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Prime Property Insight

JACK NEWLAND

PARTNER - PRIME RESIDENTIAL & COUNTRY HOMES



A Note From Me

The market has evolved, the basics haven't.

The prime property market has entered a more selective phase.

Since our last Insight in May, buyers have become more deliberate, stock has faced greater scrutiny and the distinction between genuinely exceptional property and simply expensive property has become increasingly clear.

That is the focus of this edition.

Rather than simply reporting where prices have moved, I've looked at how the prime market is behaving what buyers are responding to, what is commanding a premium and where I believe the greatest opportunities and challenges lie for sellers this autumn.

The data provides the context. The local market provides the detail. My own experience provides the perspective.

This is not intended to predict exactly what every property will be worth next year. Prime property is too individual for that.

I hope you find this quarters Insight useful.

It is intended to help answer a more useful question:

What does the market value now and what does that mean for your plans?

Jack Newland

PARTNER - PRIME RESIDENTIAL & COUNTRY HOUSES

Prime Property Market Update

01 THE THREE-MONTH SNAPSHOT

What has changed, where the market is moving, and what the latest prime-market data tells us.

02 THE PRIME MARKET DIVIDE

Why scarcity, setting, quality and lifestyle are becoming increasingly important.

03 WHAT PRIME BUYERS ARE DOING

How buyer behaviour has evolved over the past three months.

04 PRICE DOESN'T DETERMINE VALUE

Why positioning matters more when buyers have greater choice.

05 THE COST OF GETTING IT WRONG

How over-positioning can erode momentum and negotiating power.

06 THE AUTUMN MARKET

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07 THE PRIME PERSPECTIVE

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08 A FINAL WORD

A reflection on the data, the market and perceived value.

THE MARKET HAS NOT STOPPED. IT HAS BECOME MORE SELECTIVE.

HOMES INCREASING IN VALUE

46-48%

Of homes increased in value over the last 12 months
Source: Hamptons

PRICE REDUCTIONS

2.9%

Average reduction in the South East vs 2.7% last year
Source:Hamptons

PRIME ACTIVITY

-8%

Annual change in agreed £1m+ sales, May 2026
Source:Savills & Knight Frank

MARKET ACTIVITY

-7%

Overall agreed sales less fall-through, May 2026 vs May 2025
Source: Savills

Since our last insight in May, the prime market has become increasingly defined by selectivity.

The headline picture is softer. Knight Frank's Prime Country House Index recorded a 5% annual decline in values to June 2026, although this was an improvement on the 5.5% annual decline recorded in March.

Activity has also moderated. Exchanges across the first six months of 2026 were 10% lower than the same period last year, while new prospective buyers registering were down 14%.

Yet that is only half the story.

Significant transactions continue. Knight Frank's National Country Department recorded £173m of prime country-house sales in Q1, across 36 transactions, including three above £10m.

The message is therefore not that prime buyers have disappeared. They have become more discerning about where they deploy their capital.

The data points to a market that is softer, but not inactive.

Prime activity has moderated, more properties are failing to achieve annual price growth and sellers are making slightly larger adjustments to asking prices. Yet transactions continue where pricing and proposition align.

For prime property, the distinction between being on the market and being correctly positioned has rarely been more important.

EXCEPTIONAL PROPERTY IS NOT THE SAME AS EXPENSIVE PROPERTY.

This is perhaps the clearest trend emerging from the market.

There is a growing distinction between properties that are genuinely scarce and properties that are simply priced at a premium. Exceptional homes continue to give buyers a reason to act.

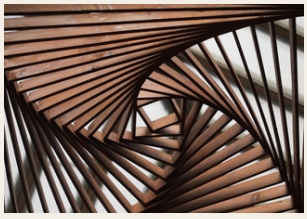
They offer something difficult or impossible to replicate elsewhere:



Water



Land



Architecture



Privacy



Quality



Setting



Lifestyle



Scarcity

The most desirable properties rarely rely on a single attribute. Their appeal comes from the combination of several.

A beautiful house in an ordinary setting is different from a beautiful house with privacy, land and an exceptional outlook. A waterfront position is valuable, but its appeal is amplified when combined with architecture, condition and lifestyle.

In the current market, this distinction matters. Buyers have more choice and greater opportunity to compare. The properties that command attention are those where the whole proposition feels difficult to replicate.

Scarcity creates attention. Quality creates confidence. The combination creates value.

