

London's Economy Today - Issue 277 - September 2025

Key information

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Contents

[Overview](#)

[Economic indicators](#)

[A snapshot of tourist accommodation in London](#)

[Read the full newsletter](#)

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Overview

- UK sees no growth in July
- UK inflation holds steady in August
- London's labour market continues to show some loosening

Economic indicators

- The sentiment of London's PMI new business activity turned positive with the PMI new business index in London increasing from 49.6 in July to 56.2 in August. An index reading above 50.0 indicates an increase in new orders on average across firms from the previous month.
- In August, more property surveyors in London reported falling prices than rising prices. The net balance index was -14, and it was -20 in July.
- Consumer confidence in London eased but remained strong in September with the consumer confidence index in London decreasing from 24 in August to 18 in September. The GfK index of consumer confidence reflects people's views on their financial position and the general economy over the past year and in the next 12 months. A score above zero suggests positive opinions; a score below zero indicates negative sentiment.

A snapshot of tourist accommodation in London

- Demand for visitor accommodation, expressed through the total number of nights spent in the capital, has recovered to (and now exceeded) pre-pandemic levels. Recovery has been driven entirely by growth in domestic demand.
- Visitors have shifted slightly towards short-term rentals (Airbnb and booking.com listings), and away from serviced accommodation rooms (hotels and bnbs).
- The total supply of visitor accommodation (measured as total available rooms) grew between 2019 and 2024, driven largely by growth in serviced accommodation rooms.
- The latest data on the supply of short-term rental rooms points to their steadily-falling supply, likely a result of regulatory tightening in London.

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[Back to table of contents](#)