



The London Buyers' Briefing

Nick Maud – Lead Analyst

Hamptons

THE HOME EXPERTS

2026 – the story so far...

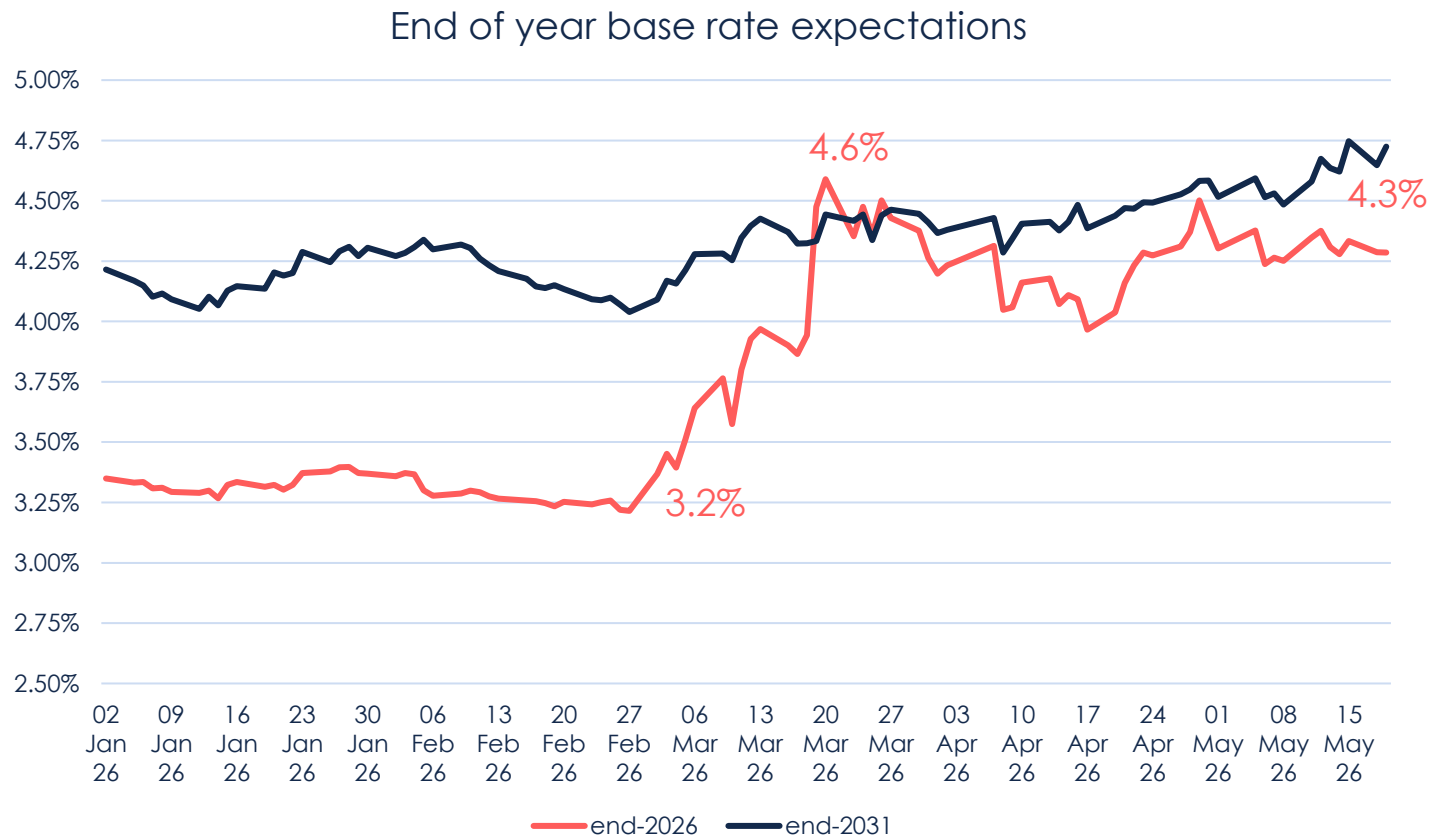


At the start of the year, confidence had returned to the market...

...but events in Iran disrupted global energy markets...

