

Service Charge Index

London 2026



A London-specific supplement to the national TPI Service Charge Index 2026 report

This document sets out the London findings from the national TPI Service Charge Index 2026, published alongside and to be read in conjunction with the main national report. It examines service charge costs and budgets for managed residential estates across London over the years 2024, 2025 and 2026, drawing on data contributed by member firms managing estates in the capital.

London is analysed separately because its service charge profile differs markedly from the rest of the country, both in the scale of costs and in the composition of the sample: London estates skew disproportionately towards taller, higher-risk buildings, and towards the cost pressures that have followed from post-Grenfell building safety reform. This document explores what is driving that difference, and what it means for London leaseholders.

In partnership with

Ark
Residential





1. Analysis & Methodology Overview

The analysis is based on service charge costs and budgets from the national [Service Charge Index 2026](#) dataset, focusing specifically on residential estates across London, covering the three-year period from 2024 to 2026. This report covers **402 residential estates** including **20,828 leasehold homes**, with 20,490 leasehold flats (98%) and 338 leasehold houses (2%).

Data was collected from 8 member firms that contributed with estates located in London, through manual spreadsheet and system-generated CRM exports, uploaded to the TPI Service Charge Index platform powered by Ark Residential¹. The data was reviewed, standardised and aggregated to enable comparisons across different building types and cost categories.

