# Residential Development In London

## Based On 600 Quarterly Interviews

MOLIOR

End Q2 2026

**Greater London Authority Area**

**Developments With 20+ Private Homes**

**All Numbers Refer To Homes Consented C3 Private**

**Research Since 1997**

MOLIOR

# Sales Rates Are 13% Of Required Levels

**2,792**

Private Absorption Q2 2026

**22,000**

Required Quarterly Absorption

**Q2 2026 sales are slightly above the average for the previous eight quarters, which was 2,575.**

**To put this in perspective, annual delivery of 88,000 homes requires quarterly absorption of 22,000.**

# People Are Not Buying New Homes In London

| | 2024 Q1 | 2024 Q2 | 2024 Q3 | 2024 Q4 | 2025 Q1 | 2025 Q2 | 2025 Q3 | 2025 Q4 | 2026 Q1 | 2026 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|
| Build to Rent + Block Sales | 830 | 969 | 635 | 1,987 | 531 | 97 | 672 | 1,224 | 1,195 | 1,441 |
| Other Bulk Deals | 118 | 56 | 210 | 117 | 50 | 88 | 33 | 111 | 473 | 90 |
| Switched to Affordable | 623 | 509 | 107 | 120 | 337 | 278 | 479 | 391 | 238 | 388 |
| **Sales to Companies** | **1,571** | **1,534** | **952** | **2,224** | **918** | **463** | **1,184** | **1,726** | **1,906** | **1,919** |
| Overseas Sales | 549 | 379 | 327 | 411 | 447 | 385 | 202 | 295 | 278 | 284 |
| Help to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Normal UK Sales | 989 | 967 | 1,155 | 996 | 968 | 826 | 693 | 733 | 630 | 589 |
| **Sales to People** | **1,538** | **1,346** | **1,482** | **1,407** | **1,415** | **1,211** | **895** | **1,028** | **908** | **873** |
| **Total** | **3,109** | **2,880** | **2,434** | **3,631** | **2,333** | **1,674** | **2,079** | **2,754** | **2,814** | **2,792** |

**The upper three rows show 1,919 homes were sold to companies in Q2 2026.**

**The lower three rows show 873 homes were sold to people in Q2 2026.**

**UK individuals bought just 589 new homes across the whole of London during those three months.**

# Sales Rates Per Active Outlet, Excluding Corporate Deals

| | Q2 2026 | | Sales / Outlet | | |
|---|---|---|---|---|---|
| | Sales to people | Active Outlets | Quarterly | Monthly | Weekly |
| Within Completed Schemes | 241 | 116 | 2.08 | 0.69 | 0.16 |
| Schemes Under Construction | 632 | 113 | 5.59 | 1.86 | 0.43 |
| **Combined** | **873** | **229** | **3.81** | **1.27** | **0.29** |

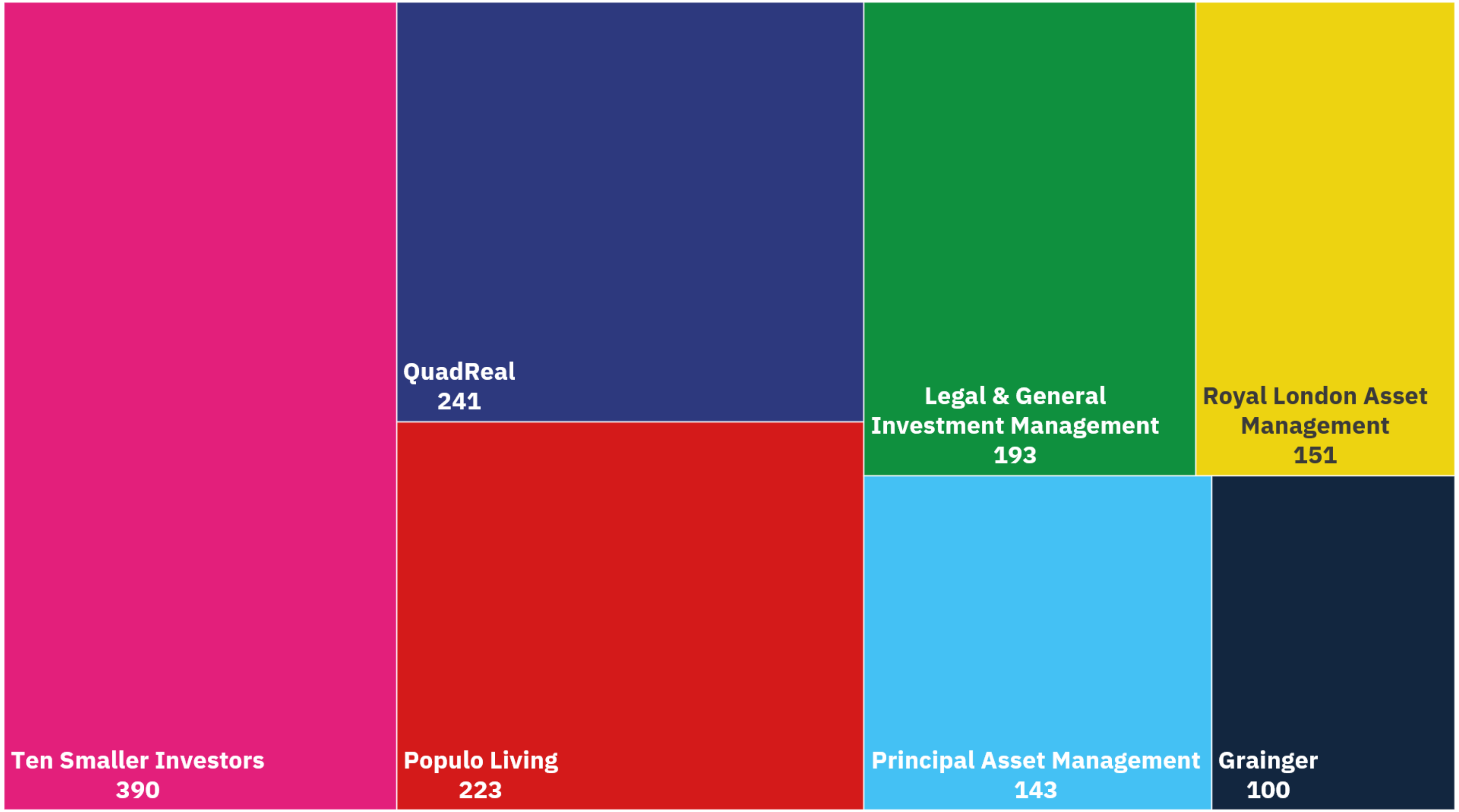
**London developments recorded 0.3 sales per week during Q2 2026.**

