REAL ESTATE WEEKLY

WEEK ENDING 22 NOVEMBER 2026

INNER LONDON FELL 7.2%. OUTER LONDON BARELY MOVED.

-7.2% | Inner London, year to September

-0.1% | Outer London, year to September

3.6% | CPI inflation, October



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REAL ESTATE WEEKLY
Week ending Sunday 22 November 2026 · propertynumbers.com

Inner London Fell 7.2%. Outer London Barely Moved.

THIS WEEK AT A GLANCE

- Expect the London correction to stay concentrated in the inner boroughs and in flats.
- Plan for funding costs to hold, because inflation is still rising.
- Sellers who price to agreed sales, not asking prices, will be the ones who trade.

London is now 2 housing markets. ONS and Land Registry figures for September put Greater London prices down 3.5% on the year, a deeper fall than the 2.4% recorded for August. Inside that figure, Inner London fell 7.2% and Outer London 0.1%.

The rest of the country is still edging up. UK prices rose 1.2% over the same 12 months to an average of £273,000, and the North East was up 4.6%. These are provisional figures, built on about half of September's sales, but the distance between inner and outer London is too wide to be a rounding error.

Inflation moved the wrong way for borrowers. CPI rose to 3.6% in October from 3.5%, with services at 3.7% and core inflation steady at 2.8%. Market pricing on 19 November implied an overnight rate of 4.93% in 12 months' time, against a Bank Rate of 4.00%. The labour market was mixed, with unemployment down to 4.6% in the 3 months to September and regular pay growth slowing to 3.5% from 3.7%.

This edition prices inner and outer London separately.

RATES AND LENDING

Mortgage pricing stopped falling this week. Podium's average 2-year fix, published by Rightmove, rose to 5.49% on 21 November from 5.46%, with the 5-year at 5.46%, and 2-year pricing rose across all 5 loan-to-value bands, from 5.04% at 60% to 5.96% at 95%. Moneyfacts' 2-year average moved up to 5.95% from 5.93%.

Funding moved the other way. Indicative 2-year swaps eased 2 basis points in the week to 4.86% on 19 November, and 5-year swaps 1 basis point to 4.83%. Lenders added to their pricing while swap rates edged lower. Borrowers should not treat the November rate decision as the top.

The competition that remains is at low loan-to-value. Coutts introduced a 55% tier priced 35 basis points below its 60% equivalents, and Moneyfacts listed the lowest advertised 2-year remortgage at 4.92%, from Santander at 60% with a £999 fee. The Bank of England put the effective rate on newly drawn mortgages at 4.63% in September, against 4.03% on the outstanding stock.

DEMAND AND TRANSACTION ACTIVITY

Buyers are pulling back while sellers keep listing. Rightmove's November report has buyer demand 8% below a year earlier and sales agreed 7% lower, while newly listed homes rose 3%. The average asking price of newly listed homes fell 1.8% in the month to £364,270, which leaves it 0.2% lower on the year.

Agents report sellers and buyers drifting further apart. Chris Watkin's weekly tracking counted 24,000 price reductions across 758,000 homes for sale in the week to 15 November. The gap between the average new asking price and the average agreed price reached 16.9%, from 15.5% a week earlier.

Tenants remain the firmer side of demand. ONS private rents rose 3.8% on the year to an average of £1,411 a month in October. RICS surveyors put landlord instructions at -30 and tenant demand at +7, with 3-month rent expectations at +41. Regional growth is uneven, with rents up 5.6% in the North West and 3.3% in the South West, down from 4.2% in September.

LONDON

The correction is deepest in inner London and among flats. Against Inner London's 7.2% annual decline in September, London flats were down 6.3% and Outer London just 0.1%. Rightmove's November asking price for London was £662,118, 1.0% lower than a year earlier. On these figures Outer London sits closer to the UK than to inner London.

London rents are still rising, though more slowly than the UK on new lets. The ONS puts the average London rent at £2,350 a month in October, and £3,765 in Kensington and Chelsea. HomeLet's measure of new London tenancies rose 1.9% on the year to £2,260, below its UK figure of 2.2%.

Developers are still starting homes into this market. Molior, reported by Knight Frank, counted about 7,160 private starts in London in the first 9 months against about 7,070 private sales, with 1,440 sold in Q3. Starts are running slightly ahead of sales.

COMMERCIAL PROPERTY

Regional offices are repricing. Savills recorded £1.6bn of regional office investment from January to September, 13% lower than a year earlier, and moved its prime regional office yield out 25 basis points to 7.00% in November. That yield now sits more than 2 percentage points above the indicative 5-year swap rate of 4.83%.