Data is presented on a per estate and average per leasehold home basis. However, due to apportionment, individual service charge bills will vary and may not reflect the averages shown².

The 2026 figures are based primarily on service charge budgets, while the 2024 and 2025 figures are actual costs incurred. This distinction matters most for the more volatile cost lines, such as Reserve Fund contributions and Building Safety Act compliance costs (see Section 3), where a budgeted 2026 figure may not match what is ultimately spent. All costs include applicable taxes and statutory charges unless otherwise stated.

Number of estates and homes by height and type



402

Total number of estates analysed



18.8%
of National Sample

20,828

Total number of leasehold homes



14,878

71% under 11m



1,997

10% 11-18m



3,953

19% over 18m

¹ [Ark Residential](#) is TPI's technology partner, and the developer of [TPI Service Charge Index](#) platform that supports the collection, management and analysis of service charge data for our annual Index. Its technology helps streamline data collection and standardise information from TPI members, supporting the consistency and efficiency of the TPI Service Charge Index.

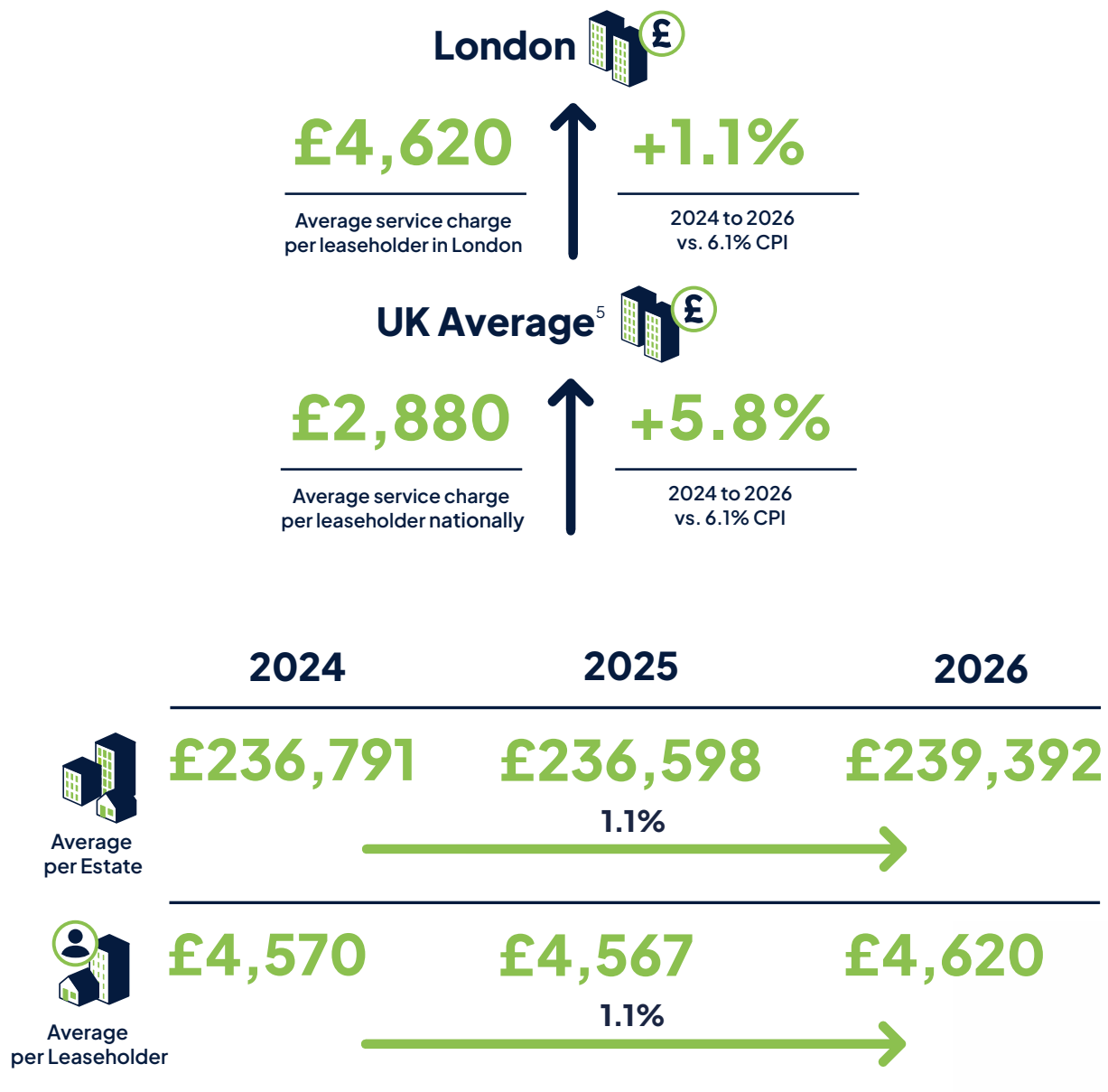
² A lease will typically state how service charges are to be apportioned between all residents of the building. This could be a simple calculation, or it may depend on more variable factors such as size of the flat, floor or level, access to parking and other facilities and amenities in the building.



