

London's Economic Outlook: Spring 2025

Key information

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Summary

GLA Economics' 46th London forecast suggests that:

- London's real Gross Value Added (GVA) is forecast to grow by 1.6% in 2025, supported by moderating domestic inflation and improving household sentiment, though global trade disruptions and lingering inflationary risks remain key sources of uncertainty. Growth is expected to strengthen modestly to 1.7% in 2026 and 1.9% in 2027, with growth supported by a more stable macroeconomic environment.
- Workforce jobs in London are projected to increase by 0.8% in 2025, as the labour market continues to cool following the post-pandemic rebound. Job growth is expected to pick up to 1.0% in 2026 and 1.3% in 2027, supported by strengthening labour demand and a gradual return to trend employment growth.
- Household income is expected to rise by 2.6% in 2025, supported by falling inflation and rising wages. Growth is forecast to slow to 1.4% in 2026, with a modest rebound to 1.5% in 2027.
- Household spending is expected to grow by 2.5% in 2025, before easing to 2.4% in 2026 and 2.1% in 2027.

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