



Research

Prime Central London | Q3 2025

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JLL Prime Central London Report

Q3 2025

Prime Central London Overview

Average prices fell 7.8% annually in Q3 across Prime Central London, perhaps the first time this year that the sentiment across the market has been reflected in the data.

As we head into the final quarter of the year and think back to the past three, there is the sense that some buyers are beginning to shift their mindset: one from challenging environments to opportunity, reflecting on the value proposition, exchange rates and areas of relative affordability across Prime Central London.

JLL analysis of popular commuter towns across the home counties reveals those trading in larger homes outside of London can now access 67% more space across Central London than they could have done a decade ago.

But with wealth transferring into younger hands, there is increasing opportunity for younger generations to invest in central London homes while prices are down.

In the sales market, the picture remains unchanged from previous quarters this year.

The lower end of the market holding up sales volumes, while remaining most price sensitive.

In the lettings market, annual rental growth continues to moderate. Smaller and more affordable rental homes are still in highest demand as they have been throughout the year.

Looking forward, regulatory changes across the rental market could see fewer properties available to let, putting upwards pressure on rents again over the next few years.

Table no. 1

PCL Overview - Q3 2025

PCL Market – Q3 2025	Sales	Rents
Annual change in values	-7.8%	0.5%
Annual change in transactions/letting volumes	-14%	2.2%



The JLL PCL Index recorded a **-7.8%** change in average prices and a **0.5%** change in average rents over the past year.



+4.2% annual increase in the number of homes sold under £2million and **+5.8%** more homes let at £500-£1,000 pw.



Prime Central London market provides investment opportunities during the Great Wealth Transfer



Prime Central London Sales

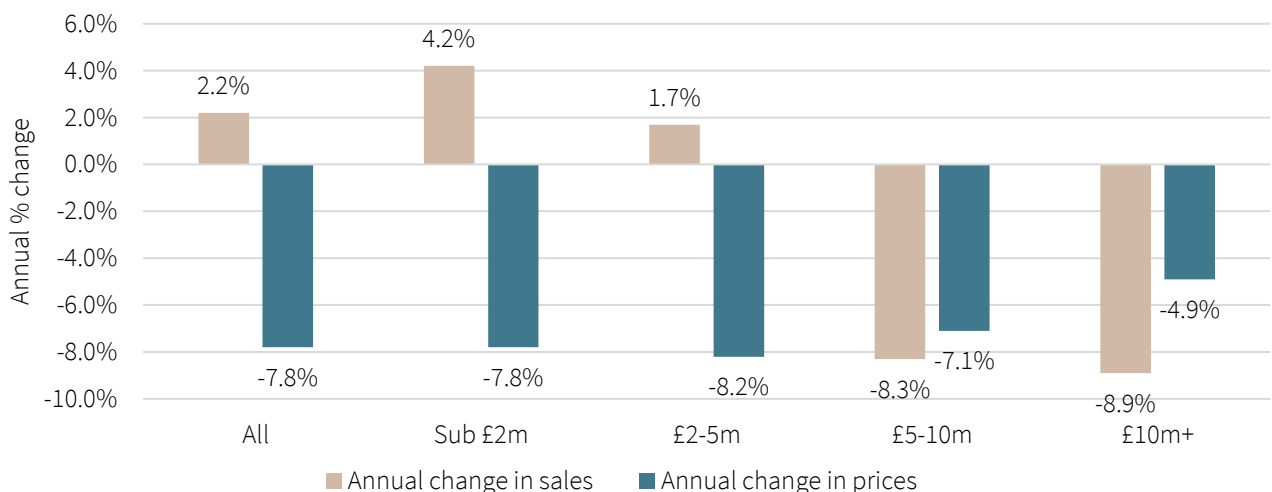
Despite prices down 7.8% annually in Q3, annual sales remain 2.2% higher in the year to Q3 2025, than this time last year, influenced largely by the sub £2million market.

Data shows there were 1,909 sales across Prime Central London (PCL) in the year to Q3 2025, with sales of homes under £2million accounting for 66%. Although busier, this end of the market has been more price sensitive this year, with average prices down 7.8%.

Activity at the top end of the market remains stagnant, as it has been during much of 2025. Sales for homes priced £10million or higher are significantly lower than those priced under £2million. But prices here remain more robust, down just 4.9% annually. An area of the market dominated by wealthy, often international, and discretionary purchasers, is still seeing little signs of distress. The absence of these buyers is likely to remain through to the end of the year, with the delayed November Budget creating additional uncertainty.

