

## VANCOUVER AND SYDNEY LEAD THE PRIME GLOBAL CITIES INDEX

The Prime Global Cities Index increased by only 1.9% in the year to September 2015 but this conceals some standout performances by cities such as Vancouver and Sydney. Kate Everett-Allen examines the latest results.

### Results for Q3 2015

The index increased by 1.9% in the year to September 2015

Three cities recorded double-digit annual price increases; Vancouver, Sydney and Shanghai

The index now stands 34.1% above its low in Q1 2009 but its annual rate of growth is slowing

Around 73% of cities recorded positive annual price growth in the year to September, two years ago this figure was closer to 91%

Singapore is home to the weakest-performing luxury residential market for the seventh consecutive quarter

Vancouver leads the rankings for the second consecutive quarter with prime prices in the city up by 20.4% in the year to September. Supply is tight with the number of homes for sale down 32% year-on-year and local demand is strengthening alongside foreign interest.

Sydney and Shanghai also recorded double-digit annual price growth, increasing by 13.7% and 10.7% respectively year-on-year.

The weak Australian dollar, an undersupply of new homes and a strong local economy are behind Sydney's accelerating prices, whilst in Shanghai the reversal of strict housing policies, and the introduction of new fiscal measures, including tax and interest rate cuts, has fuelled demand.

Looking beyond the top rankings, the overall performance of the index is less robust. The index now stands 34.1% above its low in Q1 2009 but its annual rate of growth has slowed significantly from 7% two years ago to 1.9%.

Around 73% of cities recorded positive annual price growth in the year to September; two years ago this figure was closer to 91% (figure 2).

Singapore was the weakest-performing prime market tracked by the index for the seventh consecutive quarter, but the rate of annual decline has slowed from -15.2% at the end of Q2 to -7.9% this quarter.

Analysis by world region shows Australasia leads, with average annual price growth of 11.6%, followed by North America at 8.5%. Europe, at 0.8% is now in positive territory but performance varies, from 9.4% in Monaco to -5.1% in Zurich.

As QE unwinds and a US rate rise draws near, prime assets will remain on the radar of investors and HNWIs. The big question mark surrounds not Greece and the Eurozone but the slowdown in the Chinese economy. Wealth from China will continue to flow into overseas property markets with the UK, US, Canada and Australia being key target destinations.



KATE EVERETT-ALLEN  
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"The index's annual rate of growth has slowed significantly from 7% two years ago to 1.9%."

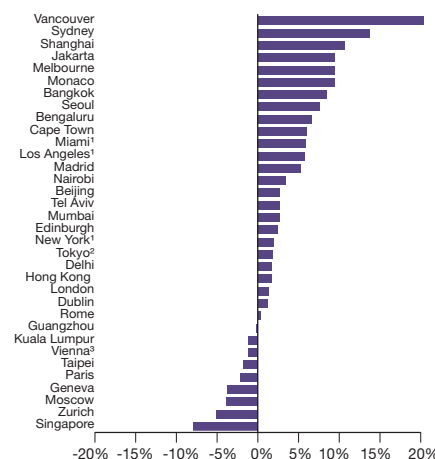
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FIGURE 1

#### Prime price performance by city

Annual % change to Q3 2015



Source: See main table on page 2

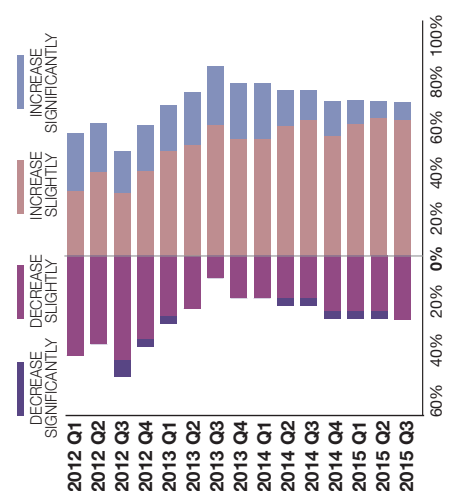
<sup>1</sup> Based on top-tier of mainstream market in metro area

<sup>2</sup> Based on all contracts above Yen100m <sup>3</sup> Provisional

FIGURE 2

#### Shifts in luxury residential prices

Proportion of cities by annual price change



Source: See main table on page 2

## DATA DIGEST

The Knight Frank Prime Global Cities Index enables investors and developers to monitor and compare the performance of prime residential prices across key global cities. Prime property corresponds to the top 5% of the wider housing market in each city. The index is compiled on a quarterly basis using data from Knight Frank's network of global offices and research teams.