...impacting the cost of debt in the UK

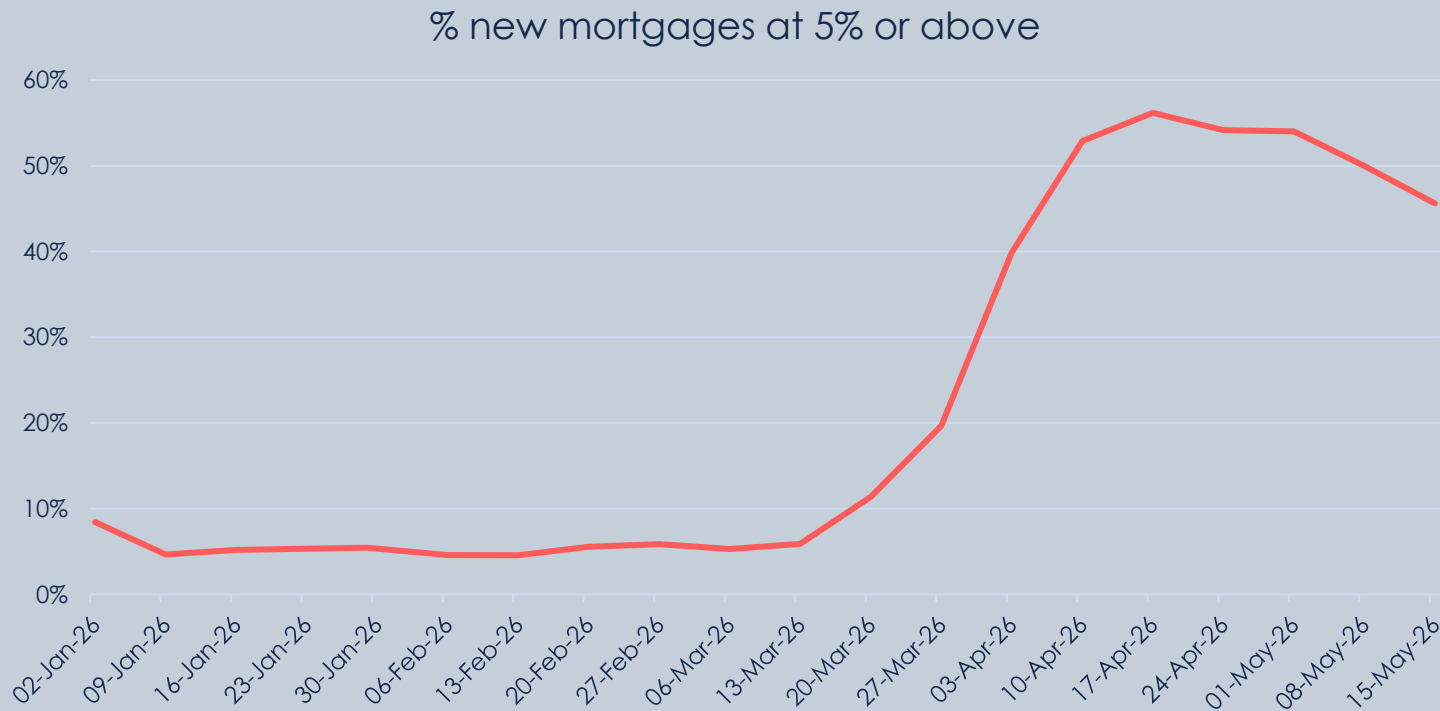
Financial markets have raised their rate expectations



Source: Bank of England

- In mid-Feb, financial markets were expecting two base rate cuts by the end of the year.
- But by mid-March, markets were expecting three hikes.
- Markets have since rowed back on these expectations, but are still pricing in rate hikes.

Mortgage markets have responded quickly



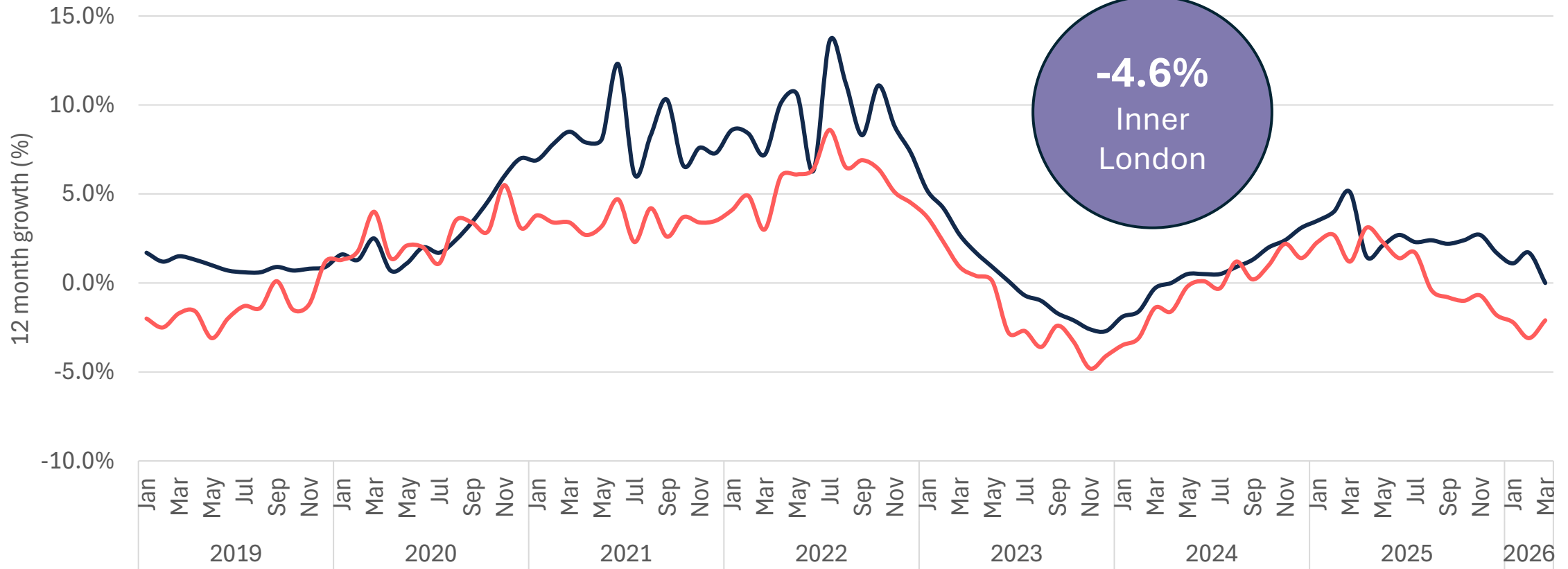
- The average mortgage rate secured rose from 4.20% in January to **5.02% in May**.
- **48% of all new lending** is now agreed at a rate of **5% or above**, up from just 5% in January.
- Two-year fixes remain cheaper than five-year, suggesting markets expect interest rates to remain elevated.

