

Research

Prime Central London | Q3 2026

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JLL Prime Central London Report

Q3 2026

Prime Central London Lettings

Key Themes – Q3 2026



Average rents across PCL rose 0.8% over the quarter, but high stock levels limit further growth.



The top end of the lettings busier as uncertainty in the sales market increases demand for rentals.



Renters' Rights Act – the number of homes let at more than £100,000 per annum rose 22% annually.



There were almost 4,600 homes to let on the market at the end of Q3, up 8% annually.

Prime Central London rents rose 0.8% over the quarter in Q3 and are 0.5% higher than a year ago. Student demand gave the market a late-quarter boost, while the wider market has returned to full seasonality – activity was 3% above Q3 2025.

But the real story this quarter is the top end of the market. The annual number of homes let at more than £3,000 per week rose 14% year-on-year. Due in part to landlords increasing rents to tip them into the £100,000+ per annum bracket, to exempt the lease from the Renters' Rights Act.

The number of homes let at more than £100,000 per year rose 22% annually. Since the Act came into force on 1 May 2026, monthly lettings have run 27% above the January-April average (the four months leading up to the Act).

Many wealthy residents, particularly international, are choosing to rent rather than buy this year; a common theme in an uncertain market.

Stock is building again after heightened activity levels in Q2 absorbed excess stock on the market. The supply of homes above £2,000 per week has more than doubled over the quarter. Despite strong demand at the top end, tenants having greater choice has resulted in the discount to asking rent widening from 5.8% in Q2 to 7.3% in Q3 for this price bracket.

Prime Central London Sales

Key Themes – Q3 2026



*Average prices **fell 1.4% over the quarter**, with prices 7.2% lower annually.*



Fewer international buyers, with many renting instead.



The top end of the market remains robust. There were 4% more homes sold for £10m or higher annually.



*There were just over **4,000 homes on the market for sale in Q3 2026**, 3.3% fewer than a year ago.*

Average prices across Prime Central London fell 1.4% over the quarter, bringing annual price falls to 7.2%. Both figures are an improvement on Q2 (-2.3% quarterly and -7.7% annually). The pace of decline has been slowing for a few quarters now and reflects a market that is losing momentum, as opposed to one in distress.

Activity has held up better than prices. There were more than 450 homes sold in Q3, down 11% on Q2 volumes but roughly in line with Q3 last year. A strong July, with almost 200 sales, helped to underpin activity this quarter – the third most active July in a decade.

The top end of the market been most resilient this year and has continued to display strength in Q3. The number of homes sold for more than £10million was 4% higher in Q3 2026 than a year prior, the only price bracket to record growth in annual sales volumes.

Wealthy buyers, particularly international, have not left Prime Central London. Many are choosing to rent rather than buy while the UK's economic and political outlook remains turbulent.

Domestic buyers have returned selectively, mostly below £5million, and are being drawn to smaller homes. Suggesting buyers are beginning to see value in Central London.

The market remains price driven – transactions are being led by motivated sellers who price accurately, while demand for reasonably priced homes remains strong.

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Pricing remains critical. Sellers who are realistic are the ones transacting, while increased rental stock is limiting rent growth despite strong activity.

The underlying demand we are seeing in the lettings market could mean the sales market is in a stronger position once conditions improve.



PCL: Markets by segment

Rising mortgage rates, uncertainty and fewer international purchasers have had a profound effect on the Prime Central London market over the past decade. A combination of all three over the past couple of years, has meant the lower, mid and upper ends of the market have seen clear divergences in activity, prices and demand.

Lower-end of the market

There were just over 300 sub £2million sales in Q3, making up 68% of total sales volume. Domestic buyers are behind much of this activity; while they have returned to the PCL market, they are being selective and most active at the lower and mid tiers of the market.

Agents have been reporting strong interest in smaller flats from domestic buyers, bought as second homes or as long-term investments for children, with many beginning to realise significant value being offered across pockets of Prime Central London.

