

## CHINESE CITIES DOMINATE URBAN HOUSE PRICE RANKINGS

In our latest analysis of city house prices around the world the rise of China's top tier cities stands out. Last quarter six of China's cities sat within our top ten, this quarter they account for all of the top eight rankings for annual growth. Kate Everett-Allen examines the latest set of results.

### Results for Q3 2016

**Chinese cities now occupy the index's top eight rankings**, together recording average annual growth of 31.8%

**Nanjing and Shanghai** have overtaken last quarter's top performer, Shenzhen

**Budapest, Oslo and Bristol** are Europe's strongest-performing cities

**Seattle is the United States' strongest performer (11.1%)** whilst New York is its weakest (1.8%)

**Of the 33 cities that saw prices fall in the year to September, 20 were in Europe**



**KATE EVERETT-ALLEN**  
International Residential Research

"House prices increased in 77% of the 150 cities tracked by the index on an annual basis. Thirteen cities recorded price rises in excess of 20% in the year to September."

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Nanjing (43%) and Shanghai (40%) have usurped the rapid-growing technology hub of Shenzhen (35%) this quarter.

Urbanisation and rising household wealth are behind the surge in Chinese prices but it is far from uniform with smaller cities and rural markets lagging behind.

China's rapidly-rising urban house prices have not escaped the attention of policymakers with many cities seeing the tightening of mortgage lending, higher deposit requirements, and in some cases, a ban on non-local buyers. Home purchase restrictions even saw couples divorcing to enable them to buy more properties. Since September there is some evidence to suggest the rate of price growth has cooled in a few key cities as the new regulations have taken effect.

Beyond China, Asia's other main headline is Wellington's outperformance. Annual price growth in the city (17%) has seen it overtake Auckland (15%) as New Zealand's hottest housing market, a title Auckland held for eight years.

Overall, house prices increased in 77% of the 150 cities year-on-year. Thirteen

cities recorded price rises in excess of 20% in the year to September.

Vancouver, a long-time frontrunner, slid down the rankings this quarter, from fifth to ninth position. This shift is not as a result of slowing prices, annual growth is much the same as in June, close to 24%, but due to the phenomenal ascent of the Chinese cities which have supplanted it.

Budapest (24%), Oslo (18%) and Bristol (16%) are Europe's strongest performers but for differing reasons. Budapest represents good value compared with other European capital cities; Oslo is experiencing high demand and low supply, whilst Bristol's boom is being fuelled by low mortgage rates, and a structural undersupply of housing.

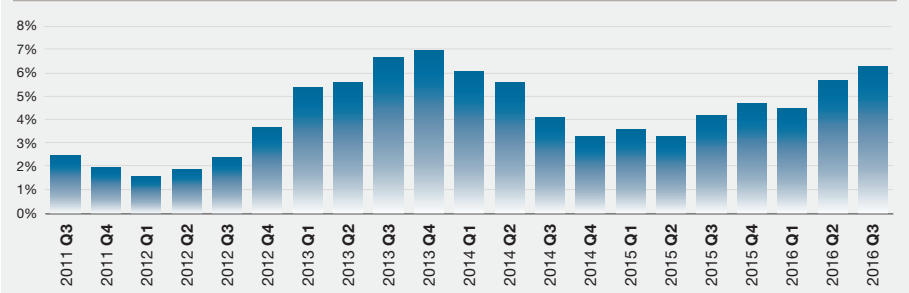
Of the 33 cities that saw prices fall in the year to September, 20 were in Europe, with cities in Canada and Australia also well represented.

Darwin, Moscow and Aberdeen are at the foot of our 150-city rankings, here price declines can be attributed to an upturn in new supply (Darwin) and the impact of falling oil prices over recent years on the local economy (Moscow and Aberdeen).