Source: Hamptons Research using Connells Group data

House price growth

Annual House Price Growth since 2019

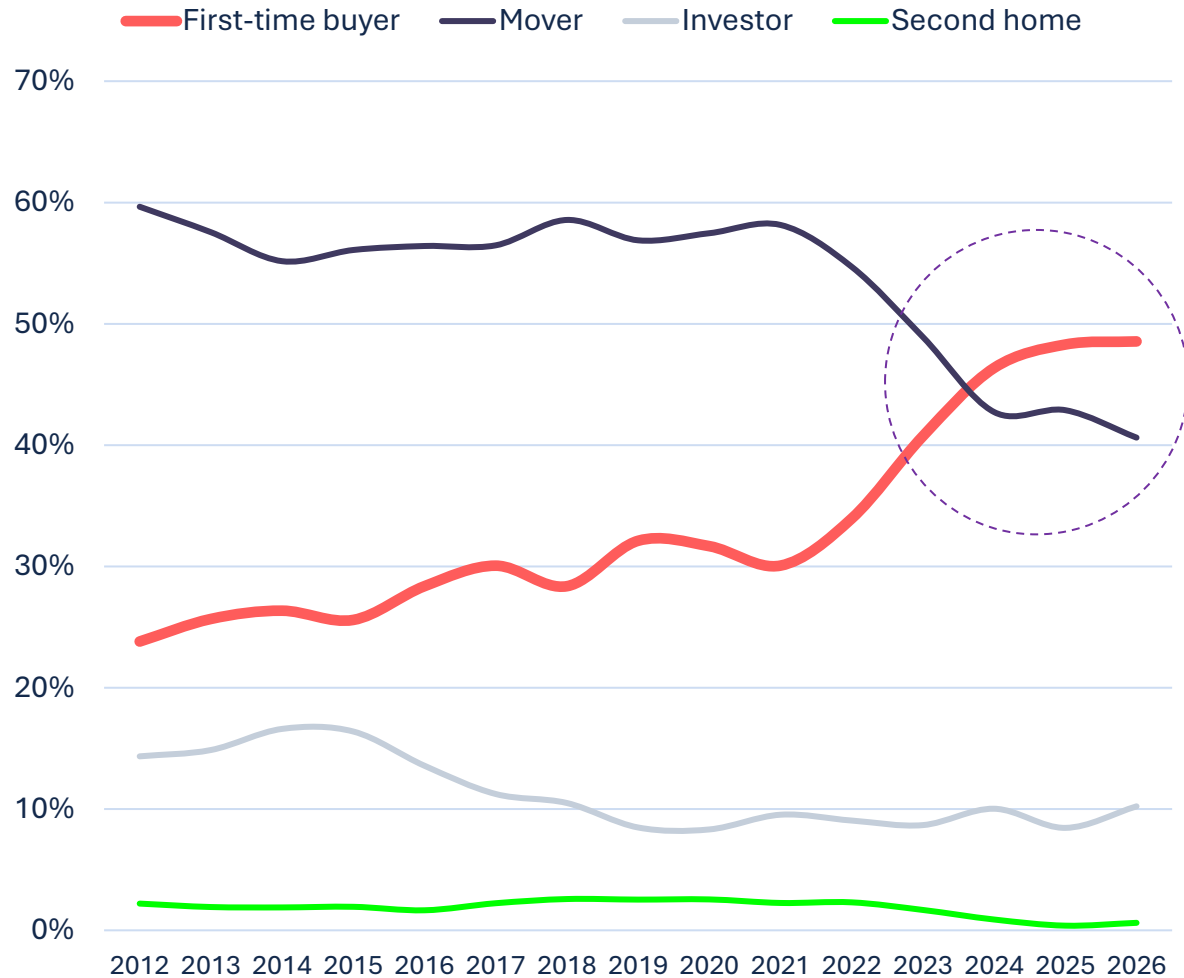
