

# Residential Development in London

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Developments with 20+ Private Homes

**MOLIOR**

Q3 2025



This report covers schemes with 20+ private homes; all numbers refer to homes for private sale or rent.

Construction start means significant piling has commenced; technical implementation isn't enough.

By sales we mean absorption; absorption isn't counted in advance of construction start.

London is the Greater London Authority area.

Published 14/10/2025

Between 2015 and 2020, there were 60-65,000 homes for private sale or rent under construction in London at any given time.

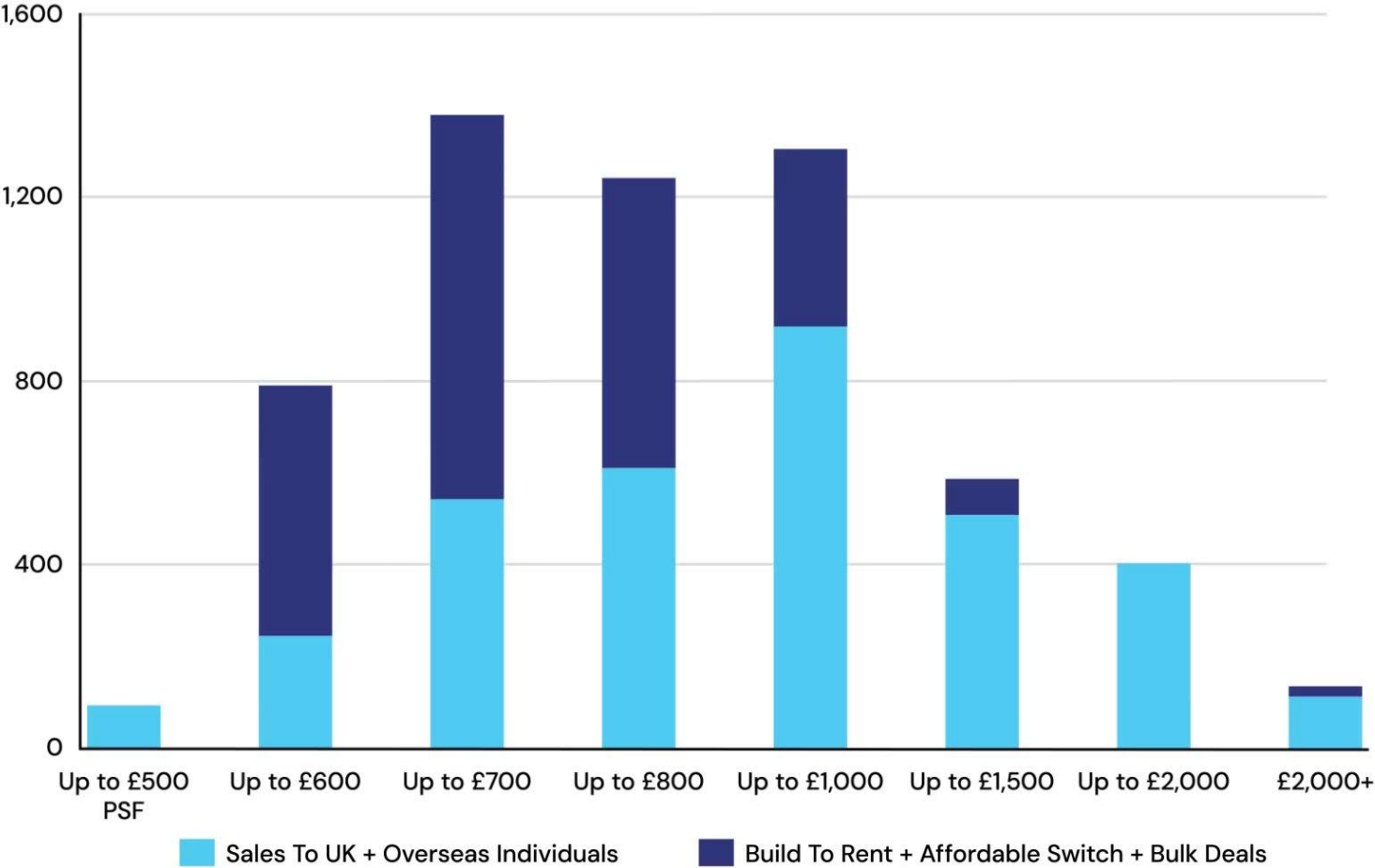
Today, that number has fallen to 40,000 ... and 5,300 of those are halted part-built.

With a surge of completions expected in 2026, Molior forecasts that just 15-20,000 new homes will be actively under construction on 1<sup>st</sup> January 2027.

That is, unless Government removes unnecessary development costs and adjusts stamp duty.

