◆ AI WEALTH PARTNERS · QUARTERLY MARKET BRIEF

Q2 2026

What actually changed for high and ultra-high-net-worth clients between April and June. **Every figure dated. Every source named.**

3.75%
Bank Rate held through the quarter, vote 7-2, with two members for a rise
BANK OF ENGLAND · 18 JUNE 2026

−8.2%
Prime London achieved prices, year on year
LONRES · JUNE 2026

£2.3bn
Record inheritance tax receipts, April to June
HMRC · Q2 2026

THE BOTTOM LINE

The rate cut never came, and that reframes everything else

Four shifts mattered this quarter. First, the Bank of England held Bank Rate at 3.75% at both of its Q2 meetings and the vote turned hawkish, so debt-funded prime purchases now have to be underwritten against a 3.75% Bank Rate and five-year swaps near 4% rather than against hoped-for cuts. Second, global wealth creation in 2025 was exceptional but overwhelmingly American, while the United Kingdom is the outlier losing internationally mobile wealth. Third, prime London is in a genuine price reset, with values more than a fifth below their 2014 peak, which reads as a buying window for cash-rich buyers rather than as distress. Fourth, exits and listings returned in force during the quarter, creating a fresh cohort of newly liquid founders and fund partners.

SECTION ONE

The shared macro picture

Interest rates

The Bank of England held Bank Rate at 3.75% at both of its Q2 meetings. On 30 April the Monetary Policy Committee voted 8-1 to hold, with a single member wanting a rise. On 18 June it held again by 7-2, with Megan Greene and Chief Economist Huw Pill both voting to raise Bank Rate to 4.00%. That is close to the mirror image of February, when four members had wanted a cut.
BANK OF ENGLAND · MPC MINUTES, 30 APRIL AND 18 JUNE 2026

The Bank put CPI inflation at 2.8% year on year in May, with services inflation sticky at 3.7%, and projected inflation rising back towards 3.25% in the fourth quarter. Knight Frank noted on **27 April 2026** that five-year swap rates, which lenders use to price fixed mortgages, had risen to around 4% from just under 3.5% before the Middle East conflict that began on 28 February 2026. KNIGHT FRANK · 27 APRIL 2026

> SO WHAT
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> Anyone who told a client in January that cheaper money was coming needs to reset that conversation. The credible message is that pricing is stable but not falling, and the adviser who can cite the June minutes sounds materially different from the one still hoping.

Currency

Sterling had an asymmetric quarter. Reuters reported at quarter end that the pound had risen 1.4% against the euro in Q2, near its strongest level since the previous August. Against the dollar it went backwards, closing June down 0.2% on the month and 1.6% lower across the first half, its weakest opening half since 2022, as the dollar was the best performing major currency at the half-year mark. REUTERS · 30 JUNE 2026

> **SO WHAT**
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> For dollar and dirham denominated buyers, UK prime property is discounted twice over, once by falling local prices and once by a soft pound. That is a concrete, quarter-anchored reason for an overseas buyer to be looking now.

Equities and private markets

The FTSE 100 rose 3% in Q2 2026, its sixth consecutive quarterly gain, closing near 10,508 on 29 June. Its record high was set in late February 2026, before the Middle East conflict, so the index recovered rather than broke new ground. The domestically focused FTSE 250 diverged lower, near 23,147. MARKET DATA · Q2 2026 CLOSE

Q2 was the strongest exit environment since the 2021 boom. Globally, 509 initial public offerings raised $193.6bn in the first half, with proceeds up 210% year on year. On the London Stock Exchange there were seven listings in the first half raising £577m, up 215% on the same period in 2025, with Q2 alone contributing five listings and £564m, up 422% year on year. Crunchbase data show 24 companies were acquired at or above $1bn during Q2, totalling $113bn, which Crunchbase News described on **2 July 2026** as the highest acquisition quarter on record. Startup investment reached $205bn in Q2 and $510bn across the first half, with concentration that Crunchbase News reported as extreme: OpenAI and Anthropic together accounted for 43% of all startup funding in the half. CRUNCHBASE NEWS · 2 JULY 2026

Global private equity dry powder stood at $3.7tn at the start of 2026 according to Preqin, roughly double its 2019 level. Bain & Company put the figure at $3.9tn when all private capital strategies are included. PREQIN AND BAIN & COMPANY · 2026 ANNUAL REPORTS

> **SO WHAT**
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> Every large exit is a liquidity event that creates an urgent, time-boxed need for both mortgage and wealth advice. The named pipeline tells you which sectors will generate the next wave of newly liquid clients.