— UK — London



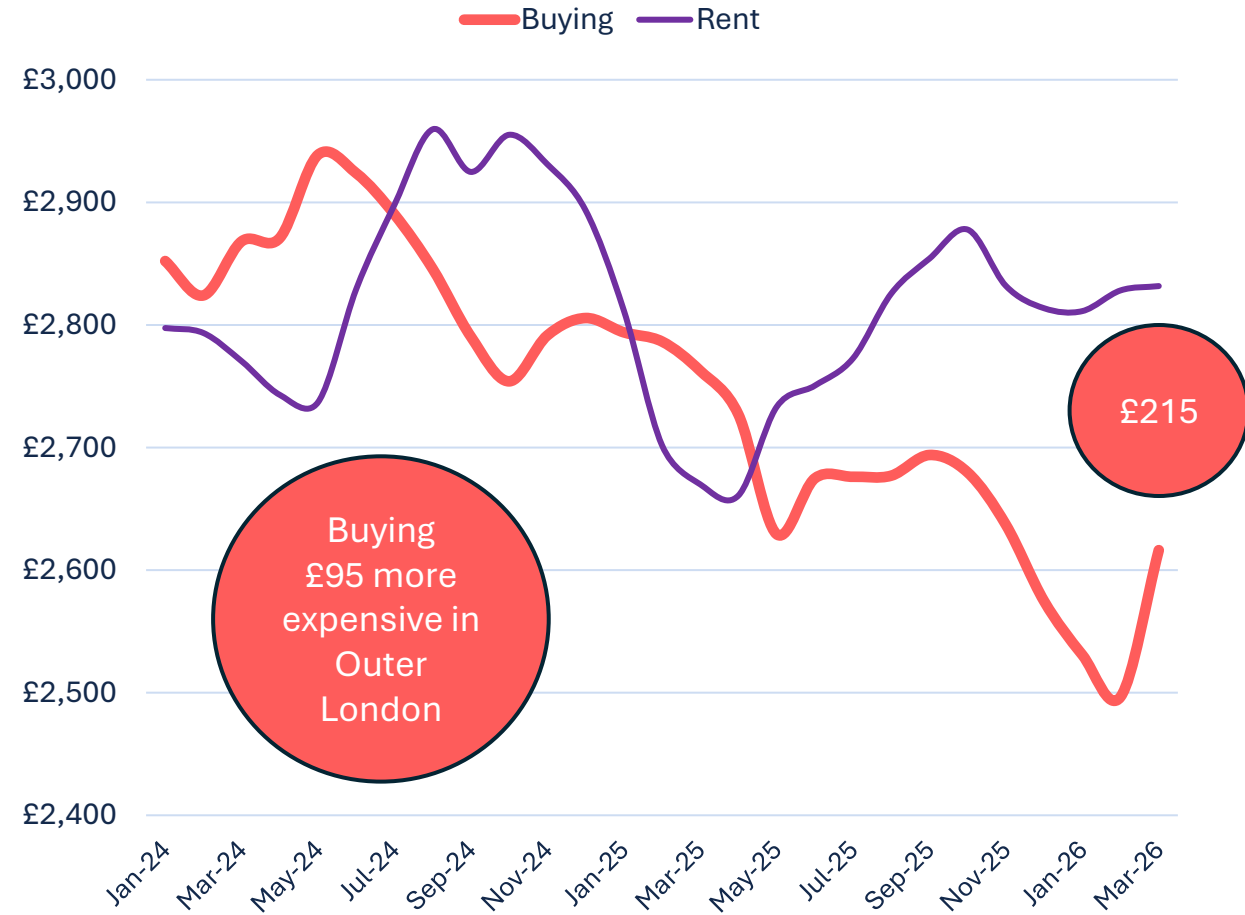
Source: Hamptons Research using ONS UK House Price Index, March 2026

