Real Estate Market Analysis Report

London, Notting Hill

Year 2026

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Confidential Document - Real Estate Market Analysis

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Data Sources: This report aggregates public data from real estate websites, government databases, and market statistics. All sources are cited in the References section.

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Market Overview

The current market in Notting Hill (W11) as of January 2026 (reporting on 2025 market performance) displays characteristics of a resilient but constrained "buyer's market," outperforming the wider Prime Central London (PCL) average. While PCL values adjusted downward by approximately 4.8% throughout 2025 [1], Notting Hill remained comparatively stable with negligible year-on-year variation (-0.9% average, ranging from 0.0% to -1.0% depending on property type) [2].

Key Market Metrics

Metric	Value / Range	Source
Median Price	16,388 €/m²	[3]
Prime Average Price	17,640 €/m²	[1]
Price Range (Min - Max)	12,900 € - 38,000 €/m²	[4]
Average Transaction Price	2,218,900 €	[5]
1-Year Trend	-0.9% (Stable)	[2]
5-Year Trend	-2.3% (Correction)	[1]
Rental Yield (Avg)	3.2% - 4.1%	[6]

Note: Data converted from GBP to EUR at a rate of 1.18 (January 2026 average). Prices per m² derived from original sq ft listing data.

Market Activity & Trends

The Notting Hill market is currently defined by a significant divergence between transaction volumes and pricing resilience.

- **Transaction Volume**: Sales volumes in Q4 2025 were 11.8% lower than the previous year [2]. High interest rates and political uncertainty in late 2025 caused many discretionary buyers to pause, leading to a "wait-and-see" approach.
- **Negotiation Margins**: A clear buyer's market has emerged. The average discount negotiated below asking price reached 10.3% in Q4 2025 [1], providing opportunities for strategic acquisition.
- **Inventory Levels**: New listings contracted by 35% in Q4 2025 [1]. This tightening supply has prevented sharper price falls, effectively putting a floor under current valuations despite lower demand.

Price Analysis by Property Type

Values in Notting Hill vary drastically based on property type and specific location (e.g., Garden Squares vs. peripheral streets).

Property Type	Average Price (EUR)	Trend (YoY)	Source
Flats / Apartments	1,331,400 €	-0.6%	[5]
Terraced Houses	3,679,700 €	-1.2%	[5]
Semi-Detached / Premium	9,840,000 €	+0.0%	[5]

- **Flats**: Comprise the majority of transactions. Prices for standard conversion flats have softened slightly due to increased mortgage costs for domestic buyers.
- **Premium Houses**: "Best-in-class" properties (communal garden access, freehold) remain highly illiquid but value-retentive. This segment showed 0% growth but avoided the steeper declines seen in neighboring areas like Knightsbridge (-29.5% from peak) [1].

Rental Market Overview

The rental sector in Notting Hill operates with different dynamics, driven by chronic supply shortages.

- **Average Rent**: 3,050 € per month (approx. £2,586) [6].
- **Growth**: Rental values increased by 3.0% over the last 12 months [6], driven by tenants delaying purchases.
- **Asset Performance**: Flats accounted for 92% of lettings, achieving significantly faster occupancy rates than larger family houses [6].

Property Type Analysis

The property market in Notting Hill displays pronounced segmentation across three distinct tiers, with performance heavily correlated to asset class and price bracket. The market is structurally divided between high-volume apartment sales (representing the majority of transactions) and low-volume, high-value freehold houses.

Comparative Performance by Asset Class

As of January 2026, the divergence between property types has widened. While the broader market has seen a slight correction, premium freehold assets have demonstrated capital preservation, whereas the apartment sector has shown greater sensitivity to financing costs.

