

# News Release

## Sharper negative growth engulfs luxury home prices in Delhi, Bengaluru; Mumbai records marginal rise: Knight Frank Prime Global Cities Index Q3 2017

- *Guangzhou continued to top the index with a staggering 36.3% price surge in luxury homes but the overall narrative for China was of a slower growth.*
- *European cities of Madrid, Berlin and Paris outpaced other key markets such as London, Vienna, Zurich and Geneva*

**November 14, 2017:** The declining trend that engulfed luxury home prices across key Indian metros earlier this year has further intensified amid a global pattern of weakening prices revealed the **Knight Frank Prime Global Cities Index Q3 2017**.

The index that tracks the movement in luxury residential prices across 41 international cities, every quarter, rose by 4.2% in the year to September 2017. However, at least 19 of these cities saw a decline in annual growth.

While Delhi (-3.1%) and Bengaluru (-0.8%) recorded sharper negative growth, prices for luxury homes in Mumbai saw a marginal increase of 0.6% between September 2016 and September 2017, albeit on a declining trend.

Reflecting on the dismal performances all the three metros featured on the price index slid from their positions in the previous quarter. Delhi saw the biggest drop in rankings as it slipped from the 31<sup>st</sup> to the 36<sup>th</sup> position.

**Dr. Samantak Das, Chief Economist and National Director – Research**, said, “Prime residential markets have been under immense pressure particularly since the event of demonetisation. While the move had an adverse impact on the overall residential market, luxury homes sales were worst hit. The quintessential wealthy investors known to take interests in such projects are missing courtesy better returns from other investment avenues. Among the top three cities in India the growth in price in this genre has been slowly tapering. While Mumbai maintained positive growth, albeit at an abysmally low rate, Delhi and Bengaluru witnessed negative growth. We foresee the trend to continue for at least 8- 12 months in this end-user driven market.”

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Guangzhou continued to top the index with a staggering 36.3% price surge in luxury homes but the overall narrative for China was of a slower growth. While the annual prime price growth in Shanghai slipped from 19.7% last quarter to 14.9%, the rate of price growth decline in Beijing nearly halved from 15% to 7.2%, courtesy government enforced cooling measures.

However, the Asia Pacific dominated the ten rankings, with Seoul (11.2%), Sydney (11.0%) and Melbourne (10.4%) joining Guangzhou and Shanghai.

Among luxury residential properties in Europe, Madrid, Paris and Berlin recorded robust growth. But other key markets such as Zurich, Vienna, Geneva and London ended the 12-month period witnessing a sharp price decline.

**Download the report here:** <http://content.knightfrank.com/research/323/documents/en/prime-global-cities-index-q3-2017-5072.pdf>

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