The outlook for the lower-end of the market through to year-end is more cautious, however. Despite increased interest from domestic buyers, pricing at this end of the market remains sensitive to changes in mortgage rates. Moneyfacts reported the average two-and five-year fixed rates reached almost 6% in October.

With rates expected to remain elevated for the rest of the year, we expect demand for homes at the lower end of the market to remain subdued through to year-end.

As with other areas of the PCL market, transactions will be led by motivated sellers, with demand concentrated on well-priced homes.

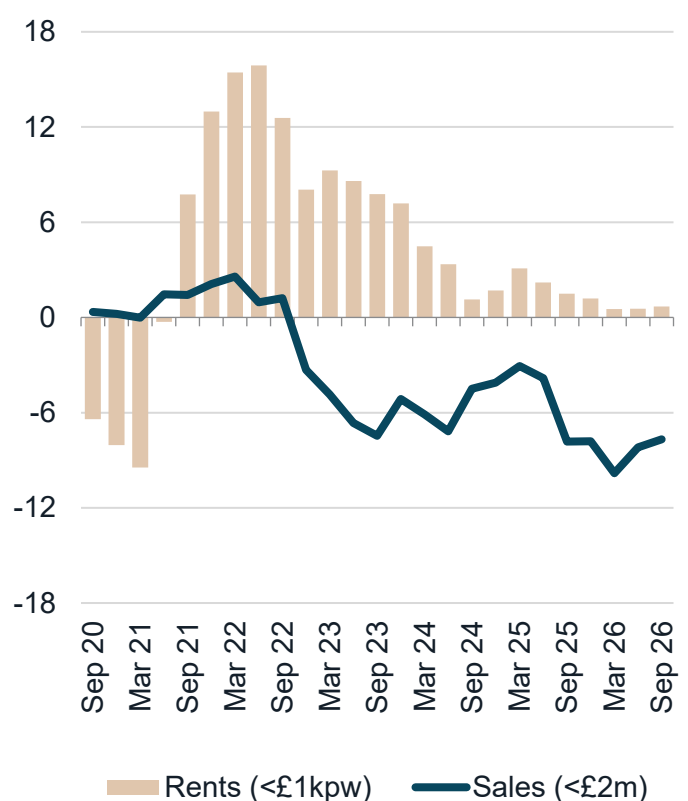
The lower end of the lettings market (homes let for less than £1,000 per week), saw the usual seasonal pick-up in Q3, with the number of homes let up more than 50% on Q2. Activity was 4% lower than in Q3 2025 however, driven by the most affordable homes on the market. Lettings below £500 per week fell 13% year-on-year, the only price bracket to see annual lettings volumes decline.

Supply is rising again in the market. More than 500 homes were listed to rent below £1,000 per week in Q3, and in the sub £500 bracket, there were 44% more homes to let than a year ago.

Rents for homes let at less than £1,000 per week rose 0.7% over the quarter, and year, respectively.

Figure no. 1

Annual change in values at the lower end



Mid-market

With fewer domestic buyers than the lower end of the market, and fewer international purchasers who would normally support it, activity in the mid-market has been subdued over the past year.

Just over 130 homes sold between £2-£10million in Q3, 13% fewer than a year earlier. There were signs of life in the mid-market early this quarter though. Increased interest from international buyers prompted domestic purchasers to move more quickly, which increased competition and briefly narrowed the discount to asking price for homes sold between £5-£10million to 6.8% in July. This was short-lived though, and the discount ended the quarter at 12.7%, above the PCL average of 11.7%.

In the lettings market, the discount to asking rent sat at 3.5% in Q3, marginally above the PCL average of 3.1%.

The mid-market for lettings (£1-2k per week) had a strong quarter, with more than 400 homes let in Q3 – the highest quarterly number since Q3 2019 and 19% higher than Q3 2025.

