

Quarterly Market Update

Q3 | 2025

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



draker.

KFH

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.

LETTINGS

Activity in the London lettings market continues.

Activity

Renewals

▲ **8%**

Q3 2025

Chase Evans data

Activity

New instructions

▲ **19%**

Q3 2025

2,873 vs 2,422 Q3 2024

SALES

Subdued activity points towards a market awaiting policy announcements.

Supply

Buyers

▲ **0.2%**

Q3 2025

11,248 vs 11,226 Q3 2024

Activity

Sales agreed

▼ **-16%**

Q3 2025

1,263 vs 1,502 Q3 2024



“Basing decisions on anticipated Budget outcomes is speculative. Clients should act according to their individual circumstances and best interests, rather than waiting on policy announcements.”

John Ennis
Chief Revenue Officer

Resilience and growth in a shifting landscape

Momentum returns amid cautious optimism

The London market continues to demonstrate resilience amid political and economic uncertainty. While Q3 began with subdued momentum, Kinleigh Folkard & Hayward and Chase Evans saw an uptick in August: increased buyer interest driven by a steady flow of well-presented stock.

Lomond’s coverage expanded in the Capital in Q3 with acquisitions including Draker, Glenthorne Properties and Eddison White into Kinleigh Folkard & Hayward, further solidifying the presence in the South West.

In sales, quality is king. Properties that are thoughtfully staged and priced accurately are attracting motivated buyers, even as broader sentiment remains cautious. Suburban areas are proving more robust, with life events – family changes, job relocations and personal circumstances – continuing to drive transactions. In contrast, Central London is feeling the weight of political speculation.

Buyer behaviour continues to evolve. Search radii are widening, with buyers following stock rather than fixating on specific postcodes.

Navigating rental reform

For landlords, with repossession concerns rising and court delays

stretching timelines, Rent & Legal Protection (RLP) offers a vital layer of protection – covering lost rental income and up to £100,000 in legal costs. It’s a practical safeguard that supports confident decision-making in an evolving legal landscape.

Buy-to-let investors are less active, deterred by legislation and Stamp Duty. Instead, more accidental landlords are appearing – those unable to sell – stepping into the lettings space. With prices softening and demand remaining high, we expect Q4 to be strong for rentals.

Chase Evans anticipates a seasonal slowdown in lettings, consistent with pre-pandemic patterns. Rent prices are fluctuating, with April and year-end typically lower.

Lettings in motion

London’s lettings market remains active, with KFH reporting a 7% year-on-year rental uplift in some areas, particularly among sharer households. The market is being shaped by boomerang landlords – those who attempted to sell but returned to lettings – and fall-throughs, both of which are boosting supply.

Tenant caution is growing, driven by cost-of-living pressures and uncertainty. However, demand remains strong, especially for 1–2 bedroom flats. At Chase Evans, we saw identical

transaction volumes in August and September compared to the year prior.

Popular hotspots include Elephant & Castle and Stratford/E20, where high-rise developments are performing well. Offshore landlords, though less affected by domestic Budget changes, are seeking reassurance from experts.

Strategy over speculation

With growing concern around potential tax changes for primary residences, waiting for the Budget is not always the prudent approach. Speculation creates unnecessary anxiety and decisions should be made on personal needs – not political anticipation.

Auctions via iamsold are gaining traction, offering a faster route to completion. As Q4 progresses, Christmas will serve as a natural deadline; and looking ahead, we expect Q1 to return to traditional high-season patterns for sales activity.

In a market shaped by speculation, clarity is the new currency. Strategic decisions, not reactive ones, will define investor success.

London’s market remains complex but navigable. Whether our clients are selling, letting, or investing, we are here to help them act with clarity and confidence – not fear.



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