Much Ado About Nothing: Why bifurcation, not decline, is the real story in Prime Central London

NEWS • 09 Feb, 2026

Richard Rogerson explains how quality is now defining liquidity in the capital's top neighbourhoods – and flags more key trends to watch in 2026, from shifting demographics to the return of debt.

Written by
Richard Rogerson
CEO at RFR Property

With BAFTA and Academy Award season upon us, Hamnet moving the nation to the core and Shakespeare's source fresh in mind, we turn this quarter to *Much Ado About Nothing*: at heart, a study in how confidently held narratives can outrun reality. The drama is not driven by events themselves, but by misinterpretation, overheard signals, and the momentum of assumption – reputations damaged and decisions taken on the basis of what is believed to be happening, rather than what is.

There is an uncomfortable familiarity to this. Over the past year, London has been subject to a similar excess of narrative: everyone has left, security risks have fundamentally altered the city's appeal, and November's Budget would drive capital away through wealth, mansion, rent and capital taxes.

Yet when tested against behaviour rather than commentary, the outcome has been markedly more prosaic. Transactional activity, particularly into Q4, proved resilient – transactional volumes could believe the post-pandemic highs of 2021 and 2022, but comfortably in line with long-term averages and ahead of pre-Covid norms.

London remains one of the world's five most important markets for high-value residential property. As one client succinctly described, London is a collection hedge, a sovereign-class capital preservation in a city state, anchored in rule of law, financial gravity and an enduring global narrative.

Running the numbers

> "Without data, you're just another person with an opinion." *W. Edwards Deming*

In 2025, we tracked 127 transactions above £30m in London and 40 transactions above £20m. Put into context, these figures sit above the average annual levels for the last 20 years and broadly in line with the ten-year average. Unsurprisingly, they are 22% and 16% lower respectively than the five-year average, which is heavily influenced by the post-pandemic boom.

Q4 represented the fifth highest quarter for £30m+ transactions and third highest for £20m+ transactions of the last 20 years. Naturally, the Q4 figures are skewed by the delayed Budget, but it was good to see a positive reaction in the immediate aftermath. Anecdotally, we know of at least one transaction where the agreed price was increased following the budget – showing that those who committed in the lead up to the budget (including a number of our clients) were rewarded for taking a longer term view.

According to our data, buyers accounted for 67% of all trades of £10m+ and 78% of all trades at £20m+. Period properties also dominate, with new build transactions accounting for approximately 24% of trades (broadly in line with 2024).

The highest transaction on a £ per square foot basis traded at just over £8,000 per square foot, the average was just over £3,000 per square foot.

Of course, within this data there are patterns that evidence shifting demand and challenging sentiment, let's geographical areas or value bands. However, the overall picture is a market that continues to transact notwithstanding the change in government and two mishandled Budgets.

Bifurcation gathers momentum

> "The bitterness of poor quality remains long after the sweetness of low price is forgotten." *Benjamin Franklin*

Beneath the headline numbers, there is clear evidence that the Prime Central London market continues to bifurcate, a theme we have highlighted in recent years. Liquidity and value are now unequivocally driven by quality. Best-in-class properties continue to trade, often competitively and at premium pricing. By contrast, pricing achieved mid-tier stock has softened and remains on par with 2012 values, while compromised assets are increasingly illiquid with owners often required to confront the consequences of earlier decisions.

To further support our thesis, we revisited a 'short list' assembled several years ago for a client. The mandate was a house search with a flexible budget, targeting a range of approximately £20m-£70m. Over the course of that search, we identified 5 properties that were acquirable, although only a small subset ultimately met the client's requirements. Of those 5 properties, 26 have since traded (3 in 2).

We undertook a similar review of a second historic short list this time relating to an apartment search with comparable budget parameters. In that instance, we identified 78 apartments, of which 24 have subsequently traded (1 in 3).