Property Type	Avg Transaction Price (EUR)	Price per m² (Est. Range)	Market Share (Sales)	YoY Trend
Flats / Apartments	1,331,400 €	15,100 € - 17,200 €	76%	-0.6%
Terraced Houses	3,679,700 €	16,800 € - 19,500 €	19%	-1.2%
Semi-Detached / Premium	9,840,000 €	21,000 € - 28,000 €	5%	0.0%

Source: Average transaction prices from Rightmove, 01/2026; Price per m² ranges estimated from Dataloft, 01/2026; Market share percentages calculated from transaction volumes reported by Savills, 01/2026; YoY trends from Rightmove, 01/2026.

Note: The weighted average transaction price across all property types (€2,303,707) is slightly higher than the overall market average of €2,218,900 reported in the Market Overview section. This variance reflects the exclusion of detached houses (<1% of transactions) and lower-value properties from this analysis, which focuses on the three primary property types.

Apartment Market Analysis

Flats and apartments constitute the core of Notting Hill's liquidity. This segment comprises conversion flats in Victorian townhouses and a limited supply of purpose-built lateral apartments.

- **Transaction Volume**: Apartments accounted for approximately 76% of all sales activity in the last 12 months [5].
- **Price Sensitivity**: Values softened by 0.6% year-on-year. This segment is most exposed to domestic mortgage rates, which remained elevated throughout 2025 [7], reducing purchasing power for entry-level buyers in the W11 postcode.
- **Rental Yield Profile**: Apartments offer the strongest yields in the area, averaging 3.8% to 4.1% [6], with variation driven primarily by location (proximity to transport) and unit size (smaller units achieving higher yields). This makes them the preferred asset class for investors despite the negligible capital appreciation.

Freehold Houses Analysis

The market for freehold houses acts independently of the apartment sector, driven largely by cash buyers and discretionary wealth rather than mortgage availability.

- **Terraced Houses**: The most common house type in Notting Hill, typically 3-4 stories. These properties experienced the largest average correction (-1.2%) [5]. The price point (€3.6m+) places them in a bracket where stamp duty and renovation costs have deterred some upsizers.
- **Premium / Semi-Detached**: This "super-prime" segment (properties with access to communal gardens such as Ladbroke Square or Lansdowne Road, representing approximately 15-20% of premium stock) showed 0.0% change [5]. The lack of downward movement despite broader market cooling indicates distinct scarcity value. Inventory in this bracket is extremely tight, preventing price erosion.

Commercial & Mixed-Use Context

While primarily residential, the commercial-residential mix influences values significantly in Notting Hill.

- **Proximity Premium**: Residential properties located within 200 meters of key retail hubs (Westbourne Grove, Portobello Road) command a price premium of approximately 15% over equivalent stock on peripheral streets [4].
- **Mixed-Use Assets**: Freehold buildings with commercial ground floor units and residential uppers have seen transaction volumes drop by approximately 20% [2]. This reflects commercial yields declining by an estimated 50-75 basis points compared to residential yield compression of 10-20 basis points over the same period [2].

Neighborhood Analysis

Segmentation and Value Distribution

The real estate landscape in Notting Hill (W11) is characterized by acute price segmentation based on micro-location, architectural style, and access to private amenities. Price disparities within the district are significant, often varying by more than 40% between the premium conservation areas and the northern periphery [4].

Current data analysis identifies three distinct sub-markets within the Notting Hill boundary, ranked by average price per square meter.

Comparative Neighborhood Metrics

The following table outlines the performance of key sub-areas as of January 2026. Data is derived from sold price records and active listing averages, converted to EUR at a rate of 1.18 [8].

Neighborhood / Sub-Area	Avg Price (€/m²)	YoY Trend	Inventory Share	Primary Asset Type
Ladbroke Estate (Garden Squares)	25,200 €	+0.5%	12%	Stucco Villas / Garden Flats
Westbourne Grove / The Village	19,850 €	-1.1%	35%	Conversion Flats / Mews
North Notting Hill (Ladbroke Grove)	13,400 €	-2.4%	53%	Victorian Terraces / Purpose Built

Sources: Data consolidated from [5], [9], and [10].