Figure no. 1

Number of properties sold vs. annual change in prices



The role of Prime Central London in the Great Wealth Transfer

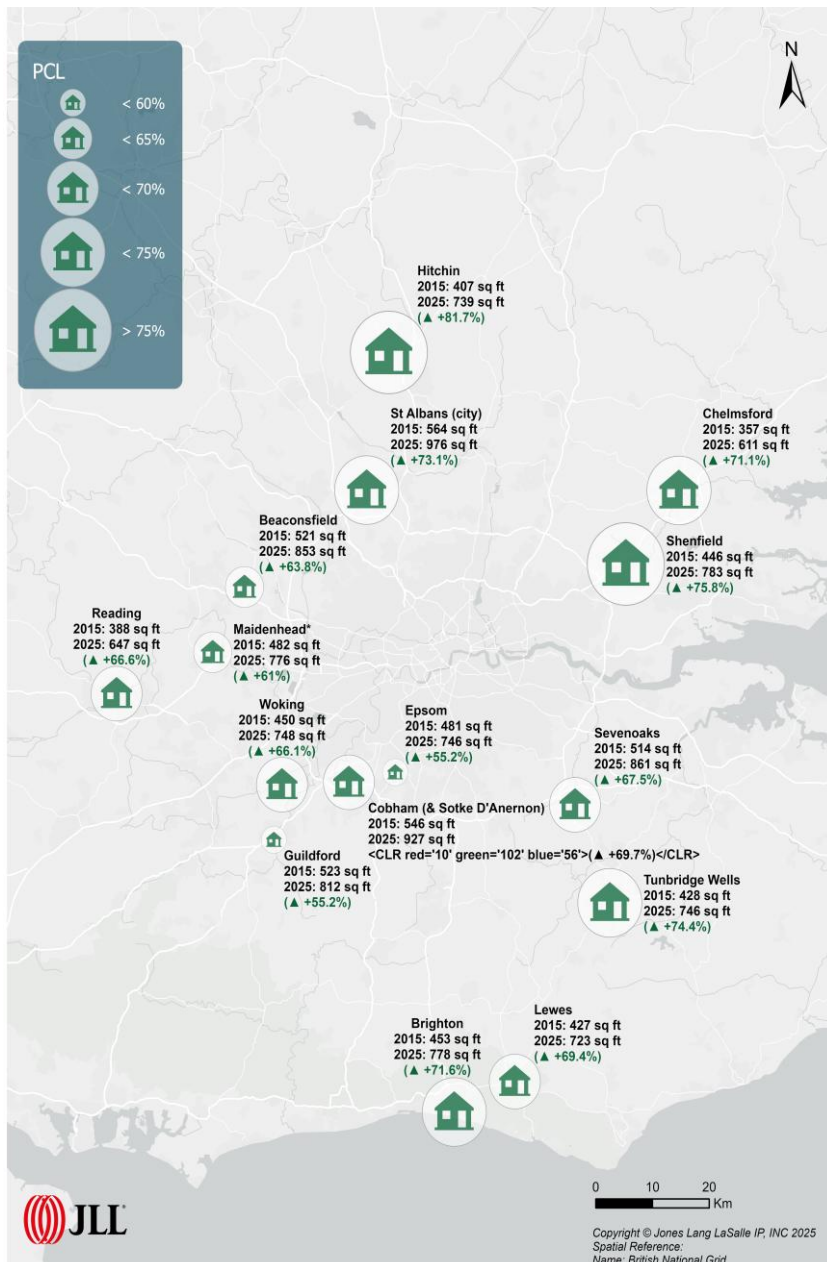
The gradual decline of the central London housing market since its 2014 peak means that average values (per square foot/psf) are now down 19.1% over the decade. For some, this has created opportunities.

JLL analysis of average price in fifteen popular commuter towns across the home counties reveals that buyers can now access 67% more space across Prime Central London than they could have done ten years ago.

A decade ago, a large 2,500sqft home in a commuter town could have bought you just over 450sqft in Prime Central London.

Figure no. 2

How much could a large home in the commuter belt buy in Prime Central London?



Fast forward ten years, the decline in values across PCL coupled with the large increase in values outside of London, means that those downsizing or trading in a large home would be able to purchase almost 800sqft in prime central London today.

But this isn't just about downsizing opportunities. The Great Wealth Transfer is coming increasingly into focus of investors and financial advisors alike.

A recent survey conducted by *Capital Group X The Financial Times* found that an increasing amount of wealth is transferring from 'boomers to zoomers', missing out generations with wealth being passed directly to grandchildren.

40% of women and 30% of men surveyed said they wish they had invested more with their inheritance.

Prime Central London provides a pivotal opportunity for younger beneficiaries of inheritance, those who are not ready to let go of their lifestyle in London.

Source: JLL Research, DataLoft using LandRegistry

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There has been a gradual alignment in the sales and lettings market this year.

Smaller, more affordable rental homes remain in highest demand. Landlords letting homes in the higher price brackets are experiencing greater discounts from asking rent, as tenants reach their affordability limits. The absence of wealthy international residents means reduced demand for rental homes at the top end of the market.