2. Headline Picture

Over the two years to 2026, the **London average rose from £4,570 to £4,620 per leaseholder³, an increase of 1.1%**, against a 5.8% increase across the rest of the United Kingdom and a CPI rate of around 6.1%⁴ over the same two years. However, the average London service charge remains significantly higher than the national figure, at £4,620 against £2,880. In

real terms, London service charges therefore grew at roughly a fifth of the national rate, and below inflation, showing that London leaseholders have seen a real-terms reduction, albeit from a significantly higher starting point.



³The average figure is based on the sample of buildings assessed. While the sample is large and representative, a different sample could produce a different average quantum figure. The inflation figure, however, is considered more robust, as it is measured across each building in the assessment.

⁴This was calculated from January 2024 to January 2026 by comparing the CPI Index from the [ONS consumer price inflation database \(March 2026\)](#).

⁵The UK average represents England, Wales, and Scotland, including the London sample, and is based on data from [TPI Service Charge Index 2026 Report](#).



3. Cost Categories

London's near-flat service charge growth is explained almost entirely by two categories which dropped more than in the national sample. **Buildings insurance fell by 17% in London** (4% nationally).

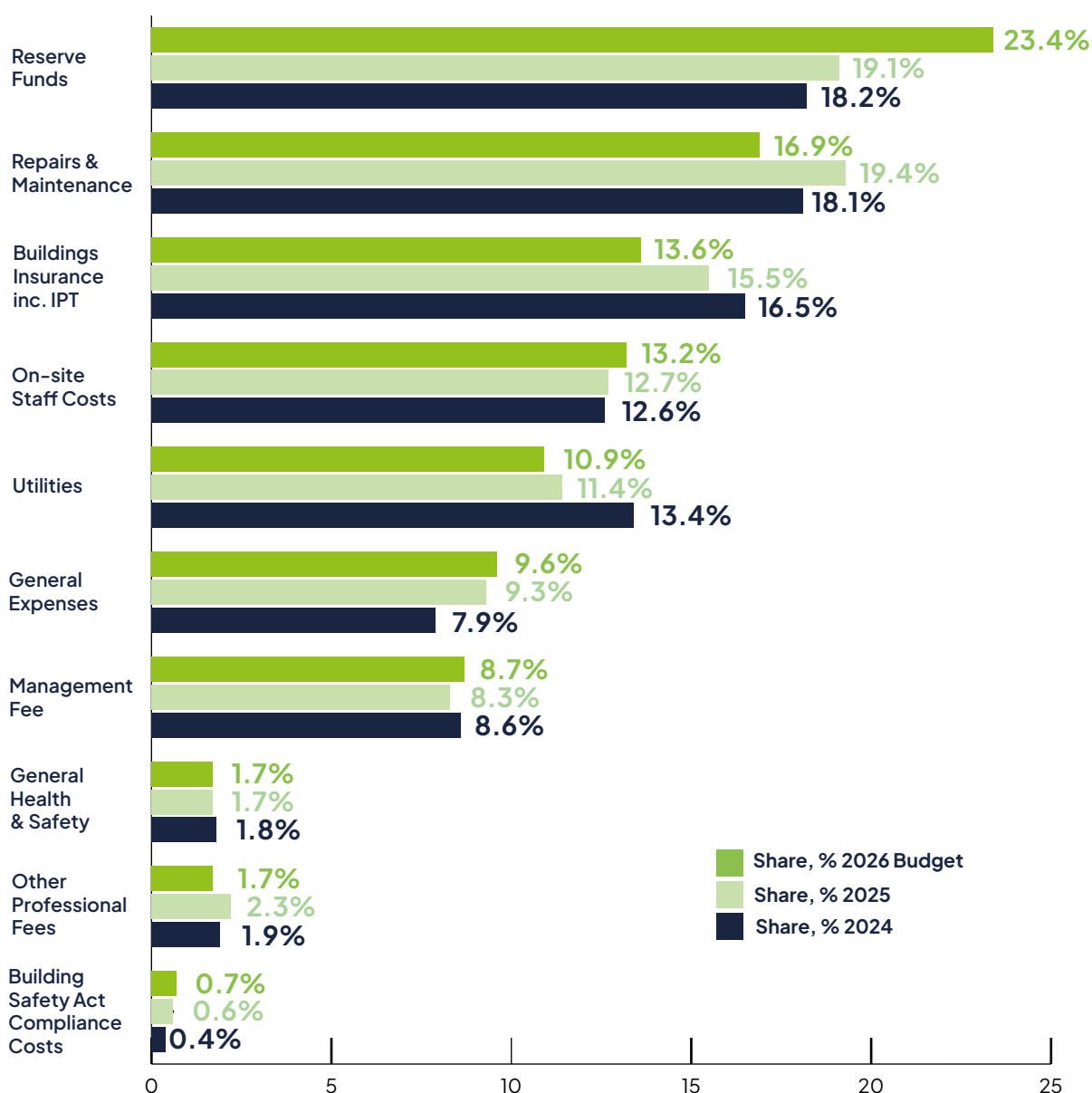
London held a disproportionate share of the post-Grenfell premium spike, concentrated in mid- and high-rise stock, so it had further to fall as the market stabilised. **Utilities fell by 17%** (7% nationally), as wholesale energy prices came off their 2022 peak.

These falls offset other rises in service charge costs which London shares with the rest of the country.

Reserve funds have risen by 30%, while Building Safety Act costs have risen by 68%, although the latter represents less than 1% of the total service charge bill.

Reserve fund contributions are now around **£1,080 per leaseholder** and represent the largest single upward pressure. Building reserves reduces the risk of large, unexpected major-works bills later and is an indicator of responsible, long-term management.

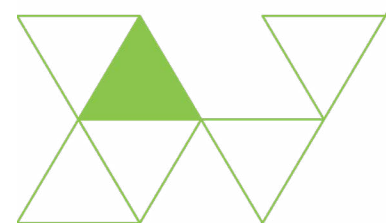
Cost Proportions for 2024, 2025 and 2026





