

## London

Residential update on current market conditions across London's Prime and Super Prime neighborhoods

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# LONDON'S MARKET FUNDAMENTALS

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### 1. London unlocked

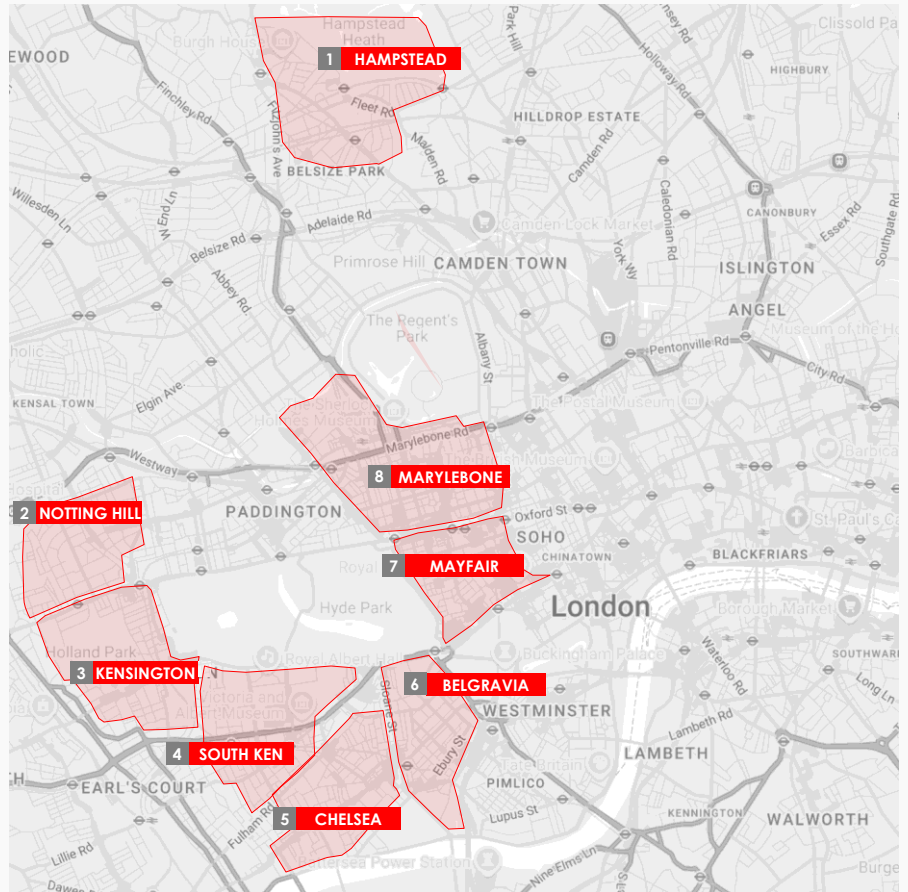
London stands as the undisputed "Capital of Capitals", a global powerhouse in finance, culture, innovation, and talent. Yet, it is also a complex and nuanced city, one that requires deep local knowledge to navigate successfully.

#### The "accolades"

The accolades speak for themselves, painting a clear picture of London's dominance on the world stage. Various different surveys have named London respectively:

- the **World's Best City** for the 11th consecutive year, an unprecedented streak that reflects its enduring appeal
- No 1 **Global Power City**, recognised for its global influence, business power, and cultural impact
- 1<sup>st</sup> in the UK and 3rd worldwide in **sustainability**, a significant jump from 5th place last year, demonstrating the city's commitment to a greener future
- 2<sup>nd</sup> on the **Global Cities Index**, trailing only New York, for its exceptional connectivity and influence in talent and innovation
- 2<sup>nd</sup> largest **Financial Centre**, steadily closing the gap with New York and reinforcing its status as a global economic hub.

These rankings represent a city that continues to attract the brightest minds, the biggest investments, and the most vibrant cultural scenes. From world-class museums and



### 2. Prime neighbourhoods (in no particular order)

#### 1. HAMPSTEAD

From its high vantage point, Hampstead is a charming literary haven, featuring historic buildings and the famous heath, attracting artists, intellectuals, and celebrities.

#### 2. NOTTING HILL

With pastel doors, a bohemian market (Portobello), and Victorian homes, Notting Hill is an upscale, cosmopolitan gem full of high-end restaurants and cultural charm.

#### 3. KENSINGTON

Kensington, with its Royal postcode, features museums, high-value mansions, the largest park in London, including the royal gardens, and designer boutiques.