First time buyers and affordability

Buyer type share % in London



Inner London – monthly expenditure, buying vs renting



Source: Hamptons Research using Connells Group data

Prime London pressures – more than a decade of disruption

2014/15
SDLT
revisions

2016
2nd home
3% SDLT
surcharge

2021
Overseas
buyer SDLT
surcharge

2024
2nd home
5% SDLT
surcharge

2024
IHT
thresholds
frozen until
2031

2015
CGT
extension

2016
EU
referendum

2020/21
Pandemic
- ensuing
inflationary
pressure

2025
Abolition of
'non-doms'
tax status

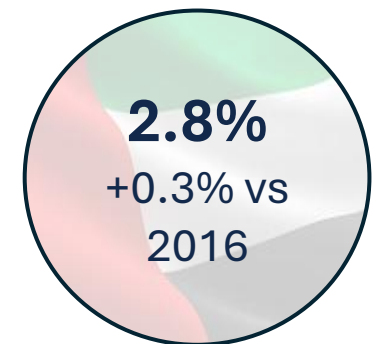
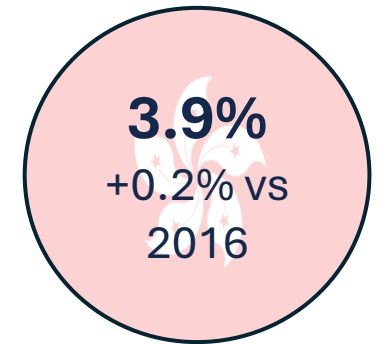
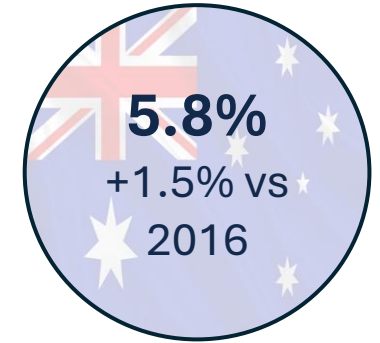
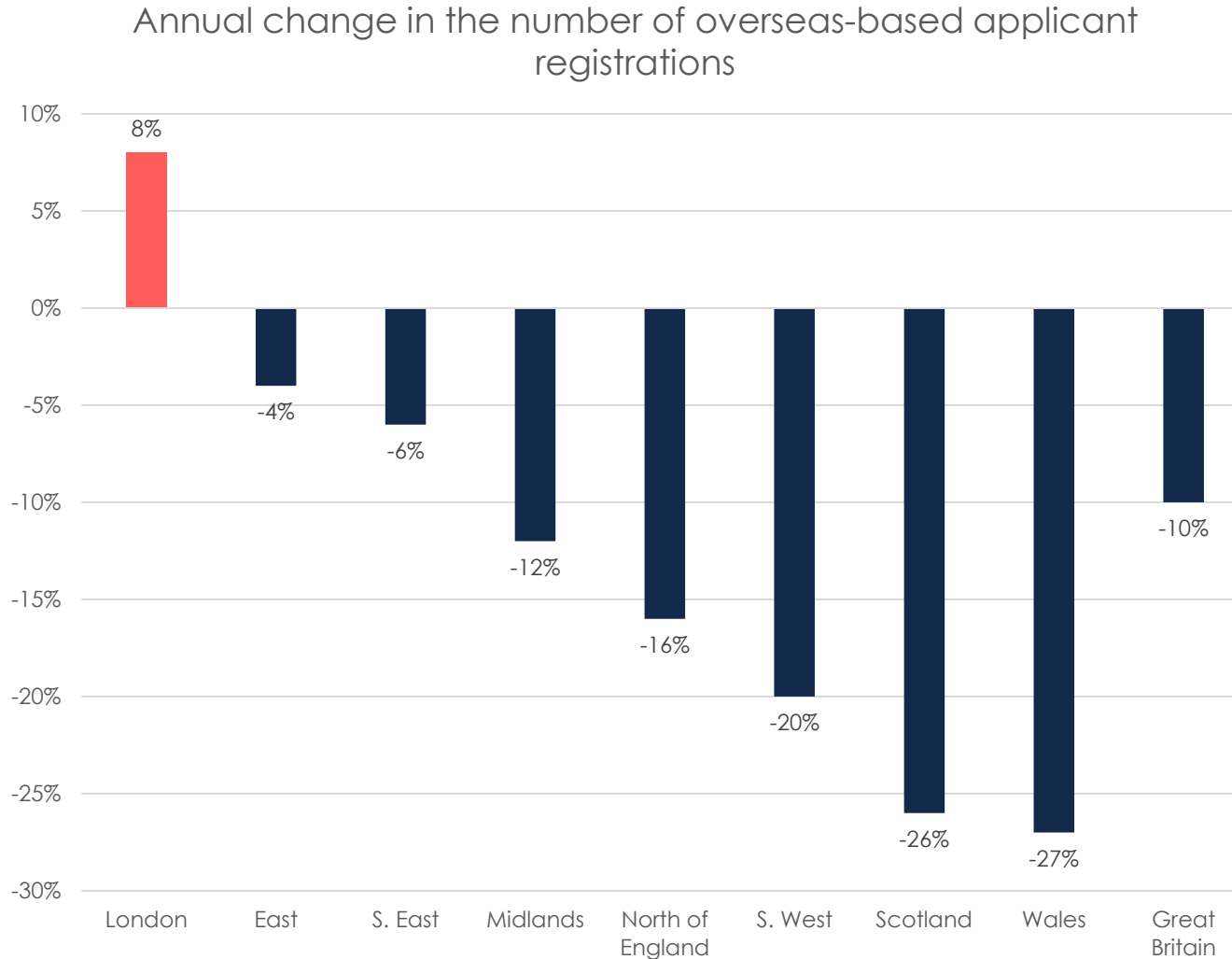
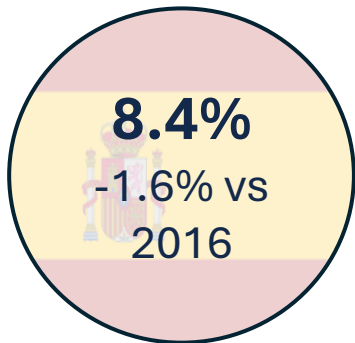
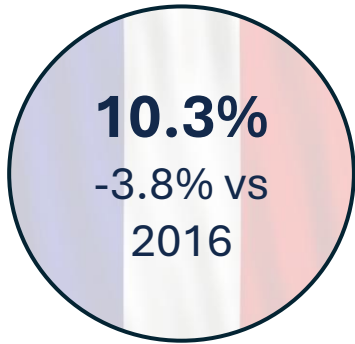
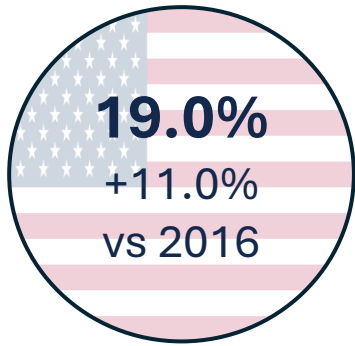
2025
'Mansion
tax'
Council tax
surcharge
above £2m

