

LONDON PRIME RESIDENTIAL & LIVING MARKET INTELLIGENCE

PORTFOLIO DEALS | VALUE-ADD OPPORTUNITIES
CANARY WHARF LIVING DISTRICT

Market research prepared for Corriere della Sera
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EXECUTIVE SUMMARY

The London property market is in a historic correction phase that represents a unique window of opportunity for institutional and UHNW investors. Prime Central London is approximately 25% below its 2014 peak (-24.5% according to the Savills Prime London Index, Q4 2025) — the lowest price level in over a decade — while structural fundamentals (international demand, constrained supply, infrastructure, liquidity) remain the strongest in Europe.

Simultaneously, the world's largest financial institutions are consolidating their presence in London with multi-billion-pound investments. JP Morgan is developing a new approximately 3 million square foot tower at Canary Wharf (estimated investment of £3 billion), which will become the group's main UK headquarters and its largest European hub — described by several media outlets (BBC, Guardian) as a "second headquarters" alongside New York. BlackRock is evaluating the HSBC tower as its new London HQ. Visa is relocating its European headquarters to One Canada Square.

This report analyses three areas of interest: residential portfolio deals and Build to Rent, value-add opportunities (including hospitality conversions), and the Canary Wharf living district. For investors with a 5–10 year horizon interested in structured buy-to-let portfolios, residential blocks or institutional living, London today offers entry conditions that may not be repeated.

~-25% PCL vs 2014 peak Savills Q4 2025 (-24,5%)	£18,1 mld Annual inv. Central London CBRE (media 10y)	62% International buyers CBRE / 50+ paesi	3,75% BoE Base Rate da 5,25% (ago 2023)
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Source: CBRE UK Real Estate Market Outlook 2026, Savills Prime London Index Q4 2025, Bank of England

1. WHY BUY IN LONDON

1.1 A market in historic correction

Prime Central London prices have fallen 24.5% from their 2014 peak, according to the Savills Prime London Index (Q4 2025), bringing PCL to approximately one quarter below pre-Brexit levels (2014 peak). This is the deepest and most prolonged correction in the prime London market since the 2008 financial crisis. The causes are structural and cumulatively significant:

- Stamp Duty reform (Dec 2014)** — progressive structure that hit transactions above £1.5 million
- 3% second home surcharge (Apr 2016)** — additional cost for investors and pied-à-terre buyers
- Brexit uncertainty (2016–2020)** — three years of political paralysis that froze the market
- Pandemic (2020–2021)** — temporary exodus from Central London, flight to suburbs
- Interest rate shock (2022–2023)** — BoE from 0.1% to 5.25% in 18 months, mortgage market collapse
- End of non-dom regime (Apr 2025)** — UHNW exodus to Dubai, Monaco, Milan

However, this correction does not reflect structural weakness. On the contrary, Savills Research (April 2026) describes PCL as "attractively priced" and notes that "recent events reinforce the UK's status as a safe haven, particularly within a PCL market where values are 25% below their 2014 peak."

1.2 Fundamentals supporting recovery

Indicator	Data	Source
Falling rates	Bank Rate from 5.25% (Aug 2023) to 3.75% today. Oxford Economics forecasts 3–3.25% by end 2026	Bank of England / Oxford Economics
Wages > Prices	For the first time in a decade, wages are growing faster than property prices	Savills (forecast +22% cumulative 5y)
International demand	62% of Central London transactions from buyers in 50+ countries. US enquiries +20% (H1 2025)	CBRE / Rightmove
Structural supply	Housing starts declining. Knight Frank: "risk of one of the most supply-constrained markets of the decade"	Knight Frank Forecast Sep 2025
Living sectors	From 11% to 25% of total UK investment. £32bn expected over next 3 years	Savills UK RE Market Outlook
Commercial volumes	UK £50-55bn in 2025. EU volumes +18% forecast for 2026	CoStar / Savills European Outlook

1.3 Forecasts 2026–2030

Fonte	Segment	Forecast	Notes
Savills	UK Mainstream	+19,7% cumulativo (5y)	+22% crescita salariale prevista
Savills	PCL	+8,1% cumulativo (5y)	From -25% to approx. -17% from peak
Knight Frank	PCL	+19,2% cumulativo (5y)	PCL rents +4%/year

Knight Frank	Affitti UK	+18,8% cumulativo (5y)	Pressure from Renters Rights Bill
CBRE	Commercial	Increasing inv. activity	Growing cross-border capital
JLL	Globale	+19% vol. 2025 YoY	Living sectors >\$250bn in 2026

