

Residential Development in London

Developments with 20+ Private Homes

MOLIOR

January 2026



Definitions

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

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

Sales means all forms of absorption.
Absorption isn't counted in advance of construction start.

London is the Greater London Authority area.

A Natural Oligopoly?

Significant barriers to entry make it hard to become a London residential developer:

- **Elongated timelines** – require a patient balance sheet.
- **Expensive construction** – favours economies of scale.
- **Scarce customers** – demand a track record / expertise in every sales channel.

This excludes smaller developers from the industry, leaving a group of larger developers with limited competition from 2027.

Construction Starts Fall 84% In A Decade



Q4 2025 saw a marked improvement in starts:

- 2,294 starts in Q4 2025
- 986 in Q3
- 882 in Q2
- 1,385 in Q1

The government would like 22,000 starts each quarter.

Construction Halted At The End Of Q4 2025



Work has stopped on 5,009 homes at 51 development sites.

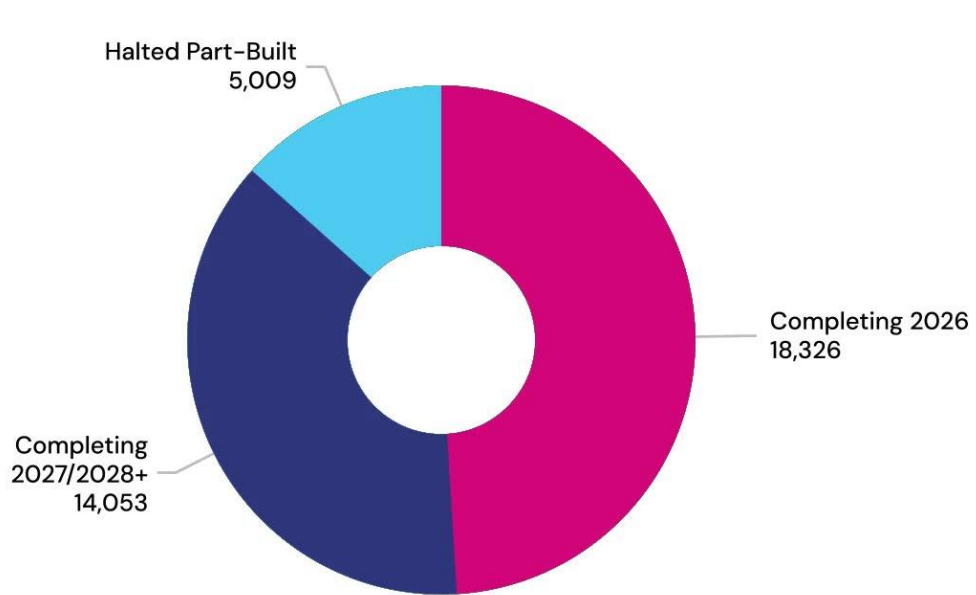
Such schemes are halted, with the gates padlocked, usually for one of two reasons.

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

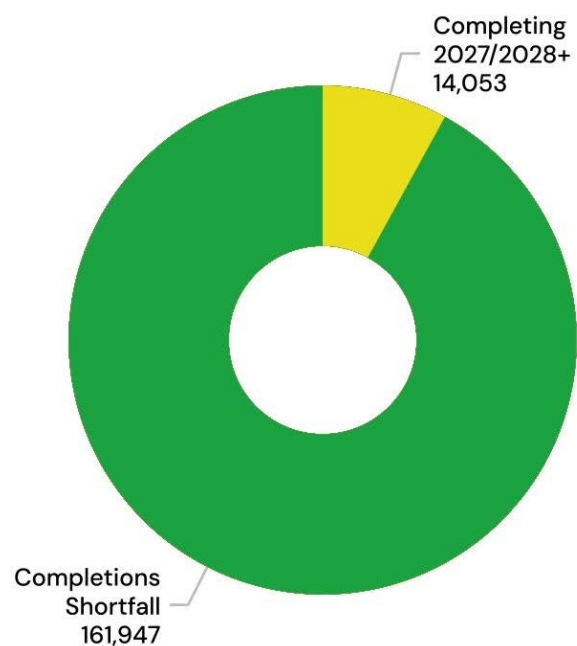
In a few situations, work is deliberately on hold because the sales market is so weak.