#### 4. SOUTH KENSINGTON

Historically rich and cosmopolitan, South Kensington boasts Victorian townhouses, green gardens, the Lycée Français, high-end restaurants, and the V&A Museum.

#### 5. CHELSEA

Once London's bohemian hub, Chelsea is now an affluent, culture-rich area with Victorian homes, galleries, designer shops, and upscale cafes.

#### 6. BELGRAVIA

Belgravia features grand stucco houses, garden squares, embassies, and Michelin-starred restaurants. Once crime-ridden, it was rebuilt for aristocrats in the 19th century.

#### 7. MAYFAIR

Bordering Hyde Park, Mayfair offers Georgian townhouses, luxury hotels, exclusive pubs, and private clubs; a refined enclave for the distinguished elite.

#### 8. MARYLEBONE

Marylebone is a sophisticated central area with period architecture, designer stores, Michelin-starred dining, cultural sites, and cosmopolitan elegance.

theatres to cutting-edge tech clusters and green spaces, London offers an unmatched quality of life.

### A complex investment landscape

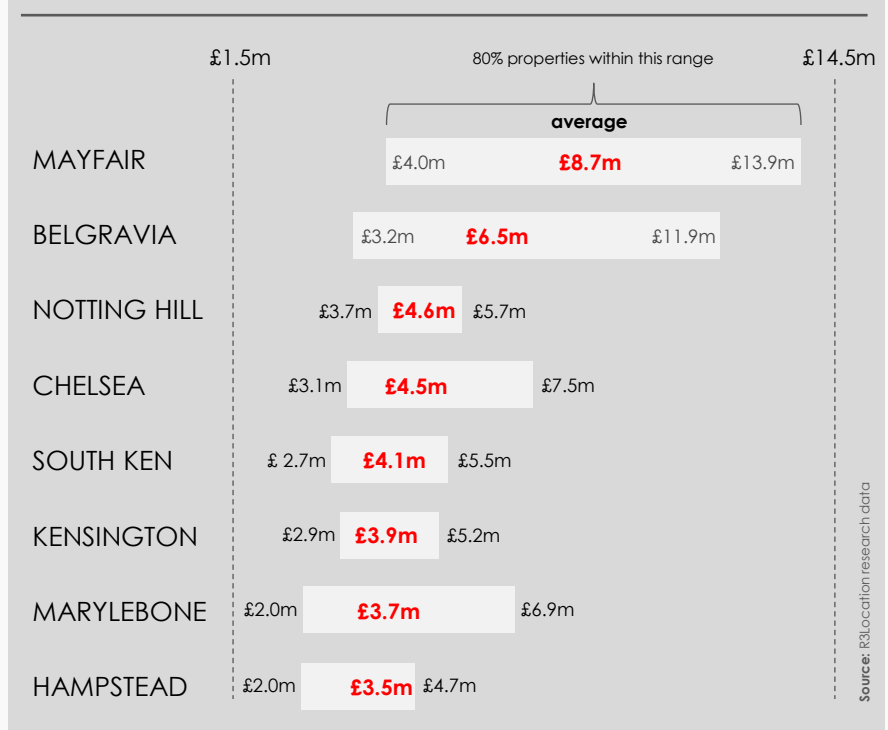
Yet, moving here or investing in property requires caution, guidance and a thorough understanding of the residential market. This guide focuses on providing an overview of it, and the key statistics and market drivers that define prime and super-prime neighbourhoods in London, from price trends and key indicators of value, to the influence of amenities, transport links, and global investor demand.

### 3. Market fundamentals

The London market isn't just one market, but several distinct sub-markets. We've listed the main super prime areas of London in **Fig 1**, showing the average price for a 4 bedroom family house, and the spread across the range where 80% of properties lie.

With the exception of Mayfair and Belgravia, average prices form a fairly narrow range from £4.6m in

**Fig 1: Average price of a 4 bedrooms family house**



**Fig 2: Average Price per SqFt (PSF) across all property sizes**



Notting Hill to £3.5m in Hampstead. But the range can vary significantly. This divergence arises less from differences in sizes or PSF (Price per SqFt) and more from the composition of supply and premium drivers in each sub-market. These include the availability of outdoor space, architectural pedigree, the prestige certain streets and area can command and the scarcity of stock.