Sources: Savills Revised Forecasts Jan 2026, Knight Frank UK Housing Forecast Sep 2025, CBRE UK RE Outlook 2026, JLL Global Perspectives Feb 2026

2. PORTFOLIO DEALS & VALUE-ADD OPPORTUNITIES

2.1 The prime residential market — Entry conditions

The prime London residential market is undergoing a recalibration phase that creates exceptional opportunities for buyers with structured capital. The phenomenon is driven by three converging dynamics:

Non-dom exodus. Approximately 65% of super-prime sellers in 2025 were non-domiciled individuals who sold their primary London residence to relocate to lower-tax jurisdictions (Dubai, Abu Dhabi, Milan, Tuscany, Monaco, Geneva). This has released properties of above-average quality onto the market, with larger-than-typical floor areas.

Realistic pricing. Sellers are showing increasing willingness to adjust price expectations to the market. Off-market stock is at multi-year highs — serious sellers prefer discretion. Transactions are occurring where vendors are realistic on price.

Recent institutional transactions. Norges Bank (Norwegian sovereign fund) acquired 25% of the Grosvenor Mayfair Estate for £306 million in Q1 2025 — a portfolio of 175 mixed-use properties in Mayfair. Hines sold a prime Bond Street property for £195 million (February 2026). These deals confirm that institutional capital sees value at current levels.

The current correction reopens a segment that for the past decade was almost exclusively the domain of single family offices, sovereign funds and large UHNW individuals. Today, with prices on average 20-25% below peaks, the entry threshold has lowered and the quality of available stock is significantly above the historical average.

2.2 Build to Rent (BTR) — The rising asset class

Build to Rent is the most significant growth story in British real estate of the past decade. From a government initiative in 2012 to over 100,000 units completed by the end of 2023, BTR has become an indispensable source of housing in the United Kingdom.

Metric	Dato	Fonte
BTR units completed in London	circa 46.700	BPF/Savills, Q4 2023
Total UK pipeline (completed + under construction + in planning)	approx. 267,000 units	Stima BPF/Savills, Q4 2023
Forecast pipeline by 2033	up to approx. 360,000 units	Proiezione JLL / BPF
Premium yield BTR vs PRS locale	+38%	JLL (zone corporate: Canary Wharf, Nine Elms)
Occupancy rate medio stabilizzato	93%	JLL / NAHB Research
UK living sectors investment forecast (3 years)	£32 billion	Savills Investor Survey

Strategically positioned BTR developments in corporate neighbourhoods like Canary Wharf and Nine Elms generate yields up to 38% higher than local PRS (JLL). Demand is sustained by rental growth (+4%/year forecast by Knight Frank), declining private landlord supply (Renters Rights Bill, stricter EPC requirements), and growing preference for professionally managed living solutions.

The growth of BTR has brought entire blocks and multi-unit portfolios back to market, with typical lot sizes starting from £10–20 million, now attracting interest from family offices and private club deals. In the Canary Wharf area, part of the office supply is being repositioned towards hotel and residential use, creating a pipeline of conversion opportunities that attracts specialist operators and opportunistic capital.

3. FOCUS: CANARY WHARF

3.1 The renaissance — The facts

The prevailing narrative of Canary Wharf as a "declining post-pandemic district" is contradicted by the facts. 2025 was Canary Wharf Group's best leasing year in over a decade, with more than 750,000 square feet of new transactions. £7 billion has been invested in new developments and infrastructure over the past six years, with over 65 fintech companies now present.

Company	Type of operation	Size	Note
JP Morgan	New 265m tower (Foster + Partners)	~3M sqft / ~£3 mld	New UK HQ, ~12,000 employees
Visa	European HQ, One Canada Square	300k sqft / 15 anni	Entry summer 2028
Morgan Stanley	Lease extension	547k sqft	Until 2038
Barclays	UK HQ extension	1M sqft	Until 2039, One Churchill Place
Citibank	Tower refurbishment	42 piani	Investment up to £1bn
Deutsche Bank	New entry	250k sqft	Building YY
BlackRock	Evaluating HSBC tower	600k+ sqft	8 Canada Square, potential new HQ
HSBC	Additional lease	11 piani / 15 anni	40 Bank Street (in addition to relocation)

Sources: CoStar, Financial Times, City AM, Estates Gazette, Construction Enquirer (2025-2026)

3.2 The HSBC case — Strategic context

HSBC is downsizing its main tower (8 Canada Square) as part of a global restructuring under CEO Georges Elhedery, who is reallocating resources from the West to Asia, where the bank generates over 70% of its profits. HSBC has closed its M&A; and equity capital markets operations in the UK, Europe and the US, and is considering cutting up to 20,000 jobs globally. The London property downsizing reflects the corporate strategy (a return to the bank's Asian origins, founded in Hong Kong in 1865), not a verdict on the Canary Wharf market. The proof: HSBC retains 11 floors at 40 Bank Street on a 15-year lease, and BlackRock — the world's largest asset manager — is evaluating taking over the vacated tower.