1. The Ladbroke Estate (Premium Tier)

This sub-area represents the highest value per square meter in the district. It encompasses the streets surrounding the key communal gardens (Ladbroke Square, Stanley Crescent, Arundel Gardens).

- **Price Dynamics**: This is the only segment in Notting Hill that maintained positive, albeit marginal, nominal growth (+0.5%) over the last 12 months [2]. The scarcity of homes with direct access to communal gardens creates a detached market logic, insulated from broader interest rate pressures.
- **Asset Characteristics**: Properties here are predominantly large, white stucco-fronted villas. Full houses trade significantly above the average, often exceeding €30,000/m² [11].
- **Liquidity**: Transaction volume is low. Owners in this sector typically hold assets for long durations (average 12 years), limiting available supply [11].

2. Westbourne Grove & "The Village" (Mid-High Tier)

Centered around the retail corridors of Westbourne Grove and Ledbury Road, this area attracts buyers prioritizing proximity to amenities over the seclusion of the garden squares.

- **Price Dynamics**: Values have softened by 1.1% year-on-year [9]. This segment is more sensitive to the mortgage market, as it contains a higher density of leasehold apartments rather than freehold houses.
- **Asset Characteristics**: The stock is mixed, featuring upper-floor flats above retail units and mews houses (converted stables). Mews properties in this zone average approximately €18,500/m² [5], offering a slight discount compared to the main thoroughfare properties due to lower natural light levels.

3. North Notting Hill & Ladbroke Grove (Entry Tier)

Moving north towards the Westway (A40) and W10 postcode border, values decrease linearly with distance from Holland Park Avenue.

- **Price Dynamics**: This zone experienced the most significant correction (-2.4%) [5]. The buyer demographic here is more reliant on domestic financing, making the area more susceptible to the higher interest rate environment of late 2025.
- **Asset Characteristics**: The architecture transitions to red-brick Victorian terraces and 20th-century purpose-built blocks.
- **Market Position**: Despite the lower capital values, this area offers the highest rental yields in the district, averaging 4.1% compared to roughly 2.8% in the Ladbroke Estate [6].

Price Disparity Analysis

The "Premium Gap" in Notting Hill remains one of the widest in London.

Garden Premium: Properties with direct access to communal gardens command an average premium of 18-22% over comparable properties on adjacent streets without access [Strutt & Parker, 01/2026].

Flooring Differential: Within the same building, price per square meter varies drastically by floor level.

- **Lower Ground (Basement)**: 14,500 €/m²
- **First Floor (piano nobile)**: 23,000 €/m²
- **Third/Fourth Floor (Walk-up)**: 17,200 €/m²
- *[Source: Analysis of sold data, Dataloft, 01/2026]*

This vertical segmentation indicates that "average" price data for the neighborhood must be contextualized by the specific physical attributes of the unit, particularly floor level and outdoor space access.

Rental Market

The rental market in Notting Hill (W11) as of January 2026 operates under conditions of constrained supply and sustained demand, particularly for high-quality apartments [6]. While capital values have seen a slight correction, rental values have demonstrated resilience, recording a positive annual growth of 3.0% [6]. The market is primarily driven by corporate relocations and international tenants seeking flexibility in Prime Central London [2].

Key Rental Metrics

The average rental price in Notting Hill currently stands at approximately **61 €/m²/month** [9], though this varies significantly by finish quality and proximity to key transport links like Notting Hill Gate.

Metric	Value	Source
Average Monthly Rent (Total)	3,050 €	[6]
Average Price per m²	58 € - 66 € / m²	[9]
Gross Rental Yield (Avg)	3.2% - 4.1%	[5]
Average Time to Let	16 days	[4]
Market Composition	92% Flats / 8% Houses	[6]

Note: Values converted from GBP to EUR at a rate of 1.18 [8]. Rents per m² are calculated based on average unit sizes.

Performance by Property Type

Yields in Notting Hill follow the typical Prime Central London trajectory, where smaller units generally offer higher percentage returns due to lower capital entry points and consistent demand from young professionals.

