



Trevor Abrahmsohn: Searching for sunny uplands

Trevor Abrahmsohn | 24/03/2026 | 4 min. read



There is a growing sense, shared quietly in boardrooms and rather less quietly over kitchen tables, that the UK has lost a degree of economic direction.

Whatever one's political persuasion, it is hard to ignore that many of the key indicators – growth, productivity, business confidence and youth employment – are heading the wrong way, and doing so, with uncomfortable speed.

What has emerged, almost overnight, is a pervasive 'feel-bad factor', a drag on sentiment that is proving just as influential as any hard data.

Layer on top of that the prospect of persistent inflation and higher interest rates feeding through the system, and it is little wonder that markets, including residential property, have taken a cautious step back.

FOG OF UNCERTAINTY

At the upper end, caution is clearly visible. Transaction volumes have thinned materially, driven in a large part by recent tax changes and a fog of uncertainty.

Values have adjusted accordingly, by as much as 20–25% in parts of the prime market in central London, whilst the more domestic £1–3 million sector has softened more modestly, by around 10%.

NO FLOOD OF DISTRESSED SELLING

And yet, this is where it gets interesting, the long-anticipated flood of distressed selling has simply not materialised.

There is no avalanche of supply. No panic. No capitulation.

Instead, what we are seeing is a market that is somewhat illiquid, yes, but also surprisingly well supported. Sellers are, by and large, under little pressure.

Stock remains constrained. And that imbalance, quietly but effectively, is placing a floor beneath current values.

So, while the mood music may be gloomy, the structural foundations are rather more resilient than the headlines would suggest.

FINDING THE SUNNY UPLANDS

Which brings us to the more optimistic question: where, exactly, are the 'sunny uplands'? The answer, in large part, lies in policy.

It is not inconceivable to envisage that, at some point over the next electoral cycle, a more market-friendly administration, whether Conservative, Reform, or some hybrid thereof, may look to recalibrate the current tax landscape. And if that happens, two levers stand out immediately.

STAMP DUTY LAND TAX

The first is stamp duty. Since its overhaul under the feckless former Chancellor, George Osborne, in 2014, Stamp Duty Land Tax (SDLT) has acted less like a revenue raising device and more like a tourniquet, restricting flow, suppressing mobility, and dampening transaction volumes across the board.

Reform, or even partial rollback, would not just stimulate the housing market; it would release capital into the wider economy with meaningful downstream effects on spending and tax receipts.

In short, it is one of the most obvious pieces of 'low-hanging fruit' available to any incoming government looking for a quick economic win, blissfully absent of left-wing political dogma.

NON-DOMICILED TAX REGIME

The second is the non-domiciled tax regime. Its recent removal has had a pronounced, and entirely predictable, impact on the upper tiers of the London market.

International buyers have stepped back, some have left altogether, we are told this amounts to some 16,000, and liquidity has suffered.

Reintroduce a competitive framework, perhaps via a flat annual levy of circa £250,000, and the effect could be swift and dramatic. Capital, particularly global capital, is highly mobile. It does not disappear; it simply waits for a more hospitable environment.

And London, for all its current challenges, remains exactly that, when conditions are right.

Should these two levers be pulled in tandem, the consequences for the property market could be significant.

Sterling remains relatively weak in historical terms, and when combined with price adjustments across prime London, assets are beginning to look, whisper it, good value on a global basis.

A LIP-SMACKING MEAL

For international buyers, that combination has historically proven irresistible and very tempting. A 'lip smackingly' delicious meal if you will.

Northwest London, in particular, stands to benefit disproportionately. Sitting just beyond the traditional prime core, it offers relative value while still operating within the gravitational pull of global demand.

When confidence returns, as it invariably does, this is precisely the kind of market that sees an accelerated re-rating.

FLICKERS OF RESILIENCE

Even now, there are flickers of resilience. The core domestic market continues to tick along in an orderly fashion, and recent activity in the £5–10 million bracket has, if anything, exceeded expectations given the prevailing narrative.

So no, all is not lost, far from it.

Markets move in cycles, sentiment overshoots, and policy, for better or worse, rarely stands still.

Today's stagnation may feel uncomfortable, but it also creates the conditions from which the next phase of growth can emerge.

The 'sunny uplands' are not here yet. But they are visible – just beyond the horizon.

PROSPECT OF INTERNATIONAL RESCUE

And for those prepared to hold their nerve, the prospect of an 'International Rescue' (if you excuse the puppeteering pun) may not be quite as fanciful as it sounds.

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