

FIGURES | PRIME CENTRAL LONDON | Q3 2025

Prime Central London Residential Market

Sales activity slows while rents continue to grow

Commentary

There were 491 sales in Prime Central London (PCL) in Q3 2025, representing quarter-on-quarter growth of 5% but a fall of 21% year-on-year. There were 1,476 sales in the first three quarters of 2025, 5% fewer than the same period of 2024.

Sales demand in PCL may have been impacted by recent, and potential future, policy changes. However, achieved capital values increased by 8% year-on-year highlighting that buyers are willing to outlay more so long as the price is attractive. This is reflected by slight increase to the average discount rate and decrease to achieved £psf values.

Activity in the rental market increased significantly in Q3, in line with seasonal trends, with 1,387 lets agreed. This was up 69% from the previous quarter, but 9% lower than the same period of 2024. This took the total number of agreed lets to 2,893 so far in 2025, 15% lower than the same period of last year.

Despite the relatively lower levels of lettings activity, achieved £psf values increased by 2.6% in Q3 compared with the same period last year.

It took an average of 60 days for properties to let in Q3 2025, the same as Q2, which is the joint-fastest of any quarter since 2024.

Sales market

▲ **£2.17m** +8.0% y-o-y

Achieved sales capital value

▼ **£1,419** -1.8% y-o-y

Achieved sales £psf value

▼ **491** -20.7% y-o-y

Number of sales

▲ **4.8%** +0.3% y-o-y

Average discount*

272 no change y-o-y

Number of days on the market

Rental market

▼ **£1,058pw** -9.3% y-o-y

Achieved rental value

▲ **£65.50** +2.6% y-o-y

Achieved rental £psf value

▲ **4.44%** +0.4% y-o-y

Average yield

▲ **0.60%** +0.1% y-o-y

Average discount*

▼ **60** -2 days y-o-y

Number of days on the market

Source: Lonres

Note: Direction of arrow indicates year-on-year movement.

*From final asking price/rent to achieved price/rent

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Sales Market

Sales volumes have been relatively muted so far in 2025. The year-to-date total of 1,476 is lower than the same periods in 2024 (1,559) and 2023 (1,609). To maintain sales rates, sellers were more flexible in their asking prices during Q3, as the average price reduction increased to 7.5%, from 5.8% a year ago.

Demand has been impacted by the additional 2% Stamp Duty surcharge on second homes introduced last year, along with the rumoured changes to Capital Gains Tax on homes worth over £1.5m in the upcoming budget. The discretionary nature of the PCL market suggests that slower activity may persist up until the November budget.

