



PRIME LONDON MARKET MONTHLY BRIEFING



Prime London sales fall back as stamp duty holiday comes to an end

Meanwhile in the prime London lettings market both the number of new instructions and lets agreed fall

Analysis of the prime London housing market: 1 April - 30 April 2025



Subdued sales following stamp duty holiday

Sales activity fell back across London in April. This was as expected after a strong March where transactions were brought forward to beat the stamp duty increase. The annual change in average achieved prices was also negative.



Rising new instructions

New sales instructions in April were 8.1% higher than last year and 29.2% higher than the 2017-2019 (pre-pandemic) April average. The stock of available homes for sale also continued to grow. At the end of April stock levels were 11.2% higher than a year earlier and 45% up compared to April 2020.



Sales price dip

Average achieved sold prices fell by 2.9% on an annual basis in April. Compared to 2017-2019 (pre-pandemic) levels, values were 1.3% lower.



Lower levels of properties under offer

There were 26.2% fewer transactions in April than a year earlier and 22.9% fewer than the 2017-2019 (pre-pandemic) April average. On an annual basis, under offer numbers fell by 15.7% but were 9.6% up on the 2017-2019 (pre-pandemic) average for the time of year.



Steady transactions in £5m+

Transactions in the £5m+ market in April were unchanged compared to the same month last year. New instructions in this market increased by 4.2% 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 risen by 23% over the 12 months to the end of April.



Rental growth continue to rise

Annual rental growth of 5.1% was recorded in April across prime London, with average rents 33.9% above their 2017-2019 (pre-pandemic) average.



Low lettings stock

LonRes data for April indicated an annual decrease of 34.8% in lets agreed and a 21.5% fall 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 8.4% fewer homes on the market across prime London at the end of April than a year earlier.

Monthly prime data

(1 April to 30 April 2025)

| | Prime Sales Annual Change | Prime Sales Change vs. 2017-19* | Prime Lettings Annual Change | Prime Lettings Change vs. 2017-19* |
|-----------------------|---------------------------|---------------------------------|------------------------------|------------------------------------|
| Achieved prices/rents | -2.9% | -1.3% | 5.1% | 33.9% |
| Properties sold/let | -26.2% | -22.9% | -34.8% | -60.5% |
| New instructions | 8.1% | 29.2% | -21.5% | -56.2% |

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

Activity down following end of stamp duty holiday

Activity in the prime London sales market in April was always likely to fall back after the spike in March, and so it proved. Prices fell slightly on an annual basis, while new instructions and price reductions continued to rise.

There were 26.2% fewer transactions in April than the same month a year ago, and 22.9% fewer than the 2017-2019 (pre-pandemic average) April average. The number of properties going under offer was 15.7% lower than a year ago but 9.6% higher than the 2017-2019 (pre-pandemic average) April average.

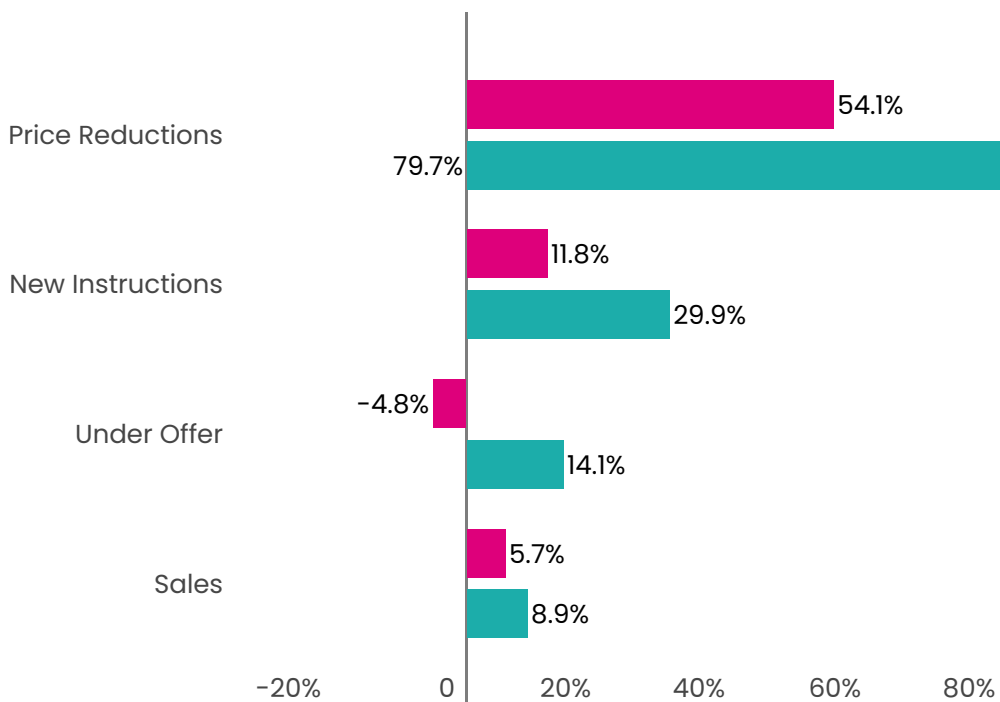
New instructions increased in April, up 8.1% compared to the same month last year and 29.2% compared to the 2017-2019 April average. This continues the rises seen each month this year so far, but at a slower pace. The number of price reductions followed a similar trend, with a 36.4% rise in April compared to last year being smaller than the equivalent figure for March. Stock on the market at the end of April was 11.2% higher than a year earlier and 45% above the level five years earlier (April 2020).