- 1. Sales Rates Are Very Low**
2. And Build-To-Rent Has Ended In London
3. No Buyers = No Construction Starts
4. Prices Need To Fall But Cannot
5. Leaving 281,000 Permissions Unbuilt

# Sales By £PSF During Q1-Q3 2025



**London had just 5,933 new home sales in Q1-Q3 2025.**

Sales rates are weak across all local markets and at every price point.

At prices up to £600 psf - the level at which most London owner-occupiers can buy - sales to individuals are virtually non-existent.

# Sales By Segment 2024 + 2025

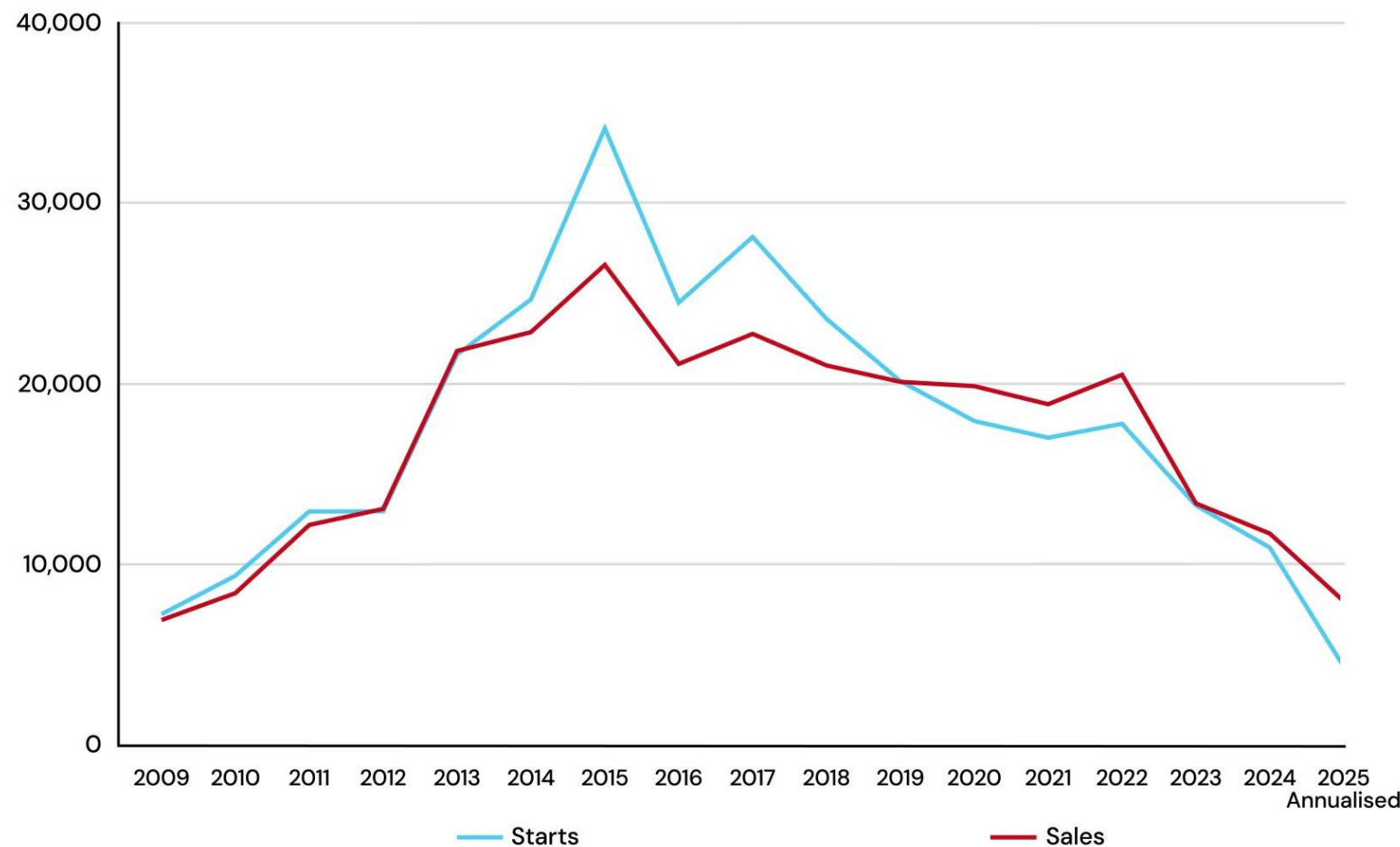
	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3
Schemes selling 12+ PQ							
Build to Rent	550	969	615	1,987	531	97	495
Help to Buy	-	-	-	-	-	-	-
Switched to Affordable	488	509	107	120	337	255	448
Overseas Sales	547	379	330	409	390	410	214
Bulk Deal	118	67	210	147	50	111	176
Normal UK Sales	426	321	454	428	389	383	208
Sub Total	2,129	2,245	1,716	3,091	1,697	1,256	1,541
Schemes selling <12 PQ	551	629	710	542	574	450	415
Total	2,680	2,874	2,426	3,633	2,271	1,706	1,956

Sales rates are weak across every absorption segment.