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Construction Completions Forecast For 2027 + 2028



37,388 Private Homes Are Under Construction



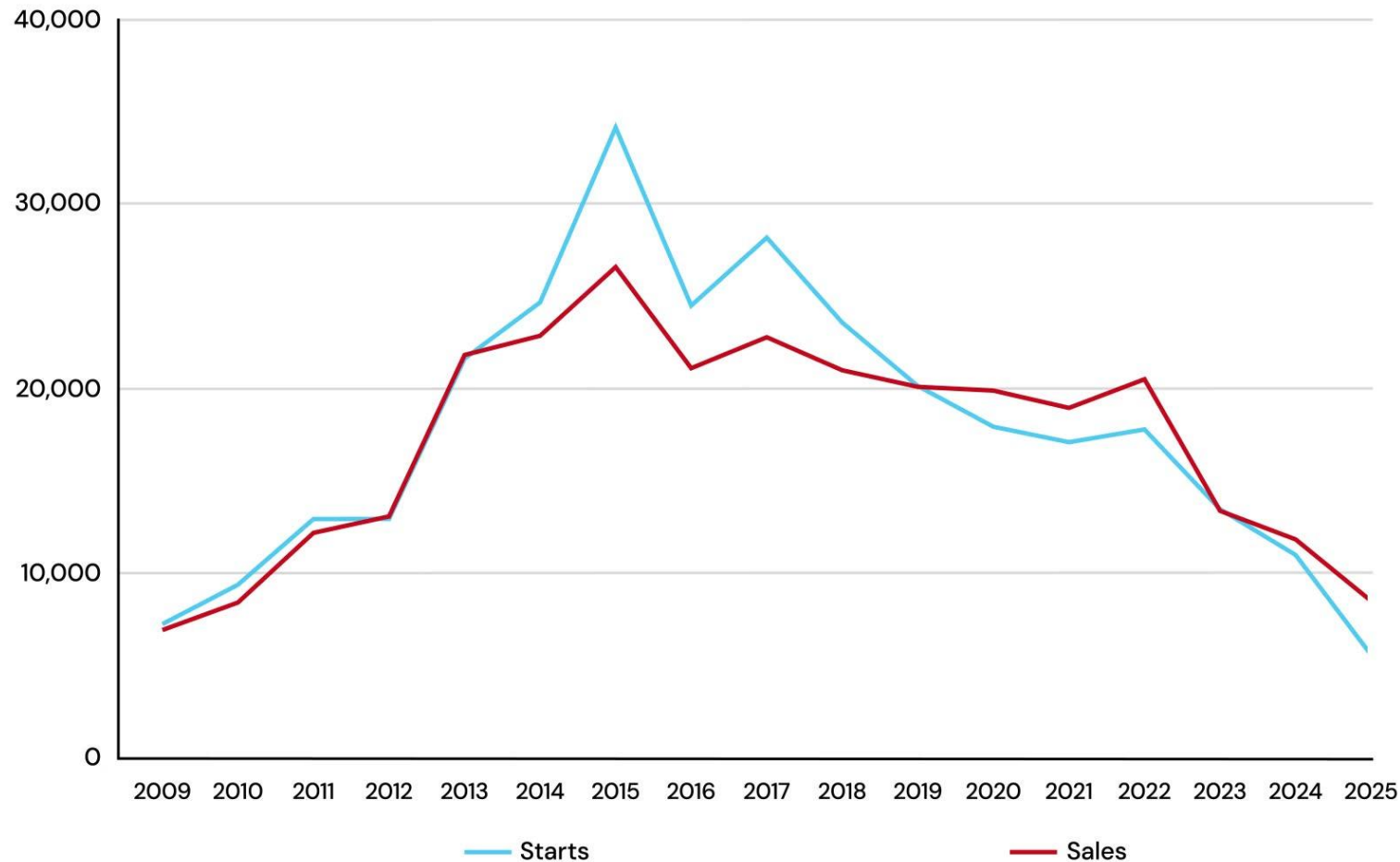
Government Target Shortfall = 92%

Government targets are impossible to achieve.

The left-hand image shows that half of the 37,388 homes currently under construction will be complete by the end of 2026.

The right-hand image shows completions expected in 2027 and beyond. The yellow segment is just 8% of the Government's 176,000-home, two-year London target.