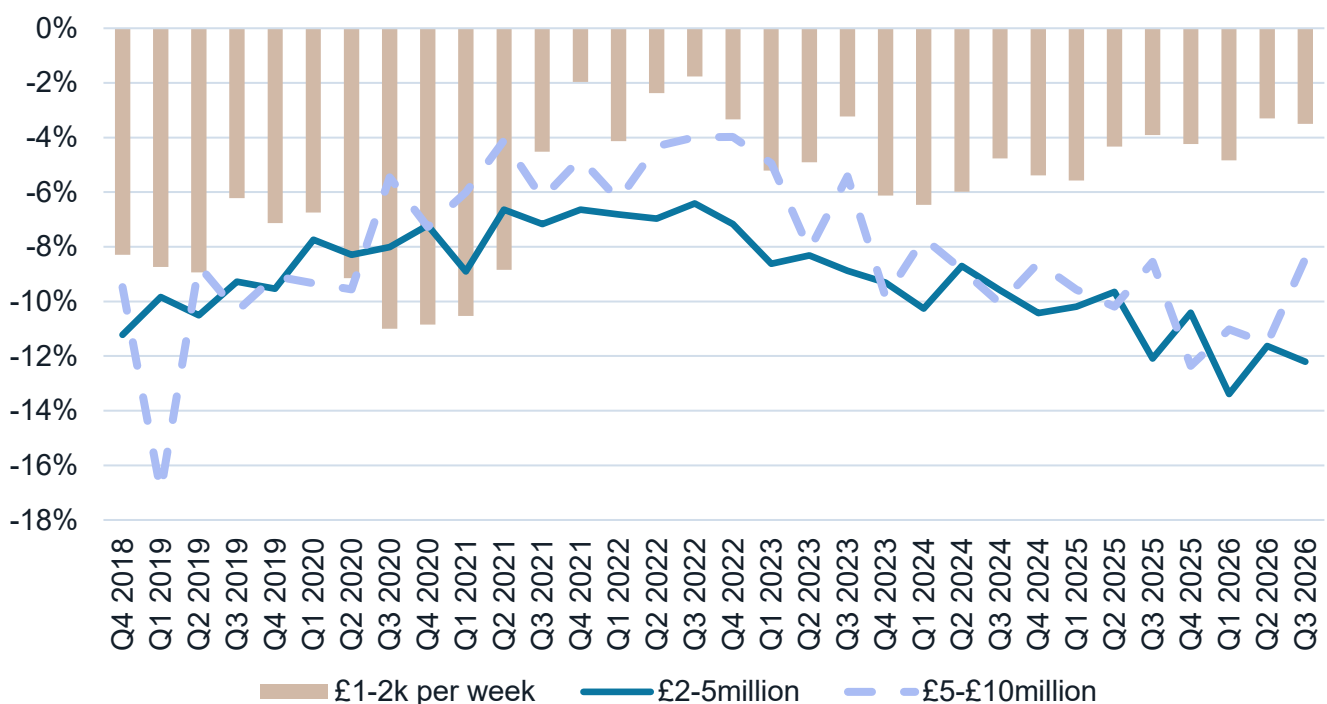
Supply was also high, with the number of homes listed to rent in this bracket up 45% in Q2. Last-minute searches by students are likely to have added to demand and help absorb some of this stock.

Demand for mid-market rentals is reflected in rental growth. Rents in the £1-2k per week rose 0.9% over the year, which although modest, is ahead of the PCL average of 0.5% annual growth in Q3 2026.

In the sales market, the average price of homes sold for £2-£5million fell 7.3% annually, while prices in the £5-£10million bracket fell 6.7%.

Figure no. 2

Discount off asking price softens for £5-£10million bracket as international buyers briefly returned to the market in July.



Source: JLL Research, LonRes

Top end of the market

International demand has not left Prime Central London; it is renting instead. The top end of the lettings market (£2,000 or more per week) was the standout story in Q3. The annual number of homes let at more than £3,000 per week reached 338, the highest on record and up 14% year-on-year.

The number of homes let at more than £100,000 per year (equivalent to roughly £2,000 per week), which are exempt from the Renters' Rights Act, rose 22% annually. Since the Act came into force on 1st May 2026, monthly lettings in this bracket have run 27% above the January-April average, the four months leading up to it. Some of this increase may reflect landlords raising rents to move homes into this bracket.

