savills

IN FOCUS: PRIME CENTRAL LONDON

RESIDENTIAL – UK – 2026

RESEARCH

FROM CAUTION TO COMMITMENT

ANDREW PERRATT
HEAD OF UK RESIDENTIAL

This year, prime central London is having a challenging time, but at least we have now gained a semblance of certainty. Prime Minister Andy Burnham has ruled out a land value tax until at least the next election. This should motivate some buyers to push forward with their plans rather than remain on hold.

There are now opportunities and it feels as though we may be near the bottom. Price cutting remains a feature of the market as many vendors have reached an acceptance of current values, and prime central London is a buyer's market. Offering excellent value, the price-sensitive domestic market is being driven by lifestyle moves as families move up and down the market, committed to remaining in the city. Constrained supply is also driving competition for properties that rarely come to market.

Activity amongst motivated buyers is apparent by the fact we've just seen a significant improvement in sales of £5 million and above. Hampstead has seen an uptick to join Kensington and Chelsea as the most active locations of the £5 million-plus market.

For tech entrepreneurs and international families buying or renting in the capital, the charm of its lifestyle remains – and it seems reports of a non-dom exodus were greatly exaggerated – or at least, the flow doesn't seem as significant as it was a year ago.

An autumn recovery will depend on the easing of geopolitical uncertainty in the months ahead. Whatever the future may bring, this report provides everything you need to navigate today's evolving market with confidence.

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VALUE IS IN THE EYE OF THE BUYER

FRANCES MCDONALD
DIRECTOR, RESIDENTIAL RESEARCH

THE CHALLENGE FACING CENTRAL LONDON IS NOT ONE OF DEMAND, BUT ONE OF A MISMATCH BETWEEN BUYER AND SELLER EXPECTATIONS.

For more than a decade, prime central London has been defined by tax changes, shifting political sentiment, economic pressure and uncertainty.

But in many ways, the challenge facing central London is not one of demand, but one of a mismatch between buyer and seller expectations.

Nowhere is this more evident than in a market where neither side is under significant pressure to transact.

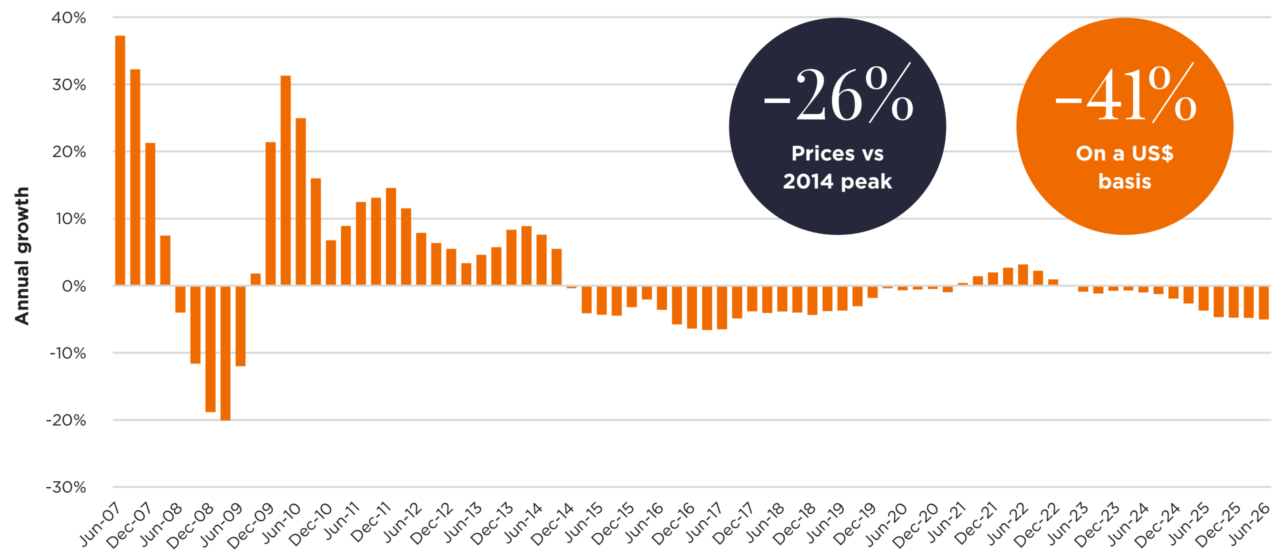
Buyers remain active but they are discerning and highly price sensitive, carefully weighing quality, location and lifestyle considerations with costs and global alternatives.

Many sellers, meanwhile, are still adapting to a changed market.

The result is a market in which value remains firmly in the eye of the buyer. For sellers willing to meet the market, transactions are happening. For those whose price expectations remain out of step, the search for a buyer can be considerably longer.