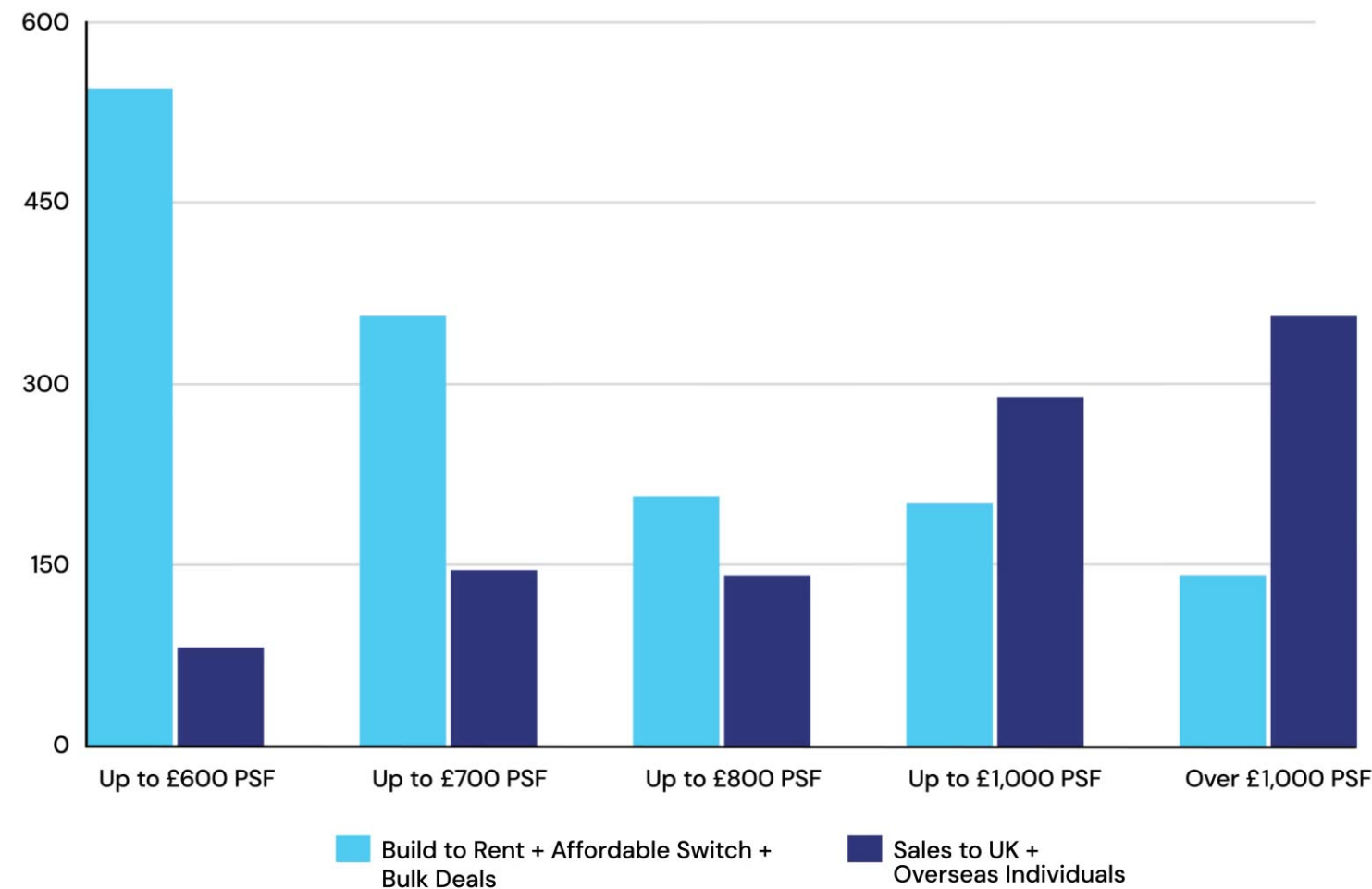
New Homes Sales Fall 68% In A Decade



This graph shows strong correlation and a simple story:

- The loss of off-plan investors caused construction to decline after 2015.
- Then the loss of Help to Buy and Build to Rent caused a further decline after 2022.

Sales By £PSF In Q4 2025



London had just 2,463 new home sales in Q4 2025.

The left to right pattern is striking:

- 1,014 homes were sold to individuals, generally at higher price points.
- 1,449 homes were sold to companies, generally at lower price points.