Whilst this analysis shows that liquidity does exist, even at the upper end of the market, its distribution is telling. Properties that have successfully traded fall overwhelmingly into one of two categories: best-in-class assets, or second-tier stock where vendors were realistic on value. By contrast, the majority of unsold properties sit firmly within a third category: compromised, overpriced, over-developed and, in our view, illiquid. It would not surprise us if many of those assets remain unsold when this exercise is repeated in several years' time. There are of course exceptions to the rule – we noted a few best-in-class assets which are yet to trade but most because the vendor's expectations on price remain wildly inflated.

The message is clear: buying well has never been more important. These sensitivities are nowhere more prevalent than in the new-build market. Purchasers are navigating increasingly sophisticated marketing and sales structures – often under pressure as absorption slows and schemes age.

> In 2026, very few new schemes are expected to launch

There are, unquestionably, excellent developments delivered by sponsors who care deeply about reputation and long term outcomes. However, the overall build market remains under pressure, competing for a limited pool of buyers. This has been partially offset by a dramatic contraction in the development pipeline – down more than 70% over the past decade- and sustained demand for turnkey solutions. In 2026, very few new schemes are expected to launch, with the Mayfair-Pelt notable exception following its anticipated re-launch post completion, as well as St John's Barracks. The focus, therefore, is on clearing residual stock. For some developers this is a handful of units; for others, a material proportion of the scheme. Some will remain patient and reputation-conscious; others may prioritise exit at almost any cost – a dynamic we saw emerge towards the end of 2025.

At the same time, the secondary market is becoming an increasingly credible competitor, often offering better located or better configured units that sold early and are now returning to market. In the strongest schemes, values have so far held, although sellers seeking to recover SDLT or full sell need to recalibrate expectations.

> "All animals are equal, but some animals are more equal than others." *George Orwell, Animal Farm*

Canaan's Mayfair scheme

Continuity amid change

> "The only thing we know about the future is that it will be different." *Peter Drucker*

If January proves to be a reliable barometer, 2026 is likely to be characterised by continued political and macro-economic change, both domestically and globally.

Domestically, few observers expect the year to end with the same Prime Minister or Chancellor. For our market, it may prove a case of 'better the devil you know than the devil you don't'. Leadership change risks policy redirection, constructive or otherwise, and the potential for an early Budget. However, new leadership will know that they need growth to deliver their policy agenda and it seems clear that HM Treasury are aware of where we sit in the Laffer curve. A leadership that adopts a tax and spend agenda would be prioritising short-term ideological wins over real long-term reform.

The Spring Statement on 3 March, while not a 'fiscal event', will inevitably attract significant media scrutiny. The Chancellor may not be assessing her fiscal rules, but we can be sure that the market and media will. In May, the London borough elections, alongside wider local elections across the UK, will provide a further test of political momentum. This is widely expected to be a critical moment for the current Prime Minister, with the likely emergence of potential successors thereafter.

Alongside this, Alan Milburn's review into economically inactive young people represents a potentially important and sensitive moment. Welfare reform is vital if the UK is to place public spending on a sustainable footing, yet it remains politically difficult to deliver. If Mr Milburn is able to reframe the debate away from short-term cost saving and towards the long-term health, productivity and prosperity of the next generation, the review could prove genuinely consequential for the country.

What is clear is that political instability will continue throughout this year, notwithstanding that we have a government with a huge parliamentary majority.

Our market is highly discretionary and remains very sensitive to sentiment. A period of political calm would have been welcomed. That said, our market has proved its resilience to political mayhem over the last twelve years and emerged out somewhat by the main-stage global chaos. For that reason, we expect the market performance to mirror that of 2024 and to continue to trade and all the change.

What's past is prologue

> "Forecasts usually tell us more of the forecaster than of the future." *Warren Buffett*

Aside from the above, we don't propose to craft elaborate forecasts for the year ahead. We have though noted some themes and thoughts we expect to 2026:

