

Quarterly Insights

Winter 25/26

London

Expanding our foothold in the Capital, with our flagship brands affording access to global as well as local investors.



Chase Evans

Adam Holden
Managing Director



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Duncan Blakelock
Managing Director - Lettings



Kinleigh Folkard & Hayward

Esmee Jones
Managing Director - Lettings



Kinleigh Folkard & Hayward

Lisa Mackenzie
Managing Director - Sales

We deliver a comprehensive range of estate agency and property services across London, priding ourselves on providing unrivalled service, communication and results to both national and international clients.



“Property remains a strong long-term investment as demand sustains; confident players with a clear investment strategy complemented by the right advice will secure the best outcomes.”

John Ennis
Chief Revenue Officer

A clearer picture in the Capital

Educating the sector

The London lettings market proved resilient in 2025. Despite sector challenges and regulatory changes, average rents in the Capital increased modestly, and both the suburban and inner-city markets of London remained stable, demonstrating ongoing confidence from landlords and tenants alike.

While some landlords considered selling in response to new compliance obligations, the current landscape means this is not the most financially prudent choice. Decisions driven solely by concerns over the Renters’ Rights Act (RRA) often result in selling at a reduced price or otherwise undermining long-term returns. The most strategic solution is to take advice and enlist the support of a professional managing agent.

A skilled agent can manage day-to-day operations, provide tailored guidance and educate landlords on compliance and strategy, all while maximising returns. Providing this service to landlords saw the supply of property to let increase 3% in 2025 when compared to 2024, contradicting the media noise of landlords exiting the market in their masses.

With the RRA taking effect in May, we’ve supported landlords through updates and in-person events attended

by landlords and other London agents seeking guidance from our experts.

Demand for Rent & Legal Protection (RLP) is expected to grow further from May onwards, following a 55% increase in uptake in 2025, particularly as tenants gain the ability to challenge rent increases. RLP policies will ensure landlords are paid the increased rent during the period before decisions are issued by the First-tier Tribunal, which is coverage that many standard insurance policies do not offer.

A summer for students

The summer of 2025 was quieter for lets in the city and Purpose-Built Student Accommodation (PBSA), largely due to fewer international students arriving. Universities increased pass requirements for English language courses, which prevented enrolments; however, looking ahead to summer 2026, we expect demand to rise as students are now aware of the requirements and can ensure these are met.

Overseas investors continue to purchase property for their children attending British schools, removing their need to rent throughout their education, and these purchase decisions are typically driven by personal factors such as proximity to friends or work and study, rather than

yield or legislative factors, though they are sound investments in the long term.

Improved conditions

The London sales market remained cautious throughout 2025, particularly post the stamp duty threshold change, with activity tempered by uncertainty surrounding the Budget. However, as clarity returned and interest rates began to fall, momentum strengthened. At the start of 2026, the market has picked up noticeably, with demand now outpacing supply in many areas. Buyers are having to act decisively to secure high-quality properties in prime locations.

London continues to offer a stable and resilient environment for capital investment. Demand is underpinned by the city’s diverse labour market and a steady influx of graduates and professionals seeking accommodation to rent or buy, often supported by the bank of Mum and Dad.

While property remains a compelling long-term investment, the timeline for returns may be longer than in previous cycles. In this evolving regulatory landscape, investors benefit significantly from the support of an experienced managing agent, particularly as increasingly stringent legislation leaves little margin for error.

LETTINGS

Increased supply shows quiet confidence in the market.

Supply

New Instructions

▲ 3%

2025 vs 2024

Market Rent

Average Rent

▲ 1.5%

2025 vs 2024

SALES

Change in 2025 left the market poised to unlock.

Demand

Buyers

▼ 5%

2025 vs 2024

Supply

New Instructions

▼ 9%

2025 vs 2024



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