Figure 1: Sales volumes and achieved values

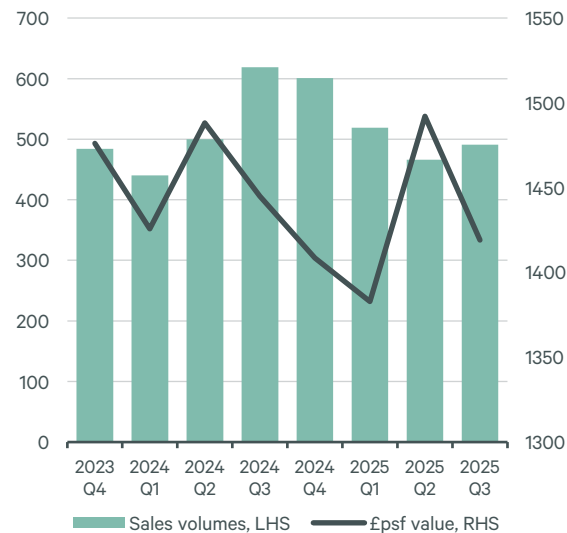


Figure 2: Number of days on the market

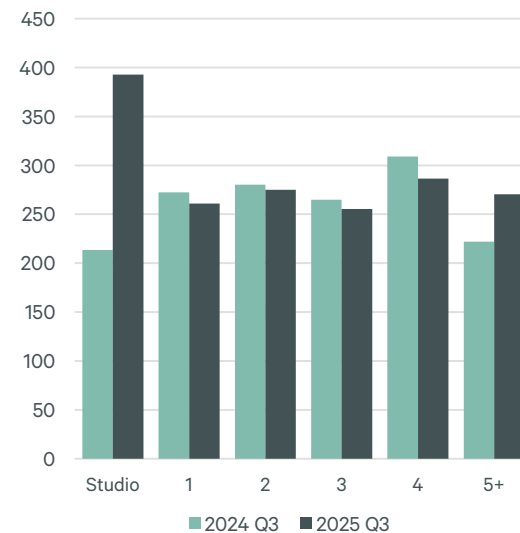
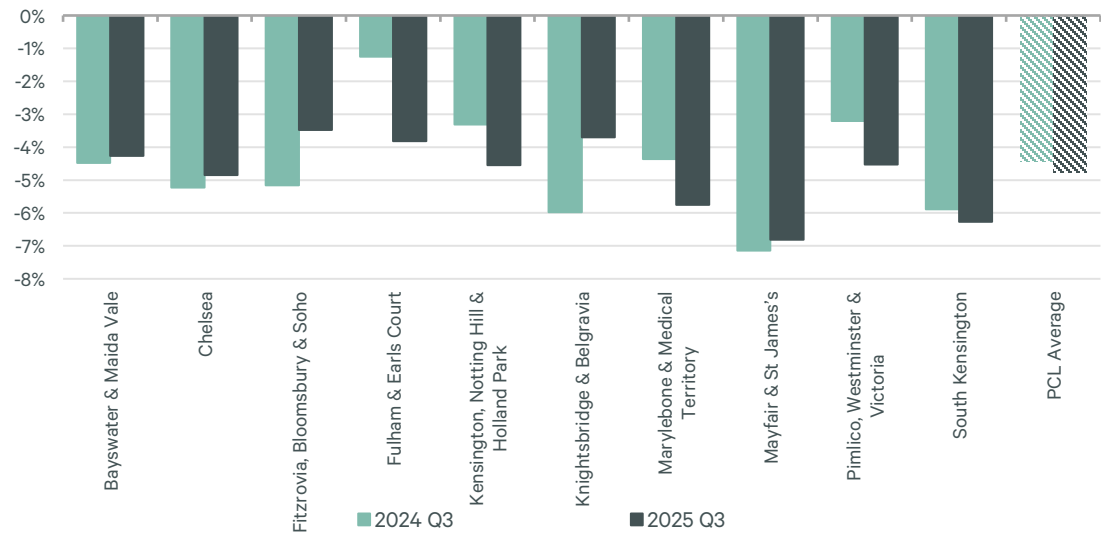


Figure 3: Discount between final and achieved price



Source: Lonres

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Rental Market

Achieved £psf values in the rental market have steadily increased since the start of 2024, having risen by 7.7% overall. The fact that the supply of rental homes was higher in Q3 2025 compared with Q3 2024 also suggests that a high level of demand is outweighing supply and creating upward pressure on rents.

The average yield increased to 4.2% in Q3 2025, up from 4.0% a year ago, supported by strong growth in rental values. Average yields have increased in most PCL neighbourhoods. The greatest increases have been in Pimlico (+0.81%) and Belgravia and Westminster & Victoria (both +0.69%).