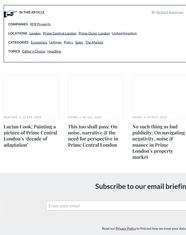
- **Return of Debt**: We expect leverage to re-enter the market as rates continue to ease. We ended 2025 with two sizeable transactions both involving leverage, the first time we have seen this in several years.
- **Activity**: We expect volumes to be slightly higher that 2025. Values will remain very quality specific.
- **Buyers**: Investors will continue to dominate, as will turnkey properties or those requiring only cosmetic works. In time, more London homes will need to be modernised but, for the moment, buyers are loathe to underwrite projects whilst single asset developers are thin on the ground!
- **New arrivals**: We expect to see continued uptick in those taking advantage of the new FIG regime, now that word is filtering out internationally. Whilst the headline period remains four years, RFF doesn't impact until year ten, meaning there is scope for arrivals to lay down roots. We expect to see more arrivals, particularly if the government finally addresses the glaring visa issue.
- **Demographics**: As well as ongoing demand from the US, we expect to see stronger domestic demand, a trend that started in 2025 and is evident already in the early weeks of 2026.
- **Market Disruption**: AI and the surge in broker-solve agents adopting a more US model are continuing to disrupt the sales agency world, albeit not as fundamentally as some might suggest. One impact has been to leave buyers feeling even more bewildered by the market – how do they secure access to the best properties, who's acting for them, who can they trust on value, or to negotiate or carry out comprehensive due diligence? Being represented by a buying advisor on high value transactions is now expected: what matters more is who is representing you.
- **Competition**: Best-in-class properties will continue to trade competitively, being deliverable (and well-represented) matters as much as the price you offer. Vendors want certainty.
- **Super prime rentals**: High-value rentals will continue to see strong demand, especially for turnkey properties. Valuations at more than £100 per square foot used to be rare, now they are expected – even past £200 per square foot on occasion. There remains a shortage of stock (good stock), especially turnkey which is likely only to drive valuations higher.

Final word...

William Shakespeare wrote many of his plays, poems and sonnets in London. Little could he have imagined what was to follow: the Great Plague, the Great Fire, and centuries of upheaval thereafter. Yet over more than 400 years since his death, London has endured – absorbing shock, adapting, and re-emerging – and remains one of the most important cities in the world.

That resilience is not merely historical. In 2026, London was once again ranked the world's leading city: the "capital of capitals" for the eleventh consecutive year.

To quote Mark Twain, reports of its death are greatly exaggerated.



LinkedIn.com

IN THIS ARTICLE — By Richard Rogerson

COMPANIES: RFR Property
LOCATIONS: London, Prime Central London, Prime Outer London, United Kingdom
CATEGORIES: Economics, Lettings, Policy, Sales, The Market
TOPICS: Editor's Choice, Headline

COMPANIES IN THIS ARTICLE
RFR Property

MOST READ

1 One Hyde Park residents win £3.onn in building defects case

2 Buyer sought for rare freehold resi development opp in Marylebone

3 £3.onn in sales secured at 'repositioned' Mayfair scheme

4 Park Modern's £600m penthouse finds a buyer

5 Buying agency secures sizeable discount on Belgravia townhouse

6 My Property Career: Quickfire Q&A with Siao-Louise Tanpiny

7 In Pictures: North London 'masterpiece' with separate cottage seeks £3.onn

8 Leading luxury brokerage expands in the Cotswolds

9 Gil appoints agents to sell Stanford's new luxury branded residences in Chelsea

10 Revealed: What UK property professionals earn – and how it stacks up globally

LATEST ARTICLES

Prime London transactions set for spring uplift, but supply still stronger than demand – Knight Frank

AZ Real Estate installs new Head of Operations

Savills appoints new head of office in Cheshire

Much Ado About Nothing: Why bifurcation, not decline, is the real story in Prime Central London

Monday Market Review: Key figures & findings from the last seven days

FEATURE • 12 SEP, 2024
Lucian Cook: Painting a picture of Prime Central London's 'decade of adaptation'

VIEWS • 30 JUL, 2025
This too shall pass: On noise, narrative & the need for perspective in Prime Central London

VIEWS • 10 OCT, 2025
No such thing as bad publicity: On navigating negativity, noise & nuance in Prime London's property market

Subscribe to our email briefings
Enter your email
SUBMIT
Read our Privacy Policy to find out how we treat your data.

PrimeResi
© 2026 PrimeResi
Designed and built by DesignBox