THE SANDHÜTEL LENS

North and Northwest London: The Quadrant Two Read

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The Exit That Built This Correction Is Ending. It Has Not Finished Here Yet.

Camden down 2.9% year on year to April 2026. Islington down 5.4%. Barnet down 3.8%. Brent down 2.1%. Harrow down 2.1%. Enfield down 1.3%. Haringey the outlier, up 0.8%, the only borough in this quadrant moving the other way. Six boroughs falling, one rising, and read at that level this quadrant looks like a milder, more patchy version of the correction working through the boroughs south of the river. That reading holds up on the numbers. It stops being useful the moment you ask what an investor should actually do with a market fragmenting borough by borough rather than moving as one.

Inside every falling borough, the same split shows up. Islington flats down 6.1% against semi detached stock down only 1.7%. Barnet flats down 5.5% against terraced down 2.5%. Brent flats down 3.9% while semi detached stock held flat. Camden flats down 3.4%, with detached and terraced values not moving enough to register. Harrow and Enfield show the identical pattern, flats down 4 to 5%, houses effectively unmoved. Even Haringey's positive headline conceals a two speed market underneath it: detached and semi detached stock up 3.3%, flats merely holding flat. Seven boroughs, one property type absorbing the correction in every single one of them. That is not a coincidence of stock mix across a quadrant this size. It is the same landlord exit that has driven this correction all year, still working through the system here.

What has changed since the last edition is the shape of that exit nationally. Connells data reported by the Times on 13 July shows landlords accounted for 10.2% of home purchases in June, against 9.2% of listings coming from landlords selling, the first month since 2019 in which landlord buying has outpaced landlord selling. Hamptons attributes the retreat more to a decade of tax and mortgage cost changes than to the Renters' Rights Act itself. London has not caught up to that national turn. Landlord linked listings still made up 20.3% of the London market in June against 4.6% in Scotland, more than four times the rate. This quadrant is trading through the tail of a national cycle that has already begun turning elsewhere.

That is the investor framing for everything that follows. The exit that built this correction is ending as a national phenomenon, but it has not ended in London, and it has one dateable event still to clear before it can. The opportunity here is in reading which boroughs have already absorbed enough of that exit to offer real value, and which are still working through it with nothing underneath to catch the price.

THE REAL DIVERGENCE

The RICS UK Residential Market Survey for June 2026, published in July, shows the national picture stabilising and loosening in the same breath. New buyer enquiries improved to a net balance of minus 29, from minus 34 in the two prior surveys. Newly agreed sales improved to minus 32, from minus 35. But new instructions to sell worsened sharply, to minus 23 from minus 10, meaning more sellers are coming to market even as buyer sentiment only just stabilises. Three month sales expectations sit at minus 16, twelve month expectations at plus 1. Tenant demand reads plus 18. New landlord instructions remain negative at minus 18, landlords still leaving lettings even as the national purchase data above shows them buying homes elsewhere.

A RICS respondent based in Finchley, inside this quadrant, reported existing sales progressing after renegotiation, though more slowly than earlier in the year, alongside robust rental demand particularly for family houses, with landlord sales still contributing to a local shortage of stock to rent. A London wide respondent flagged flats specifically continuing to face downward pressure, with activity strongest in the mid market, the exact stock type split visible in every borough's own price data above.

Transaction volume shows which boroughs can actually absorb what is still arriving. Islington recorded 1,781 transactions in the twelve months to February 2026, 59% of its 2001 to 2005 average and the deepest liquidity pool of the seven boroughs covered this edition. Barnet recorded 3,307, 51% of its benchmark and the largest raw transaction count in the quadrant. Haringey recorded 2,098, 50%. Camden recorded 1,681, 48%. Brent recorded 1,854, 43%. Harrow recorded 1,547, 38%, and Enfield 2,366, 37%, the two weakest liquidity readings despite Enfield's higher raw volume.

Rent data is where the split becomes an investable signal rather than a policy narrative. Islington rents rose 4.8% year on year to May 2026, the strongest in the quadrant. Enfield rose 4.3%. Barnet rose 3.6%. Harrow rose 2.9%. Haringey rose 1.9%. Brent fell 1.3%. Camden fell 2.2%, the only two boroughs in this edition's full entries where rental income is falling in the same direction as sale price. Set price and rent side by side and Islington and Barnet are compounding one way, discount with rental support underneath it. Camden and Brent are compounding the other way, discount with nothing underneath it at all.

There is a timing signal in the RICS data worth reading carefully. Sales expectations are improving at the same moment new instructions to sell are deteriorating sharply. Both are true together because they measure different parts of the same cycle: more supply is arriving just as buyer demand is only beginning to stabilise. That is precisely the shape of the final Section 21 court deadline wave described below landing on top of an already loosening instructions pipeline, not a reason to expect calm before it arrives.