All buyer groups are largely absent from the market, leaving sales well below the 22,000 units per quarter required to meet government targets.

Low sales rates are directly contributing to fewer construction starts.

# Sales Rates + Construction Correlation Since 2009



**Early sales cause urban apartment construction.**

The correlation between sales and starts is important. Early-stage sales show funders that a scheme is viable and financeable.

The loss of off-plan investors over the past decade has been a major factor in London's residential development decline.

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# Multifamily Development / Investment Is A Success In London

Investor	Scheme	Borough	Gross £psf
Long Harbour	The Draper	Barnet	£45
Related Argent	The Maple	Barnet	£43
Quintain	Luna + Solar	Brent	£56
PIC	The Wiltern	Ealing	£37
Greystar	Momento Hayes	Hillingdon	£45
Ridgeback Group	Kew Curve	Hounslow	£41
Grainger	Fortunes Dock - Seraphina	Newham	£42
Greystar	Pearl Yard	Southwark	£70
Qatari Diar	Shard Place	Southwark	£69
Lendlease	Parkside	Southwark	£50
Vertus	50 Charter Street	Tower Hamlets	£60
Long Harbour	The Eades	Waltham Forest	£49
Moda Living	Embassy Boulevard	Wandsworth	£65

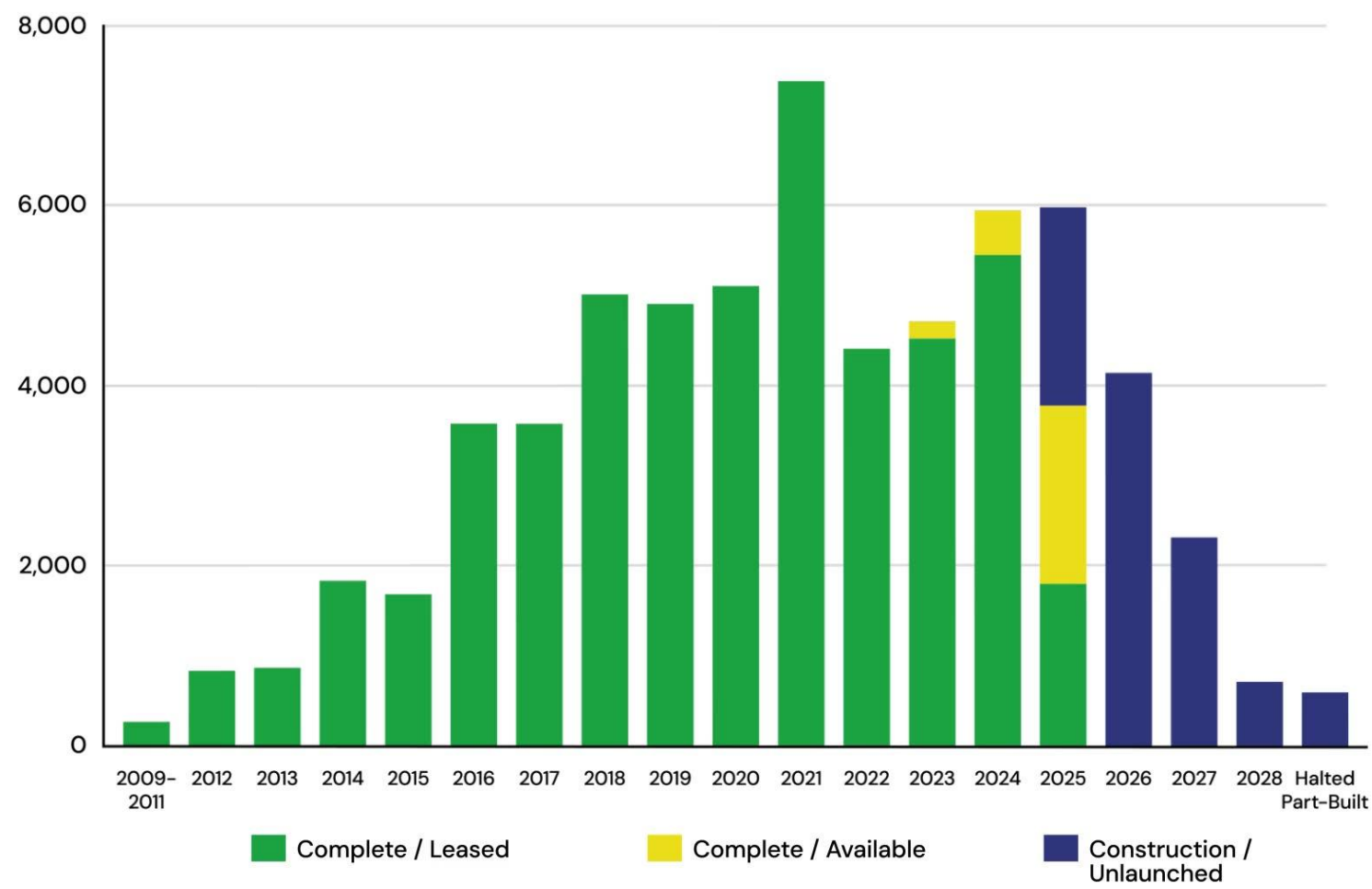
These are the biggest launches of Q1-Q3 2025.