3.3 Canary Wharf — Residential market and BTR

Indicatore	Dato	Detail
Average residential price	£542.000 – £602.000	Giugno 2025
Forecast growth 5 years	+17–21%	2025–2029
Gross buy-to-let yield	4–5,5%	Depends on property type
Vertus (CWG BTR platform)	2,000+ current residents	10 George St, 8 Water St, Newfoundland
New BTR units in pipeline	1.300+ (Charter Street)	2026–2027, progetto KPF
Bellerive House (Lotus Living)	50 BTR apartments	Office conversion, £40M, funded by UTB

Student housing (30 Marsh Wall)	1,068 units	£237M loan (Eldridge Real Estate Credit)
New build price range	£402.500 – £3.995.000	One Park Drive, South Quay Plaza

Sources: Investropa, Bisnow, Development Finance Today, 1newhomes.com, Rightmove (2025-2026)

Price and yield values shown are average ranges based on market sources (Rightmove, 1newhomes, Investropa) and may vary depending on micro-location, building specifics and individual deal conditions.

The transformation of Canary Wharf from a purely commercial district to a mixed-use neighbourhood is the key driver. Wood Wharf, the new eastern quarter, integrates residential, retail, green spaces and an educational hub (UCL). The Elizabeth Line (Crossrail) connection has reduced travel times to the West End to 15 minutes, eliminating the historic accessibility disadvantage.

For professional buy-to-let investors, the combination of new stock, rents supported by the high-income employment base and BTR pipeline creates favourable conditions for building scalable portfolios. At Canary Wharf, a budget of £2–4 million allows the assembly of portfolios of 3–6 apartments in the same development, with centralised management and a yield profile typical of institutional products.

The fact that global operators such as JP Morgan, Visa, Barclays and potential new headquarters such as BlackRock's choose Canary Wharf as a stable base reinforces the district's international visibility and its attractiveness for capital that thinks in terms of portfolios, not individual units.

4. CONCLUSIONS AND INVESTMENT THESIS

The London property market in 2026 presents a rare combination: prime prices at decade lows, falling rates, solid structural fundamentals, and a flow of institutional capital confirming market confidence. For international private capital with a 5–10 year horizon, this is an entry window that may not be repeated.

Prime residential (PCL): off-market quality stock is at all-time highs, with non-dom sellers willing to negotiate. Prices at approximately -25% from peak offer potential appreciation of 15–20% over the next 5 years (Savills/Knight Frank). For family offices and UHNW, PCL represents the capital preservation component.

Build to Rent / residential blocks: the fastest-growing asset class in the UK, supported by structural demand, yields superior to traditional PRS (+38% in corporate zones), and a pipeline of up to approximately 360,000 units forecast by 2033. Typical lot sizes for blocks and portfolios start from £10–20 million, with growing interest from club deals and structured private capital.

Canary Wharf: the district's renaissance is confirmed by the facts. JP Morgan (~£3bn), Visa, BlackRock, Barclays, Morgan Stanley — all major financial institutions are consolidating their presence with decade-long leases. For buy-to-let investors, the district offers the ability to build scalable portfolios with rents supported by the high-income employment base. Forecast residential growth of +17–21% over 5 years.

The three areas are not alternatives but complementary. An investor with £5–10 million to allocate could combine a prime residential asset for capital preservation, a mini buy-to-let portfolio at Canary Wharf for income, and a stake in a BTR block or hospitality conversion for opportunistic exposure to institutional living growth.

"For the first time in 10 years, Prime Central London is approximately 25% below its 2014 peak, rates are falling and major institutions are increasing their London exposure. For those who look beyond the headlines and think in 5-to-10-year horizons, London has once again become a market where you buy value, not just prestige."

— Valeria Cusimano, co-Founder · Performa Capital

4.1 Risk factors

Affordability: London's price-to-income ratio stands at 10.6:1 (ONS, 2025), among the highest in Europe. Improving from the 2022 peak, but the correction will take years.

Taxation: the cumulative effect of 11 years of tax changes has compressed demand, especially from non-doms.

Geopolitical uncertainty: global volatility may delay investment decisions.

Mortgage rates: although declining, they remain significantly above pre-2022 levels.

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