

## R3 MARKET INSIGHTS June 2025

### Non-Dom Uncertainty

The abolition of non-dom tax perks has started to impact high-end demand, although possible softening of some aspect of it may convince some to continue to invest in London, and many have adopted a wait-and-see approach. Long-term, a less favourable tax regime may dampen international investment in prime central London.

### Softening Prices in London

The prime and super prime London markets remain subdued, although price is showing resilience on average (**FIGURE 1**). Somewhat sticky mortgage rates, economic uncertainty, and reduced foreign buyer activity continues to weigh on demand, keeping the market in a balanced-to-buyer position where moderate negotiated discounts are still available.

### Home Counties Resilience

In contrast, prime markets in the Home Counties (e.g., Surrey, Kent, Sussex, Buckinghamshire etc) are showing greater resilience, shifting from a balanced to a seller's market in the last quarter probably due to strong domestic demand. Families and downsizers are driving competition for best-in-class properties, particularly those with ample space, gardens, and proximity to top schools.

### Features of a Seller's Market

In the Home Counties, the tilt toward a seller's market means a combination of the following:

- **Faster sales:** Well-priced homes attract multiple bids.
- **Limited stock:** Supply constraints push prices upward.
- **Fewer concessions:** Buyers have less room for price negotiations.
- **Premium for turnkey homes:** Renovated properties command top prices.

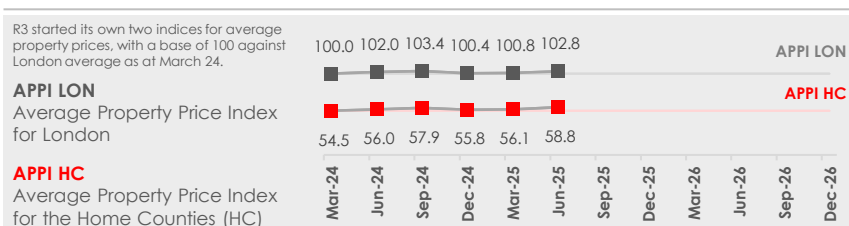
## R3 RESIDENTIAL SALES DASHBOARD

Why using a buying agent is even more important in a **seller's market**?

<b>01.</b> <b>FAST SALES</b> R3 can cut through the noise and identify and assess the right opportunity faster than individuals looking by themselves.	<b>02.</b> <b>LIMITED STOCK</b> R3 can often access off-market properties not listed, securing deals before they reach the open market (often at inflated prices).	<b>03.</b> <b>CONCESSIONS</b> R3 can leverage on its market expertise and relationships to secure better terms, even in bidding wars, giving buyers a negotiating edge.	<b>04.</b> <b>DON'T OVERPAY</b> R3 can provide the right level of due diligence, with expert insights on pricing, valuation, potential, and hidden risks
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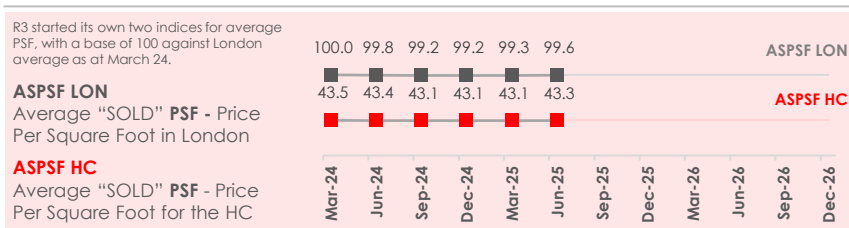
**FIGURE 1 - R3 Quarterly Residential Indices**

Average property prices as at the end of the month of the date of this Newsletter



**FIGURE 2 - R3 Average SOLD Price per Square Foot (PSF) Quarterly Indices**

Based on average property values as at the end of the month of the date of this Newsletter



**FIGURE 3 - Market Key Performance Indicators**

Average property values and average ask and sold PSF, including inherent market discount on sales

London		Home Counties		Average £ PSF	
				London	
1-B	522	1-B	206	SOLD	974
2-B	824	2-B	341	ASK	1,014
3-B	1,377	3-B	497	Discount <b>(4.1%)</b>	
4-B	2,133	4-B	725		
5-B	3,527	5-B	1,141	Home Counties	
				Home Counties	
				SOLD	445
				ASK	452
				Discount <b>(1.6%)</b>	



### Marco Previero

Director and Research Lead at R3

"We're seeing a mixed market at the moment, with London's prime and super markets softening as non-dom uncertainty lingers, while the Home Counties seem to be thriving on domestic demand and downsizers."