By contrast, properties where the price is ahead of the proposition are encountering a much more measured response.

The consequence is a wider performance gap between the exceptional stock and everything else.

EXCEPTIONAL	*EXPENSIVE*
Scarcity	Limited differentiation
Exceptional setting	Compromised presentation
Compelling lifestyle	Deferred maintenance
Considered presentation	Over-ambitious pricing
Turnkey condition	Too much competing stock
Correctly positioned	Waiting for the market to catch up

In a selective market, buyers have more opportunity to compare. They are not simply asking whether a property meets their requirements; they are asking whether it represents the best use of their capital.

That makes the overall proposition increasingly important. A property may have an excellent specification, but if it lacks setting, scarcity or lifestyle appeal, buyers have alternatives. Conversely, when several desirable characteristics come together, the property becomes harder to substitute and that is where genuine value is created.

The strongest homes do not necessarily need to be the cheapest. They need to be the ones buyers find hardest to replace.

THE PRIME PREMIUM

The premium is rarely created by one feature alone. It comes from the combination of qualities that make a property distinctive, desirable and difficult to replicate.

In today's market, that distinction matters more than ever. Buyers remain prepared to pay for exceptional property — but increasingly, they expect the price to be supported by an equally exceptional proposition.

The prime market is not asking whether a property is expensive. It is asking whether it is worth it.

THEYARE TAKING LONGER TO DECIDE — BUT THEY HAVE NOT STOPPED BUYING.

The buyer mindset has changed.

There is less urgency simply because a property is new to the market. Buyers are more prepared to compare, question and wait.

That means the first viewing is increasingly the beginning of a process rather than the beginning of a bidding war.

We are seeing greater scrutiny around:

- Price relative to comparable stock
- Quality of specification
- Condition and future expenditure
- Location and setting
- How long it has been available
- The seller's willingness to negotiate
- The uniquenueness of the property

Yet conviction remains when the right property appears.

Knight Frank's Q1 results are a useful illustration: despite a challenging backdrop, £173m of prime country-house transactions completed, with buyers continuing to prioritise quality, location and long-term value.

Buyer behaviour

SINCE MAY 26

1. More scrutiny
2. More comparison
3. More negotiation
4. Stronger conviction for the right property

PRICE IS THE ENTRY POINT. VALUE IS THE OUTCOME.

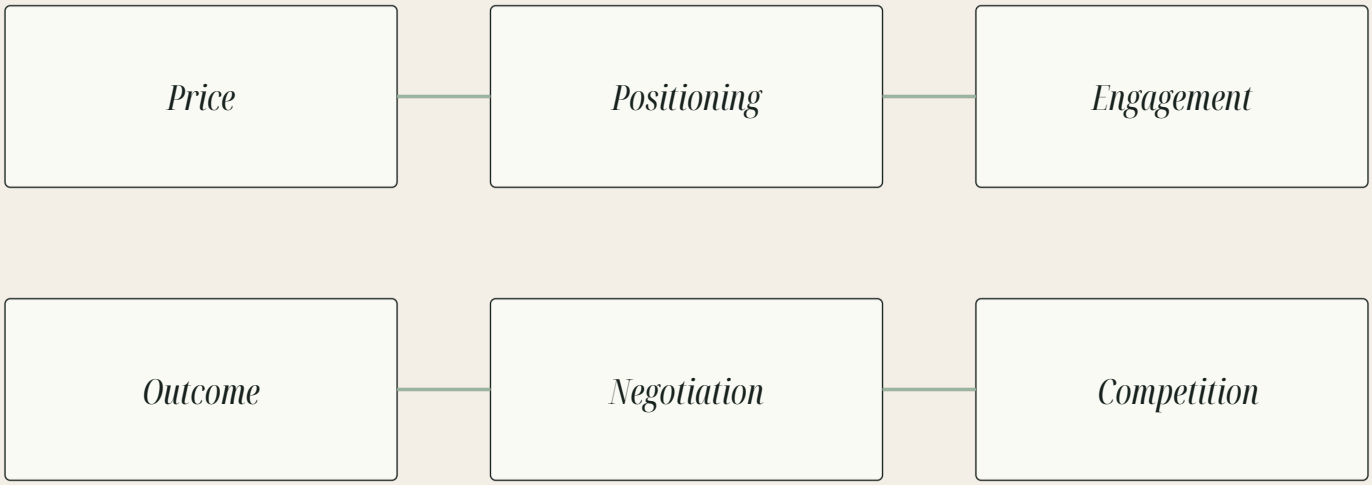
In a more selective market, the asking price does more than establish a number. It establishes a position.