The average lease-up rate across these projects is 26 homes per month, and ...

Grainger’s Seraphina is leasing at 50 homes per month.

Greystar’s Pearl Yard is leasing closer to 100 homes per month.

# Multifamily Completions Profile 2009-2028



**Build-to-rent completions are about to plunge.**

Interest rates rose during 2022, then the Liz Truss budget pushed them higher.

This stopped new money from funding London multifamily development.

Completions are set to disappear after 2027 because construction starts fell in 2023 / 2024.



## Multifamily Completions Forecast For 2028



**Rental markets will be starved of new supply.**

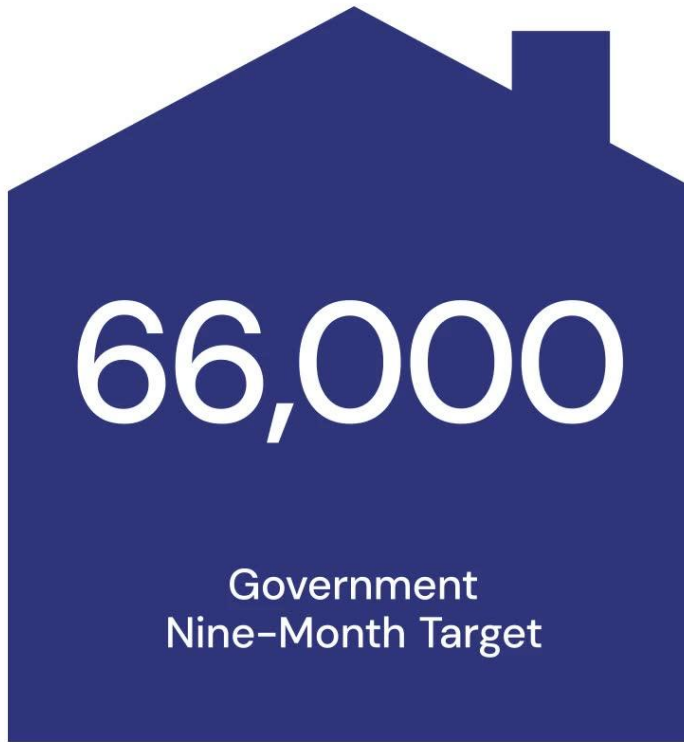
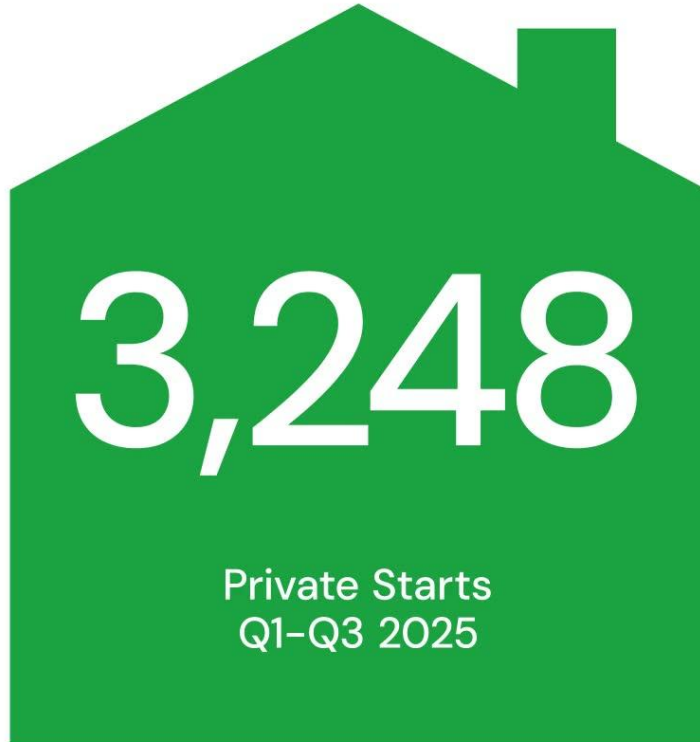
For decades, the completion of new developments has helped limit rental growth in London - housing young Londoners, often in the early stages of their careers.

But with few Build-to-Rent or Buy-to-Let completions after 2027, London can expect higher rents and increased overcrowding.

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## Construction Starts Q1-Q3 2025



**There were 3,248 private starts in Q1-Q3 2025.**

London is now on track for fewer than 5,000 private construction starts in 2025.