Where wealth was created, and where it moved

The 2025 wealth creation numbers were published across the quarter. The UBS Global Wealth Report 2026, released **30 June 2026**, found global personal wealth rose 10.8% in dollar terms during 2025, the fastest since 2017, adding close to a million dollar millionaires, with the billionaire count up 383 to 3,302. Capgemini's World Wealth Report 2026, released **4 June 2026**, found high-net-worth wealth up 8.7% to a record $98.3tn and the population up to 25.3 million, with the United States adding 736,000 millionaires. Knight Frank's Wealth Report 2026 put the global population above US$30m at 713,626, up 32% since 2021, with 89 people crossing that threshold every day and the United States creating 41% of them. UBS recorded the United Kingdom adding more than 43,000 new millionaires. UBS, CAPGEMINI AND KNIGHT FRANK · JUNE 2026, DESCRIBING CALENDAR 2025 2025 OUTTURN

Migration data point the other way for Britain. Henley & Partners' Private Wealth Migration Report 2026, published **16 June 2026**, moved away from headline exit forecasts this year, but its own data showed non-UK nationals made up 53% of applications from a UK address in the first five months of 2026, up from 44% in 2025. This picture is contested. The Tax Justice Network argues the exodus narrative is overstated, noting that the 2025 Henley figure of 16,500 leavers represented 0.63% of the UK millionaire population, and the Financial Times has reported HMRC payroll data showing non-dom departures broadly in line with official forecasts. HENLEY & PARTNERS AND TAX JUSTICE NETWORK · JUNE 2026

What would settle it. The definitive evidence is HMRC's own non-dom statistics. The most recent hard data covers the tax year ending April 2024, showing £12.5bn in liabilities from at least 83,000 non-dom and deemed-dom taxpayers, which predates the abolition of the regime on 6 April 2025. HMRC has said the statistics for the year ending April 2025 will be published during 2026 and will be the final release in the current form. Until then, exodus claims rest on modelling rather than outturn. HMRC · TAX YEAR ENDING APRIL 2024

PREDATES REFORM

Tax and residency policy

The dominant UK story is fiscal drag. HMRC collected a record £2.3bn of inheritance tax in April to June 2026, up £96m on the same period a year earlier, following a fifth consecutive record annual total of £8.5bn in 2025/26. Combined income tax, capital gains tax and National Insurance receipts reached a record £132.1bn in the quarter, up £11.4bn. Stamp duty receipts rose 16% year on year for April to June. The nil-rate band has been frozen at £325,000 since 2009, and from April 2027 unused pension wealth comes within the inheritance tax net, a change the Office for Budget Responsibility expects to help push receipts to £14.5bn by 2030/31. HMRC also opened 4,940 formal inheritance tax enquiries in the last financial year, an 18% rise and a six-year high. HMRC AND OBR · Q2 2026 RECEIPTS, PUBLISHED JULY 2026

Internationally, the Julius Baer Global Wealth and Lifestyle Report 2026, published **7 July 2026**, found the cost of premium living rose 10.2% in dollar terms. Its city ranking placed Singapore first, Zurich second, Monaco third, Hong Kong fourth and London fifth, with London slipping from a close second in 2025 as sterling tracked the dollar more closely. JULIUS BAER · 7 JULY 2026

> SO WHAT
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> The tax environment is doing the prospecting. Every frozen threshold and every pension reform is a reason for a wealthy family to seek planning,

and the record enquiry count means HMRC scrutiny is a live, nameable concern rather than an abstract one.