Meg Eglington

Associate, UK Residential Research





Prime Central London Lettings

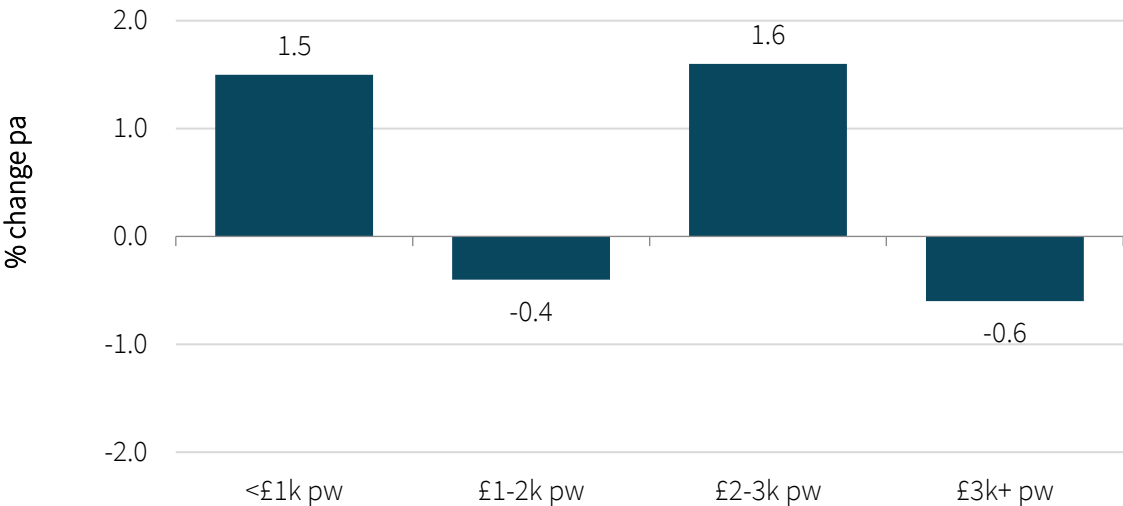
Rents across Prime Central London rose 0.5% in the year to Q3 2025, slowing from 1.4% the previous quarter. Despite a flurry of seasonal activity, average rents are now beginning to stabilise.

There were over 1,500 homes let across PCL in Q3, up 51.4% on the previous quarter and 2.2% on the previous year.

The increase in letting activity in Q3 was driven solely by flats and smaller properties; the number of flats let in Q3 rose 57.6% over the quarter, while the number of houses let fell 4%. Smaller and more affordable properties have been in high demand, underpinned by graduates and overseas students securing homes. The number of homes let between £500-£1,000 per week is up 5.8% on Q2.

Figure no. 3

Annual change in rents by price band



Source: JLL Research, LonRes

There has been a gradual alignment in the lettings and sales market across Prime Central London this year. Like the sales market, demand has become greatest for smaller and more affordable rental homes, with agents reporting consistent demand for homes to let under £1,000 per week. While increased activity hasn’t necessarily transpired into significant rental increases at this end of the market, landlords are tending to achieve the asking rents in most cases; the average discount to asking rent being just -1.8% for homes let under £1,000 per week.

This increase in activity has been driven by the usual indicators for this time of year: graduates, overseas students and families moving before the start of school term. The latter is reflected in the 1.6% annual increase in rents seen for homes let at £2,000- £3,000 per week.

At the top end of the market, landlords are experiencing more tenants expecting greater rental discounts. The average discount to asking rent for homes let at £2,000 or more per week, was -7.2% in Q3. While arguably some tenants, even across Prime Central London, have reached the thresholds of rental affordability, fewer wealthy international residents appears to be affecting the rental market in the same way as the sales market.

-2.1%

Average discount off asking rent for homes under £2,000 per week, versus -7.3% for homes let at more than £2,000 per week.

+1.6%

Annual change in rents of homes let between £2,000-£3,000 per week as July sees flurry of family relocations.

Figure no. 4
Average discount off asking rent



Source: JLL Research, LonRes

JLL Forecasts

At JLL we typically try to limit our re-forecasts to twice yearly, usually May and November. With the Budget later than usual on 26th November we’re delaying our five-year update this year to early December. But in the meantime, we’re looking again at our short-term outlook.

The central London market has been hardest hit by changes to taxation, with successive increases to higher end rates of stamp duty, additional property surcharges and changes to the non-domiciled regime all impacting demand. Combined with a higher proportion of discretionary purchasers, many of whom can and will wait to transact, and increased uncertainty around the impact of the Budget on wealthier households, has all resulted in a continued slowdown in interest from prospective buyers.

With buyers waiting for clarity post-Budget, we now expect prices across central London will end 2025 down 5 per cent on 2024 (across both existing and new homes), against our previous forecast that prices would remain flat. Certain postcodes are expected to be harder hit than others, with markets traditionally appealing to a higher proportion of overseas buyers seeing more significant falls than more domestic markets which could prove more resilient.

Market dynamics could shift significantly post-November 26th. Fundamental strengths persist due to limited new inventory and accumulated pent-up demand. The prospect of more clarity following the Budget - in some ways regardless of specific announcements - could, therefore, kickstart activity once again. But until then, much of the market - especially at the higher end - remains in wait-and-see mode.

Table no. 2

JLL Central London forecast – October update

	Central London prices	Central London rents
2025	-5.0%	2.0%
2026	1.0%	3.0%
Change 2025-2029	10.0%	18.7%

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About JLL Research

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JLL's Residential and Living team consists of over 300 professionals who provide a comprehensive end-to-end service across all residential property types, including social housing, private residential, build to rent, co-living, later living, healthcare and student housing.

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