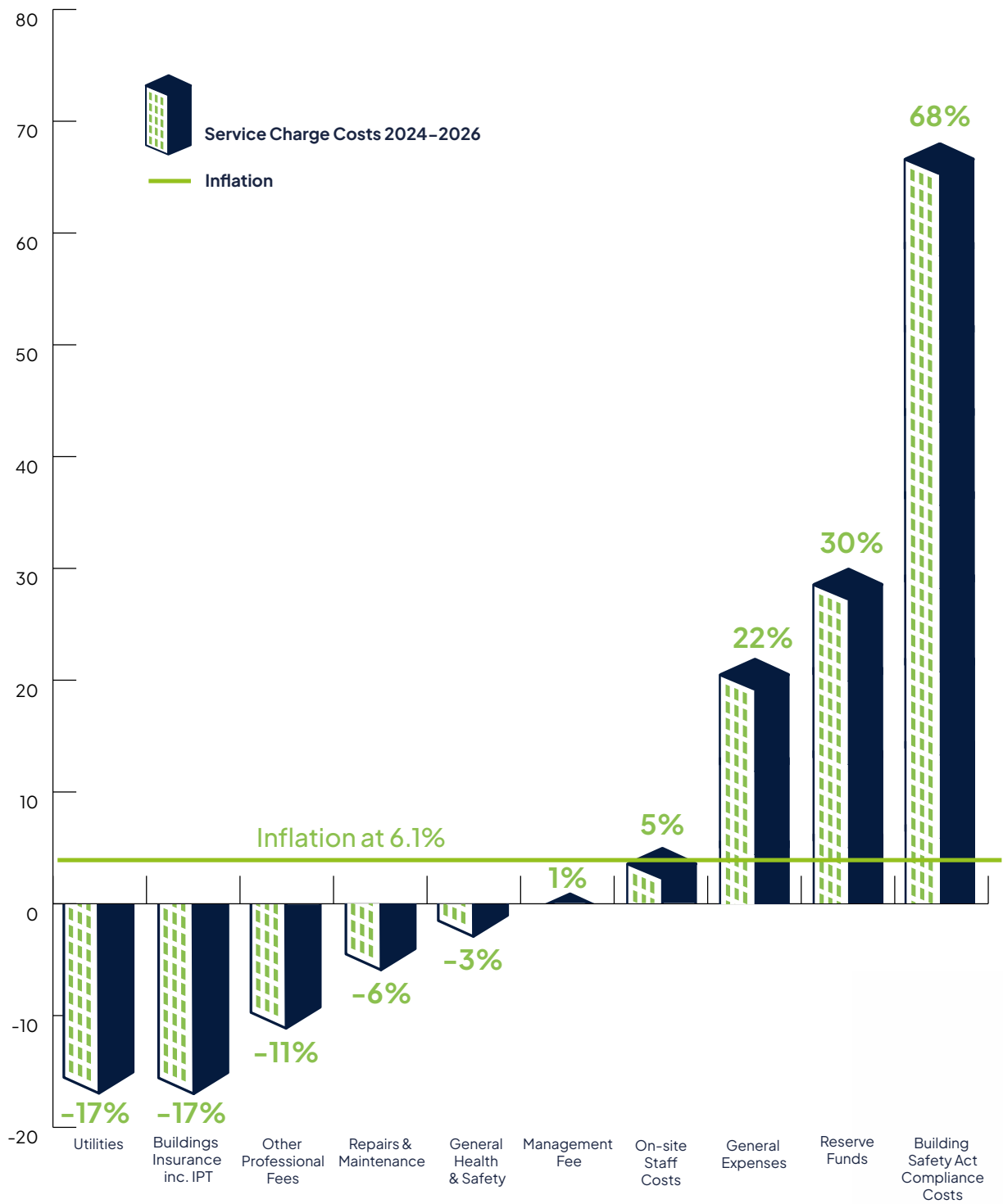
Average Expenditure Breakdown per Estate			
	2024	2025	2026 ^{budget}
 Repairs & Maintenance Costs of general repairs, maintenance, regular inspections and other associated costs of maintaining common parts	£42,870	£45,797	£40,495
			→ -6%
 Reserve Funds Contributions to reserve funds, as allowed by the lease	£43,134	£45,280	£55,980
			→ 30%
 Buildings Insurance inc. IPT Total insurance costs, including premiums, placing insurance and managing claims	£39,130	£36,595	£32,557
			→ -17%
 Management Fee Total fee for services provided by the managing agent under the contract	£20,480	£19,580	£20,627
			→ 1%
 On-site Staff Costs To include concierge, on-site building or maintenance managers	£29,798	£30,135	£31,365
			→ 5%
 Utilities Communal utilities costs – including gas, water, electric, fibre broadband, etc	£31,717	£26,882	£26,195
			→ -17%
 General Expenses To include admin fees, banking fees, reactive/unplanned repair or maintenance costs	£18,908	£21,912	£23,089
			→ 22%
 General Health & Safety To include general (non-BSA/BSR) surveys, inspections, reports, tests, and risk assessments	£4,281	£4,043	£4,155
			→ -3%
 Other Professional Fees To include Legal costs, accountancy & auditing fees, Company Secretary fees, HR fees	£4,498	£5,334	£3,987
			→ -11%
 Building Safety Act Compliance Costs Costs incurred to comply with BSA & BSR requirements, including additional fees for MA services, and consultants, surveys, assessments, etc	£1,058	£1,422	£1,782
			→ 68%
Average Service Charge*	£236,791	£236,598	£239,392
			→ 1.1%