SECTION TWO · FOR UK MORTGAGE BROKERS

Prime activity, lending appetite and who is actually transacting

Prime and super-prime by price band and region

Prime central London remains in a structural reset rather than a crash. LonRes reported that achieved sale prices across prime London were down 8.2% year on year in June 2026 and 5.5% below pre-pandemic levels, while Q1 2026 transaction volumes were down 32.6% year on year and 12% below the 2017 to 2019 average. Discounts to asking were wide in the spring data, at 10.5% across prime London and 14.2% in prime central London. LONRES · JUNE 2026

The direction of travel improved through the quarter. LonRes found June sales transactions up 4.8% year on year, and up 7.1% in the £5m plus band, even as new £5m plus instructions fell 17.3%. Fewer homes arriving, more of them selling. The Benham and Reeves Prime London Demand Index recorded £2m to £10m demand rising to 14.5% in Q2, up on both the previous quarter and the year, led by family markets such as Clapham, with super-prime £10m plus demand at 3.7% and Pimlico strongest. JLL's Q2 2026 report, published **21 July 2026**, described price falls softening, domestic buyers holding up the sub-£2m market and renewed momentum at the top, while warning that fresh fiscal uncertainty and a change of Prime Minister would keep caution in the market.
BENHAM AND REEVES, AND JLL · Q2 2026

On the regions and the country market, Knight Frank forecast in April a 2.5% fall in the prime country market during 2026, following a 5.5% decline in the year to March, and a 2% fall in prime central London. Savills forecast prime central London values down around 3% in 2026, having fallen 4.8% during 2025 to sit 24.5% below their 2014 peak. KNIGHT FRANK, APRIL 2026, AND SAVILLS PEAK FIGURE IS END-2025

> SO WHAT
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> The compliant, honest line to a prospect is that this is a rare buyer's window in the most internationally recognised postcodes, with the deepest negotiation in the core. That is a data-led observation about market conditions, not advice.

Lending appetite, cash versus debt, and borrower profiles

With Bank Rate at 3.75% and swaps near 4%, prime buyers are leaning on equity. The needs-based domestic buyer using a lower loan-to-value product is transacting, while the discretionary, debt-reliant regional and country buyer has pulled back, which is why Savills flagged the commuter belt and top-end country houses as the most price-sensitive parts of the market.

In the wider market, UK Finance data for Q1 2026 show buy-to-let lending up 3.26% by volume and 7.02% by value year on year, to 58,272 loans worth £10.8bn, driven entirely by remortgaging, which rose 11.1%, while purchase lending fell 14.9%. Average buy-to-let rates eased to 4.71% and gross yields rose to 7.21%. Later-life lending softened, with loans to the over-55s down 4.8% to 36,050 and lifetime mortgages down 8%. UK FINANCE · Q1 2026 Q1 DATA

> SO WHAT
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> The enquiry pool right now skews towards refinancing, restructuring and equity-rich purchase rather than fresh highly geared buying. The segments generating enquiries are private equity partners and post-exit founders with new liquidity from the Q2 exit wave, City professionals, internationally mobile buyers acting on currency, and domestic families trading in the sub-£2m band. The work that high-street lenders cannot

serve is the work worth chasing: large but illiquid balance sheets, cross-border income and complex sources of wealth.

SECTION THREE · FOR WEALTH MANAGERS, IFAS AND PLANNERS

Liquidity events, allocation shifts and which cohorts are in motion

Liquidity events and asset allocation

The Q2 exit wave is the prospecting story. Newly liquid founders and fund partners need advice on concentrated stock, tax and reinvestment within weeks of an event rather than months. On allocation, Capgemini found high-net-worth individuals had rotated back into risk, lifting equities to 25% of portfolios by January 2026, up three points, with fixed income at 20%.

CAPGEMINI · WORLD WEALTH REPORT 2026

At the top of the market, the UBS Global Family Office Report 2026, published **28 May 2026** and covering 307 family offices with average net worth of US$2.7bn surveyed between 22 January and 30 March 2026, found that for the first time 60% of family offices plan changes to their strategic asset allocation over the next twelve months. That is the highest level UBS has recorded, up from 35% in 2025, with alternatives at 42% of portfolios and geopolitics the dominant stated concern. Ocorian's 2026 family office survey found 64% expecting to raise infrastructure allocations. UBS · 28 MAY 2026, AND OCORIAN · 2026

SO WHAT

The largest pools of private capital are repositioning structurally rather than tactically, and they are doing it because of geopolitics and liquidity rather than returns-chasing. That is the language to use with an ultra-high-net-worth prospect.