Figure 4: Achieved rental values

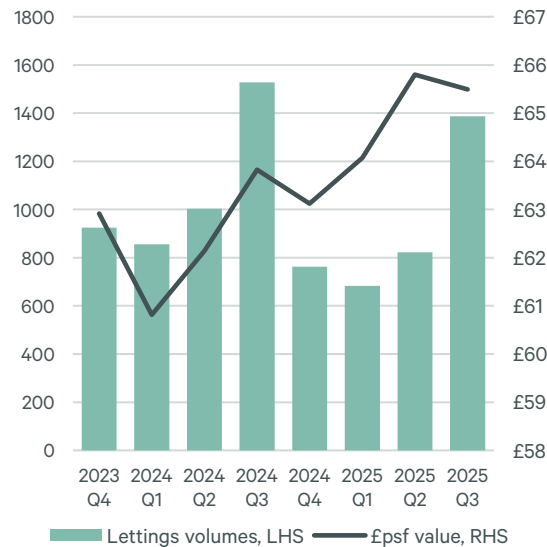


Figure 5: Number of days on the market

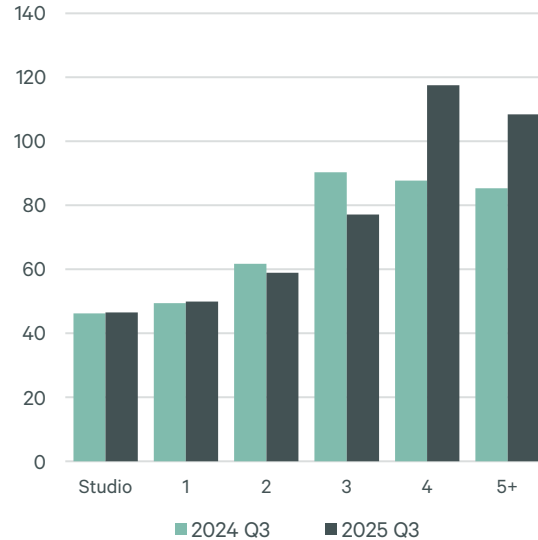
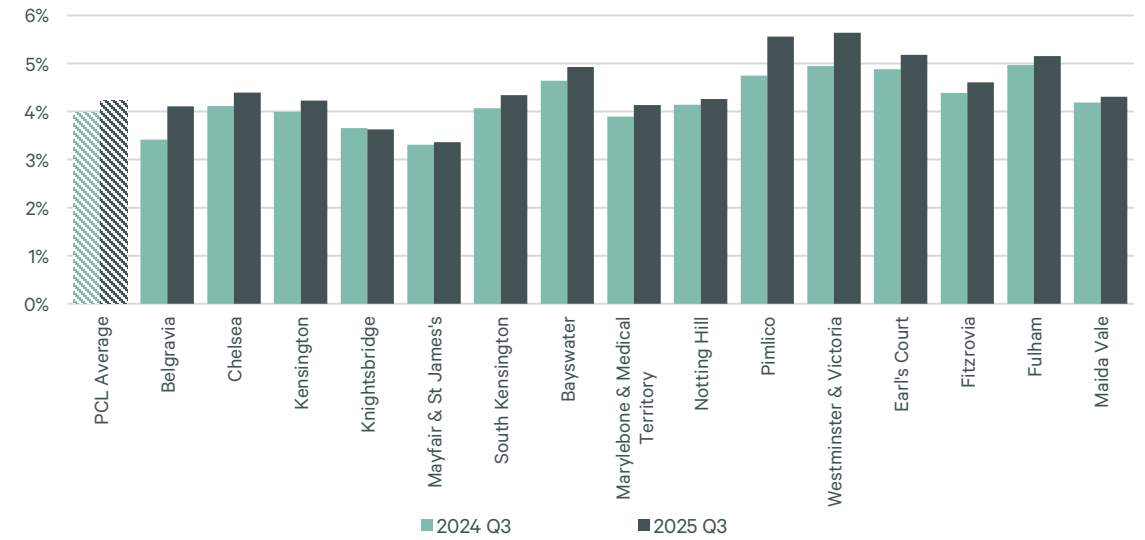


Figure 6: Average PCL yield



Source: Lonres

Prime Central London Regions, as at Q3 2025

Marylebone

Sales £psf value	Rental £psf value
£1,567	£72
(+3.3%)	(+3.1%)

Bayswater & Maida Vale

Sales £psf value	Rental £psf value
£1,233	£62
(-7.9%)	(+7.8%)

Kensington, Notting Hill & Holland Park

Sales £psf value	Rental £psf value
£1,541	£66
(+5.7%)	(+2.7%)