**Bulk deals and other corporate sales are excluded, so these are only sales to people.**

**Schemes unlaunched or between marketing phases are excluded, so this number is just for active sales outlets.**

MOLIOR

# 52% Of Absorption Is Build To Rent + Other Block Deals



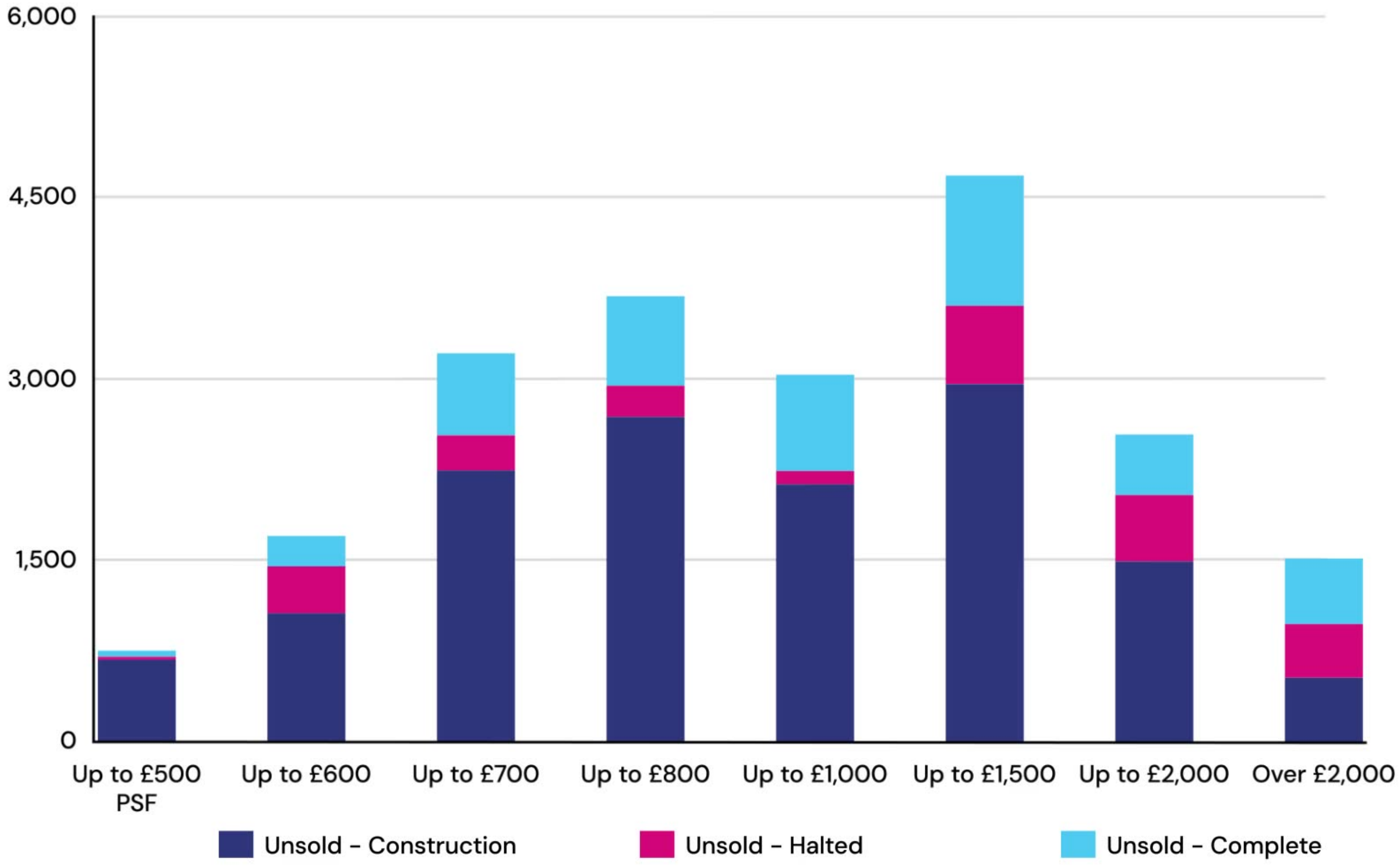

**Seven investors funded 870 Build to Rent construction starts during Q2 2026.**

**In addition, nine investors bought 570 homes in block deals during the quarter.