### 4. Undervalued global asset

Premium drivers aside, PSF does tend to drive property valuation because it allows like-for-like comparison across neighbourhoods and property types (**Fig 2**).

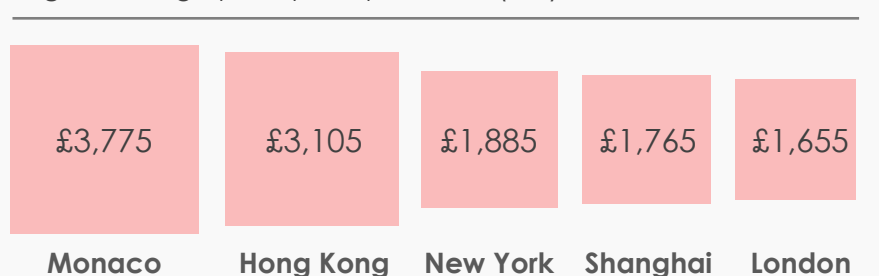
Despite London's high absolute prices when compared to the rest of the Country, it now looks relatively good value against the likes of Monaco, Hong Kong, New York and Shanghai (**Fig 3**) and its lifestyle appeals probably amplifies this value gap; with drivers such as education (unmatched access to world-leading day schools and globally recognised Universities), language and stability, timezone which bridges Asian and US markets, and cultural diversity and green spaces (did you

know that London is technically a forest? The city has over 8 million trees, making it the world's largest urban forest according to the United Nations).

London is a top-tier global city (See **section 1. London Unlocked**) on every metric, include a weak sterling advantage for international buyers, yet remains significantly cheaper per square foot.

Buyers now are effectively paying less for a comparable or superior "urban" offer. In our mind, this makes London undervalued at the moment. This pricing anomaly is unlikely to persist indefinitely and many are beginning to recognise its long-term potential.

**Fig 3: Average price per square foot (PSF)**



# A brief look at the rental market

## 5. The rental market

### Renters' Rights Act 2025

RRA2025 largely took effect on 1 May 2026, shifting the market towards a "tenant first" system, and imposing stricter compliance, more costs and reduced flexibility for Landlords.

### Landlords' concerns are high

While the legislation is meant to further protect tenants, it will make renting more difficult. Some data is already suggesting that the majority of Landlords foresee a negative impact on their business, and an expectation that the new legislation will harm the wider market in the long term; with some evicting tenants prior to the 1 May deadline.

### Behavioural shift

We are already seeing Landlords becoming more selective about tenants during the referencing process, with more scrutiny prior to finalising tenancy agreements. Additionally, we have already seen an uplift in rents over the last two quarters, as a move to cover additional risks, compliance, tax and costs associated with renting.

Fig 4: Key Renters Rights Act dates for 2026

**1 May 2026**

Major first phase of RRA 2025 implementation with no-fault eviction ban, periodic tenancies giving tenants the right to terminate by giving 2 months notice from inception, the end to bidding wars and limits to rent increases.

**Late 2026**

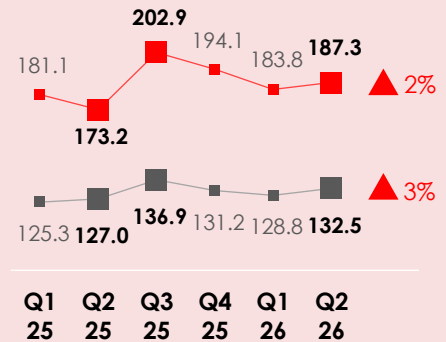
Likely date for private landlords' database to go live. Landlords will need to be registered, contribute a fee towards it and will need to upload key information such as gas and electrical safety certificates, EPC, and other property details.

**By 2028**

Full mandatory ombudsman scheme completion, focusing on tenant-facing services and free (for tenants) dispute resolution. Tenants will also be able to access the database to make informed decision on Landlords before renting.

### R3 Index and RRA2025

The announcement of RRA2025's "big bang" date of 1<sup>st</sup> May back in November 2025 saw rents being pushed upwards, as can be seen on our index tracker both for prime and super prime rents. After some relief in the last quarter of 2025 and first quarter of 2026, rental price growth is now facing renewed pressure, and we expect this to continue into 2027.



**Our research hub:** if you like our research, you can find more of it here

**Our dedicated team:** if you have any questions about our research, or would like some help in finding the right property, please get in touch. We are always happy to have a coffee or a conversation about the market.

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### Rental Insights

Rental market's detailed PostCode analysis



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