FIGURE 1

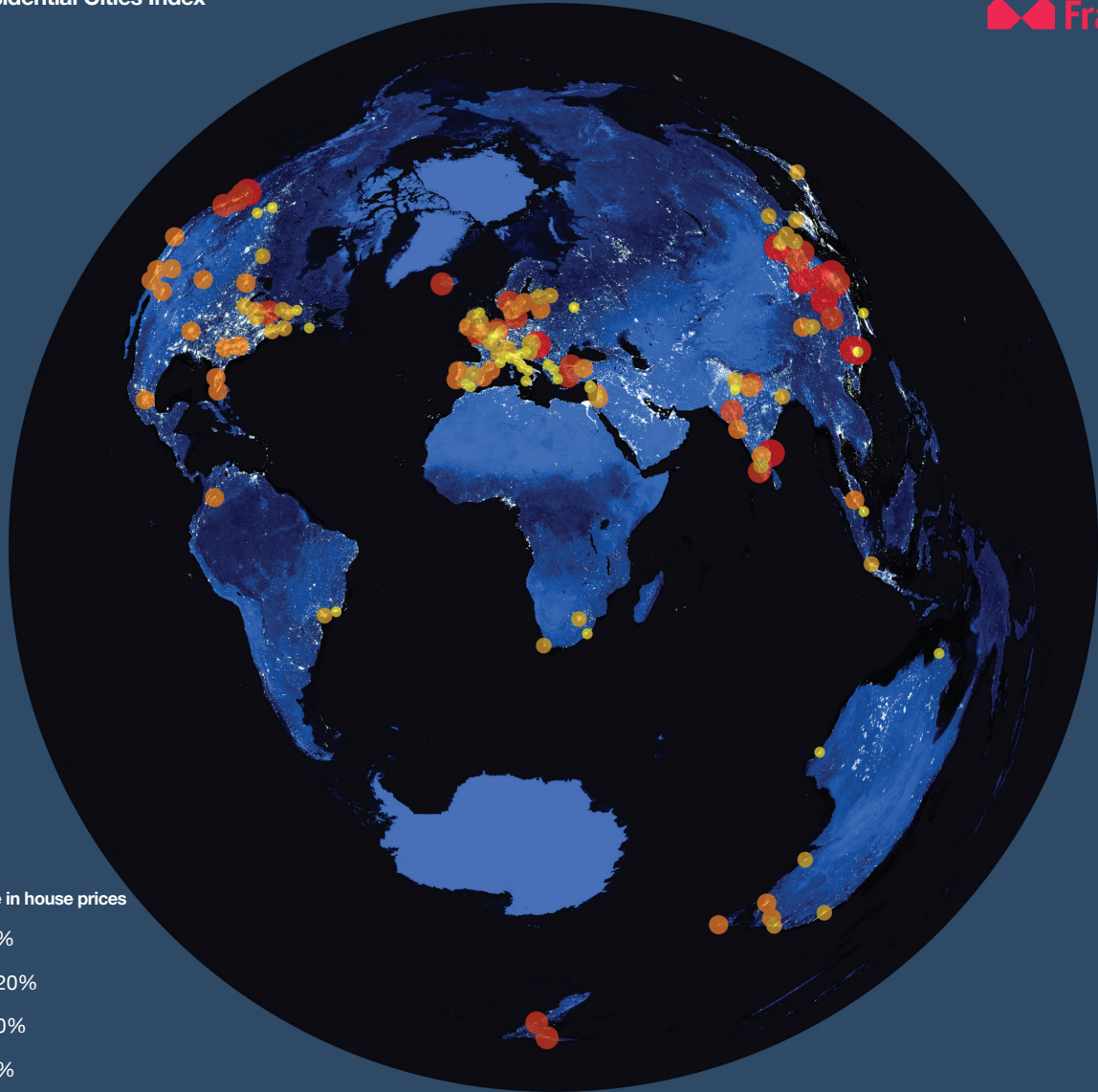
### Global Residential Cities Index Q3 2016