Previous stamp duty holidays have distorted monthly activity levels and the one that ended on 31 March this year was no different. One month's worth of figures can often prove volatile, but by looking at activity for the months of March and April combined provides a clearer indication of the state of the market. Transactions over the past two months were up 5.7% compared to March and April 2024, and 8.9% above the 2017-2019 (pre-pandemic) average for the same two months.

Under offer numbers – a forward indicator of deals in the pipeline – have slipped a little on an annual basis over the past two months but are 14.1% above their 2017-2019 average level. New instructions have risen more quickly than the demand indicators, with an 11.8% annual rise over March and April and 29.9% growth relative to their 2017-2019 average.

Sales Activity Measures in March and April 2025, All Prime London

■ vs. March and April 2024 ■ vs. March and April 2017-19



Source: LonRes

Despite the positives on the demand side, price reductions have continued to grow in number, rising by 54.1% in March and April compared to the same two months last year. These adjustments to asking prices are feeding through to achieved prices, which recorded another decrease in April. Average values across prime London fell by 2.9% on an annual basis and are now 1.3% below their pre-pandemic (2017 to 2019) average level. The average discount from initial asking price across prime London was 8.9% in April.

The latest figures on pricing continue a long trend of relatively poor performance – average values in many parts of prime London are in line with where they were back in 2013. With sentiment around the UK and global economies remaining mixed, scope for significant price growth appears limited. On a positive note, although interest rates are high in a medium-term context, they are trending downwards from the recent peaks of 2022-2023. We know borrowing costs have a big impact on market sentiment and buying power, so the recent cut to the Bank of England base rate and the expectation for further cuts this year could improve sentiment.

Financial Market Expectations For BoE's Bank Rate



Source: LonRes, Nationwide, ONS

Super prime transactions stable as stock on the market keeps rising

The £5m+ market stabilised in April after an up-and-down first quarter. Transaction numbers were unchanged from April 2024 and 34.5% above the 2017 to 2019 April average. For the year-to-date activity is around 10% down on last year.

High supply remains the headline story for the top-end of the prime London market. The pace of growth in terms of new instructions slowed in April, with a 4.2% annual rise, but the number of £5m+ homes on the market is at an all-time high – it has increased by 23% in the 12 months to the end of April and sits 69% above its pre-pandemic (2017 to 2019) level. Other price points have also seen recent rises, but not to the same degree.

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



Source: LonRes

Subdued activity continues in prime London lettings market

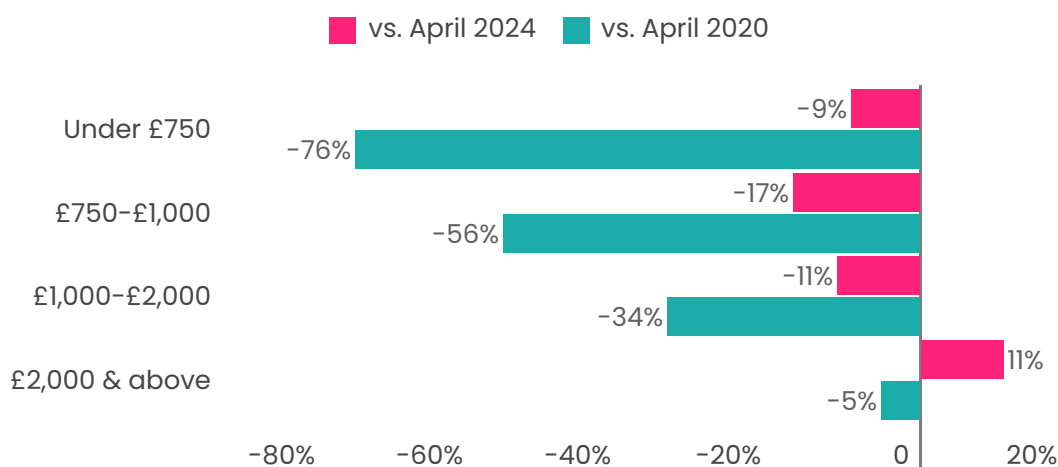
Rents across prime London increased in April but transaction levels remained low, constrained by a lack of new instructions – particularly at lower price points.

Annual rental growth in April was 5.1%, up from a revised 4.5% in March and continuing the pattern of rises over the past year. Rents across prime London are now 33.9% above their 2017–2019 (pre-pandemic) average.

LonRes data for April indicated an annual decrease of 34.8% in lets agreed and a 21.5% decrease in new instructions across prime London, with activity on both measures remaining well below pre-pandemic levels. Overall there were 6.7% fewer properties available to rent at the end of April than a year earlier, and 55.7% fewer than five years ago.

Broken down by price band, availability at higher rental values remains much closer to past levels. A combination of rising rental values and a lack of new supply means lower price points have relatively much lower levels of stock. Below £750 per week, availability was 9% lower at the end of April than a year earlier and it remains over 70% below where it was five years ago. Above £2,000 per week stock levels are much more in line with previous levels – there were 11% more homes available in the market compared to five years ago after an annual change of -5%. As noted previously these measured activity levels may overstate the true falls as fewer rental properties are being advertised, be that on LonRes or other sources including public facing portals.

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



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 April 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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