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5 Australian cities in top 50 of Knight Frank's Prime International Residential Index

Sydney tops the list of the 5 Australian cities with 3.1% prime price growth in 2018

Australia – The Wealth Report 2019, launched today by Knight Frank, reveals the results of its Prime International Residential Index (PIRI 100). The index, which tracks the movement of luxury residential prices in the world's top 100 cities between December 2017 and December 2018, reveals:

- Sydney (30), Brisbane (31), Melbourne (41), Perth and Gold Coast (42=) have made the top 50 in luxury residential market performance over the past year
- Manila leads the rankings (+11%). A lack of supply and the Philippines' thriving economy has motivated buyers
- The index witnessed its lowest rate of annual growth since 2012 with prices rising on average by 1.3%
- European cities are still performing strongly (Edinburgh +10.6%, Berlin +10.5% and Munich 10.0%), while cities across Greater China continue to slide
- Key global hubs including New York (-2.5%), London (-4.4%) and Geneva (-2.0%) find themselves in negative territory

According to **Knight Frank's Head of Residential Research, Australia Michelle Ciesielski**, "Globally, the Knight Frank Prime International Residential Index increased an average 1.3% last year – down from 2.1% in 2017. Lower price growth was an inevitable consequence of the shift in monetary policy in most global markets away from the ultra-low interest rates which have supercharged real estate markets since 2008.

"The Australian prime market continues to track above the global average for luxury residential price growth over the year to December 2018, with Sydney topping the list for Australian cities on the PIRI 100 at 3.1% growth; Brisbane at 3%; Melbourne 2.2%; and Perth and the Gold Coast both at 2.1% price growth year-on-year.

"The price growth between prime global markets is converging – and Australia is no exception. The performance in 2018 saw all five Australian prime cities place in the top 50 of Knight Frank's PIRI 100 – all five cities within 1 percentage point – when three years ago the range was closer to 19 percentage points."

Knight Frank's Head of Residential, Australia Sarah Harding said, "According to The Wealth Report Attitude Survey, for the second year in a row, Australia has retained its position as the third most popular country for those planning to buy prime residential property globally in 2019 – behind the

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US and the UK. Australia remains a top destination for the ultra-wealthy due to multiple factors, including lifestyle, education, and political stability.

“Ultra-high-net-worth individuals dedicate a large portion of their wealth to property. This has been confirmed by the growth in the average number of homes owned by wealthy people around the world increasing from 2.9 to 3.6 over the past year. We found Australian UHNWIs owned three residential homes, on average, in 2018.

“Only 6% of ultra-wealthy Australians purchased prime residential property outside of Australia in 2018. This is relatively low when compared with other active countries in the Asia Pacific region such as South Korea (30%), Hong Kong (28%), Malaysia (27%) or China (25%).”

Ms Ciesielski said, “While prime residential growth has become more sustainable in most Australian cities on the PIRI 100, in Perth, early signs of business recovery and a strengthening office market had a positive impact with prime residential price growth rising from 1.3% in 2017 to 2.1% in 2018.

“Properties along the waterfront have remained popular with the downsizing generation, and the city still offers good value relative to other major Australian cities.

“The spotlight in 2019 will remain on the pace of recovery as the Western Australian resources sector continues to build,” said **Ms Ciesielski**.

Australian cities included in Knight Frank’s PIRI 100:

Ranking	City	% Change (Dec 2017 to Dec 2018)
30	Sydney	3.1%
31	Brisbane	3.0%
41	Melbourne	2.2%
42=	Perth	2.1%
42=	Gold Coast	2.1%

Knight Frank’s PIRI 100 top 10 performing markets:

City	% Change (Dec 2017 to Dec 2018)
Manila	11.1%
Edinburgh	10.6%
Berlin	10.5%
Munich	10.0%
Buenos Aires	10.0%
Mexico City	9.5%
Singapore	9.1%
Boston	8.6%
Madrid	8.1%
San Francisco	7.8%

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Kate Everett-Allen, head of international residential research at Knight Frank, said: “Manila tops the PIRI 100 with prices rising by 11%. However, its performance needs to be put into perspective. In the past 12 years that we have been compiling the index, the top-performing market has yet to record annual growth below 21%. This is a breakaway from the norm.

“A year ago, 11 cities registered double-digit annual growth but in 2018, only five fell into this bracket, three of which are in Europe. Burgeoning rental demand, limited supply and, in most cases, buoyant local economies have seen annual price growth in Edinburgh, Berlin and Munich rise above 10%.”

For more information, please visit: <http://www.knightfrank.com/wealthreport>

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Notes to Editors

Knight Frank LLP is the leading independent global property consultancy. Headquartered in London, Knight Frank has more than 15,000 people operating from 418 offices across 60 markets. The Group advises clients ranging from individual owners and buyers to major developers, investors and corporate tenants. For further information about the Company, please visit www.knightfrank.com.

Definitions

UHNWI – Ultra-high-net-worth individual – someone with a net worth of over US\$30 million; excluding their primary residence.

HNWI – High-net-worth individual – someone with a net worth of over US\$1 million; excluding their primary residence.

Prime Property – The most desirable and most expensive property in a given location, generally defined as the top 5% of each market, by value. Prime markets often have a significant international bias in terms of buyer profile.

The Knight Frank PIRI 100 – Prime International Residential Index – tracks the movement in luxury property prices across the world’s top 100 residential markets. The index covers financial centres, gateway cities and second home hotspots – both coastal and rural – as well as leading luxury ski resorts. The index is now in its 12th year.

The Knight Frank Attitudes Survey – Unique survey based on the responses of 600 private bankers and wealth advisors who between them manage over US\$3 trillion of wealth for UHNW clients.

GlobalData WealthInsight – Provider of the 2018 high-net-worth wealth distribution data.