Annual performance over the last five years 12-month % change



Source: Knight Frank Research

FIGURE 2  
Global Residential Cities Index  
Q3 2016



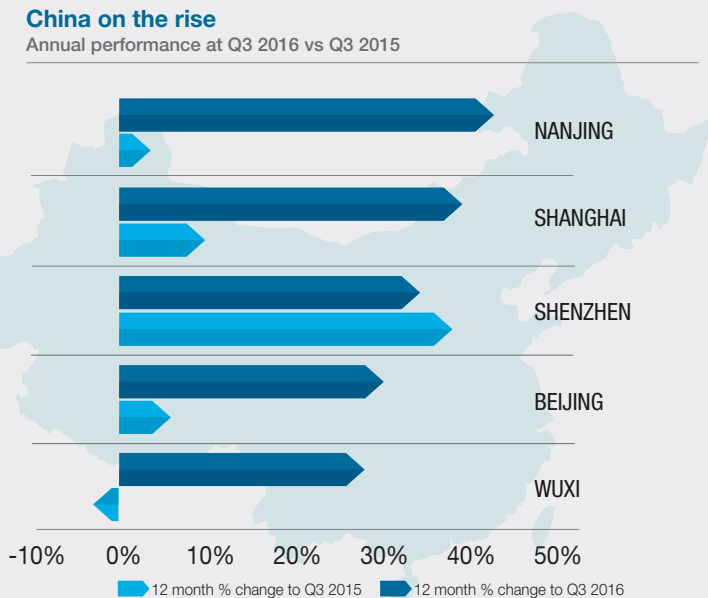
Annual change in house prices

- Over 20%
- 10% to 20%
- 5% to 10%
- 0% to 5%
- Below 0%

FIGURE 3

**China on the rise**

Annual performance at Q3 2016 vs Q3 2015

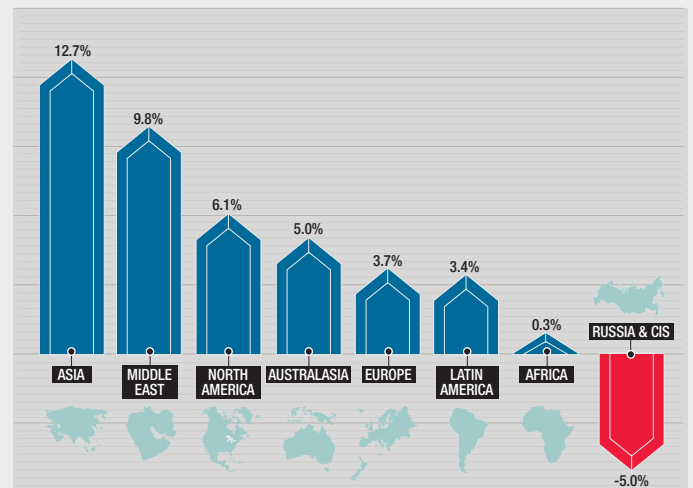


Source: Knight Frank Research

FIGURE 4

**Price change by world region**

Average % change to Q3 2016



Source: Knight Frank Research

Note: Where official data is published for multiple cities we have selected those cities with the highest GDP or included only those cities tracked by an official source.

## Knight Frank Global Residential Cities Index, Q3 2016 Ranked by annual % change

Rank	City	12-month % change (Q3 2015-Q3 2016)	Rank	City	12-month % change (Q3 2015-Q3 2016)	Rank	City	12-month % change (Q3 2015-Q3 2016)
1	Nanjing, CN	42.9%	51	Valencia, ES	7.3%	101	Brussels, BE	1.9%
2	Shanghai, CN	39.5%	52	Bratislava, SK	7.3%	102	New York, US	1.8%
3	Shenzhen, CN	34.5%	53	Manchester, UK	7.2%	103	Paris, FR	1.8%
4	Beijing, CN	30.4%	54	Riga, LV	7.1%	104	Shenyang, CN	1.6%
5	Wuxi, CN	28.2%	55	Melbourne, AU	6.9%	105	Kolkata, IN	1.6%
6	Hangzhou, CN	28.2%	56	Birmingham, UK	6.9%	106	Jakarta, ID	1.2%
7	Tianjin, CN	25.4%	57	Lisbon, PT	6.8%	107	Lyon, FR	1.1%
8	Zhengzhou, CN	25.0%	58	Hobart, AU	6.8%	108	Ottawa Gatineau, CA	0.9%
9	Vancouver, CA	24.0%	59	Miami, US	6.7%	109	Edinburgh, UK	0.8%
10	Chennai, IN	24.0%	60	Bogota, CO	6.7%	110	Milan, IT*	0.7%
11	Budapest, HU	23.6%	61	Jerusalem, IL	6.5%	111	Tangshan, CN	0.7%
12	Guangzhou, CN	23.2%	62	Gothenburg, SE	6.3%	112	Dalian, CN	0.4%
13	Wuhan, CN	22.5%	63	Charlotte, US	6.2%	113	St. Petersburg, RU	0.2%
14	Oslo, NO	17.9%	64	Nottingham, UK	6.1%	114	Montreal, CA	0.2%
15	Victoria, CA	17.9%	65	Los Angeles, US	5.9%	115	Sao Paulo, BR	0.1%
16	Wellington, NZ	17.0%	66	Detroit, US	5.9%	116	Zagreb, HR	0.1%
17	Istanbul, TR	16.6%	67	Bengaluru, IN	5.9%	117	Florence, IT*	0.0%
18	Lucknow, IN	16.5%	68	San Francisco, US	5.8%	118	Lille, FR	-0.2%
19	Toronto, CA	16.4%	69	Mexico City, MX	5.7%	119	Skopje, MK	-0.2%
20	Bristol, UK	15.8%	70	Las Vegas, US	5.6%	120	Turin, IT*	-0.4%
21	Kochi, IN	15.7%	71	Canberra, AU	5.5%	121	Ljubljana, SI	-0.4%
22	Izmir, TR	15.6%	72	Dublin, IE	5.4%	122	Larnaca, CY	-0.4%
23	Jinan, CN	15.5%	73	Minneapolis, US	5.4%	123	Bologna, IT*	-0.5%
24	Auckland, NZ	15.4%	74	San Diego, US	5.3%	124	Malaga, ES	-0.5%
25	Amsterdam, NL	14.2%	75	Atlanta, US	5.3%	125	Edmonton, CA	-0.7%
26	Malmö, SE	13.7%	76	Phoenix, US	5.3%	126	Halifax, CA	-0.9%
27	Hamilton, CA	13.1%	77	Kuala Lumpur, MY	5.1%	127	Athens, GR	-0.9%
28	Reykjavik, IS	13.0%	78	Glasgow, UK	5.0%	128	Trieste, IT*	-1.3%
29	Changsha, CN	12.0%	79	Winnipeg, CA	4.6%	129	Venice, IT*	-1.4%
30	Qingdao, CN	11.9%	80	Chongqing, CN	4.5%	130	Thessaloniki, GR	-1.4%
31	Ningbo, CN	11.3%	81	Chicago, US	4.4%	131	Limassol, CY	-1.4%
32	Ahmedabad, IN	11.3%	82	Madrid, ES	4.3%	132	Napoli, IT*	-1.5%
33	Seattle, US	11.1%	83	Boston, US	4.3%	133	Quebec, CA	-2.0%
34	Portland, US	10.9%	84	Bern, CH	4.0%	134	Singapore, SG	-2.0%
35	Utrecht, NL	9.9%	85	Copenhagen, DK	4.0%	135	Rome, IT*	-2.2%
36	London, UK	9.2%	86	Yantai, CN	3.9%	136	Marseille, FR	-2.7%
37	Ankara, TR	8.8%	87	Cape Town, ZA	3.9%	137	Rio de Janeiro, BR	-2.8%
38	Denver, US	8.8%	88	Tokyo, JP	3.4%	138	Nicosia, CY	-3.1%
39	Hague, NL	8.4%	89	Adelaide, AU	3.2%	139	Perth, AU	-4.0%
40	Kanpur, IN	8.3%	90	Sydney, AU	3.2%	140	Palermo, IT*	-4.1%
41	Haifa, IL	8.2%	91	Seoul, KR	3.1%	141	Sevilla, ES	-4.1%
42	Porto, PT	8.2%	92	Brisbane, AU	3.1%	142	Jaipur, IN	-4.4%
43	Dallas, US	8.1%	93	Delhi, IN	3.1%	143	Calgary, CA	-4.9%
44	Mumbai, IN	7.7%	94	Cleveland, US	3.0%	144	Taipei City, TW	-4.9%
45	Tallinn, EE	7.7%	95	Tel Aviv, IL	3.0%	145	Durban, ZA	-5.1%
46	Barcelona, ES	7.7%	96	Washington, US	2.7%	146	Genoa, IT*	-5.3%
47	Tampa, US	7.6%	97	Helsinki, FI	2.7%	147	Hong Kong, HK**	-5.5%
48	Stockholm, SE	7.5%	98	Vienna, AT	2.5%	148	Darwin, AU	-7.2%
49	Chengdu, CN	7.4%	99	Zurich, CH	2.4%	149	Moscow, RU	-10.2%
50	Rotterdam, NL	7.4%	100	Johannesburg, ZA	2.2%	150	Aberdeen, UK	-10.5%