**

**The block deals are often 'Plan B' - not an exit route developers would choose.**

MOLIOR

# Unsold Homes By Construction + Price



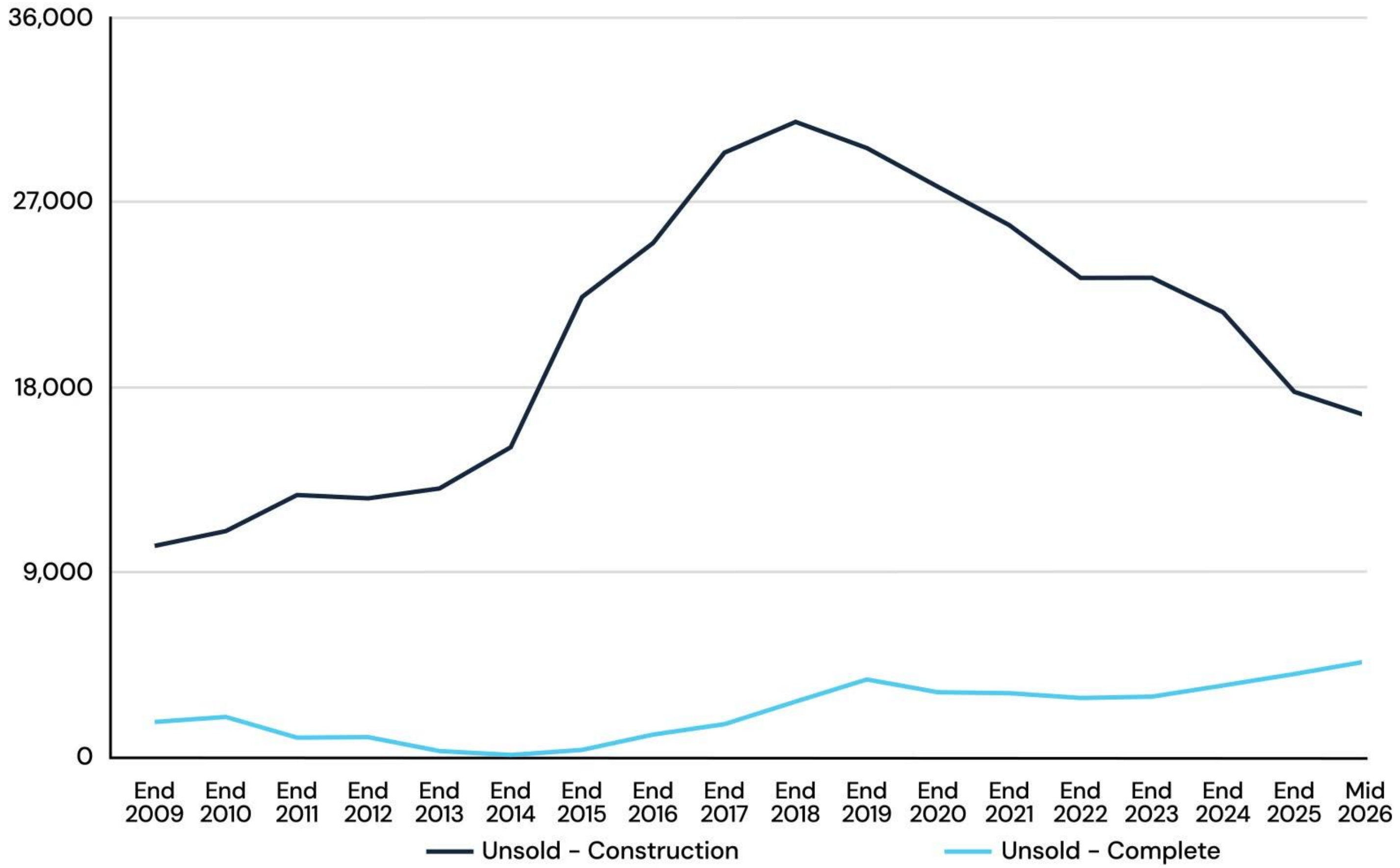

**There are 4,629 homes complete but unsold, this is the highest level we have ever seen.**

**There are 13,770 homes under construction but unsold. This number has been falling since 2018.**

**In addition, 2,704 unsold homes are halted part-built.**

MOLIOR