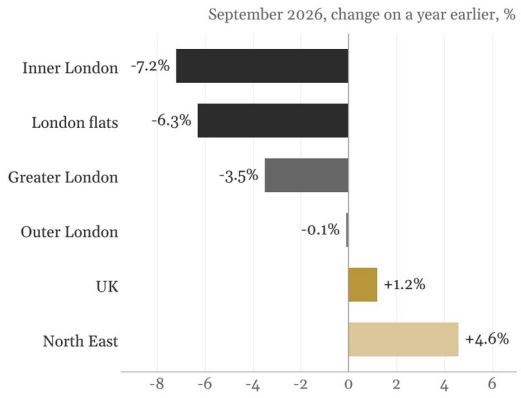
Capital is still finding income it can underwrite. Knight Frank recorded £422m of student housing investment across 10 deals in Q3 and around £2.7bn so far this year. Office occupiers are slower: Savills put take-up across Greater London and the South East at 1.57m sq ft for the first 3 quarters, 23% below the year before.

REGULATORY AND POLICY DEVELOPMENTS

No regulatory change was confirmed this week. Basel 3.1, EPC standards, leasehold reform and stamp duty show no verified new stage in the week to 21 November, so the rules already in force still set the terms.

Landlords work under the Renters' Rights Act, in force since 1 May, which moved most assured shorthold tenancies in England onto periodic terms. The England Building Safety Levy has applied to qualifying residential building control applications since 1 October.

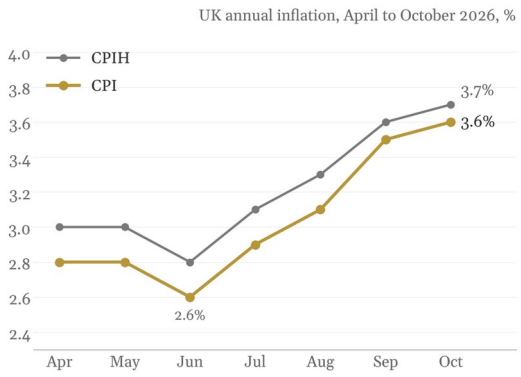
The public finances offer no sign of fresh support. Public sector net borrowing was £17.0bn in October, £0.8bn more than a year earlier. Any further help for buyers or builders will have to be paid for.



LONDON DIVIDED

Inner London fell 7.2% over the year to September while Outer London was almost flat at -0.1%. The UK rose 1.2%.

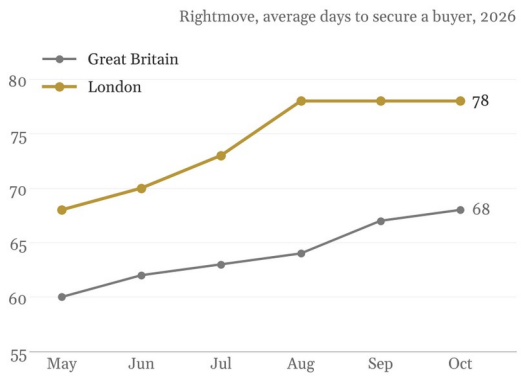
Source: ONS / HM Land Registry, UK House Price Index, September 2026, provisional (18 Nov 2026)



INFLATION TURNS HIGHER

CPI has risen in each of the last 4 months, to 3.6% in October from 2.6% in June. CPIH reached 3.7%.

Source: ONS, Consumer price inflation, UK, October 2026 (18 Nov 2026)



LONDON WAITS LONGER

London sellers have needed 78 days to find a buyer for 3 months running, 10 days longer than the national figure of 68.

Source: Rightmove House Price Index, November 2026 report; time to secure a buyer, May to October (16 Nov 2026)

INNER LONDON	OUTER LONDON	CPI INFLATION	UK PRIVATE RENT
▼ 7.2%	▼ 0.1%	▲ 3.6%	▲ £1,411
Annual change, September	*Annual change, September*	*October, from 3.5%*	*October monthly average, up 3.8% on the year*

Sources: ONS / HM Land Registry UK HPI (18 Nov 2026); ONS CPI and private rents (18 Nov 2026)

DAVID'S VIEW

London has stopped moving as a single market. Price inner London on its own falls, not on the city average.

A city average is a blended number, and blended numbers hide risk. Greater London's 3.5% fall in the year to September combines an Inner London down 7.2% with an Outer London that barely moved. An investor who underwrites an inner London flat on the London figure is overpaying before the survey is booked.

Put London next to Rates And Lending and the timing matters. Inflation rose to 3.6%, market pricing points to a higher overnight rate a year from now, and fixed rates rose this week while swaps eased. Buyers waiting for cheaper money to rescue inner London values are waiting for something the market does not price.

Set Demand And Transaction Activity beside it and the leverage sits with buyers. More homes are coming to market than a year ago, fewer buyers are looking, and asking prices fell in November. Where a seller needs to move, a buyer with funding agreed can set the terms.

Outer London is a different trade. Prices there are level on the year, so there is no discount to capture and no case for paying above the evidence. The repricing is in inner London, and that is where patient capital on fixed funding should be looking.

"The average hides the discount. Price the street, not the city."

THE WEEK AHEAD

Friday 27 November shows whether completions follow agreed sales down. HMRC publishes October residential transactions at 9.30am, after 94,800 on a seasonally adjusted basis in September.

Monday 30 November brings the Bank of England's money and credit figures for October. Purchase approvals were 53,400 in September, with newly drawn mortgages at an effective 4.63%.



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