Flats are absorbing this quadrant's entire correction, in every single borough, without exception.

Islington and Barnet are compounding the right way: rental growth is outrunning the price fall.

Camden and Brent are compounding the wrong way, and neither should be underwritten against a yield calculation today.

The landlord exit that built this correction has already turned nationally; London, and this quadrant, are still working through its final quarter.

THE FINAL QUARTER OF THE EXIT

Section 21 abolition took effect on 1 May 2026 under the Renters' Rights Act, but landlords who filed a Section 21 notice before that date retain the right to complete an eviction through the courts only until 31 July 2026. From this edition's publication that leaves roughly two weeks before a specific, dateable channel of landlord supply closes for good, one final concentrated wave of pre existing cases clearing the system before the route disappears entirely.

Nationally, the exit itself already looks to be slowing: landlord purchases have outpaced landlord sales for the first time since 2019. London has not reached that point. Landlord linked listings were still 20.3% of the market here in June, more than four times Scotland's 4.6%, and RICS's own June reading of new instructions to sell worsening to minus 23 suggests this quadrant has more supply coming before it has less.

Layered onto that exit timeline is an acquisition cost structure that punishes exactly the kind of leveraged entry an investor would use to capture the discount. At Brent's average of £548,000, investor SDLT reaches £44,800 against £17,400 standard, a drag of £27,400. At Islington's average of £665,000, investor SDLT reaches £56,500 against £23,250 standard, a drag of £33,250. At Camden's average of £795,000, investor SDLT reaches £69,500 against £29,750 standard, a drag of £39,750. An investor underwriting this quadrant's discount is pricing it against an entry cost that scales with the very price point where the ex rental opportunity looks most obvious on paper, the same arithmetic problem this Lens flagged in west and south west London, now repeating one quadrant further north.

£27,400
Investor SDLT drag
Brent avg £548k

£33,250
Investor SDLT drag
Islington avg £665k

£39,750
Investor SDLT drag
Camden avg £795k

THE BOROUGHS WORTH READING CAREFULLY

Islington

Opportunity: Holloway and Lower Holloway, priced below the borough average with flat heavy stock and the 985-home Holloway Park scheme, on the former Holloway Prison site, delivering from 2027. Avoid: Canonbury, priced materially above the borough average and still falling 4.1% year on year on OnTheMarket data, offering none of the discount the borough average implies.

Islington's average price fell 5.4% to £665,000 in April 2026, the sharpest fall of the four full entries in this edition, with flats down 6.1% against a milder 1.7% fall in semi detached stock. Rent rose 4.8% to £2,828 a month in May 2026, the strongest rental growth of any borough in this quadrant, giving an implied gross yield of 5.10%, also the strongest. Transaction volume reached 1,781 sales in the twelve months to February 2026, 59% of the borough's 2001 to 2005 average and the deepest liquidity pool of the seven boroughs covered this edition. A RICS respondent covering the wider London market specifically flagged flats continuing to face downward pressure while activity holds up in the mid market, a pattern this borough's own data confirms directly.

> *This is the strongest combination of discount, rental support and liquidity in the quadrant. Price flats against Holloway's below average comparables, not Canonbury's, and this is where capital should go first.*

Barnet

Opportunity: Colindale, priced well below the borough average, flat heavy stock around the station, and a redevelopment go ahead confirmed in late June 2026, sitting inside the wider Brent Cross Town footprint delivering up to 6,700 homes. Avoid: Totteridge, priced above the borough average on established premium fundamentals with no link to the regeneration story and still 14% below its 2021 peak.

Barnet's average price fell 3.8% to £587,000 in April 2026, with flats down 5.5% against a milder 2.5% fall in terraced stock. Rent rose 3.6% to £1,934 a month in May 2026, giving an implied gross yield of 3.95%. Transaction volume reached 3,307 sales in the twelve months to February 2026, 51% of the borough's long run average and the largest raw transaction count of any borough in this edition. A RICS respondent based in Finchley, within the borough, reported existing sales progressing after renegotiation, if more slowly than earlier in the year, alongside robust rental demand for family houses specifically, a demand base distinct from the flat led correction elsewhere.

> *Colindale is where the Brent Cross Town regeneration story becomes an actual price call, not just a headline number. Buy there against the scheme's delivery timeline, not the borough average, and do not extend that logic to Totteridge, which has none of the same support underneath it.*

Camden

Opportunity: Kentish Town and West Kentish Town, where a named estate redevelopment carries 93% resident ballot support and over 300 replacement council homes, though pricing needs to be set against the regeneration timeline rather than the borough average, since the area already trades above it. Avoid: Primrose Hill and Hampstead, both priced at more than double Camden's borough average with no current data showing resilience beyond that headline price level.