# The Number Of Unsold Homes Over Time

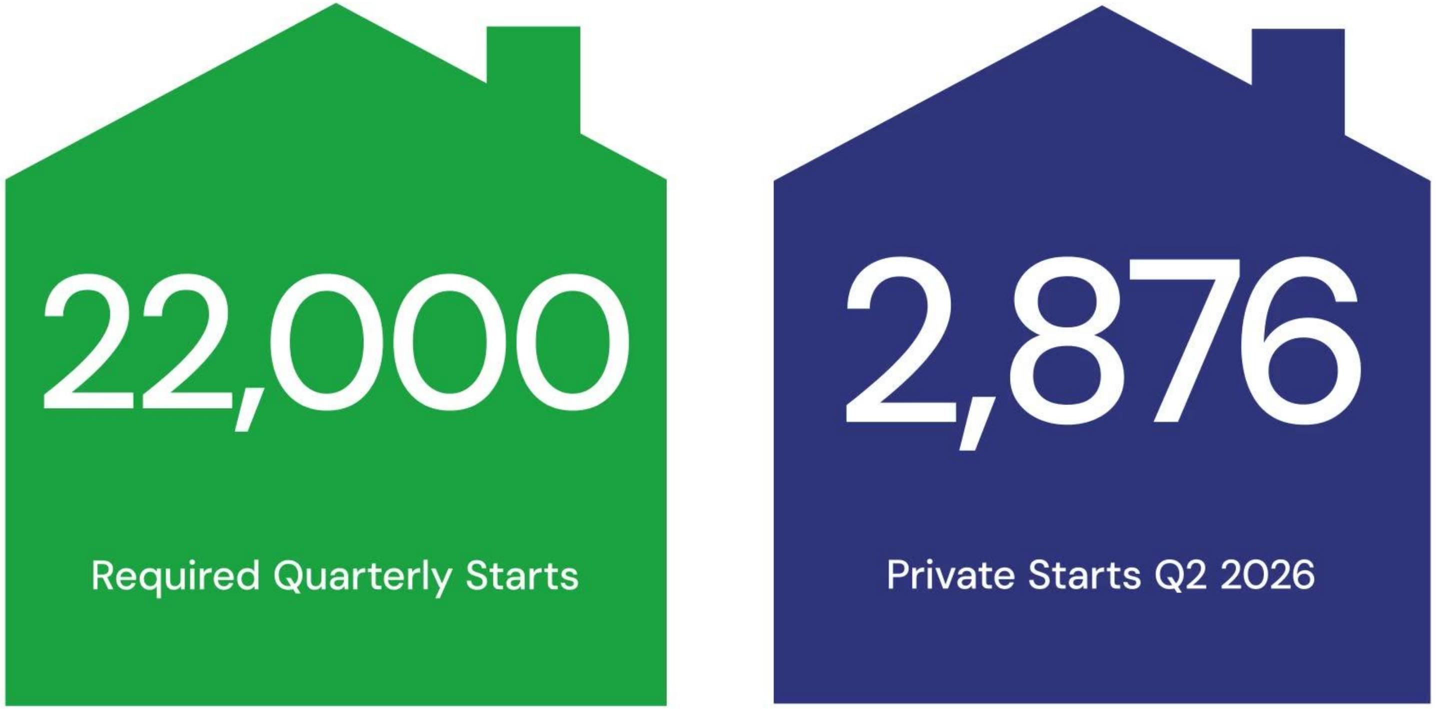



**The number of unsold homes under construction has fallen dramatically.**

**This is because the total number of homes under construction has fallen dramatically.**

**In 2018 the proportion of homes under construction and unsold was 48%, whilst today it is 49%.**

# Construction Starts Are 13% Of Government Targets

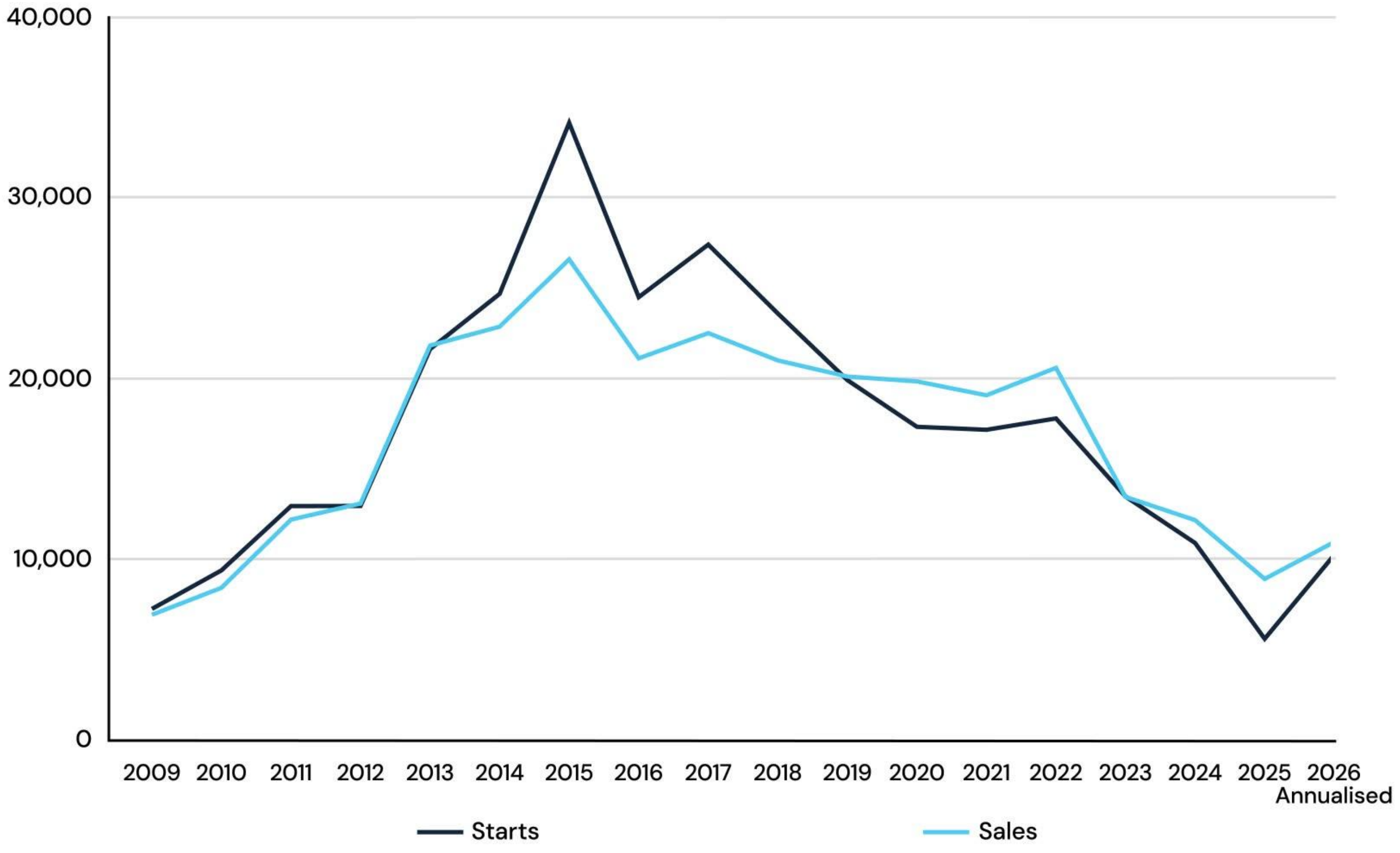