RESEARCH VIEW

PRIME CENTRAL LONDON OVER TIME



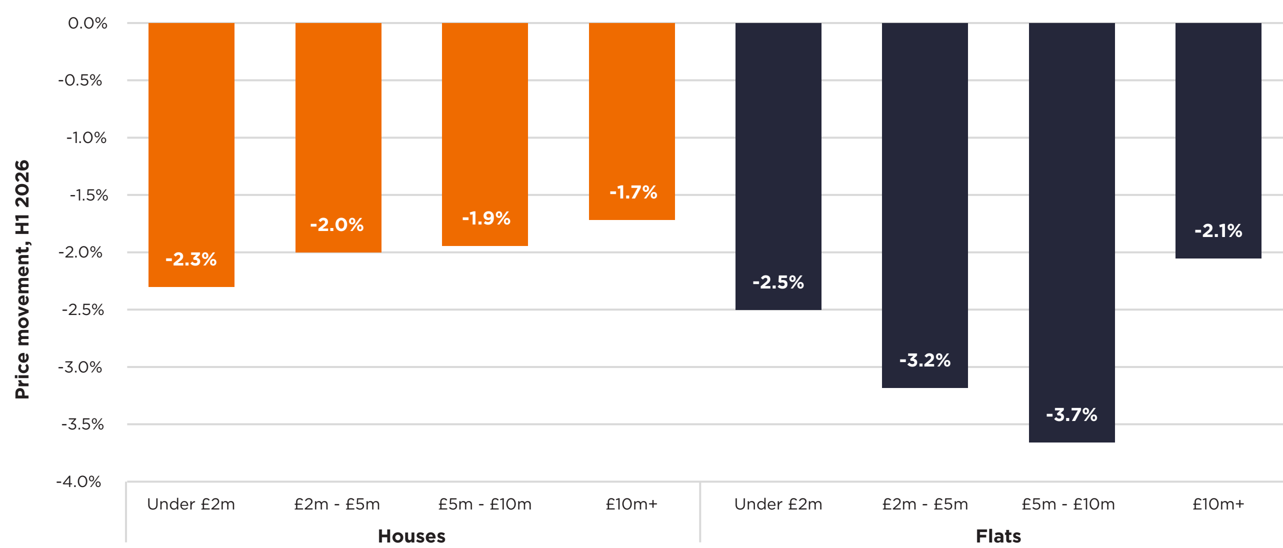
Source: Savills prime London index Q2 2026

WHERE DO VALUES SIT NOW?

Despite greater stability at the start of 2026, ongoing geopolitical uncertainty and domestic political change have translated into further price falls in prime central London. Values are now -26% below their previous 2014 peak, having fallen by -2.5% so far this year.

Houses have remained more resilient than flats, particularly at the top end of the market. This tallies with recent activity which shows a 24% annual increase in sales above £10 million during the second quarter. Though buyers at this level are typically driven by choice rather than necessity, they are willing to commit when compelling value and exceptional homes become available.

PRIME CENTRAL LONDON PRICE MOVEMENTS BREAKDOWN



Source: Savills prime London index, Q2 2026

PRIME CENTRAL LONDON LOCAL VARIATION

This has also led to some disparity in performance across the local markets of central London. While more needs-based family house markets such as Notting Hill have seen annual price falls remain below -4%, the fringe central London markets of Earl's Court, Pimlico and Westminster have seen values fall by more than -6%.

Across all, best-in-class homes continue to attract the most meaningful demand. Immaculate properties command a premium of 30% compared to those considered to be in need of upgrade, highlighting that the gap between the most desirable homes and secondary stock is continuing to widen.

More broadly across central London's £5 million-plus market, houses made up more than 60% of sales during the first half of the year, the highest share since 2021, when buyers were prioritising space, gardens and enough accommodation to work from home during the pandemic. This is also reflective of fewer investor purchasers, who tend to favour flats over houses.

Bayswater

Annual growth	Growth since 2014
-4.7%	-15%

Rental growth

N/A

Belgravia

Annual growth	Growth since 2014
-3.9%	-25%

Rental growth

1.3%

Chelsea

Annual growth	Growth since 2014
-4.3%	-27%

Rental growth

2.0%

Earl's Court

Annual growth	Growth since 2014
-6.5%	-34%

Rental growth

0.7%

Holland Park

Annual growth	Growth since 2014
-4.4%	-22%

Rental growth

1.1%

Kensington

Annual growth	Growth since 2014
-5.0%	-29%

Rental growth

1.3%

Source: Savills prime London index, Q2 2026
N.B. Local level data for Westminster & Pimlico only goes back to 2015

Knightsbridge

Annual growth	Growth since 2014
-5.5%	-28%

Rental growth

2.5%

Marylebone

Annual growth	Growth since 2014
-5.1%	-22%

Rental growth

2.2%

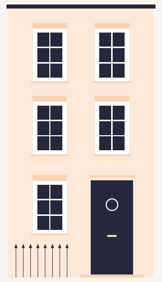
Mayfair

Annual growth	Growth since 2014
-5.0%	-29%

Rental growth

2.4%

Notting Hill



Annual growth	Growth since 2014
-3.7%	-15%

Rental growth

-0.1%

Pimlico

Annual growth	Growth since 2014
-7.0%	N/A

Rental growth

1.1%

South Kensington

Annual growth	Growth since 2014
-5.3%	-30%

Rental growth

1.8%

St John's Wood

Annual growth	Growth since 2014
-7.3%	-23%

Rental growth

0.1%

Westminster

Annual growth	Growth since 2014
-7.0%	N/A

Rental growth

0.6%

WHO IS BUYING IN CENTRAL LONDON IN 2026?

