News Release

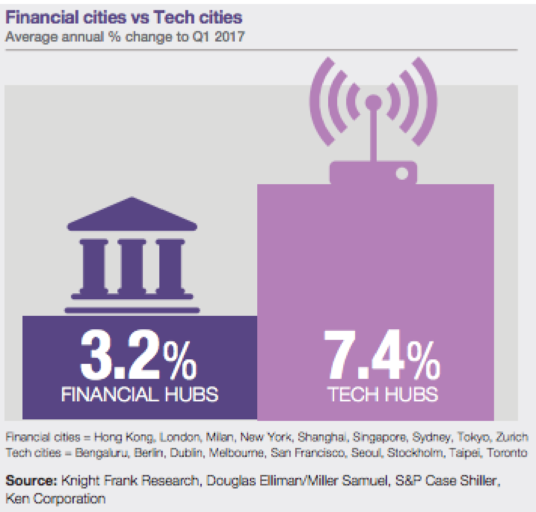
Knight Frank launches Q1 2017 *Prime Global Cities Index*

Chinese cities continue to lead; luxury residential prices in technology hubs outperform the world's financial centres

11 May 2017, Singapore – Knight Frank, the independent global property consultancy, launches the Q1 2017 Prime Global Cities Index, which tracks the performance of luxury residential prices across key global cities on a quarterly basis. The index sees new cities, **Istanbul** and **St Petersburg** being tracked, bringing the total number of global cities on the index to 41. In Q1 2017, the index increased by 4.3%, largely due to China's cities, which continue to dominate the top tier of the rankings.

Results for Q1 2017:

- **Guangzhou** (36.2%)**, Beijing** (22.9%) and **Shanghai** (19.8%) are ranked first, second and fourth, respectively on the index.
- **Guangzhou** rises from a lower base than in **Shanghai** and **Beijing**. In **Guangzhou**, the availability of residential stock is tighter and cooling measures were implemented more slowly than most tier one cities.
- **Toronto** – third on the index – ended Q1 2017 with year-on-year prices 22.2% higher, outpacing **Vancouver** (7.9%) by some margin. This led policymakers to announce a raft of new measures in April including a 15% foreign buyer tax putting the city on equal footing with **Vancouver**.



- Established financial centres of the world such as **Zurich** (-7.0%), **London** (6.4%), **Milan** (-0.9%) and **Tokyo** (1.5%) are seeing slower price growth – on average 3.2% per annum – compared with the emerging tech hubs such as **Seoul** (17.6%)**, Stockholm** (10.7%)**, Berlin** (8.7%) and **Melbourne** (8.6%), which saw prices rise by 7.4% on average over the 12-month period.

Nicholas Holt, Asia-Pacific Head of Research, says, "Cities in **China** and **Australia** make up five of the top 10 prime markets globally in terms of annual price growth in Q1 2017 – a strong showing for the Asia-Pacific region. While the aforementioned markets will continue to see price growth in 2017, it is likely to be tempered due to continuing tighter lending restrictions and higher mortgage rates in both countries."

Kate Everett-Allen, Head of International Residential Research, comments, "Although the world is in a state of political and economic flux at present and inevitably we are seeing a degree of safe haven investment flows into luxury property markets, the index's upturn this quarter can largely be attributed to China's cities which continue to dominate the top tier rankings.

An Asian revival might be overstating it but we are certainly seeing the region's key cities of Hong Kong (5.3%) and Singapore (4.0%) rise up the rankings following years of lacklustre growth."

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To download the report, please visit:
https://kfcontent.blob.core.windows.net/research/323/documents/en/q1-2017-4641.pdf

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Notes to Editors
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