Camden's average price fell 2.9% to £795,000 in April 2026, the highest average price of the four full entries and the smallest borough wide fall of the four. Flats fell 3.4%. Rent fell 2.2% to £2,759 a month in May 2026, one of only two full entries in this edition, alongside Brent, where price and rent are falling together. Implied gross yield sits at 4.16%. Transaction volume reached 1,681 sales in the twelve months to February 2026, 48% of the borough's long run average, the second weakest liquidity reading of the four full entries.

> *Camden is not offering a clean discount right now, it is offering a borough where the correction has nothing underneath it. Buy only where the Kentish Town regeneration timeline provides a specific reason values recover, and treat the rest of the borough as priced for a resilience the data does not currently support.*

Brent

Opportunity: Harlesden and Neasden, both named as proposed stations on the West London Orbital line, sitting adjacent to the Old Oak Common development where a Public Land Agreement was confirmed in May 2026. The discount here is real and already steep, Harlesden down 8% year on year and Neasden down as much as 22.5% on some portal data, so this is a scheme still ahead of its delivery rather than a stabilised market. Avoid: Kensal Green and Willesden Green, both priced above the borough average with no named link to either scheme.

Brent's average price fell 2.1% to £548,000 in April 2026, the lowest average price of the four full entries. Flats fell 3.9%. Rent fell 1.3% to £2,005 a month in May 2026, falling alongside price as in Camden, giving an implied gross yield of 4.39%. Transaction volume reached 1,854 sales in the twelve months to February 2026, 43% of the borough's long run average, the second weakest liquidity reading in this edition.

> *Price Harlesden and Neasden against the Old Oak and West London Orbital delivery timeline, not against this year's average, and treat the scale of the existing discount as a signal the market has already priced in execution risk the scheme has not yet cleared.*

Watchlist: Haringey. The only borough in this quadrant with a positive headline number, up 0.8% to £630,000, driven by detached and semi detached stock up 3.3% while flats held flat. Rent rose a modest 1.9% and transaction volume sits at 50% of benchmark. Enough of a divergent signal to track, not enough of an investor thesis on its own yet.

Watchlist: Harrow. The weakest liquidity reading among the watchlist boroughs at 38% of benchmark, though rent rose 2.9% and time on market improved to 17 weeks on GetAgent data. The family house scarcity commentary from RICS respondents elsewhere in the quadrant likely applies here too, but there is no borough specific data yet to confirm it.

Watchlist: Enfield. The strongest implied yield in the quadrant at 4.61%, with rent up 4.3%, but transaction volume is the weakest of any borough covered this edition at 37% of benchmark. A yield story without the liquidity to act on it easily.

SELECTED DATA SIGNALS

-5.4%
Islington price YoY
April 2026, weakest full entry

59%
Islington transaction volume vs 2001 to 2005 avg
12 months to Feb 2026

10.2%
Landlord share of UK home purchases
June 2026, first month since 2019 to outpace landlord sales

£39,750
Investor SDLT drag, Camden avg purchase
vs standard residential rate

+4.8%
Islington rent growth YoY
May 2026, strongest in quadrant

-2.2%
Camden rent growth YoY
May 2026, falling with price

5.10%
Islington implied gross yield
May 2026 rent vs April 2026 price

20.3%
Landlord share of London listings
June 2026, vs 4.6% in Scotland

THE SANDHÜTEL READ

North and northwest London is not one correction, it is two, and the headline reading, a fragmenting market falling unevenly across seven boroughs, misses which of those two is currently investable.

Two signals in this edition connect directly. Islington's transaction volume, 59% of its long run average and the deepest pool of any borough here, sits alongside its rent growth of 4.8%, the strongest in the quadrant, and its implied gross yield of 5.10%, also the strongest, at the exact moment national data shows landlords buying homes again for the first time since 2019. That is not three unrelated facts sharing a page. It is a borough with enough liquidity to absorb an exit wave, doing so while rent keeps paying the landlords who stay, just as professional capital nationally starts stepping back in.

The allocation argument follows the exit, not the postcode. Capital should go first to Islington, particularly Holloway's below average, flat heavy stock ahead of the Holloway Park delivery from 2027. Barnet earns a full entry on a different logic entirely, tied specifically to Colindale's position inside the Brent Cross Town footprint, not the borough as a whole. Camden and Brent are not yet investable in the ordinary sense: both show price and rent falling together, the same signal Kensington and Chelsea carried in the previous edition, and in Brent's case the West London Orbital and Old Oak upside is real but still ahead of delivery, not behind it. The two weeks remaining before the 31 July Section 21 court deadline should be read as the last concentrated supply event of this cycle, not a reason to wait for a better entry.

At Sandhütel, our approach does not change with the postcode: we back the boroughs where liquidity and rental income already agree with each other, we underwrite regeneration on its own delivery timeline and never on this year's average, and we do not mistake a fragmenting market for seven equal opportunities.

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