Starts have been falling for a decade because sales rates and profitability have been falling for a decade.

Building Safety Regulator delays have made things worse in 2025.



## Construction Halted At The End Of Q3 2025



**Work has stopped at one in six construction projects.**

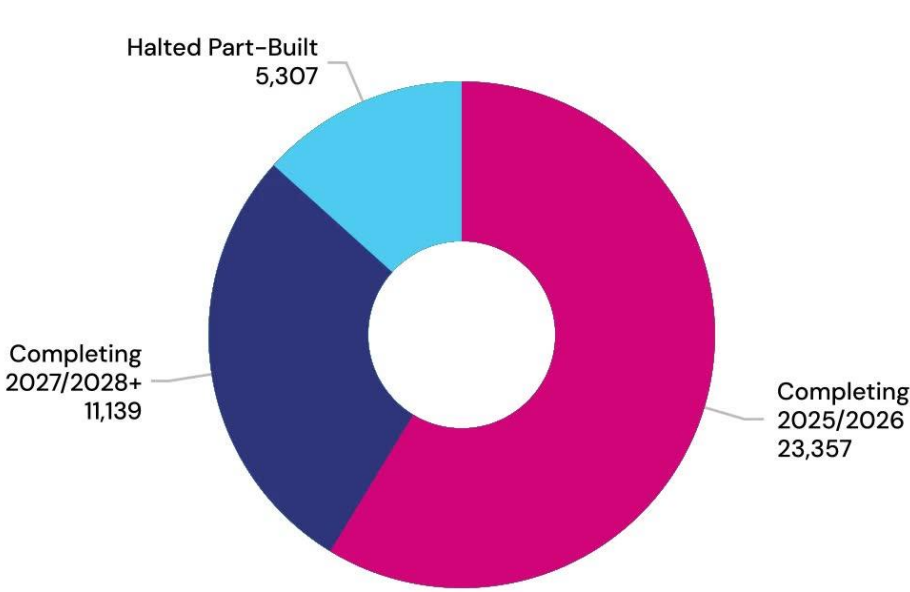
Such schemes are halted, with the gates padlocked, usually for one of two reasons.

Often the building contractor has gone bust, with rising construction costs being the main cause of distress.

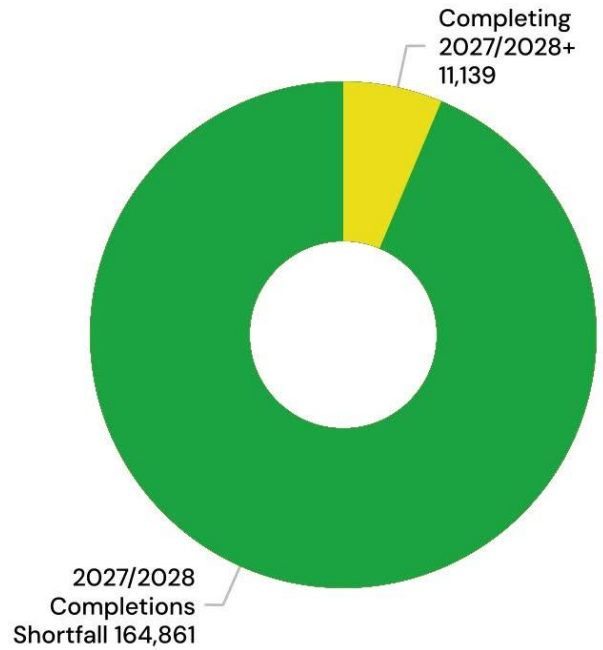
In other situations, work is deliberately on hold because the sales market is so weak.

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# Construction Completions Forecast For 2027 + 2028