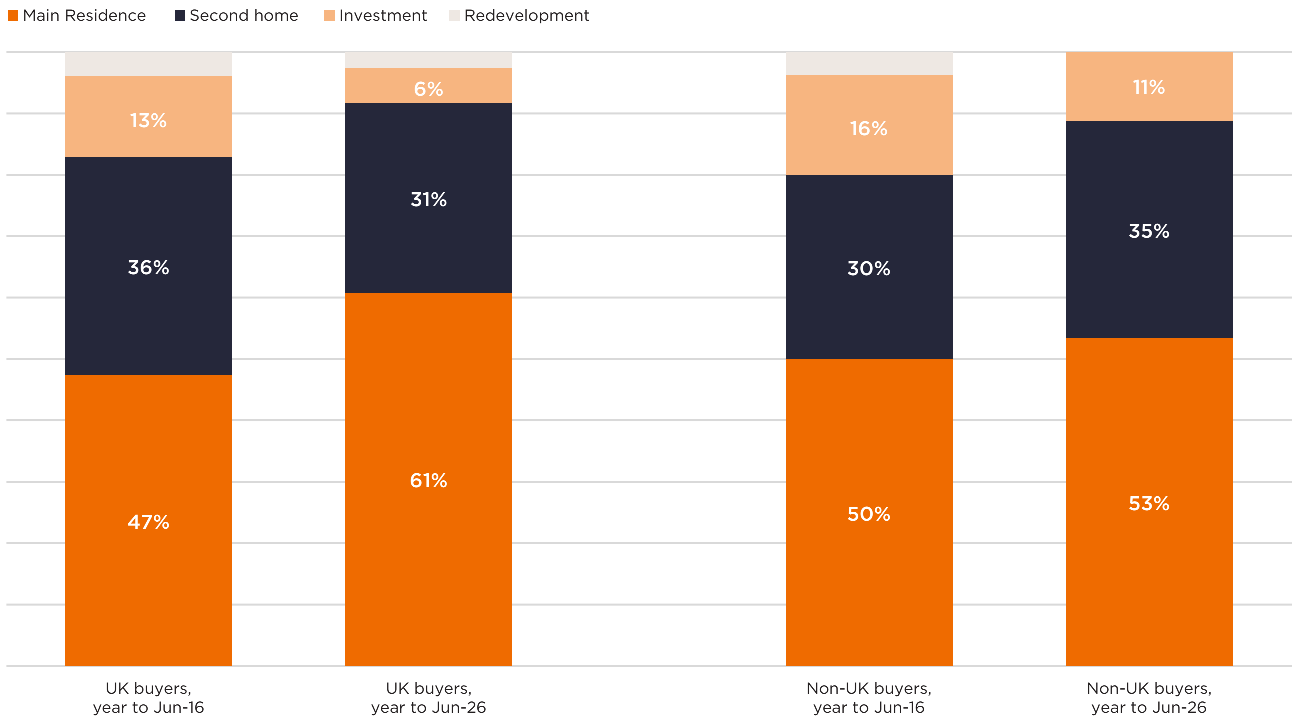
The tax environment continues to weigh on international demand, in particular, with domestic buyers accounting for 49% of central London sales over the past year, an increase on the 44% recorded 10 years ago. North American buyers have been the one international cohort to increase their share of the market – to almost 10% – over the past decade.

This reflects a combination of favourable exchange rates and continued political uncertainty across the pond.

For both buyer types, there has been an increase in those buying a main home, at the expense of investment and development activity, in particular.

Increased costs, specifically from additional stamp duty surcharges for both non-resident and additional home purchases, have dampened demand from these buyers. Second home buying remains relatively resilient, particularly among those from overseas who still see the benefit of having a base in London.

WHO SEES THE VALUE?



Source: Savills dealbooks, 2015 – June 2026

More broadly, the global ultra-high-net-worth (UHNW) population, an important buyer group in central London, increased by 14% to a new high of 557,000 last year, according to the 2026 Altrata World Ultra Wealth Report. This growth is expected to continue, with numbers totalling 747,000 by 2030.

North America is forecast to remain the largest UHNW market globally, but Asia is expected to record the strongest growth of the three major UHNW regions over the next five years.

And despite reports of an "exodus" of wealthy homeowners from London, the UK's capital remains home to 7,800 UHNWs, having increased 18% in the past year. In part supported by its reputation as one of Europe's leading centres for AI innovation.

This suggests that the pool of potential buyers for central London is likely to continue growing, with a broader range of wealth sources and geographies underpinning demand. However, attracting that wealth will remain dependent on how London compares with competing global cities in terms of value, stability and broader appeal.

THE VIEW AHEAD

So, what's next for prime central London? While much of last year was clouded by property tax speculation in the run-up to the Autumn Budget, we seem to have more certainty from the new prime minister this year.

The ongoing conflict in the Middle East and wider political change are likely to continue weighing on sentiment, but values are significantly below previous highs and buyer interest remains evident where pricing reflects market realities.

At the same time, London's enduring appeal as a global centre for wealth, business, education and culture continues to attract a broad range of domestic and international buyers.

The increasing diversity of that demand base, together with the expansion of global wealth, should provide ongoing support for the market. While conditions are expected to remain challenging in the near term, we forecast growth to return in 2028 and for it to total 7.5% during the five years to 2030, following a gradual recovery in values.

But performance is likely to remain highly selective. Buyers are increasingly placing greater emphasis on quality and as a result, the growing gap between best-in-class homes and secondary stock is expected to continue.

Ultimately, the future of prime central London is likely to depend less on where values have been and more on how they are perceived by the next generation of buyers.