**London Square made 25% of all private starts during Q1 and Q2 2026.**

**Berkeley Group made 15% of starts and another 32 developers make up the remaining 60%.**

MOLIOR

# Construction Starts In 2026 Are Up 82% Compared To 2025



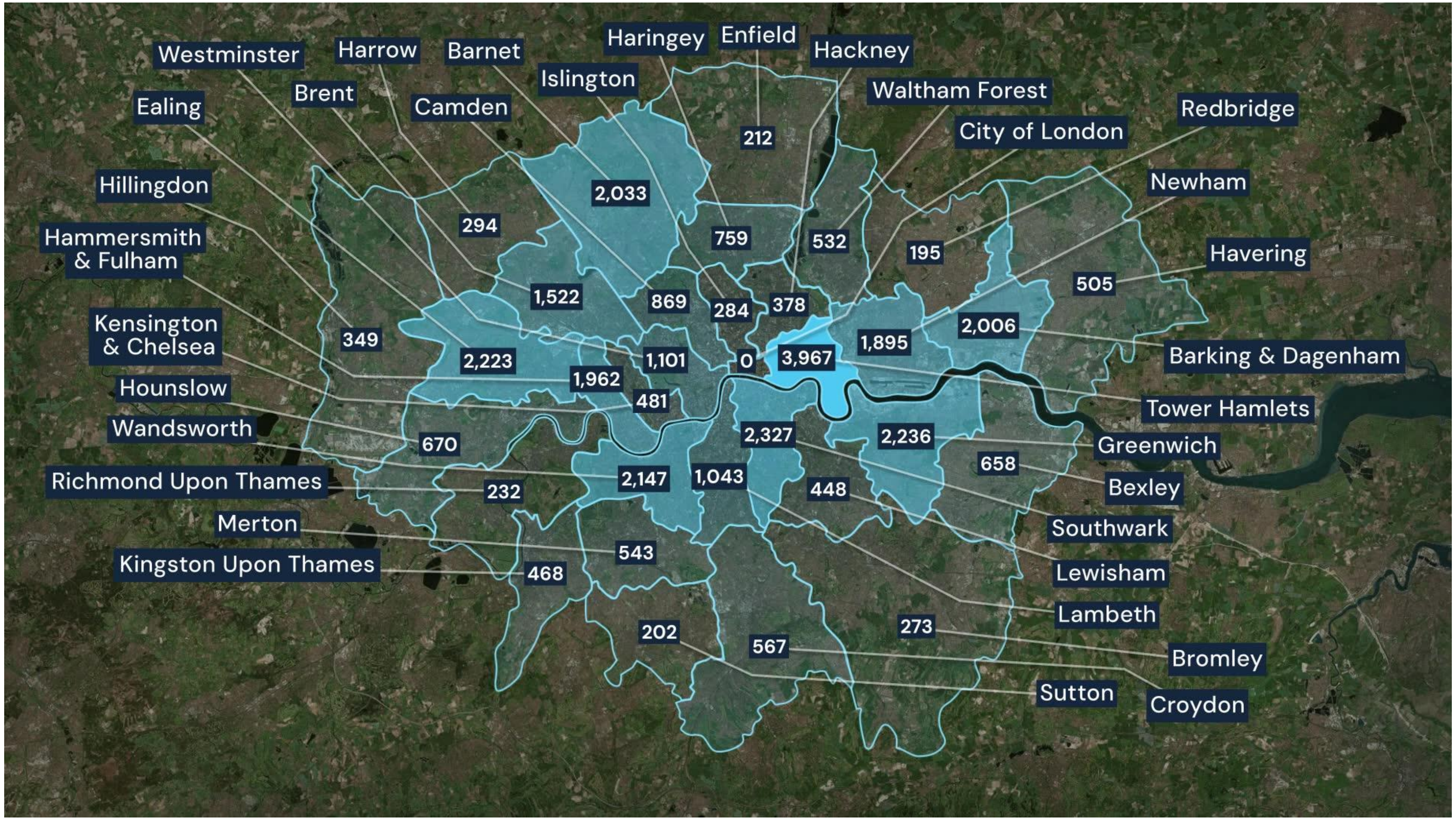

**Construction starts are back up to the level of 2024, recovering from the BSR delays of 2025.**

**But starts are still low.