*based on the average of estates' overall totals and therefore not calculated as the sum of the above categories





% Change in Service Charge Costs from 2024 to 2026





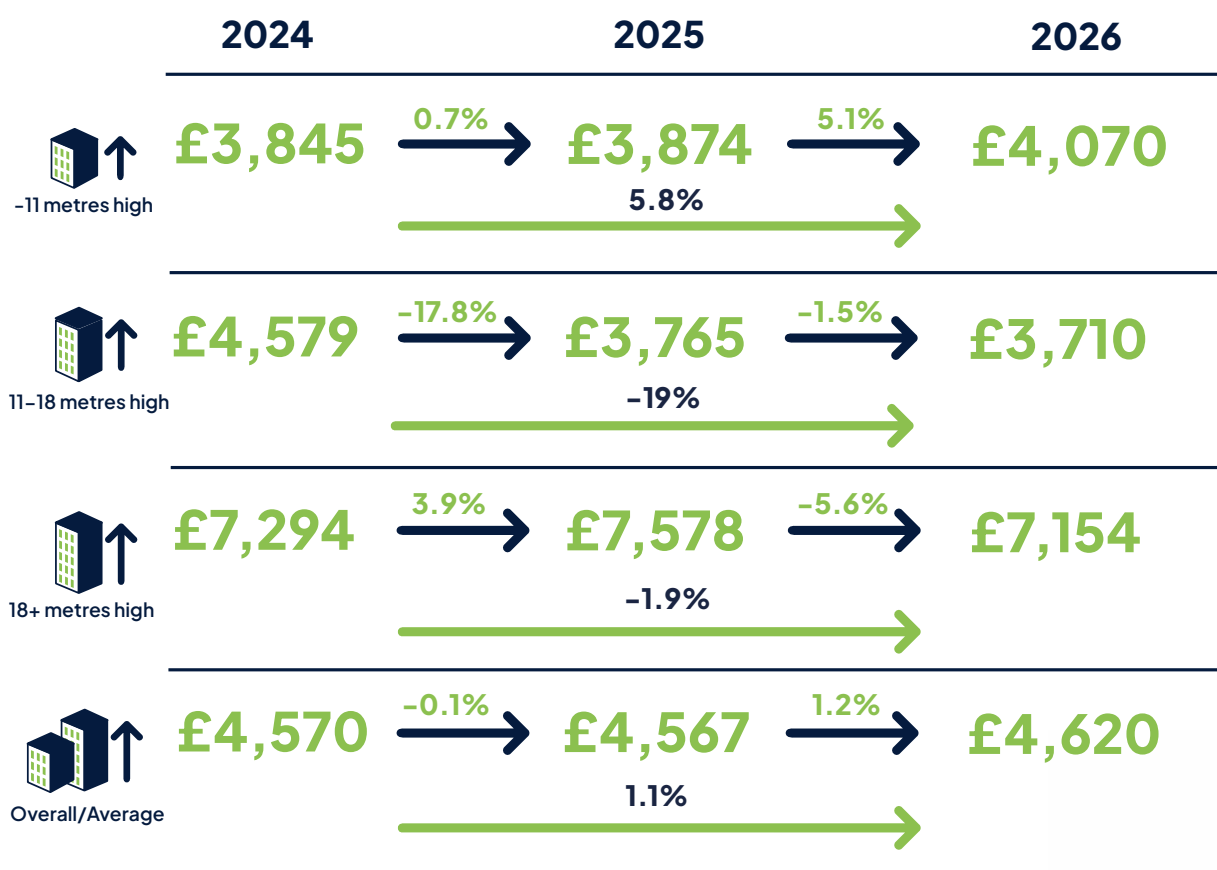
4. Building Type

Analysis by Height

On height distribution, 13% of estates in the dataset are over 18 metres — representing 19% of leasehold homes in the London sample, since taller buildings tend to contain more units each — compared with the national dataset, where only 5% of estates are over 18 metres. A further 71% of leasehold homes are in buildings under 11 metres, and 10% are between 11 and 18 metres⁶.