Truss
mini-
Budget

Ukraine

Iran

International buyers



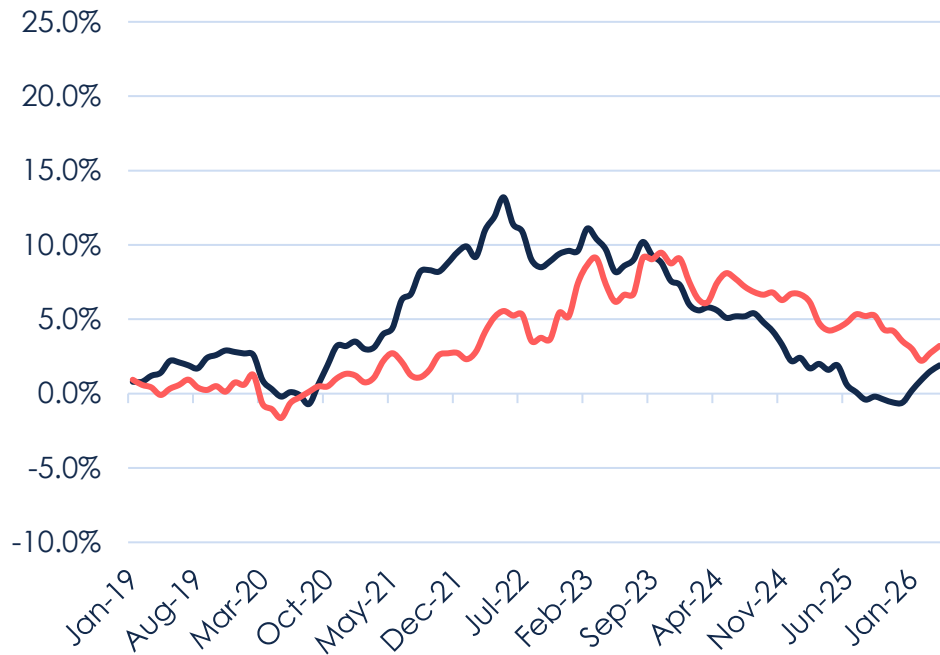
Rental growth begins to rise

+1.9%
Great
Britain

£1,396
5th month
of
increases

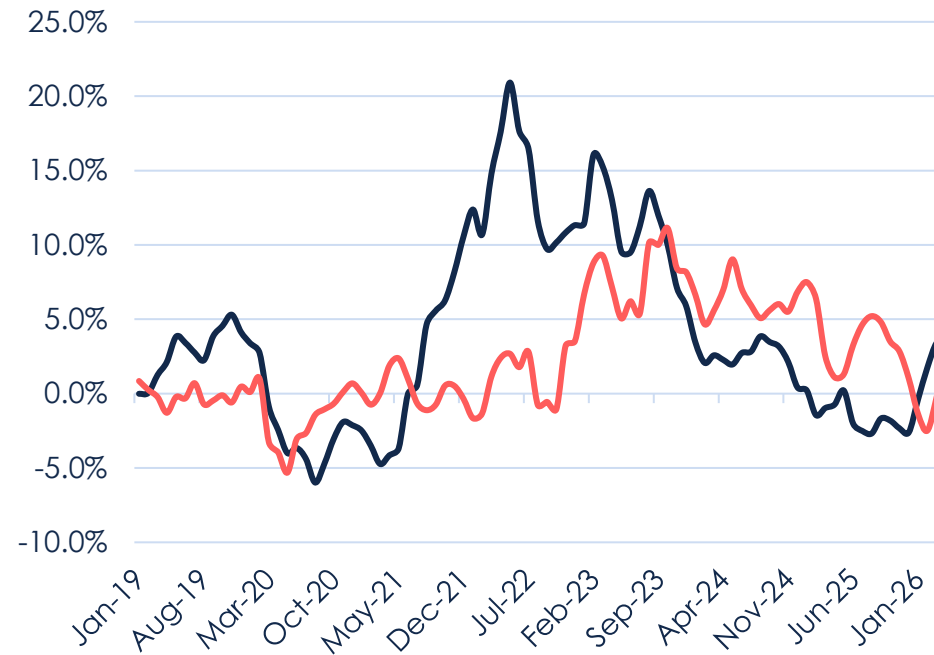
Great Britain

— New Lets — Renewals



London

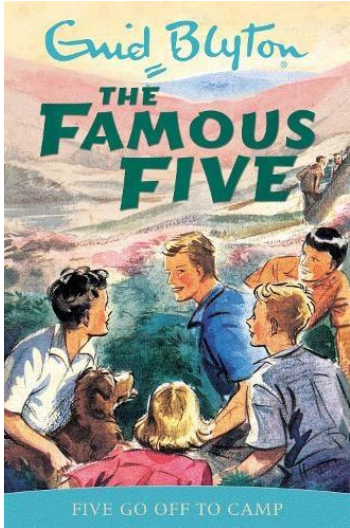
— New Lets — Renewals



+6.7%
Inner
London

£2,830
23% above
pre-
pandemic
peak

Renter's Rights Act



Change	Description
Section 21 notices abolished	Section 21 will be scrapped, with landlords able to use both new and existing grounds for possession instead.
Fixed-term tenancies abolished	All tenancies to run indefinitely, until notice is served by either landlord (in general 4 months) or tenant (in general 2 months).
Section 13 notice required to increase rent	Instead of signing a new AST, rent can only be increased by serving a section 13 notice providing two months' notice.
Mechanism for challenging rent rises	Both initial rents and rents agreed via a section 13 notice can be challenged within 6 months at tribunal at no cost.
Bidding wars 'banned'	No tenant can make an offer above the asking rent, a practise which is likely to be inflationary for asking prices.



Vauxhall, Nine Elms & Battersea (VNEB) – a potted history



2009

Draft
Opportunity
Area Planning
Framework
(OAPF) out for
consultation



2004

GLA designate VNEB
as an opportunity
area targeting 3.5k
homes

2008

Mayor launches more
ambitious plans for
area, target increased to
16k homes, US
Embassy signals move