Cross-border, residency and intergenerational demand

The combination of non-dom abolition, frozen inheritance tax thresholds and pensions entering the net from April 2027 has made estate planning and residency planning the two highest-demand services. HMRC's record receipts and six-year high in enquiries are the evidence. Henley data show internationally mobile UK residents actively building residence and citizenship optionality. The 2026 AlTi Tiedemann Global and Campden Wealth Family Office Operational Excellence Report, whose early findings were released on **29 June 2026** based on 126 family offices, reported that 48% of respondents have begun to formally define the purpose of their wealth, up from 33% in 2025. ALTI TIEDEMANN GLOBAL AND CAMPDEN WEALTH · 29 JUNE 2026

> SO WHAT
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> The cohorts in motion are ageing business owners facing the pension change, internationally mobile families reassessing UK residence, and next-generation heirs. The tax data writes the opening line for you.

Fee pressure, platforms and the regulatory backdrop

The FCA's advice guidance boundary review delivered its targeted support regime, with final rules confirmed on **26 February 2026** and taking effect from 6 April 2026. On **25 March 2026** the FCA published CP26/10, Simplifying the Pensions and Investment Advice Rules, proposing to replace the fixed annual suitability review with a flexible model tied to client need and the Consumer Duty. That consultation closed on 22 May 2026, with a policy statement expected in Q4 2026. The FCA also continued its scrutiny of whether firms deliver the ongoing advice services clients pay for, and is reviewing the Senior Managers and Certification Regime and Consumer Duty scope through the first half of 2026. FCA · CP26/10, 25 MARCH 2026

Against that, Capgemini found only 17% of high-net-worth individuals describe their advisory experience as joined-up and personalised, and 88% work with more than one firm. CAPGEMINI · WORLD WEALTH REPORT 2026, 4 JUNE 2026

> **SO WHAT**
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> The fair-value and ongoing-service pressure is real and quotable, and the low satisfaction figures are the strongest argument a challenger adviser has for winning assets from an incumbent. Incumbency is not loyalty.

SECTION FOUR

Fifteen conversation hooks

Each of these is anchored to a figure cited above. They are written to open a post, a newsletter or a message, and each one is checkable by the person reading it.

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01 The Bank of England held at 3.75% on 18 June 2026 and the vote flipped hawkish to 7-2, with two members wanting a rise. The rate cut trade many clients were waiting for is off the table.

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02 Five-year swap rates were near 4% in late April 2026, up from just under 3.5% before the Middle East conflict began on 28 February. Fixed-rate pricing has stopped falling.

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03 LonRes data show prime London achieved prices down 8.2% year on year in June 2026 and 5.5% below pre-pandemic levels. That is the

deepest discount window in a decade in the world's most recognised postcodes.

04 Prime central London closed 2025 sitting 24.5% below its 2014 peak, according to Savills. For a dollar buyer, that is a discount on a discount.

05 Sterling fell 1.6% against the dollar across the first half of 2026, its weakest opening half since 2022. Overseas buyers priced in dollars have rarely had a better entry point.

06 HMRC collected a record £2.3bn of inheritance tax in April to June 2026 alone, up £96m year on year. The frozen nil-rate band has not moved since 2009.

07 From April 2027 unused pension wealth falls within inheritance tax, a change the OBR expects to help push receipts to £14.5bn by 2030/31. Every pension holder with an estate now has a planning question.

08 HMRC opened 4,940 formal inheritance tax enquiries last year, an 18% rise and a six-year high. Scrutiny is intensifying just as more families are pulled into the net.

09 The London Stock Exchange saw five listings in Q2 2026 raising £564m, up 422% year on year. The exit market that had been shut is open again.

10 Globally, 24 companies were acquired at or above $1bn in Q2 2026, totalling $113bn, the highest acquisition quarter on record according to Crunchbase. Behind every deal is someone who just became liquid.

