher than the same month last year and 73.3% higher than the 2017-2019 February average.

While the majority of the data so far this year has been negative, there are some demand metrics that offer a little optimism. The number of under offers across prime London in February was 8.1% higher than the same month last year and 29.2% higher than the 2017-2019 February average. The number of enquiries from buying agents, who represent purchasers that are generally serious and motivated, has picked up after slowing for much of 2024 and 2025. The current 12-month average of enquiries is more than two and a half times the levels seen in 2017-2019.

Index of Buying Agent Enquiries - 12 Month Rolling Average



Source: LonRes

Discounts Grow After a Weak Start to the Year for the Top End of the Market

The super prime segment has tracked the wider market closely so far in 2026, with activity a long way behind the equivalent period in 2025, a lot of stock on the market, but signs of improvement in the under offer numbers.

£5m+ transaction volumes in February were 54.8% lower than the same month last year and 5.0% lower than the 2017-2019 February average. While a single month of data from a relatively small market can overstate the situation, activity has been trending lower for many months. Under offer numbers rose by 15.0% compared with last February, potentially indicating an improvement in sales in the near future.

New instructions in February recorded a 3.2% fall compared to a year earlier but this is from a high starting point. At the end of February there were 9.7% more £5m+ properties on the market than at the same time last year and stock levels are significantly above the long-term average.

With more property for sale there have been correspondingly high levels of price reductions. At 55.9%, the proportion of sold £5m+ properties that were reduced prior to sale is higher than a year ago (47.1%) and the long-term average of 35.6%. Similarly, £5m+ properties sold in February did so with an average discount of 13.6%, compared to 10.0% in the same month last year and a long-term average of 9.0%.

Discounts and Price Reductions - £5m+ Prime London Sales

	February 2026	February 2025	2015- 2024 Average
Average discount (initial asking price to sold price)	13.6%	10.0%	9.0%
Proportion of sold properties reduced prior to sale	55.9%	47.1%	35.6%

Source: LonRes

Prime London Rental Growth Limited, While Lettings Activity Increases

Lettings activity across prime London continued to recover in February. Rental growth remained negative on an annual basis, but the latest monthly figures suggest that further falls are unlikely in the near future.

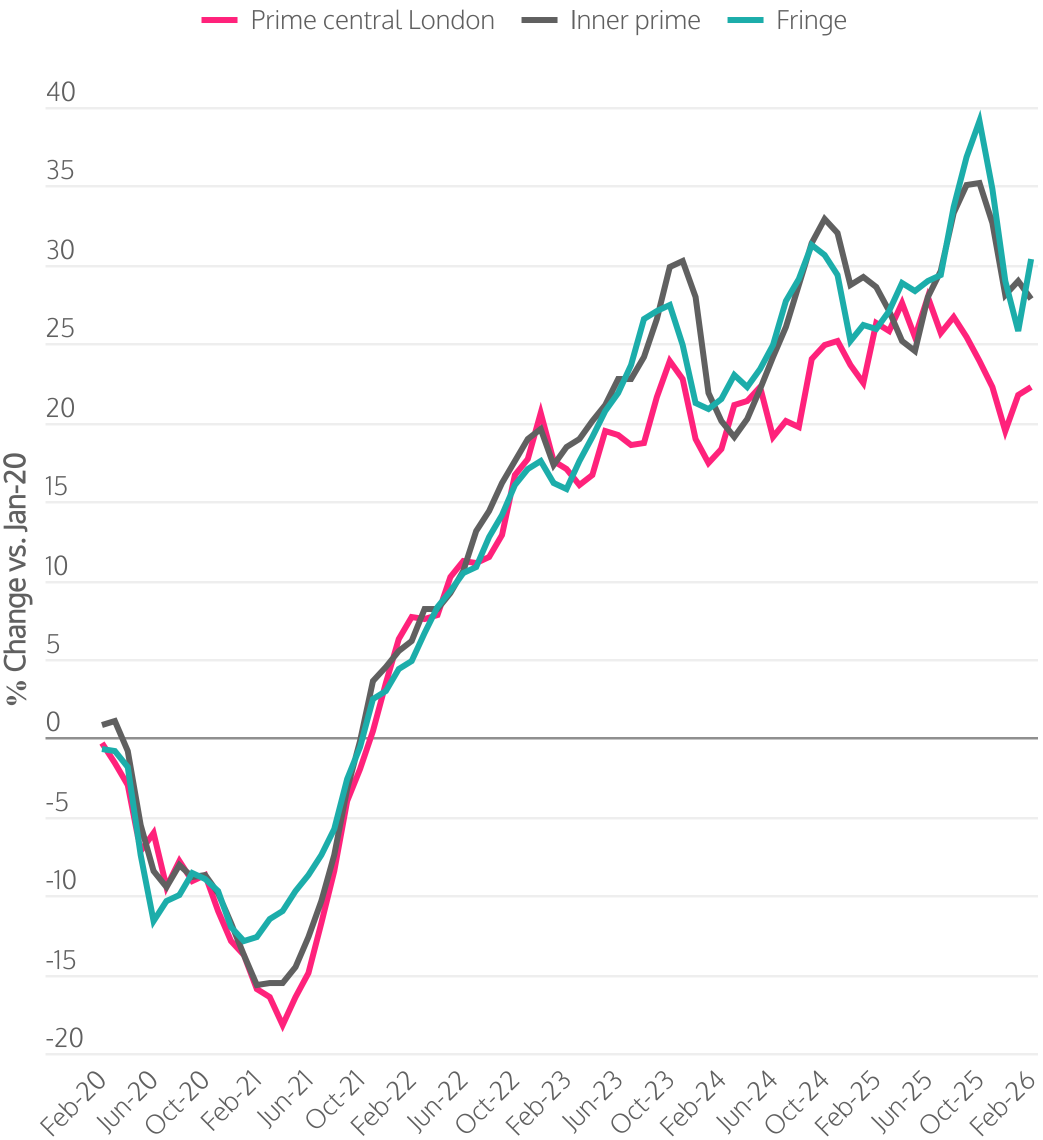
LonRes data for February indicated an annual increase of 39.1% in lets agreed and a 26.6% increase in new instructions. The stock of available rental properties increased on an annual basis, with 38.7% more homes on the market across prime London at the end of February than a year earlier.