Service charge costs rise sharply with height. Leasehold homes in buildings **over 18 metres average £7,154 per leaseholder, compared with £4,070 under 11 metres**, reflecting the additional costs of lifts, communal plant, on-site staff and a heavier building safety compliance burden. **The 11 to 18 metre band shows an unusual fall, down 19% to £3,710**, leaving it below the under 11 metre figure. This band is small in the sample, at 1,997 homes, around one-tenth of the total. While the figures are accurate for the buildings sampled, they should be interpreted with some caution if applying more widely.

Average Service Charge per Leaseholder by Building Height



⁶Some Estates comprise blocks of different heights; the most predominant height category for each estate has been chosen; note this could mean that an estate classified as below 11m may also contain at least one 18m+ block and could therefore include Building Safety Act Compliance Costs.



Analysis by Age

Among the buildings for which age data were available, leasehold homes built within the last 25 years account for nearly half of the sample (46%). This is followed by homes over 50 years old (29%), and those built between 25 and 50 (25%). The age analysis covers around half the sample, representing the homes for which build dates are held, and should be read on that basis.

Service charge costs tend to be higher in older buildings. In 2026, **the average cost per leaseholder was £3,328 for buildings under 25 years old**, compared with **£4,347 for those aged between**

25–50 years old and £7,223 for buildings over 50 years old. This difference is particularly visible in reserve fund contributions and building insurance. **Average reserve fund contributions in buildings over 25 years were nearly 3.5 times more than in buildings under 25 years old, while average building insurance costs were 1.5 times more in buildings over 25 years.**

The age premium is amplified by building height. **Homes over 18m and more than 25 years old have the highest average cost, at £8,677 per leaseholder, compared with those under 25 years old with £4,038.** By comparison, those under 18m and over 25 years old average £4,070 per leaseholder, while those under 25 years old average £3,005 per leaseholder.

Category Breakdown of Building Age

		Average Per Estate (2026 budgets)		
		Under 25 years old	25–50 years old	Over 50 years old
	Repairs & Maintenance	£61,660	£47,974	£39,154
	Reserve Funds	£38,676	£47,739	£103,762
	Buildings Insurance inc. IPT	£35,727	£21,542	£41,335
	Management Fee	£27,141	£16,274	£25,326
	On-site Staff Costs	£25,546	£9,649	£48,446
	Utilities	£20,097	£12,985	£40,819
	General Expenses	£17,822	£11,441	£8,126
	General Health & Safety	£4,595	£3,098	£4,820
	Other Professional Fees	£3,698	£2,944	£2,707
	Building Safety Act Compliance Costs	£2,366	£523	£2,396
Average Service Charge*		£237,652	£175,481	£310,913

* based on the average of estates' overall totals and therefore not calculated as the sum of the above categories



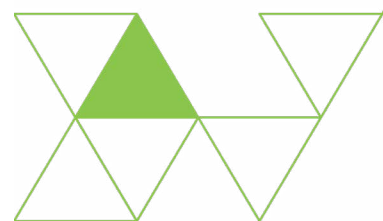
Conclusion

London's headline service charge figure for 2026 — a rise of just 1.1% over two years, against 5.8% nationally and CPI of 6.1% — masks a more complex underlying picture. The apparent stability is driven almost entirely by falling buildings insurance and utilities costs, both of which are correcting from unusually high 2024 levels rather than reflecting a structural easing of cost pressure. Meanwhile, the categories most closely tied to long-term financial resilience and building safety, reserve fund and Building Safety Act compliance costs, continue to rise sharply and may keep doing so.

Height and age remain the strongest predictors of cost: leaseholders in London's tallest and oldest buildings pay almost three times more than those in newer, lower-rise estates. Additionally, taller buildings make up a much larger share of the London sample than of the national one. This underlines why London requires separate analysis within the national Service Charge Index.

Looking ahead, the flat London headline rests on falling insurance and energy costs, and both could reverse in future: wholesale energy markets remain exposed to global instability, and insurance pressures have eased rather than disappeared. With reserve fund contributions still rising, as their importance in responsible management and preventing unforeseen large future costs for leaseholders is better understood, a return to growth in either category (utilities or insurance) would push future costs up. Therefore, the current stability is best read as a favourable balance of opposing forces rather than a settled trend.

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