Source: Knight Frank Research \*Asking prices \*\*Provisional \*\*\*Metropolitan area

AT Austria, AU Australia, BE Belgium, BR Brazil, CA Canada, CH Switzerland, CL Chile, CN China, CO Bogota, CY Cyprus, CZ Czech Republic, DK Denmark, EE Estonia, ES Spain, FI Finland, FR France, GR Greece, HK Hong Kong, HR Croatia, HU Hungary, ID Jakarta, IE Ireland, IL Israel, IN India, IS Iceland, IT Italy, JP Japan, KR South Korea, LV Latvia, MK Macedonia, MX Mexico City, MY Malaysia, NL Netherlands, NO Norway, NZ New Zealand, PT Portugal, RU Russia, SE Sweden, SG Singapore, SI Slovenia, SK Slovakia, TR Turkey, TW Taiwan, UK United Kingdom, US United States, ZA South Africa

All data corresponds to 12-month percentage change to Q3 2016 except: Ahmedabad (Q2 2016), Auckland (Q2 2016), Bengaluru (Q2 2016), Budapest (Q1 2016), Chennai (Q2 2016), Delhi (Q2 2016), Jaipur (Q2 2016), Kanpur (Q2 2016), Kochi (Q2 2016), Kolkata (Q2 2016), Larnaca (Q2 2016), Lille (Q1 2016), Limassol (Q2 2016), Lucknow (Q2 2016), Ljubljana (Q2 2016), Lyon (Q1 2016), Marseille (Q2 2016), Mumbai (Q2 2016), Nicosia (Q2 2016), Santiago (Q3 2015) and Wellington (Q2 2016).

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