

R3 MARKET INSIGHTS Sep 2025

Resilient but subdued

The Prime London property market is resilient with prime areas stabilising, and some encouraging signs of greater activity from international buyers, Americans in particular. While transaction volume is subdued, prices are supported by a lack of supply and a focus on lifestyle, rather than speculative, purchases. In particular in the Home Counties which have now firmly shifted from a sellers' market towards a much more balanced one.

The November Budget

With the Government seeking revenue, there is talk of new property taxes (wealth tax or council tax reform). Although, the recent Labour Party conference concluded without providing much clarity on either, leaving questions unanswered and something markets generally dislike: uncertainty. Additionally, possible tax reforms may be counterproductive:

- **Reduced revenue:** higher taxes suppress market activity, as we well know from previous hikes in SDLT. The Government may collect less overall in the long-term if transactions are crippled.
- **Global competitiveness:** London competes for international investment with cities like Paris and Dubai. New taxes, especially those imputed on the wealthy, make the UK less attractive, driving away vital capital.
- **Economic damage:** A stagnant market harms more than just prospective buyers. It is also damaging for the broader ecosystem of estate agents, lawyers and builders and developers that rely on it.

Further taxes may risk killing an already efficient tax generating industry that contributes so significantly to Treasury funds – and may prove to be short-sighted and ultimately a self-defeating policy.

R3 RESIDENTIAL SALES DASHBOARD

Did you know we help people buy? For more info see [LINK](#)

“Huge thanks to you and the team for everything that you have done for us as a family which is greatly appreciated, and I know the house will provide much fun and enjoyment for many years to come! R3's latest Search & Acquisition client

FIGURE 1 - R3 Quarterly Residential Indices

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

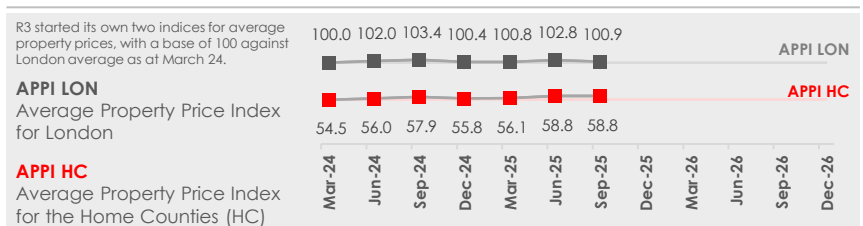


FIGURE 2 - R3 Average SOLD Price per Square Foot (PSF) Quarterly Indices

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

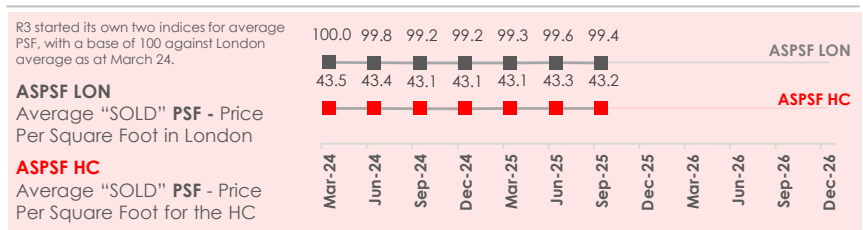
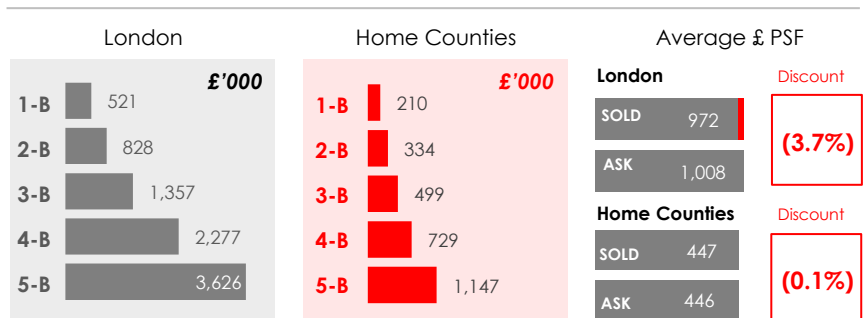


FIGURE 3 – Market Key Performance Indicators

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



Marco Previero

Director and Research Lead at R3

“London's prime property market remains a resilient, revenue-generating asset. New taxes risk stifling its recovery and driving away vital international investment.