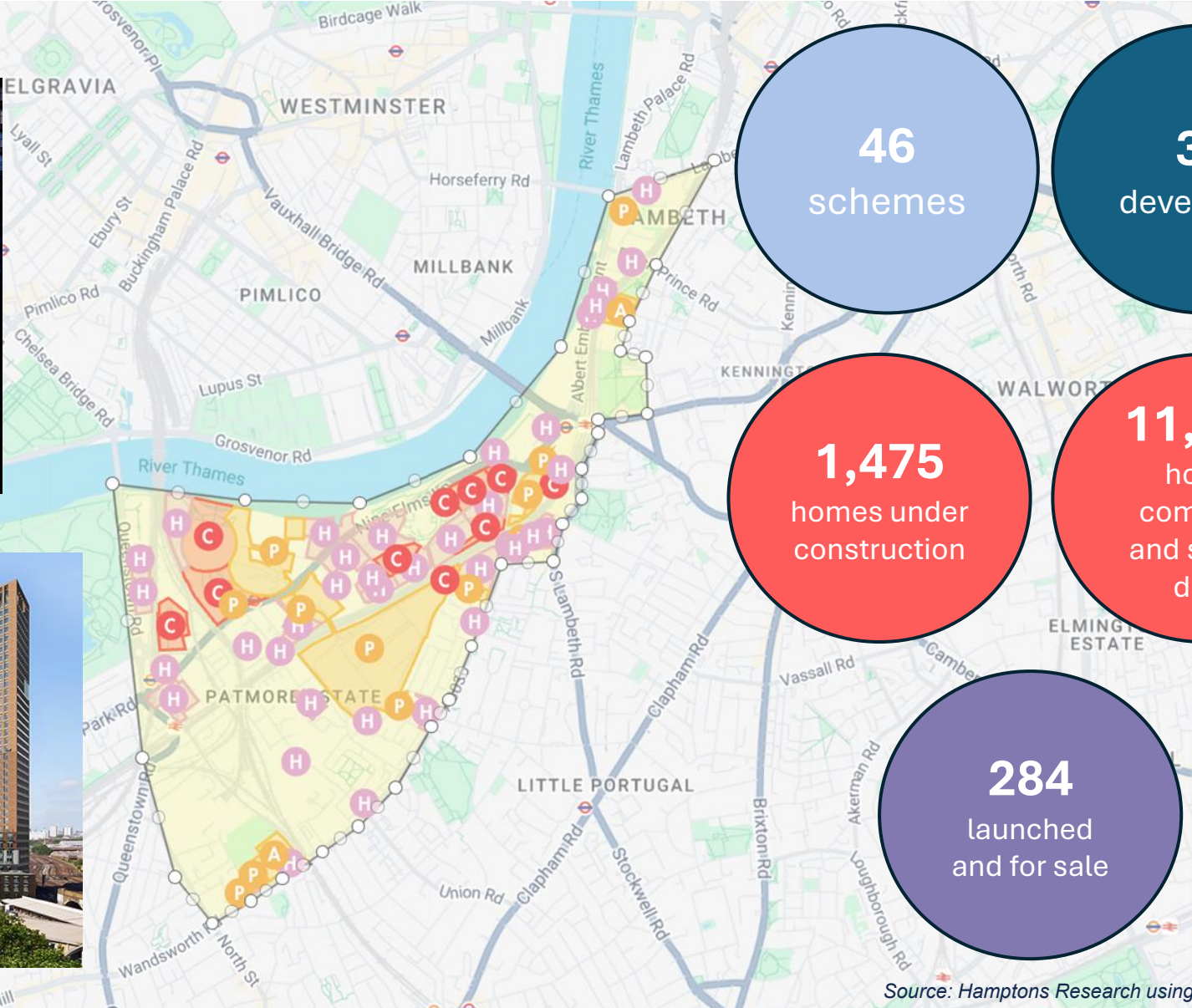
2010/11

Construction and sales
activity kicks off with St
George's Wharf and
Riverlight

2012

Malaysian-led
consortium purchases
Battersea Power Station
and final OAPF adopted
by City Hall

VNEB development pipeline today



46
schemes

38
developers

1,475
homes under
construction

11,350
home
complete
and sold to
date

284
launched
and for sale

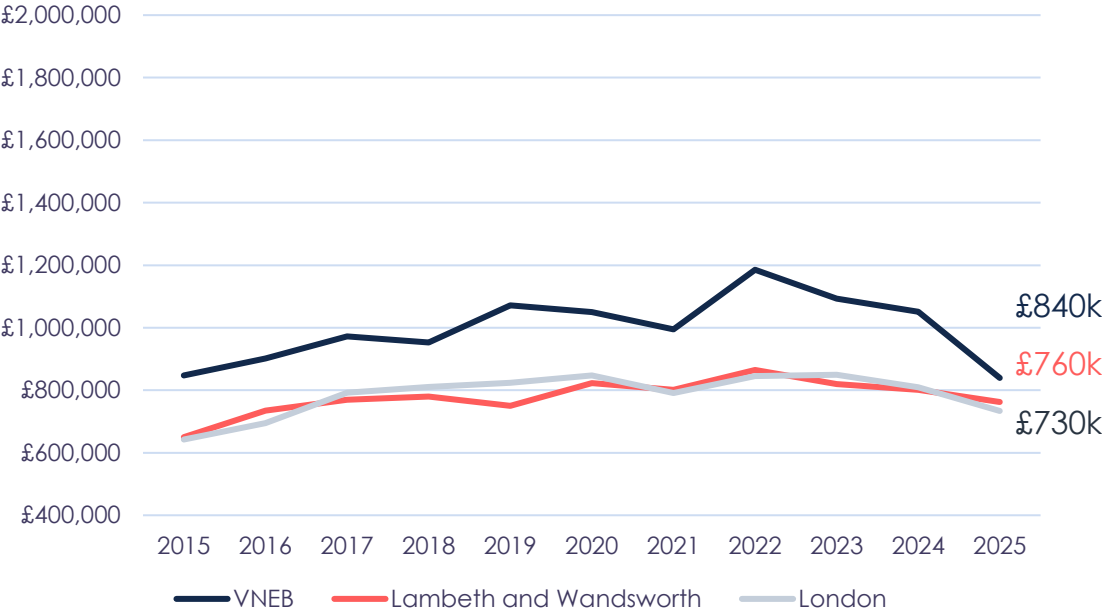
Source: Hamptons Research using Molior data