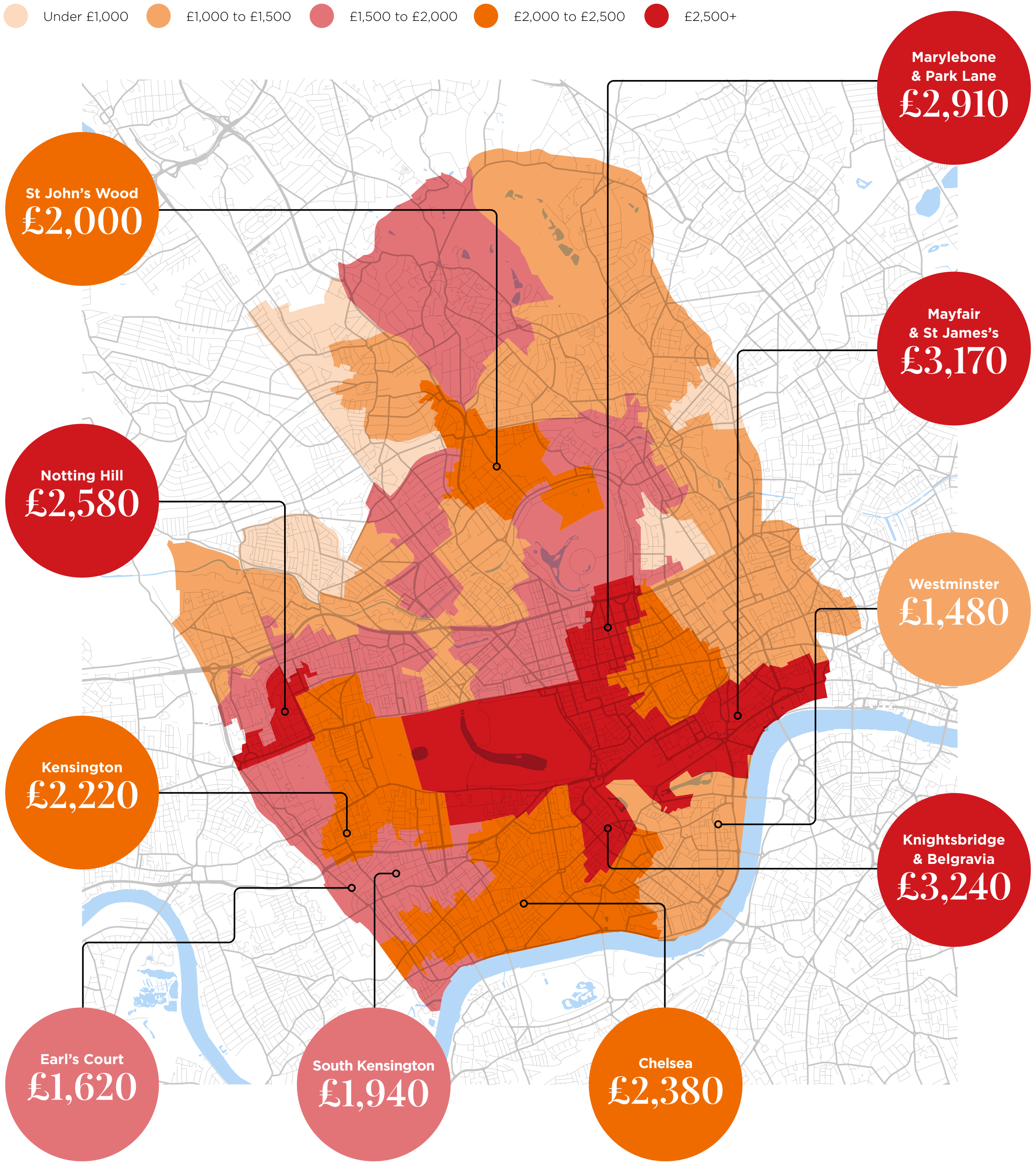
+7.5%

PRIME CENTRAL LONDON FIVE YEAR FORECAST

VALUE VARIATION ACROSS CENTRAL LONDON

Average values per square foot vary significantly across prime central London, reflecting differences in housing stock, buyer profile, local amenities and international appeal. This map highlights those variations, illustrating how pricing is distributed and showing how location continues to influence buying decisions in a market increasingly focused on value and quality.

AVERAGE PRIME* £ PER SQ FT, 5 YEARS TO APR-26



Source: Savills Research using Land Registry *Prime refers to the top 25% of sales in the reporting period

WHAT MAKES PRIME CENTRAL LONDON DIFFERENT

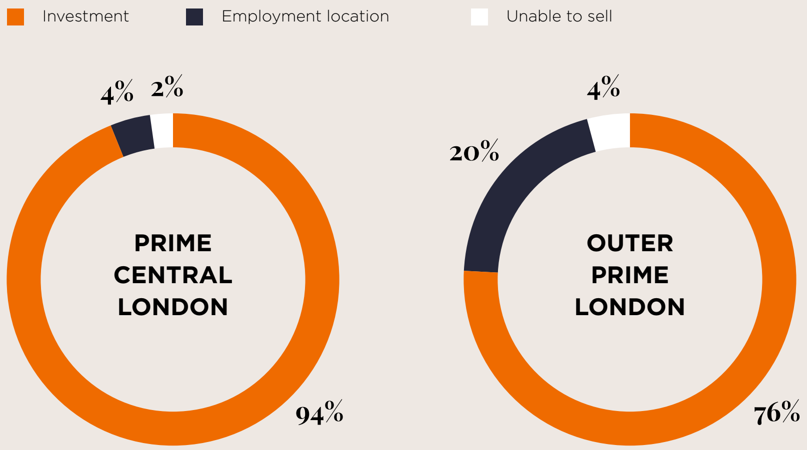
JESSICA TOMLINSON
ASSOCIATE DIRECTOR, RESIDENTIAL RESEARCH

WHO ARE THE LANDLORDS?

Supply across the rental market has undoubtedly been affected in the run-up to the Renters' Rights Act (RRA) coming into force in May 2026. Although prime central London has not been immune, the area's varied landlord profile, alongside the fact that many high-value tenancies sit outside the scope of the Act, has limited the impact compared to other parts of the market.

A higher proportion of stock is traditionally held by larger institutions, the "Great Estates" and long-term international and domestic investors. Over the past year, only half of Savills landlords in prime central London were private individuals, and nine in ten had purchased the property specifically for investment purposes. This paints a different picture from other parts of the market, where employment location – and, to a lesser extent, an inability to sell – play a larger role in the decision to let a property.

REASON FOR RENTING PROPERTY OUT



Source: Savills dealbooks, 12 months to June 2026

> Central London's varied landlord profile and its price point has limited the impact of RRA compared to other parts of the market.