Average rental values fell by 0.5% on an annual basis in February, the third consecutive month with an annual decrease, although February saw a small increase on a monthly level, suggesting the falls have bottomed out for now. Longer-term, rents are 32.7% above their 2017-2019 (pre-pandemic) average.

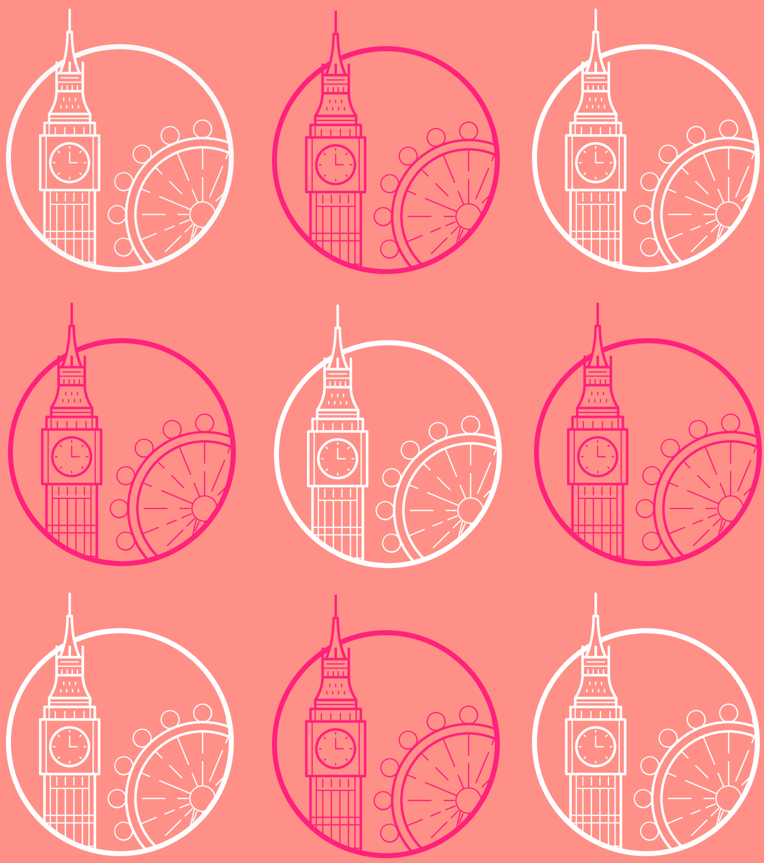
Source: LonRes

Broken down by area*, much like the sales market, prime central London is underperforming other catchments. In PCL, average rents in February were 22.2% above their level from January 2020 compared to 26.3% across all prime London.

Rental Growth Since January 2020 by Area



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 28 February 2026.

**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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