Despite record activity levels, rents at the top end haven't really moved – average rents of homes let at £2-3k per week fell 0.4% annually, with rents achieved for homes let at £3k or more per week rising 0.6% annually. This is largely reflective of the volume of stock on the market – the number of homes available to let at above £2,000 per week more than doubled over the quarter. This means tenants have had greater choice and have been

able to negotiate greater discounts on asking rent, which widened from 5.8% in Q2 to 7.3% in Q3.

An active top end of the lettings market can explain why the sales market has felt quiet this year. Wealthy buyers are wanting to keep a presence in Prime Central London, but they are holding back from purchasing amid uncertainty over the UK's economic and political outlook – and indeed a turbulent global one.

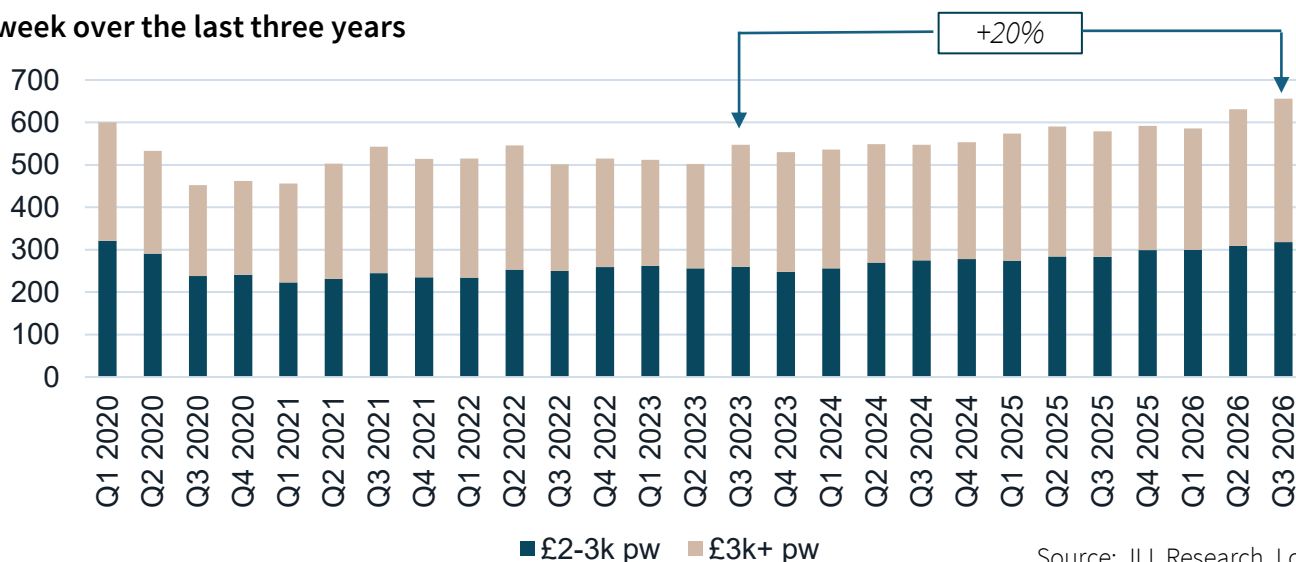
There has been a steady stream of activity at the top end of the sales market though, with the annual number of homes sold at £10million or more up 4% annually in Q3 – the only price bracket to record growth in annual sales volumes.

The JLL index shows average prices at the top end of the market (£10million or more) fell 6.5% annually in Q3, the smallest fall of any price bracket. Houses have been most resilient, with average house prices across PCL down 4.9%, compared with 7.8% for flats.

Looking ahead, record activity at the top end of the lettings market suggests there is underlying demand for Prime Central London homes. Once conditions settle, this could leave the sales market in a stronger position once buyers are ready to commit.

Figure no. 3

Top end lettings: a 20% increase in the annual number of homes let at more than £2k per week over the last three years



Source: JLL Research, LonRes

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