This means central London markets tend to have fewer accidental landlords or former owner-occupiers who may be less committed to a long-term rental strategy. Larger landlords are also often better equipped to withstand market changes.

As a result, landlords in central London face greater competition to attract demand, making it more important than ever to understand who tenants are and what they want.

WHO ARE THE TENANTS AND WHAT DO THEY WANT?

Prime central London has long been an international destination, with its business, cultural and educational offerings appealing to a broad range of tenants. While tax changes over the past decade have weighed on demand from international buyers, tenant interest remains strong.

Over the past year, 35% of Savills tenants in central London were UK nationals. By contrast, in the more domestic markets of outer prime London, UK nationals accounted for around half of tenants.

Western Europeans and North Americans make up the largest sources of international demand, while Eastern Europeans feature more strongly in certain submarkets and local areas, such as Knightsbridge and Mayfair.

The capital also attracts tenants of all ages. Under-30s feature prominently, often drawn by lifestyle or educational factors.

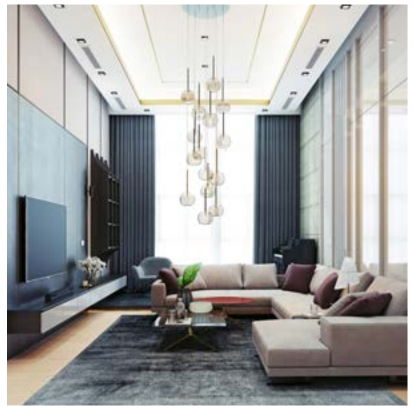
However, traditional central locations such as Knightsbridge, Belgravia, Kensington and Marylebone attract a higher proportion of tenants aged 50 and above, as does the super-prime market, where rents exceed £5,000 per week.

This diverse pool of affluent, multinational tenants has become increasingly discerning in recent years, particularly given the strength of rental growth.

Therefore, best-in-class homes continue to attract the strongest demand and secure premium rents. Properties in 'immaculate' condition commanded a 31% premium compared with those considered to be in 'moderate' condition. This underlines the importance for landlords to understand how condition can influence performance, and the potential uplifts associated with the most desirable homes.

CONDITION DEMANDS A PREMIUM

31%
IMMACULATE VS MODERATE



21%
IMMACULATE VS GOOD

Source: Savills prime London lettings index, Q2 2026

WHAT DOES THIS MEAN FOR THE RENTAL MARKET?

Despite continued rental growth, the pace of increases has slowed across prime central London as supply and demand have normalised. However, growth remains strongest for smaller, lower-value properties and those affected by the RRA. By contrast, rental increases at the top end of the market have eased as these discretionary tenants have more choice and values move closer to the limits of their budgets.

Despite the recent slowdown, prime gross yields have still risen significantly over the past five years.

A flat in prime central London now achieves an average gross yield of 4.0%, compared to 2.8% five years ago. While houses sit at 3.3%, up from 2.6%.

Looking ahead, prime central London's diverse demand base should continue to support further rental growth over the next five years, particularly while sentiment in the sales market remains fragile. Ultimately, given the competition to attract the best tenants, future rental growth is likely to vary not only by property type and location but also by condition.

FIVE THINGS YOU NEED TO KNOW ABOUT GLOBAL PRIME RESIDENTIAL MARKETS

Key insights from the Savills World Cities Prime Residential Index

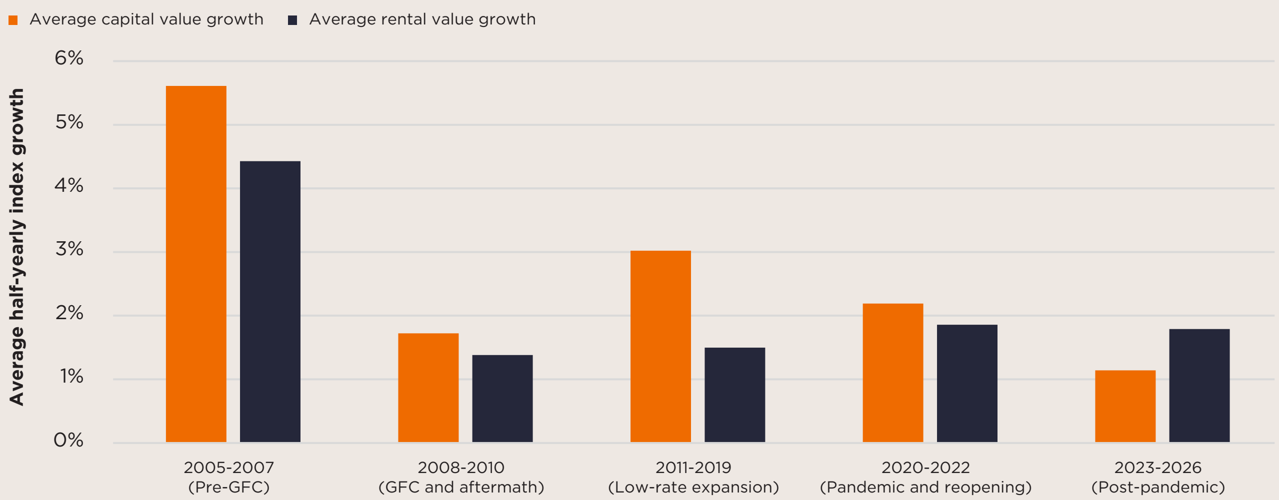
KELCIE SELLERS
ASSOCIATE DIRECTOR, WORLD RESEARCH

1 RENTS ARE CONTINUING TO OUTPERFORM IN AN UNCERTAIN AND HIGHER INTEREST RATE ENVIRONMENT

Prime rental markets remained resilient in the first half of the year as economic and geopolitical uncertainty encouraged many to prioritise the flexibility that renting provides. Across the 30 cities tracked in the index, average prime rents rose 1.1%, set against prime capital value growth of 0.6%, extending the trend of rental growth outpacing capital values seen since mid-2022. Elevated interest rates, affordability constraints and deferred purchasing decisions have all sustained demand for prime rental properties.