**39,803 Homes Are Under Construction**



**Expected Completions Shortfall = 94%**

**Government targets look impossible to achieve.**

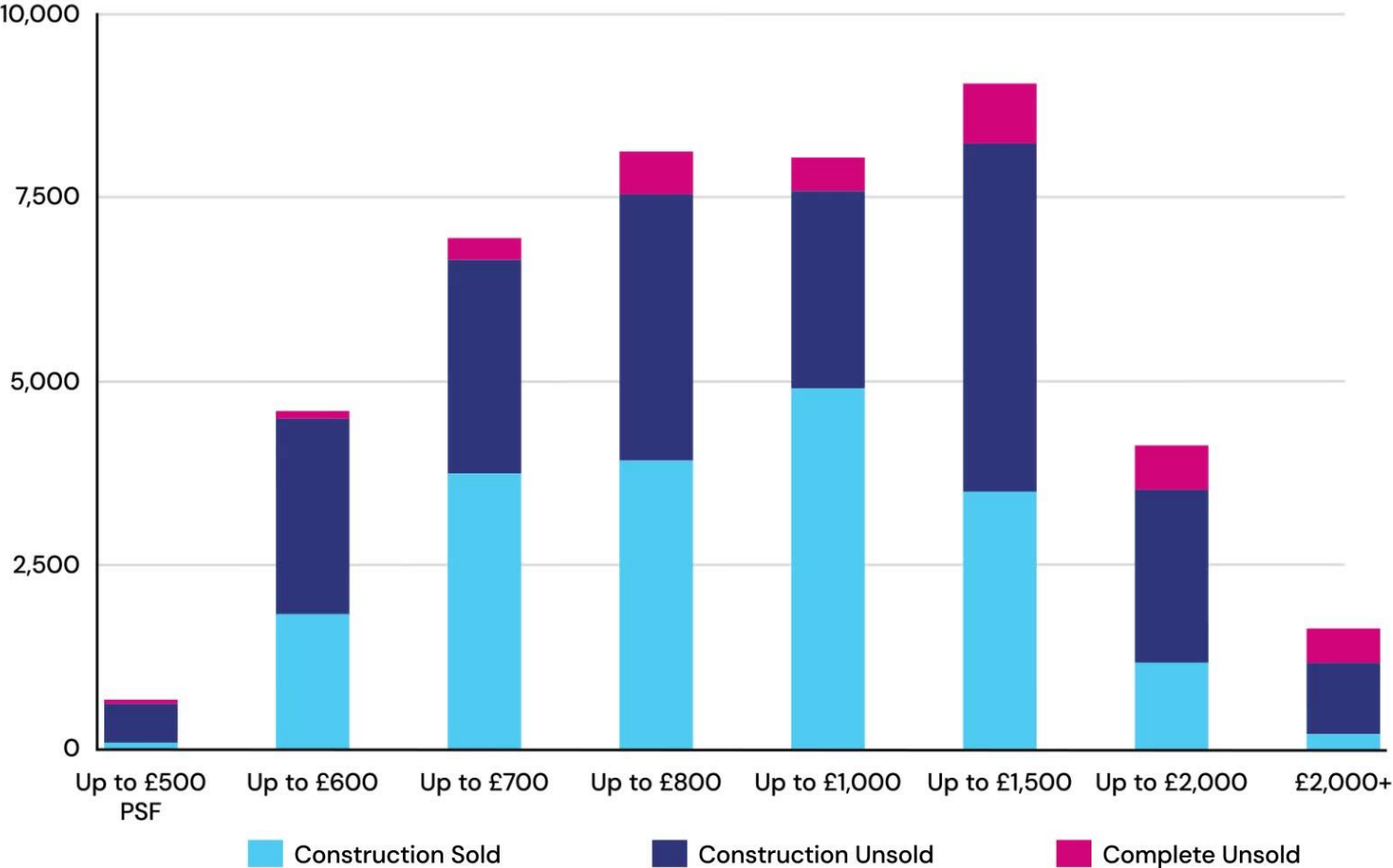
The left-hand image shows most of the 40,000 homes currently under construction will be completed by the end of 2026.

The right-hand image shows completions expected in 2027 and 2028. The yellow segment is just 6% of the Government's 176,000-home, two-year London target.

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# Pricing Of Unsold Homes At The End Of Q3 2025



**Unsold homes exist across all price points.**

Under construction sold v unsold sits at about 50%; this is healthy.

Slow sales have triggered some price discounts, but price-distress is alleviated by the rental market.

At completion, developers are renting unsold homes leaving few homes complete but unoccupied.