It determines which buyers engage, how much competition is created and how the property is perceived from the outset.

Priced too high and the property can lose momentum before the right buyer ever becomes involved. Priced correctly and the objective is not necessarily to achieve the highest initial figure. It is to create the conditions for the best possible outcome.

That means understanding the property, its competition, its buyer pool and the market in which it is being offered.

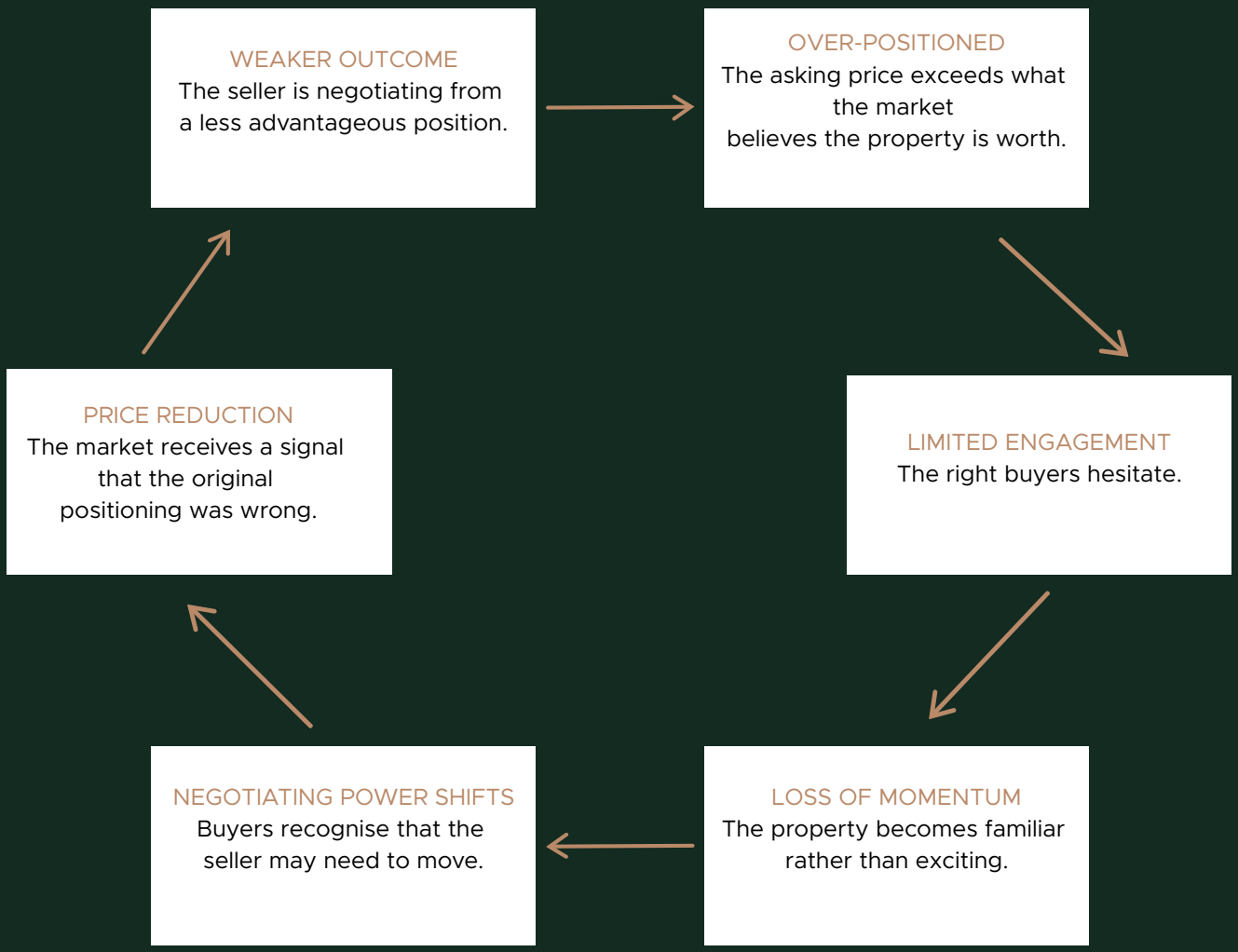
THE PRINCIPLE



Price is a tool. Value is the outcome.