**

**Only higher sales rates will give developers the confidence to build more.**

MOLIOR

# There Are 33,000 Private Homes Under Construction




**Berkeley Group is building 16% of London's private homes.**

**London Square has just over 5% market share.**

**Vistry Group has just under 5% market share.**

MOLIOR

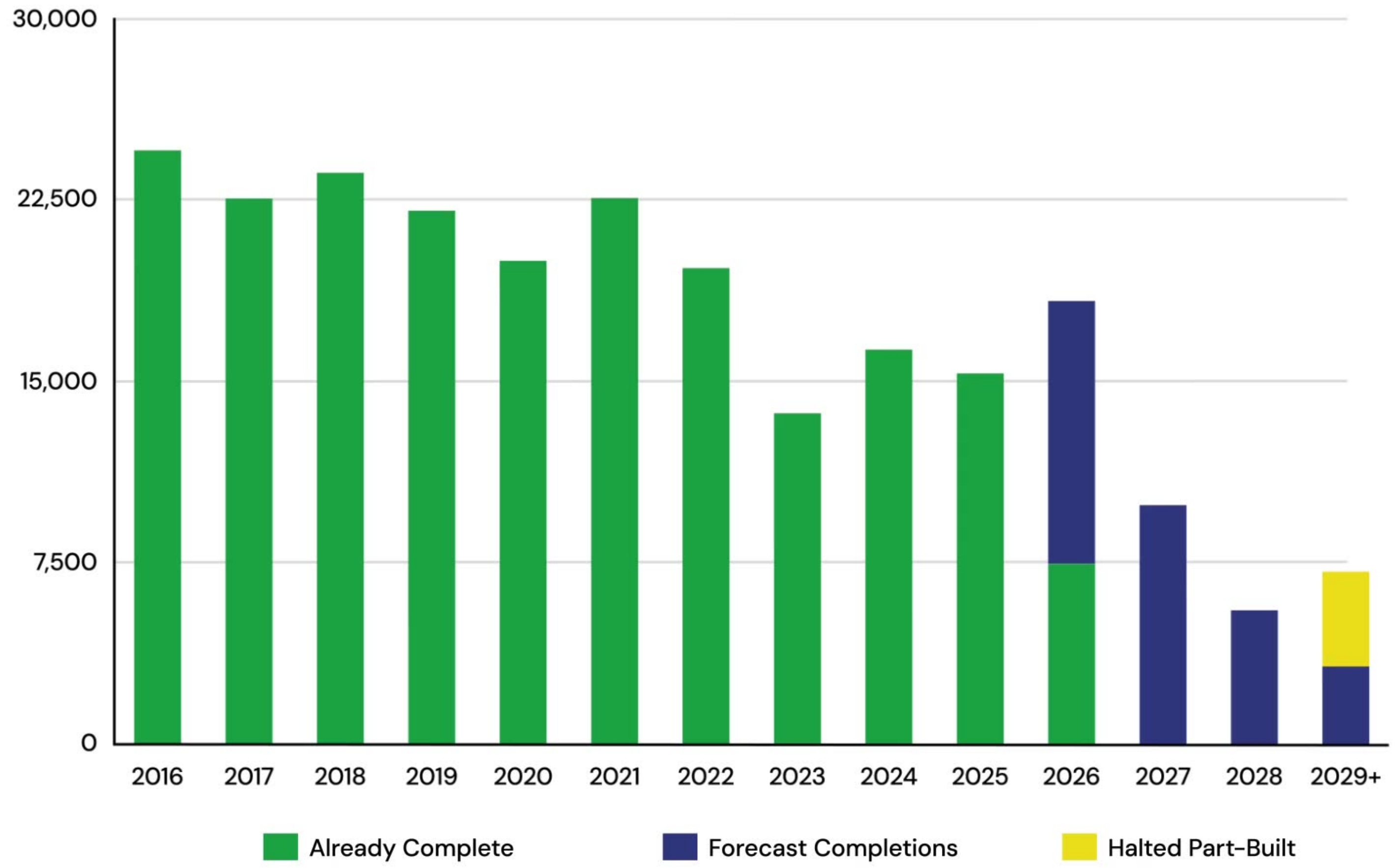
# Work Has Halted At One In Five Construction Projects


56 developments are halted, gates padlocked.