# Pricing Growth Since 2015 In £PSF

Price Type

☒ Asking £PSF

☒ Achieved £PSF

☒ Resales £PSF

Bedrooms

☐ 1-Bed

☒ 2-Beds

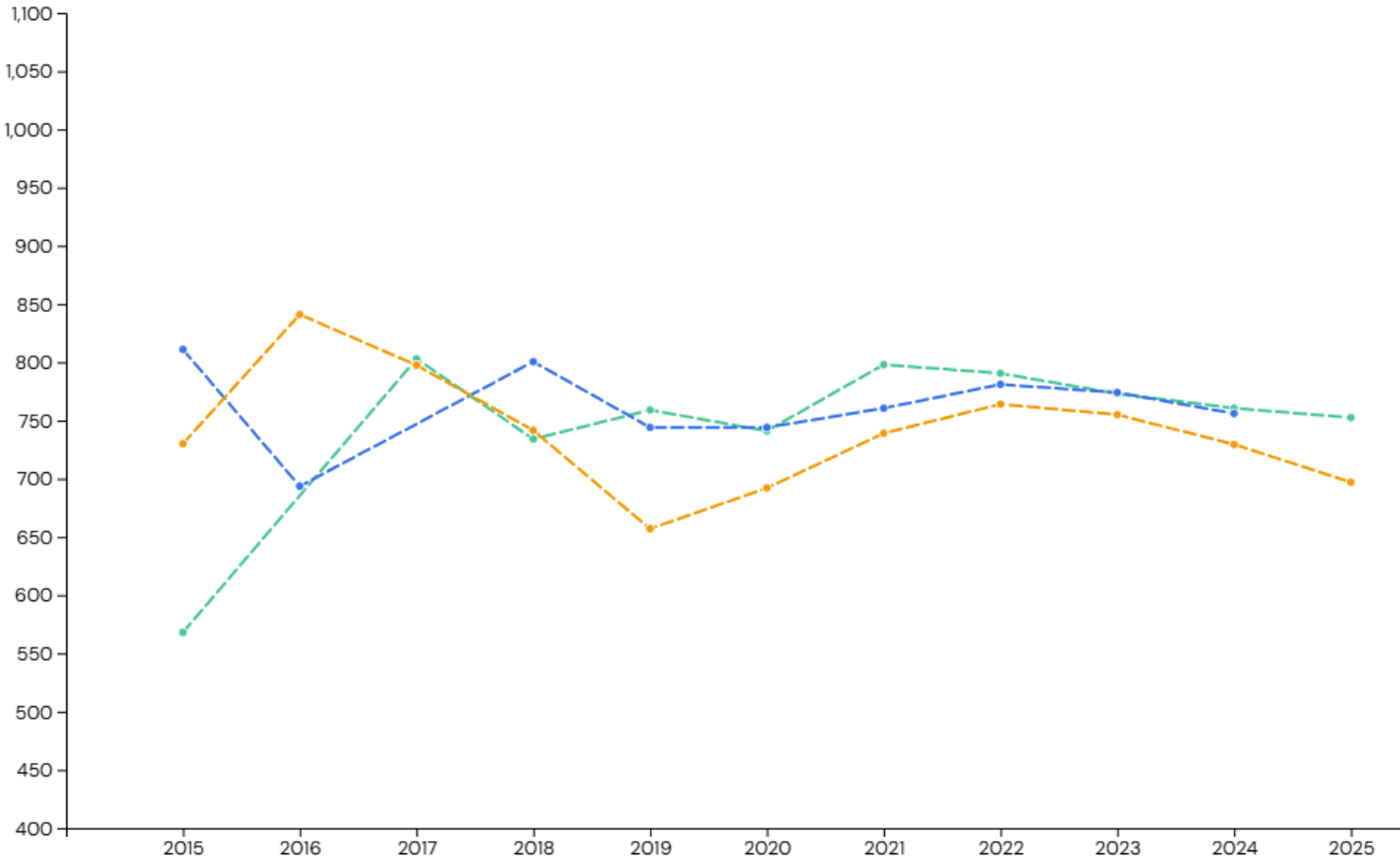
☐ 3-Beds

Chart Options

☐ Price Points

☒ Price by Year

☐ Price Trend



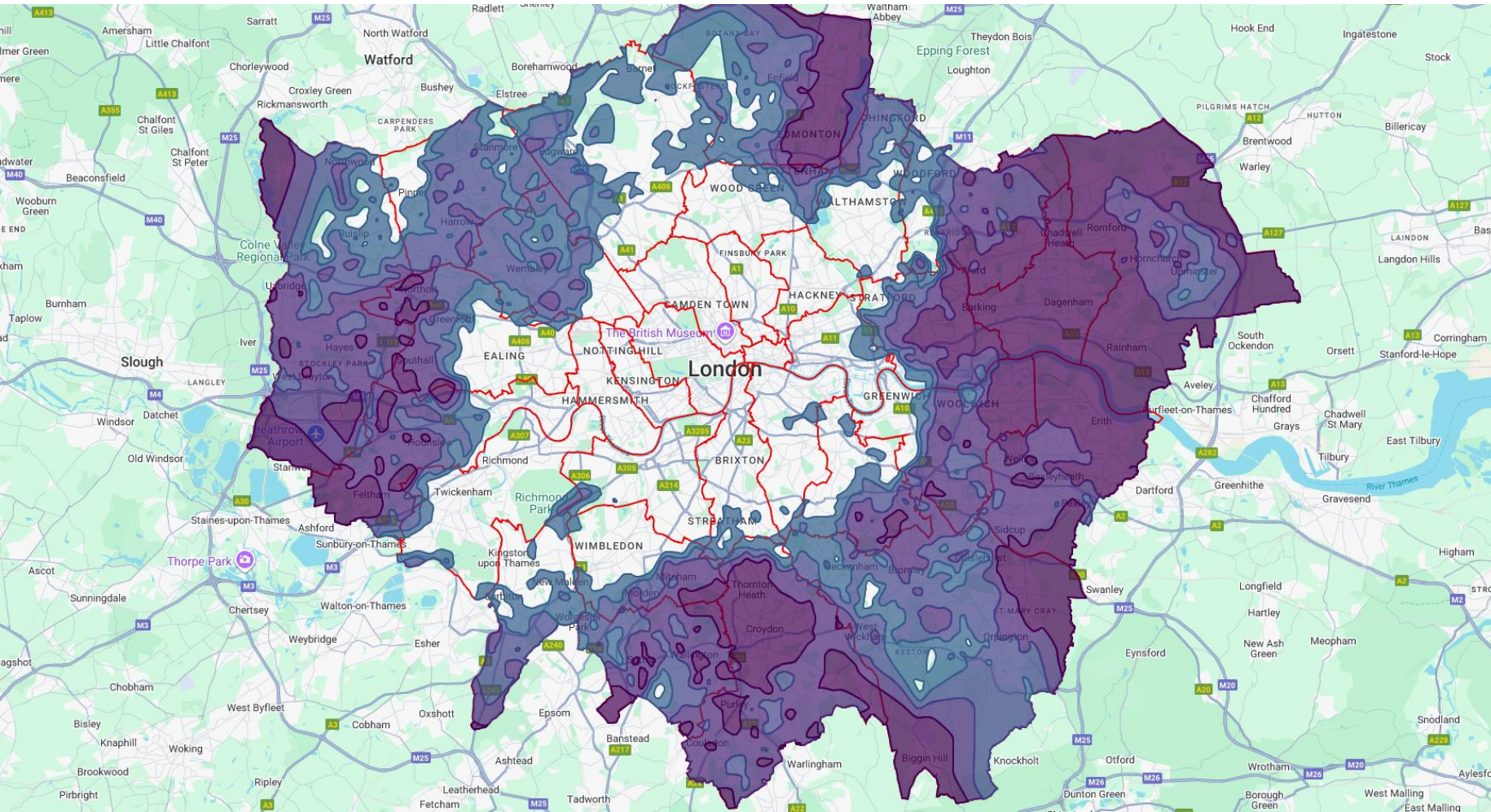
Prices are not rising ... this is Acton W3.