THE FIRST PRICE CAN BECOME THE MOST EXPENSIVE DECISION.

A property that launches above its realistic market position can enter a damaging cycle.



A price reduction can correct an asking price, but it cannot always recover the momentum lost during the weeks or months beforehand.

When a property launches too far ahead of the market, the most motivated buyers may dismiss it before they ever engage. By the time the price changes, the property may already have become familiar to the market — and the seller's negotiating position can be weaker as a result.

Getting the initial position right is therefore not about being the cheapest. It is about creating the strongest possible conditions for the sale.

WHAT HAPPENS NEXT?

The autumn market enters a period of relative uncertainty, but the latest prime-market data suggests that the pace of decline is moderating rather than accelerating.

Knight Frank's Prime Country House Index recorded a 5% annual decline to June, compared with 5.5% in March. At the same time, significant transactions continue to demonstrate that demand for exceptional property remains present.

Published forecasts are also pointing towards a gradual stabilisation of prime markets rather than a sharp recovery. Savills' current forecast anticipates modest growth in prime regional values during 2026 and a stronger rate of growth in 2027.

The evidence therefore points towards a market that is finding its level rather than one preparing for a dramatic shift.

WHAT THE DATA SUGGESTS:

Values

Likely to remain broadly stable through the autumn, with meaningful differences between locations and property types.

Activity

Likely to remain measured, with buyers continuing to take their time before committing.

Negotiation

Likely to remain an important part of the transaction, particularly where pricing is ahead of market expectations.

Outper ormance

The strongest, most scarce properties should continue to outperform less differentiated stock.

The important question for the autumn is therefore unlikely to be whether the market rises or falls, but which properties benefit from the conditions that exist.

THE MARKET IS NOT DIFFICULT - IT IS DISCRIMINATING.

From my perspective, the most significant change I've seen since the spring isn't simply where prices have moved. It is the increasing gap between properties that buyers genuinely want and those that are merely available.

The right property can still generate serious interest. I continue to believe that buyers will pay well for exceptional homes when the proposition is compelling and the price reflects the value being offered.

What I don't believe is that the wider market will lift every property with it.

For sellers, this makes preparation and positioning more important than trying to predict the next percentage movement in prices. The market will ultimately decide what a property is worth — but the way that property is introduced can have a significant influence on the quality of that response.

My expectation is that the autumn will reward precision.

The sellers who understand what makes their property genuinely different, position it accordingly and give buyers a compelling reason to act should be best placed to achieve strong outcomes.

The market hasn't stopped buying. It has simply become better at deciding what is worth buying.

A REAL WORLD EXAMPLE

Kelham, Dock Lane

Beaulieu - A change in approach. A very different result.

PREVIOUS CAMPAIGN	MY CAMPAIGN
9 Months	*31 Days*
PREVIOUS CAMPAIGN	MY CAMPAIGN
5 Viewings	*4 Viewings*
PREVIOUS CAMPAIGN	MY CAMPAIGN
No Offers	*Under Offer*
PREVIOUS CAMPAIGN	MY CAMPAIGN
Zero	*Offer over 95% of Asking*

I recently took the instruction on Kelham after nine months of marketing with another agent, during which five viewings had taken place without a sale being agreed.

Following a change in strategy and positioning, we generated four viewings within 31 days and agreed a sale at more than 95% of asking.

The market had not changed. The approach had.



The last few months have reinforced something I have seen repeatedly throughout my career in prime property:

'The market doesn't reward properties simply because they are good or nice.'

It rewards properties that are well understood, correctly positioned and compelling to the right buyer.

Kelham is one recent example, but the principle extends far beyond a single transaction.

In a market where buyers have greater choice and are prepared to wait for the right opportunity, the quality of the strategy surrounding a property can be just as important as the property itself.

That is why I believe the role of a prime property adviser goes beyond putting a house on the market. It is about understanding what makes the property valuable, who will value it most, and how to create the conditions for the best possible outcome.

A mantra I stand by with every prime home I represent.



Jack Newland

PARTNER PRIME RESIDENTIAL & COUNTRY HOMES

07368 683 348

@jacknewland_re

jack@marcoharris.co.uk

Prime Property

SOUTH HAMPSHIRE | JACK NEWLAND



MARCOHARRIS.CO.UK