### Knight Frank Prime Global Cities Index, Q3 2015

Rank	City	World Region	12-month % change (Sep 14-Sep 15)	6-month % change (Mar 15-Sep 15)	3-month % change (Jun 15-Sep 15)	Latest data if not Q3 2015
1	Vancouver	North America	20.4%	10.5%	5.2%	
2	Sydney	Australasia	13.7%	9.6%	3.6%	
3	Shanghai	Asia	10.7%	6.8%	2.7%	
4	Jakarta	Asia	9.4%	1.4%	0.7%	Q2
5	Melbourne	Australasia	9.4%	6.5%	3.6%	
6	Monaco	Europe	9.4%	10.3%	5.0%	
7	Bangkok	Asia	8.5%	5.7%	4.6%	
8	Seoul	Asia	7.6%	2.9%	1.7%	Q2
9	Bengaluru	Asia	6.7%	0.0%	0.0%	
10	Cape Town	Africa	6.0%	-1.3%	-4.0%	Q1
11	Miami <sup>1</sup>	North America	5.9%	2.6%	-0.1%	Q2
12	Los Angeles <sup>1</sup>	North America	5.8%	3.0%	0.9%	Q2
13	Madrid	Europe	5.2%	2.9%	1.6%	
14	Nairobi	Africa	3.5%	1.1%	0.2%	
15	Beijing	Asia	2.7%	2.6%	1.4%	
16	Tel Aviv	Middle East	2.7%	0.7%	-2.5%	Q2
17	Mumbai	Asia	2.6%	1.0%	0.5%	
18	Edinburgh	Europe	2.5%	0.8%	0.4%	
19	New York <sup>1</sup>	North America	2.0%	1.2%	-0.6%	Q2
20	Tokyo <sup>2</sup>	Asia	1.8%	-4.7%	1.2%	
21	Delhi	Asia	1.7%	0.0%	0.0%	
22	Hong Kong	Asia	1.7%	-2.2%	-2.5%	
23	London	Europe	1.3%	1.4%	0.3%	
24	Dublin	Europe	1.2%	-3.0%	-0.2%	
25	Rome	Europe	0.3%	0.3%	0.1%	
26	Guangzhou	Asia	-0.2%	1.7%	1.7%	
27	Kuala Lumpur	Asia	-1.1%	-0.4%	-0.3%	
28	Vienna <sup>3</sup>	Europe	-1.2%	2.6%	3.4%	Q2
29	Taipei	Asia	-1.8%	-1.8%	0.0%	
30	Paris	Europe	-2.1%	1.9%	1.9%	
31	Geneva	Europe	-3.7%	-2.0%	-2.0%	
32	Moscow	Russia & CIS	-3.8%	1.8%	6.1%	
33	Zurich	Europe	-5.1%	-2.5%	0.0%	
34	Singapore	Asia	-7.9%	-0.1%	2.2%	

Source: Knight Frank Research, Case Shiller, Ken Corporation

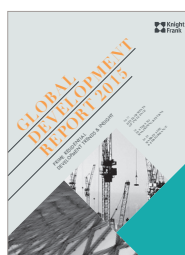
Notes: Price change calculated in local currency

<sup>1</sup> Based on top-tier of mainstream market in metro area <sup>2</sup> Based on all contracts above Yen100m <sup>3</sup> Provisional

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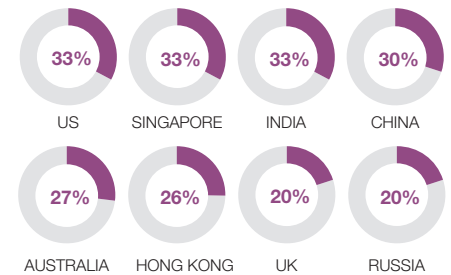


The Hub Report 2015

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FIGURE 3

What percentage of your HNWI clients' total net worth is accounted for by their main residence\*?



Source: Attitudes Survey, Wealth Report 2015

\*Includes any second homes not held purely as an investment

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