Over the past two decades, capital values had consistently outperformed rental value growth. However, since the pandemic, as the world experiences more volatility and uncertainty, rents have been outperforming capital value growth.

AVERAGE WORLD CITIES INDEX GROWTH, BY TIME PERIOD



Source: Savills Research

2 SUPPLY AND DEMAND IMBALANCES ARE DRIVING GLOBAL GROWTH

Supply constraints have defined several of the index's strongest markets. Tokyo has seen 7% capital value growth over the first half of 2026, the highest increase across the 30 cities monitored. The city continues to benefit from both domestic and international migration, while an acute shortage of available prime residential properties has been supporting pricing.

New construction has been constrained by increasing land, labour, and construction costs; at the same time, demand has remained resilient with global interest reinforcing Tokyo's strong performance, with annual growth now standing at 20.4%.

Cape Town delivered 4.7% capital value growth as demand continued to outpace limited prime stock, while Seoul recorded 4.1% growth amid ongoing supply and demand imbalances.

3 WEALTH CREATION IS LEADING TO A RESURGENCE OF RESIDENTIAL MARKETS IN SOME LOCATIONS

Nearly two-thirds (60%) of cities recorded stable or positive capital value growth in the first half of 2026. Alongside supply constraints, economic expansion and wealth creation is supporting demand across global prime residential markets.

San Francisco was the strongest-performing market in the Americas, with capital values rising by 4.8% and rents by 3.7% over the first half of 2026. The city is benefiting from renewed momentum in the technology sector, particularly as a global centre for artificial intelligence innovation. The resulting inflow of talent and capital is contributing to a recovery in residential demand.

New York also recorded steady growth, with capital values increasing by 2.4% and rents rising by 2.1%. As the most expensive prime residential market in North America, with prices approaching $2,700 per sq ft, the city continues to benefit from its enduring appeal as a global financial, business and cultural hub.

London remains a top-tier wealth hub for global high net worth individuals driven by its strong lifestyle provisions, though capital values fell by -1.9% over the first six months of the year. In the face of shifting tax regimes in the United Kingdom, the fact that London remains the top destination for lifestyle factors demonstrates the ongoing appeal of the British capital.

4 LIFESTYLE MARKETS CONTINUE TO OUTPERFORM

Southern Europe remains one of the strongest-performing regions globally, supported by lifestyle appeal, international demand and limited prime housing supply. Lisbon led regional performance, recording capital value growth of 3.3% alongside rental growth of 7.6%, demonstrating the ongoing resilience of demand in the market.

Across Spain, constrained supply continues to support rental growth. Madrid and Barcelona recorded capital value growth of 2.4% and 1.5% respectively, while rents increased by 2.1% and 2.0%.

Italy also delivered positive results, with Milan and Rome registering capital value growth of 1.5% and 0.2% respectively, alongside rental growth of 2.0% and 1.8% respectively. Strong lifestyle fundamentals, international connectivity and sustained global appeal continue to support demand across Southern Europe's key residential markets.

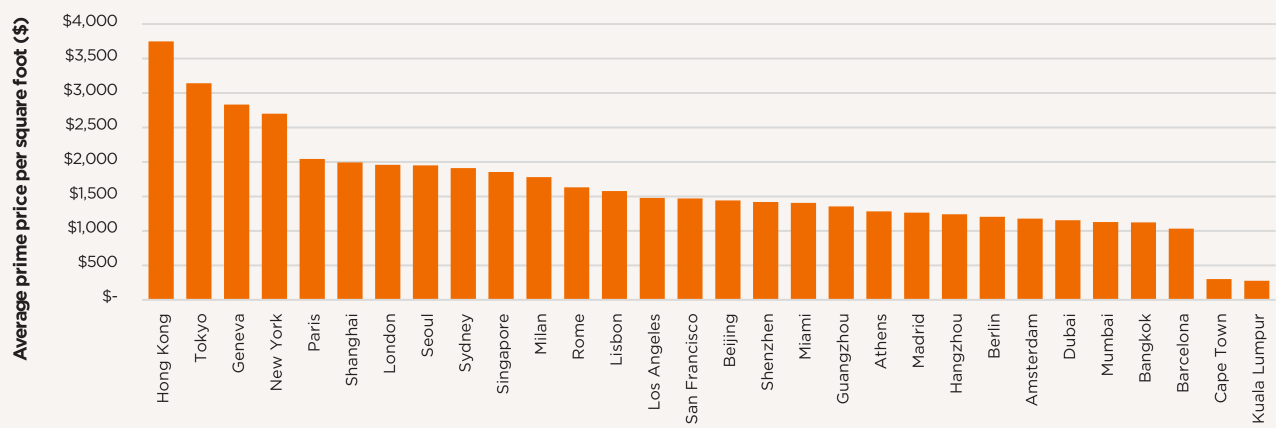
5 OUTLOOK OF RESIDENTIAL RESILIENCE, BUT GROWING DIVERGENCE

As market conditions become increasingly shaped by local dynamics, cities with strong wealth creation, constrained stock and enduring international appeal are likely to see the strongest growth. While geopolitical and economic uncertainty may create more uneven outcomes, the outlook for prime residential markets remains resilient, with relative value, lifestyle appeal and long-term economic fundamentals continuing to differentiate performance.

