

News Release

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Sydney ranks in top six of ultra-prime cities globally for number of residential sales above US \$25 million

Sydney, Australia – Knight Frank has launched the first-ever assessment of the global ultra-prime residential market, analysing sales over US \$25 million around the world. According to the research, Hong Kong is the city with the highest number of ultra-prime sales with New York and London ranked in second and third place.

When looking at the average value of transactions in the most recent 12-month period, to the end of August 2018, Hong Kong again leads this measure at US \$52.8 million, followed by Singapore at US \$44.1 million and Sydney with US \$43.8 million.

According to **Knight Frank's Partner, Head of Residential, Australia Sarah Harding**, "In a global market, Sydney remains the destination of choice for high net worth individuals due to a number of factors including the lifestyle and relative political stability.

"All ultra-prime transactions in Sydney over the past three years occurred in the Eastern Suburbs and all were for houses. However, this is based on completed properties and we expect that off-plan sales will further increase these numbers when further prestige apartment buildings in Sydney are completed.

"In the 12 months ending August 2018, the total value of ultra-prime properties (over US \$25 million) sold in Sydney was US \$219 million across five transactions.

"Whilst Sydney is one of the smallest city markets in regard to transaction levels, it has some of the most spacious properties with the typical transaction encompassing plots of land, and an average saleable area of 1,976 square metres.

"Not only do the properties cover large areas, but the majority have waterfront views and a private swimming pool," said **Ms Harding**.

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Knight Frank's Partner, Crown Residences at One Barangaroo, Erin van Tuil, said, "Sydney is now established as one of the world's top ultra-prime city markets. We have seen the reality of this in the market response to Crown Residences at One Barangaroo. Crown Residences has now offered UHNWIs a viable alternative to the traditional, free-standing harbour-side home in Sydney.

"In Crown Residences, Sydney now has apartments that actually respond to the needs of UHNWIs; space, views, location, stunning design and of course the impeccable service of Crown Resorts. I would expect to see transactions over US\$25m increase over the coming years in Sydney."

Further highlights from the report include:

- Across the top six ultra-prime city markets (Hong Kong, New York, London, Singapore, Los Angeles and Sydney), 153 transactions above US \$25 million took place in the 12 months to the end of August 2018 with a combined value of US \$6.6 billion
- Combined transaction levels in these cities grew by 12% in the two years since 2016 with growth set to continue
- Hong Kong leads the rankings in the most recent 12-month period with the highest number of transactions achieved (worth US \$ 2.5 billion). It was also the most expensive ultra-prime market, with an average price of US \$52.8 million paid
- The ultra-prime market in New York grew by 50% between 2015 and 2017. It sits in second place in terms of number of transactions achieved in the past 12-months (worth US \$ 1.5 billion)
- London topped the rankings in 2015 with the highest number of transactions (worth US \$ 2.9 billion) but slipped to third place in the most recent 12-month period. Higher stamp duty charges and concerns over Brexit have led to a decline in the number of ultra-prime sales. However, the city remains one of the top three ultra-prime markets globally
- Singapore saw the number of ultra-prime sales drop to two in 2016. However, this bounced back to 12 in the most recent 12-month period, demonstrating the underlying health of the market
- LA has seen significant growth in this market with the number of transactions growing by 260% between 2015 and 2017, albeit from a low base

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- Malibu, Palm Beach, Cote d'Azur, Monaco, the Caribbean, St Moritz, Gstaad, Courchevel and Aspen form the second home markets and ski destinations which feature within the top 17 locations for ultra-prime sales with the majority witnessing an uptick in sales volumes over the past three years. Paris and Miami complete the line-up of city markets

Liam Bailey, global head of research at Knight Frank commented, "The relentless creation of private wealth globally over the past decade has fuelled the growth of ultra-prime residential markets. Knight Frank has assessed the world's leading luxury markets to reveal 17 true ultra-prime destinations. In addition to identifying the existing top-tier markets globally, we have also detailed those markets, which are on the trajectory to join the ultra-prime ranks - led by locations like Dubai.

"Despite the proliferation of ultra-prime markets across cities, second home and ski locations, our research confirms there are three undisputed leading ultra-prime markets – Hong Kong, New York and London. While London has seen a relative decline in its lead as the world's largest ultra-prime market, in terms of sales, Hong Kong has steadily built a commanding lead in terms of total spend by the world's wealthy on ultra-prime property with New York growing its position as a dominant ultra-prime location."

Knight Frank's Wealth Report 2018 highlights that the global ultra-wealthy population (US \$50 million+ in net assets) grew by 18% in the five years up to 2017 and is forecast to increase a further 40% over the next five.

Sales in the ultra-prime segment of six global cities

Total value of transactions (US\$ million)				
	2015	2016	2017	12 months to August 2018*
Hong Kong	\$1,831	\$1,646	\$2,679	\$2,481
New York	\$1,026	\$1,723	\$1,627	\$1,497
London	\$2,881	\$1,713	\$1,563	\$1,479
Singapore	\$175	\$131	\$146	\$529
Los Angeles	\$201	\$718	\$660	\$441
Sydney	\$195	\$123	\$221	\$219
Number of transactions				
	2015	2016	2017	12 months to August 2018*
Hong Kong	37	30	47	47
New York	28	50	42	39
London	72	36	37	38
Singapore	4	2	5	12
Los Angeles	5	16	18	12
Sydney	6	3	6	5

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Average transaction value (US\$ million)				
	2015	2016	2017	12 months to August 2018*
Hong Kong	\$49.5	\$54.9	\$57.0	\$52.8
Singapore	\$43.6	\$65.5	\$29.1	\$44.1
Sydney	\$32.5	\$41.0	\$36.9	\$43.8
London	\$40.0	\$47.6	\$42.2	\$38.9
New York	\$36.6	\$34.5	\$38.7	\$38.4
Los Angeles	\$40.2	\$44.8	\$36.7	\$36.7

* Data to the end of August 2018

Notes: Los Angeles data excludes Malibu. All data relates to that which is reported and may not cover all transactions in the market place

Source: Knight Frank Research, Douglas Elliman, LonRes, HM Land Registry, Memfus Wong Property Information Centre, REALIS

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Notes to Editors

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