Kinleigh Folkard & Hayward

Quarterly Insights

Summer 2026

London

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

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

LETTINGS

More stock comes to market as viewing activity settles into a steadier pace.

Supply

New instructions

▲4%

Q2 2026 vs Q1 2026

Demand

Viewings

▼3%

Q2 2026 vs Q1 2026

SALES

Fewer buyers in the market, but those who remain are serious.

Supply

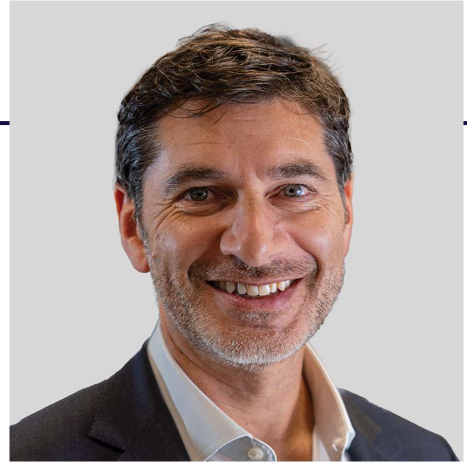
Sales instructions

▼7%

Q2 2026 vs Q1 2026

Mortgage rate

3.5%



"The run-up to the Act made for a genuinely challenging quarter, but there's been real relief since the first of May. We're seeing confidence build as landlords and tenants adjust to this new way of working."

John Ennis
Chief Revenue Officer

Confidence returns to the Capital

Adjusting to a new normal

The lead-up to the implementation of the Renters' Rights Act (RRA) created some uncertainty across the lettings market in Q2. However, since the legislation came into effect, confidence has begun to return. With agents no longer able to accept offers above the advertised rent, properties are increasingly being priced more ambitiously from the outset. In areas where supply remains constrained, this is translating into stronger achieved rents.

Lettings instructions increased by 4% this quarter compared to Q1 of 2026, providing a modest but welcome boost to available stock, while viewing levels eased by 3%. Together, these trends suggest a market settling into a more balanced rhythm, with tenants benefiting from slightly greater choice and serious applicants making quicker decisions once they identify the right property.

A common misconception is that the Act prevents landlords from regaining possession of their property. While the legislation changes the process, landlords retain routes to recover possession where legitimate grounds apply. The demand for greater clarity is also evident in changing management preferences.

Demand fuels growth

Elephant & Castle remains one of London's strongest-performing lettings markets, with new-build developments achieving record rents amid sustained demand from overseas renters, students and young professionals. Meanwhile, continued supply constraints in Clapham and Balham are driving exceptional rental growth for one-bedroom garden flats, where competition for the limited stock remains particularly strong.

A tale of two markets

Geopolitical uncertainty has prompted some vendors to adopt a more cautious approach, however sales instructions have only declined by 7% quarter on quarter, suggesting that market uncertainty has had little impact on vendors with true intent to sell. For vendors, tighter supply means less competition and a stronger negotiating position, while serious buyers benefit from a more focused market and clearer opportunities to act.

The sales market continues to exhibit a clear two-speed dynamic. Family homes in sought-after school catchments, including Wandsworth and Putney, are selling quickly, often shortly after being launched to the market. In contrast, flatted developments require more considered pricing to generate buyer interest. Despite lower overall demand, committed buyers remain active, with well-priced properties in desirable locations continuing to transact successfully.

First-time buyer activity has strengthened in more affordable markets such as Canada Water and Streatham, supported by the availability of low-deposit mortgage products. There are also early indications of investor demand returning, as interest-only mortgage rates move closer to 3.5%.

A positive outlook

With fewer casual buyers in the market, those who need to move are finding more room to act and doing so with confidence. Lettings are expected to stay busy into Q3, easing with the usual seasonal dip in Q4, while sales are likely to remain measured until the Autumn Budget brings greater clarity.

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