Supply-constrained and lifestyle-led markets are expected to deliver the strongest performance through the remainder of the year.

Cape Town is forecast to lead growth with capital value growth of 4%-5.9%, while Singapore, Seoul, Kuala Lumpur, Lisbon, Madrid and Barcelona are also expected to outperform, supported by limited prime supply and sustained demand.

AVERAGE PRIME PRICES PER SQUARE FOOT, H1 2026



Source: Savills Research

PRIME CENTRAL LONDON
SALES MARKET

RICHARD GUTTERIDGE
CO-HEAD, PCL

PETE BEVAN
CO-HEAD, PCL

It feels like a clutch moment...

Could this be the optimal time to buy in prime central London? We are seeing a market finely balanced between buyers biding their time, and those keen to proceed. It feels rather like driving a car: will you stall or hit the accelerator? A tantalising question but for now we can only reflect on the year so far.

It started with such positivity. Expectations ran high that 2026 would be a year of fewer hurdles, when buyers would jump at the opportunities offered by a keenly priced London market after a frustrating stasis preceding the 2025 Autumn Budget.

But then the Middle East conflict introduced fresh layers of 'what if' that would come to characterise the following months. The spring market was subdued as inflation, rising oil prices and interest rates added to the uncertainty. We expect property prices to edge down this year.

Yet, as ever the picture is highly nuanced. The market for turnkey family homes has proved resilient, with buyers prioritising properties in good locations that are ready to move into. Many prefer to forgo the hassle and associated costs of planning permissions to extend or convert. When these ready-to-go properties come up, and buyers see real value, there can be two or three interested parties and realistic asking prices are being achieved.

Location, location, location rings ever true with buyers keen to future-proof by acquiring homes in the best postcodes. The strength of Belgravia across all price ranges in the past few months has been driven by the appeal of remodelled high streets, Elizabeth and Motcomb Streets, managed by the Grosvenor Estate, and extensive investment by the Cadogan Estate on Sloane Street and Pavilion Road.

A similar story is unfolding in Chelsea, where the family house market has without doubt been busier than last year, with buyers looking for value in an area where prices have come down by around 27% since 2014. With such high acquisition costs, purchasers are typically looking to buy for the long term, in order to trade fewer times in their lifetime. This translates to fewer new instructions, including the properties owned by non-doms who may have left for fiscal reasons but have no intention of selling their London foothold.

Kensington's broad spectrum of inventory, from a £1 million flat to a £40 million house, remains appealing to domestic families, with the sweet spot for family homes in the £3 million to £8 million bracket. Meanwhile, neighbouring Notting Hill remains a target for the younger, wealthy tech community, and for Americans favouring second homes. Whilst Kensington and Chelsea are the most active parts of the £5 million-plus market, Hampstead is the next robust, for the first time, with the smaller markets of St John's Wood and Regent's Park also remaining in demand for family homes – mainly houses, with a few large flats.

Westminster has recovered well from its post-Covid dip. Of note are resales in understated locations such as Pimlico, which enjoys proximity to Belgravia while offering greater affordability, with appealing family houses priced between £1 million and £4 million. The most active buyers are UK-based, broadly resident in the capital already, although there's interest from America, China and mainland Europe. Billionaires, who can jet between multiple properties across the globe and are less impacted by the tax changes that are keeping away some permanent residents, continue to look for trophy homes and London is still one of the places they want to be.

Meanwhile for millionaires, it's not quite as perky. We can see a clear dichotomy between this needs-based buyer, and the discretionary market that has become increasingly selective.

With such 'pied-à-terre' buyers typically favouring large flats for £5 million to £15 million, this sector has been especially exposed. This includes new luxury developments, where price premiums and hefty service charges are deterring buyers, although Chelsea Barracks, one of the capital's most successful prime developments, is a flourishing outlier.

Missing the traditional Middle East interest, Knightsbridge has seen prices dip by 25-30% and is going through a transitional phase. There's certainly more on the market, with former rental inventory adding to available stock as changes to taxation and regulation prompt some landlords to bring properties to the sales market. With transaction levels dipping in Mayfair too, both markets offer opportunities for buyers: historically when central London turns, it turns fast.

Looking ahead, the Autumn Budget looms and the Middle East conflict rumbles on. Normal patterns of seasonality have all but disappeared and although August is not necessarily a true barometer of the market, the end of land-value-tax talk (for now) has banished one layer of uncertainty, allowing the market to focus on the opportunities and challenges ahead.

PRIME CENTRAL LONDON
RENTAL MARKET

OLLIE MELLOTTE
HEAD OF CHELSEA
AND PCL WEST LETTINGS

GEORGINA BARTLETT
HEAD OF SLOANE STREET
AND PCL EAST LETTINGS

Strong demand and a return to seasonality

Less impacted by geopolitical events than the sales market, the prime rental sector remains characterised by strong demand and constricted stock levels. After a quiet winter, a busy summer market has confirmed the return of traditional seasonality. The market has been heading this way for 18 months, but this year it has been firmly apparent.

There are clear differences in behaviour amongst different types of tenants, too. The core domestic market – sub £1,500 per week – has been performing particularly strongly with an increase in transactions since last year, while there's been nominal uplift in rental rates, too. Characterised by young professionals and students, the market for studio and one-bedroom flats – between £550 and £1,250 per week – has been especially active. With no let-up in demand throughout the year, stock is constrained. This is the level of the market where landlords are more likely to sell up – and we are seeing strong competition for properties.

This competition has translated into annual rental growth of 3.7% across the sub £1,000 per week bracket, considerably outstripping the £1,000-£2,000 per week tranche, at 1.9%. In the second quarter of 2026 alone, the lower-value segment saw 0.7% growth – and we are expecting to see an even stronger third quarter.