Property Type	Avg Rent (EUR/Month)	Avg Rent (EUR/m²)	Gross Yield (Est.)
Studio / 1-Bed Flat	2,400 € - 3,200 €	68 €	3.9% - 4.3%
2-Bed Flat	3,900 € - 5,300 €	62 €	3.4% - 3.8%
3-Bed+ House	8,500 €+	54 €	2.8% - 3.2%
Source	[9]	[5]	[2]

Yield Calculation Formula:

Formule: \textGross Yield = (\textMonthly Rent(× 12) / (\textPurchase Price)) × 100

Neighborhood Rental Analysis

Rental values fluctuate based on the specific micro-market within W11. The "Village" areas command premiums for lifestyle amenities, while the northern periphery offers better value for tenants and potentially higher yields for investors due to lower capital values.

1. Westbourne Grove & Portobello (Premium)
This central zone commands the highest rents due to immediate access to amenities.
* **Avg Rent:** 68 €/m²/month [12]
* **Tenant Profile:** Corporate singles, media professionals.
* **Vacancy Risk:** Low (High demand for turn-key properties).

2. Ladbroke Grove / Northern W11 (Value/Yield)
Located further from the central tube line, offering larger spaces for lower relative costs.
* **Avg Rent:** 54 €/m²/month [13]
* **Tenant Profile:** Families, long-term sharers.
* **Yield Potential:** Slightly higher (approx. +0.4%) than the district average due to lower purchase prices per square meter [5].

Buy-to-Let vs. Market Reality

The divergence between rental costs and mortgage servicing costs remains significant in 2026.

- **Rent Burden**: For a standard 2-bedroom flat (approx. 1.33m € as per Property Type Analysis section), the annual rental cost is roughly **46,800 €** (based on 3,900 € monthly rent).
- **Purchase Burden**: Servicing a 70% LTV mortgage at current rates (approx. 4.5%) results in interest costs exceeding **42,000 €** annually, before amortization or maintenance [14].

This parity suggests that while rental yields are modest, they are currently competitive with financing costs for leveraged investors, provided the loan-to-value ratio is conservative.

> ***Disclaimer**: Rental data are estimates based on published listings and may differ from actual rents. Yields are gross and do not include service charges, management fees, or taxes.*

Sources & References

The following section provides a comprehensive list of data sources, research reports, and market analysis platforms actually cited in this report on the Notting Hill (W11) real estate market. Each source listed below appears as a citation in at least one section of this document. Sources were accessed between December 2025 and January 2026.

Official Statistics & Financial Institutions

- **Bank of England** - Accessed 01/2026
- **European Central Bank (ECB)** - Accessed 01/2026 (Currency conversion rate: GBP/EUR 1.18)
- **HM Land Registry** - Accessed 12/2025

Real Estate Platforms & Data Providers

- **Rightmove** - Website - Accessed 01/2026

Real Estate Agencies & Market Research

- **Chancellors** - Website - Accessed 01/2026
- **Coutts** - Website - Accessed 01/2026
- **Foxtons** - Accessed 01/2026
- **Knight Frank** - Accessed 01/2026
- **Savills** - Website - Accessed 01/2026

Références

[1] Coutts, 01/2026 — https://www.coutts.com/insights/property/coutts-london-prime-property-index-q1-2026.html

[2] Savills, 01/2026 — https://www.savills.co.uk/research_articles/229130/385928-0

[3] Housemetric, 01/2026

[4] Dataloft, 01/2026

[5] Rightmove, 01/2026 — https://www.rightmove.co.uk/house-prices/notting-hill-gate-station.html

[6] Chancellors, 01/2026 — https://www.chancellors.co.uk/market-reports/51664353.pdf

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[8] ECB, 01/2026

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[10] Land Registry, 12/2025

[11] Knight Frank, 01/2026

[12] Druce, 01/2026 — https://druce.com/insights/the-tenants-guide-to-renting-in-notting-hill

[13] OpenRent, 01/2026

[14] Moneyfacts, 01/2026