South Kensington

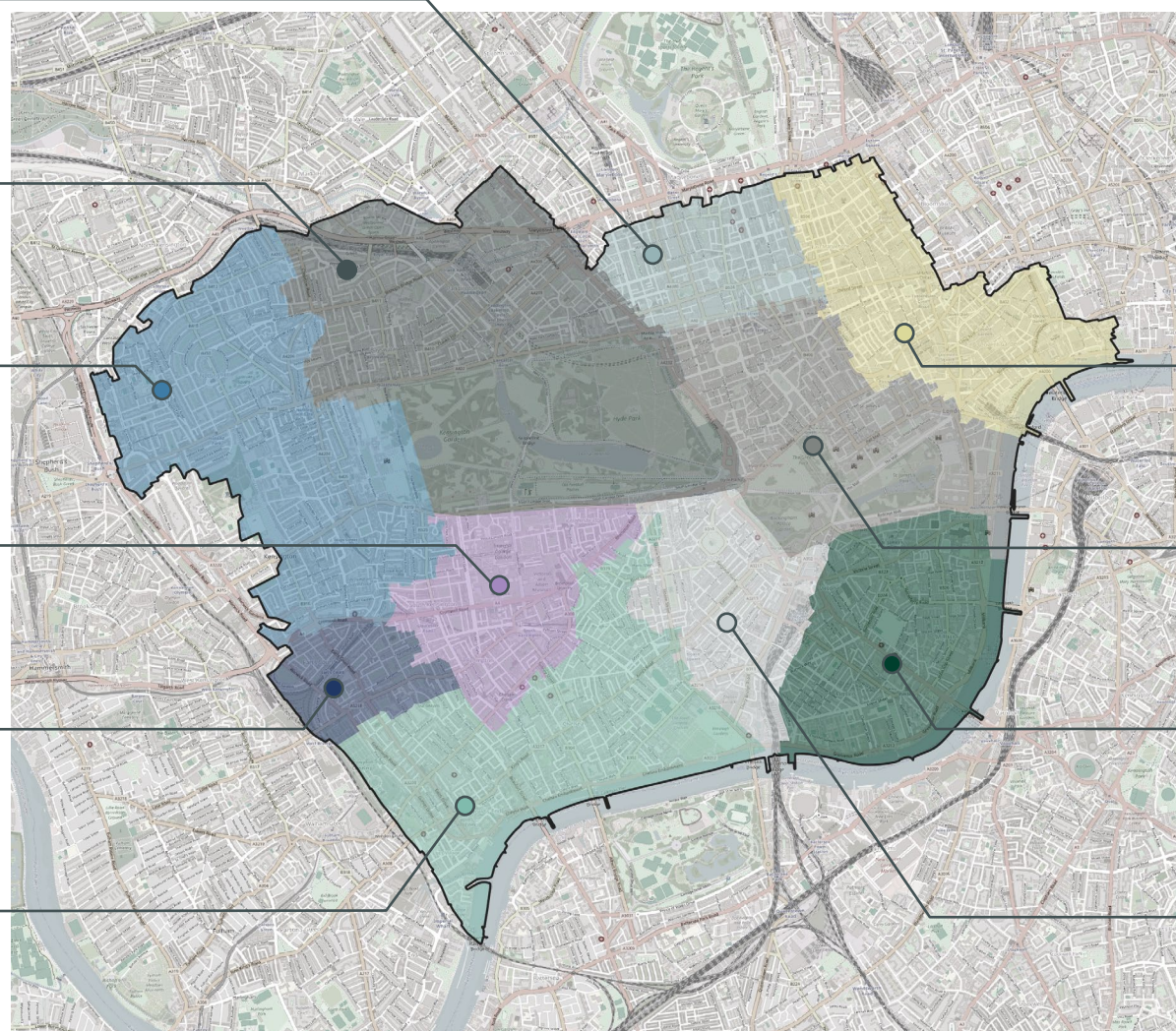
Sales £psf value	Rental £psf value
£1,420	£66
(-4.9%)	(+6.0%)

Fulham & Earl's Court

Sales £psf value	Rental £psf value
£1,057	£58
(-10.9%)	(+6.0%)

Chelsea

Sales £psf value	Rental £psf value
£1,416	£64
(-4.9%)	(+5.0%)



Fitzrovia, Bloomsbury & Soho

Sales £psf value	Rental £psf value
£1,465	£66
(-2.3%)	(-6.2%)

Mayfair & St James's

Sales £psf value	Rental £psf value
£2,104	£76
(-3.8%)	(-2.5%)

Pimlico, Westminster & Victoria

Sales £psf value	Rental £psf value
£983	£59
(-13.1%)	(+4.9%)

Knightsbridge & Belgravia

Sales £psf value	Rental £psf value
£1,763	£71
(-2.2%)	(-3.2%)

Source: Lonres
% changes are year-on-year

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