11 UBS found 60% of family offices plan to change their strategic asset allocation over the next twelve months, the highest reading it has recorded, up from 35% a year earlier.

12 Capgemini found only 17% of high-net-worth individuals describe their advisory experience as joined-up, and 88% use more than one firm. Incumbency is not loyalty.

13 Knight Frank counts 89 people crossing the US$30m wealth threshold every day, with the United States minting 41% of them. The pool is growing fast, just not in Britain.

14 Non-UK nationals made up 53% of Henley & Partners applications from a UK address in early 2026, up from 44% in 2025. Internationally mobile residents are building exit optionality.

15 Julius Baer's July 2026 report found London has slipped to the fifth most expensive city in the world for the wealthy, from a close second last year. The cost calculus of living in the UK is shifting.

SECTION FIVE

What to watch in Q3

Five open questions, each with the evidence that would answer it.

Does the Bank of England break its hold?

EVIDENCE TO WATCH

Services inflation, sticky at 3.7% in May, and whether the two-member hawkish bloc grows. A move to 4.00% would tighten prime lending further. A dovish surprise would revive the cut narrative.

Do the prime London recovery signals harden into price stabilisation?

EVIDENCE TO WATCH

The summer LonRes and Coutts prime indices, and whether the June uptick in sales and in the £5m plus band holds once autumn Budget speculation intensifies.

What does the autumn Budget threaten?

EVIDENCE TO WATCH

Speculation has repeatedly touched on high-value property taxes, capital gains and a mansion-tax-style surcharge. A change of Prime Minister adds fiscal uncertainty on top.

Do the HMRC non-dom statistics confirm or debunk the exodus narrative?

EVIDENCE TO WATCH

The release due during 2026 covering the tax year ending April 2025 is the first outturn data after the regime was abolished, and the last in its current form.

Does the IPO pipeline convert in the second half?

EVIDENCE TO WATCH

Whether the confidentially filed offerings reach market. That determines the size of the next liquidity-event cohort.

PROVENANCE

Where these numbers come from

This brief draws on primary publications rather than aggregators. Where the most recent hard data predates the quarter, it is labelled in the text rather than presented as current.

Named sources used in this brief

- **Property.** Knight Frank, Savills, LonRes, JLL, Benham and Reeves.
- **Wealth populations and allocation.** UBS Global Wealth Report 2026, UBS Global Family Office Report 2026, Capgemini World Wealth Report 2026, Knight Frank

Wealth Report 2026.

- **Migration and residency.** Henley & Partners, Tax Justice Network.
- **UK macro, tax and lending.** Bank of England, ONS, HMRC, OBR, UK Finance.
- **Regulation.** FCA, including CP26/10.
- **Private markets.** Preqin, Bain & Company, Crunchbase News.
- **Private banks and family offices.** Julius Baer, Ocorian, AlTi Tiedemann Global and Campden Wealth.

Limitations, stated plainly

Several figures predate Q2 2026 and are marked in the text. HMRC's definitive non-dom statistics cover the tax year ending April 2024 and precede the abolition of the regime. UK Finance mortgage data is for Q1 2026. The wealth creation reports from UBS, Capgemini and Knight Frank describe calendar 2025 outturns published during the quarter. Savills prime regional detail should be read as its 2025 sequence, because a discrete Q2 2026 prime regional index was not confirmed at the time of writing.

The FTSE 100 quarterly figures come from market aggregators rather than a single exchange statement and should be treated as approximate. The wealth migration debate is genuinely unresolved, and only forthcoming HMRC outturn data can settle it. A Coutts London Prime Property Index for Q2 2026 had not been published as at 28 July 2026. No standalone Q2 2026 ATED receipts figure was published, as the annual statistics are an autumn release.

Forward-looking statements from these sources are forecasts, not established outcomes, and are presented as such.

Using this with clients

This brief was written to be quotable. If you want the framework behind it, the free Pipeline Builder covers how to define an ideal client profile, read a market and build an offer around it.

OPEN PIPELINE BUILDER

Compiled 28 July 2026 by AI Wealth Partners Ltd. Quarter covered April to June 2026.