They contain 3,913 part-built homes.

Rising construction costs are the main cause of contractor distress.

# 70% Of Current Construction Completes In 2026 + 2027



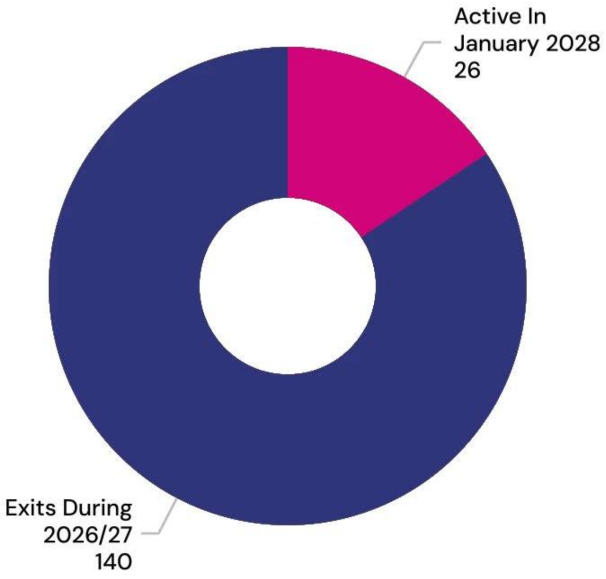

**20,700 homes complete construction between now and the end of 2027.**

**That leaves just 8,750 homes forecast to be on site in January 2028.**

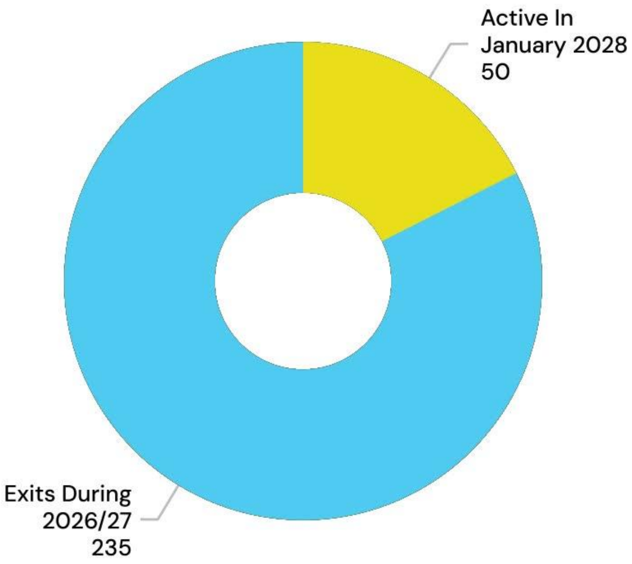
**[Plus, any additional starts during 2026 and 2027.]**