Just 8,436 New Homes Sold During 2025

	2024	2024	2024	2024	2025	2025	2025	2025
Schemes selling 12+ PQ	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Build to Rent	550	969	635	1,987	531	97	625	1,051
Help to Buy	-	-	-	-	-	-	-	-
Switched to Affordable	623	509	107	120	337	308	479	281
Overseas Sales	547	379	310	409	373	385	202	290
Bulk Deal	118	56	210	117	50	88	33	117
Normal UK Sales	426	335	469	428	389	384	203	269
Sub Total	2,264	2,248	1,731	3,061	1,680	1,262	1,542	2,008
Schemes selling <12 PQ	551	626	700	552	582	454	453	455
Total	2,815	2,874	2,431	3,613	2,262	1,716	1,995	2,463

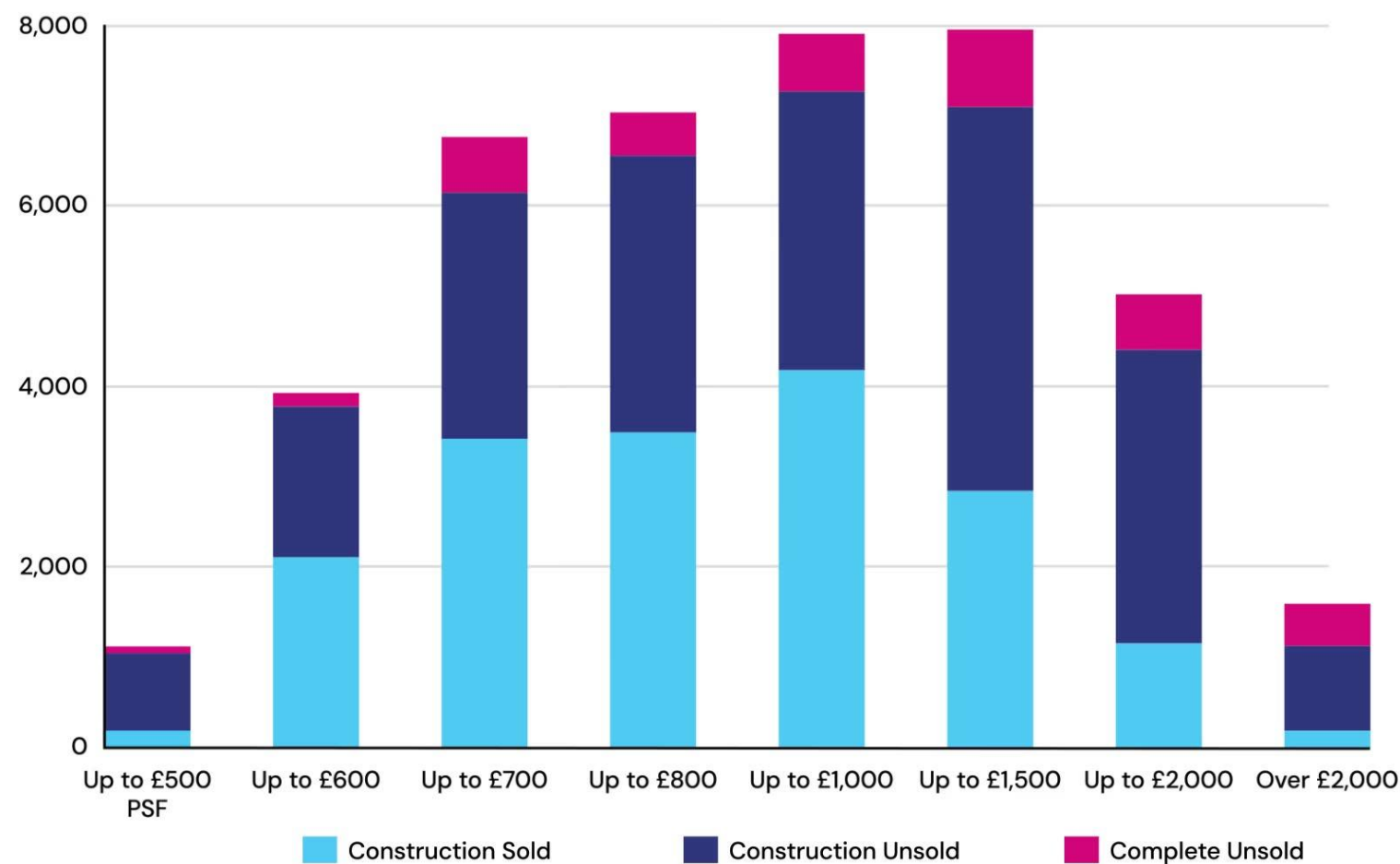
Sales rates are weak across every absorption segment.

Low sales rates are directly contributing to fewer construction starts.

