

R3 MARKET INSIGHTS Q3 2026

Is the Capital's property market turning a corner? We think so!

London is ranked #2 in the world

London ranks as the second leading city in the most recent **Oxford Economics 2026 Global Cities Index**. It tops human capital rankings through world-class universities and attracts highly educated migrants. And its economy, the fourth-largest globally, shows stable growth.

Has the market bottomed out?

Against this backdrop, buyers have been increasingly selective so far in 2026, with prime properties spending longer on the market and, up to the end of last quarter, discounts against advertised sales price widening.

Tax uncertainty, including the High Value Council Tax Surcharge, continues to drive sentiment, though much of its impact seems to be now priced in. Collectively, while much of London firmly remains a buyers' market, the outlook suggests a gradual recovery ahead, with Prime Central London values forecast to grow to nearly double digit over five years.

Super-prime showing resilience

The super-prime market above £10 million has stabilized, and more rapidly than its Prime counterpart. Transaction volumes in the year to September 2026 have more or less equalled those as at the same time last year, while total spend rose to over 10% against the same period last year.

This resilience reflects renewed international demand, particularly from buyers across the Middle East, South Asia, and North America seeking relative value following three years of price correction, and geo-political stability in one of the world's leading capitals. Roll on 2027!

R3 RESIDENTIAL SALES DASHBOARD



R3 LATEST MARKET INSIGHT

Pre-Budget Analysis

In case you missed it! As speculations about the upcoming Budget mount, R3 has summarised some of the key changes, rumours and "so whats" as part of our latest Market Insights publication. We've filtered out the noise, so you can focus on what matters. **Click on the image to access.**

FIGURE 1 - R3 Quarterly Residential Indices

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

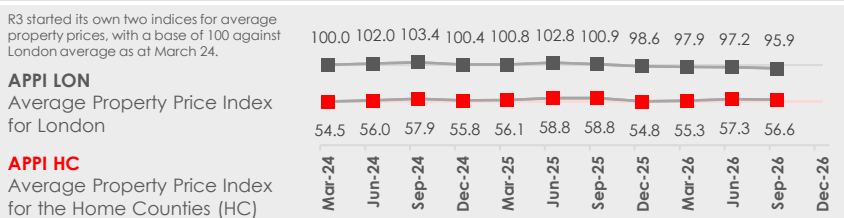


FIGURE 2 - R3 Average SOLD Price per Square Foot (PSF) Quarterly Indices

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

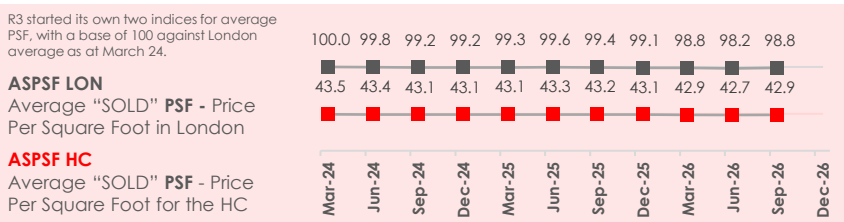
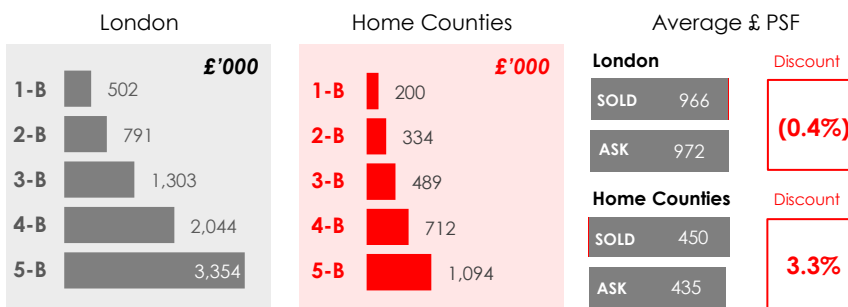


FIGURE 3 - Market Key Performance Indicators

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 pull seems to remain unmatched, despite Budget uncertainties. London is a leading global city drawing talent and capital alike. Its prime market is stabilising, and the super-prime is leading the recovery. Have we finally turned the corner? We certainly think so."