MOLIOR

# London Needs 140 Developers To Start New Projects




Developers




Projects

**235 of 285 development sites will complete current phases by the end of 2027.**

**140 of London’s 166 developers are building those projects and would effectively exit London if they don’t commence new projects.**

**Buy-to-let investors once played a critical role in getting urban apartment developments out of the ground.**

**A decade ago, buy-to-let investors purchased new homes at the start of construction, giving developers the pre-sales needed to secure development finance, and causing construction starts.**

- **That successful dynamic has disappeared. Today, buy-to-let investors no longer buy new homes at scale. This is due to deliberate policies of successive Governments.**

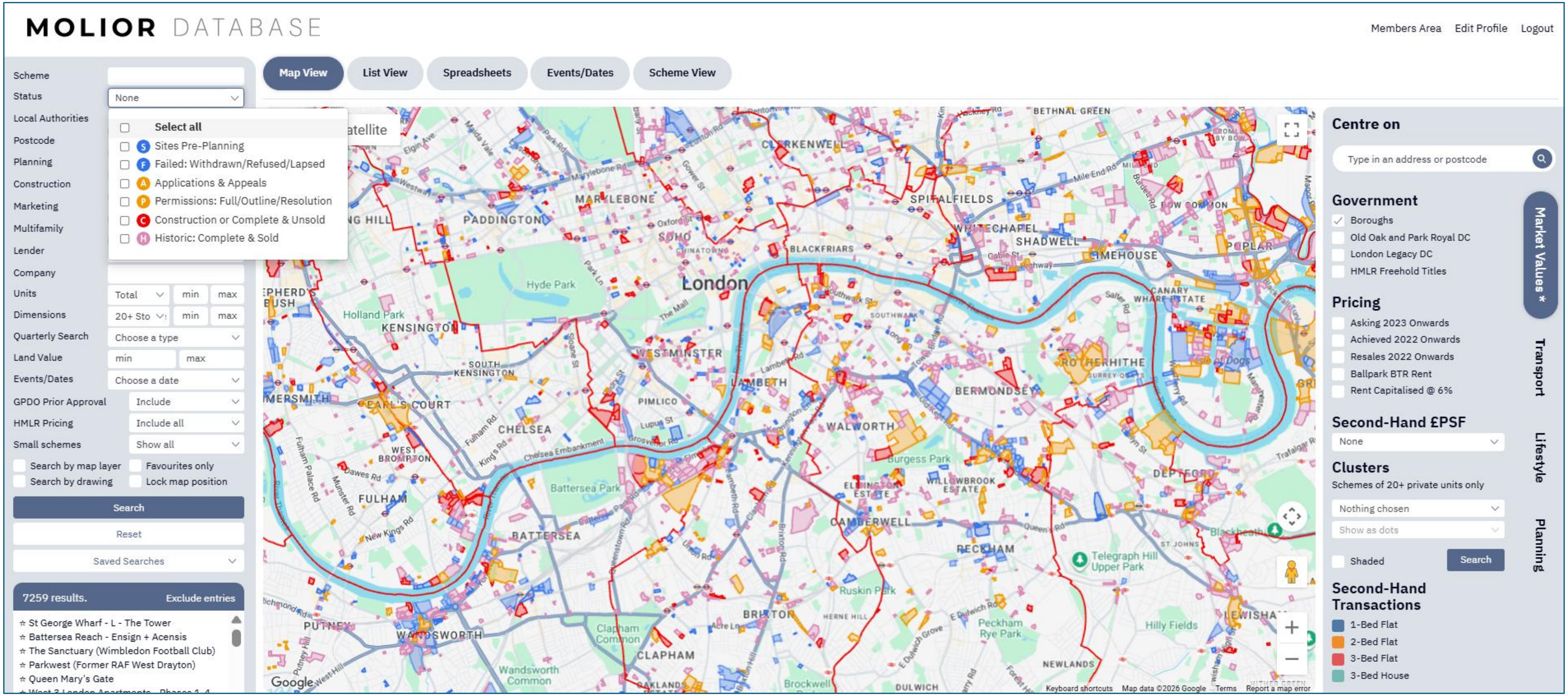
- **Instead, many investors are selling properties acquired 5-15 years ago, often at prices 20% below comparable new-build homes.**

**Today in Canary Wharf, for example, about 1,000 second-hand new-build apartments are for sale. This excess competition suppresses market prices and discourages new development from commencing.**

**This isn’t just a London story - it is happening in all major UK urban apartment markets.**

**Whilst demand-side problems exist, the impact of supply-side reforms will be muted.**

# Log Into Molior For Scheme-By-Scheme Information



**Molior is a granular research database of UK urban residential development**
**If you would like subscription options, please email:**

**tim@moliorlondon.com**

MOLIOR