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

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Pricing Of Unsold Homes At The End Of Q4 2025



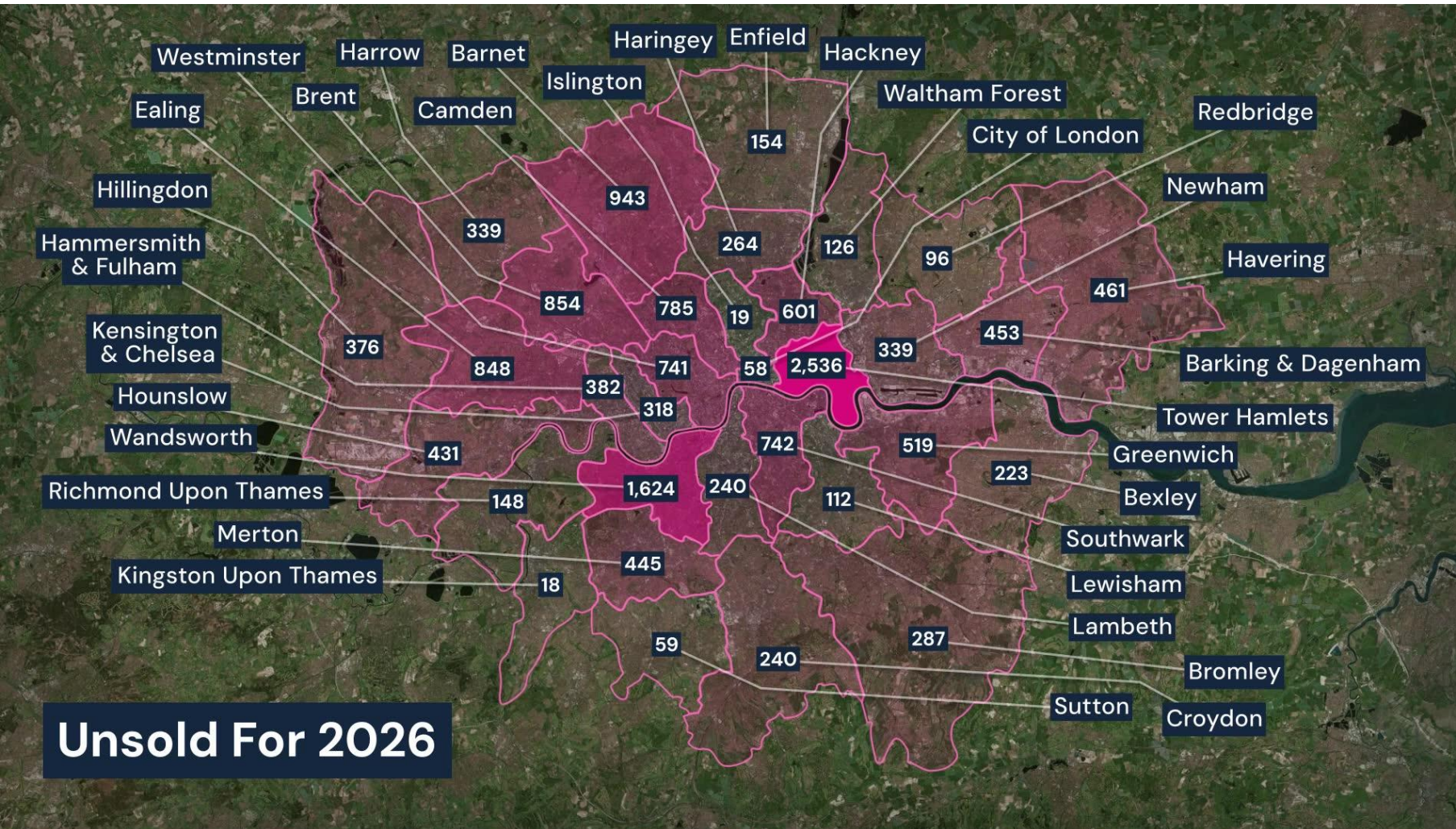
Unsold homes exist across all price points.

The extra-large dark-blue segment, £1,001-£1,500 PSF, deserves inspection.

- 1,743 of these homes are due for completion after 2026.
- 2,504 homes are due for completion during 2026.

Q4 2025 saw just 150 sales in this price band.

15,781 Homes Need To Be Sold During 2026



Sales competition could be fierce during 2026.

At the beginning of January 2026:

- 3,897 homes are complete but unsold.
- 11,884 unsold homes are expected to complete during 2026.

This map shows the location of the 15,781 homes that need to be sold before 2027.

[illegible]

Today, 14,053 homes are under construction and due for completion after 2026.

Of those, just 7,940 homes are unsold, which means sales competition will be scarce from 2027.

More homes will, of course, commence construction during 2026.

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☆ Parkwest (Former RAF West Drayton)

☆ Queen Mary's Gate

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Government

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Old Oak and Park Royal DC

London Legacy DC

HMLR Freehold Titles

Developments

Both

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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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