Patterns vary by location but in general prices have been flat for ten years and are now falling.

As sales rates are low, prices are clearly too high.

However, the costs of both construction and planning obligations give developers little freedom to reduce prices.

## Pricing Across London Above + Below £650 PSF



**Development is unviable across half of London.**

Development costs are high, so it is unviable to build profitably in half of London - areas under £650 psf.

This is even if the land is provided free and there are no planning obligations like CIL and affordable housing.

Though exceptions do exist, pockets of high value that coincide with lower-cost buildings.

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## Planning Permissions Unbuilt At The End Of Q3 2025



**London has 281,000 unbuilt permissions.**

These numbers are private + affordable C3 permissions.

The numbers include outline consents, detailed consents and unbuilt phases of schemes partly under way.

Also included are projects successful at committee but still waiting S106 sign-off.

## Planning Permissions Most Likely To Be Built



**Just 10,000 homes are in a value v height sweet spot.**

Development below £650 psf is mostly unprofitable; such schemes contain 54% of unbuilt permissions.

Funders are wary of BSR delays in developments above 18m; such schemes contain 90% of unbuilt permissions.

Only 10,000 unbuilt homes are in higher value areas and in lower rise buildings.

# Planning Applications Since 2009



**Planning applications in London are unfashionable.**

Falling development profitability during the last decade means new planning applications have also fallen.

This graph shows net private additional applications.

The lines avoid double counting duplicated applications, such as when second stair-cores demand redesigns.

# Log In To Molior For Scheme-By-Scheme Information

MOLIOR

DATABASE

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Events/Dates

Spreadsheets

Scheme View

Map

Satellite

Displaying 100 Properties.

Google

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Terms

Report a map error

Scheme

Status

Local Authorities

Postcode

Planning

Construction

Marketing

Multifamily

Lender

Company

Units

Dimensions

Quarterly Search

Land Value

Events/Dates

GPDO Prior Approval

HMLR Pricing

Small schemes

Search by map layer

Favourites only

Search by drawing

Lock map position

Reset

Search

Saved Searches

7173 results.

Exclude entries

☆ St George Wharf - L - The Tower

☆ Battersea Reach - Ensign + Acensis

☆ The Sanctuary (Wimbledon Football Club)

☆ Parkwest (Former RAF West Drayton)

☆ Queen Mary's Gate

Centre on

Type in an address or postcode

Government

Boroughs

Old Oak and Park Royal DC

London Legacy DC

HMLR Freehold Titles

Developments

Both

Dots Only

Boundaries Only

Pricing

Asking 2023 Onwards

Achieved 2022 Onwards

Resales 2022 Onwards

Ballpark BTR Rent

Rent Capitalised @ 6%

Second-Hand £PSF

None

Second-Hand Transactions

1-Bed Flat

2-Bed Flat

3-Bed Flat

3-Bed House

Clusters

Schemes of 20+ private units only

Nothing chosen

Market Values

Transport

Lifestyle

Planning



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