The market for family houses in traditional areas such as Kensington, Chelsea and Notting Hill remains similarly robust, with a notable uptick in Belgravia: families are attracted by the strong choice of independent schools, an improved retail offering, and proximity to the West End. Last year saw a swing towards flats as tenants absorbed changes to inheritance tax and non-dom rules – but now demand is balanced between the two.

It's a different picture at the higher end of the market where there are more discretionary and international tenants, and we have seen a greater impact from the Middle East conflict. An expectation of strong demand from people retreating to their familiar bases in Knightsbridge, Marylebone and Mayfair was not realised. Relocations from the Gulf are slightly down, and at the top end of the market there's a modest softening of prices.

Amongst this group there are certainly perceptions – whether they are correct or not – around safety, as well as uncertainty surrounding the government's tax position. These factors are translating into hesitancy from this group, and questions are being asked about how tied to London people wish to be.

That being said, we are seeing indications that September will once again be the busiest time of year for lettings as the core family market settles into new homes and young professionals sign new contracts – a gear shift from last year, when the nervousness in the run-up to the Autumn Budget caused many to hang back. A new trend has been the uptick in empty nesters. They are not all would-be buyers, many are actively choosing to rent as a lifestyle choice.

That said, there's definite cross-over between the sales and rental markets in something of a 'seesaw': for every client we give over to our sales colleagues, we are getting one back. In the wake of the new Renters' Rights Act rules, when tenants are terminating their contracts, landlords are considering their options – do they keep or sell? Some landlords who initially decided to sell have since returned to us and are faring well, with few new investors to compete with.

Those who stick in the lettings market will have to contend with the differing mindsets of tenants. Faced with a scarcity of stock at the sub-£1,250 a week level, domestic tenants continue to be less area-specific than a few years ago. However, at the discretionary, prime level of the market, an expectancy that there will be an imminent deluge of unsold flats has led to more targeted requests. They may well be disappointed. In such a climate, what most tenants really value, however, is security of tenure. If vacillating landlords insist on a six- or 12-month break clause there will be a smaller pool of prospective tenants for them to access.

We do expect to see the mainstream and prime markets collide this autumn. Despite the only unknown of the Burnham Budget, it should be a strong end to the year.

SUPER-PRIME RENTALS

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CO-HEAD, PCL SUPER PRIME LETTINGS

MARK TUNSTALL
CO-HEAD, PCL SUPER PRIME LETTINGS

Best-in-class services and schools drive demand

Tax changes have driven the exodus of wealth from the capital over the past 18 months and contributed to the drop in demand for rentals of over £5,000 per week. London is competing with other cities for an increasingly transient cohort of wealthy entrepreneurs and tech execs who can choose to work from anywhere, sustaining demand for shorter tenancy lengths.

Whilst the appetite for purpose-built, fully-serviced apartments has held up well, along with substantial family houses in best-in-class locations, other types of property can take longer to rent unless priced competitively. Chelsea Barracks, 1 and Twenty Grosvenor Square, The Peninsula and One Hyde Park are sought after for their high levels of service, with hospitality brands such as the Mandarin Oriental and Four Seasons perceived as familiar and unbeatable by international tenants.

The quality of services – concierge and security – are now prioritised over amenities, which are 'nice to have' but not essential. Rentals at such schemes are holding firm, with large lateral apartments, which are currently in short supply, commanding a premium.

With world-class schooling a key driver, turnkey family houses in Holland Park, Notting Hill, Regent's Park and Chelsea are turning over – though, anything less well presented is increasingly difficult to rent. There's stronger activity at the £20,000 per week level, driven by wealth creation in Asia and the United States. Slower uptake in the £5,000-£10,000 per week bracket means the choice of options has never been better, from a three-bedroom flat in Holland Park Villas to a six-bedroom house in Cranley Place, South Kensington. There are both good opportunities for tenants to negotiate rates, and for investors to acquire properties at reduced prices: gross yields of 3.5% in PCL are around the best for 15 years.

PRIME CENTRAL LONDON PRIVATE OFFICE

ALEX CHRISTIAN
CO-HEAD, SAVILLS PRIVATE OFFICE

A London base retains its allure despite the headwinds

For an increasingly mobile global elite, London has not lost its lustre. To perhaps an unprecedented degree, families are splitting the way they live, moving between properties annually or seasonally, often following social calendars. As the conflict in the Middle East continues, London is a familiar safe-haven location to which they might easily relocate, albeit not necessarily lock stock and barrel.

The country may have lost some of its shine following recent changes to the UK's tax regime for internationally mobile individuals. However, the four-year FIG regime remains compelling within the global context and London's liveability and all-round offering often prevail when weighed against alternatives such as Milan, Monaco or Dubai: the grass is not always greener. Ultra-prime buyers are split between Europeans who wish to stay close to home, Americans drawn to the showbusiness and financial powerhouse of Europe, and senior members of sovereign families from the Gulf.

A brittle confidence in the market is somewhat offset by buyers taking advantage of opportunities provided by recent price falls. Resilience is most evident in the ultra-prime sector: London sales of £10 million or above in the second quarter of 2026 were up 24% on the same period last year.

Demand remains tempered by questions over the introduction of a wealth tax by the new prime minister. Yet two of the highest ever capital value sales – Chelsea's Providence House at approximately £275 million and Regent's Park The Holme at around £190 million – suggest that there are ultra-wealthy buyers still prepared to pay big sums for the generational opportunity to own the very best-in-class trophy assets in London.

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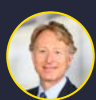

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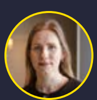

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