VNEB pricing

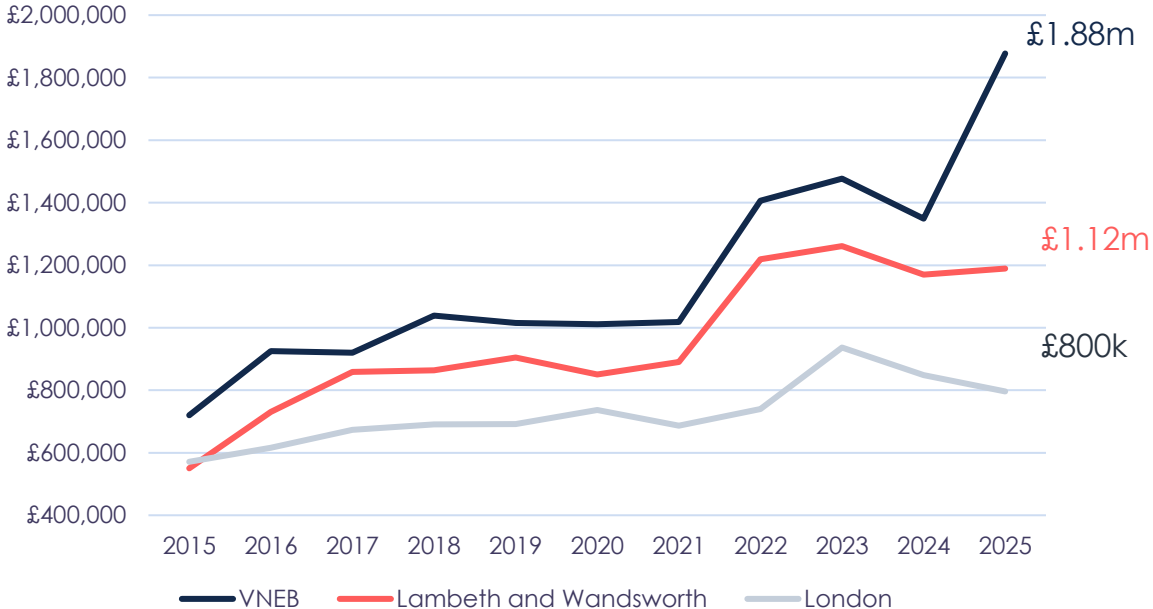
+10%
vs
boroughs

+58%
vs
boroughs

Average price paid (all property)

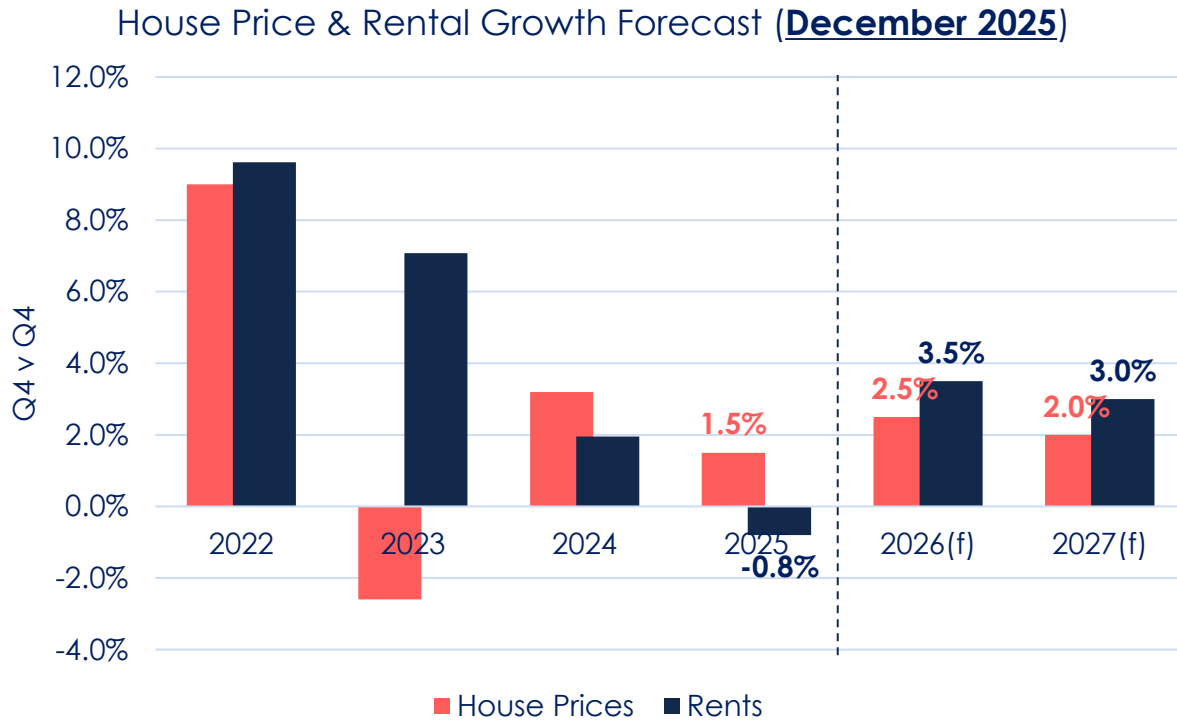


Average price paid (new build only)



Source: Hamptons Research using Land Registry data

Growing uncertainty, modest outlook



Source: Hamptons Research

Rental Growth is likely to pick up pace again in 2026, supported by structural supply shortages and high landlord costs, even as tenant demand softens slightly. Good for yield growth, not so good for renters as buying looks more affordable

House price growth will remain modest – economic and political uncertainty, rising mortgage rates, threat of higher taxes and could temper growth.

Looking ahead

- **Geopolitical instability** - volatility on the global stage may continue to impact global markets
- **Political challenges** - legislative and taxation policy may be influenced by future leadership contest
- **More wait-and-see** - higher interest rate environment may prompt caution in the sales market over the short term
- **Motivated purchasers** - needs-based buyers, such as first-timers, will continue to underpin demand
- **International appeal** – London will continue to hold some attraction to overseas applicants
- **Continued consolidation** - fewer landlords, but with larger, more professional portfolios.





THANK YOU

For more of our research, visit
www.hamptons.co.uk/research