

SHENZHEN LEADS NEW GLOBAL CITIES HOUSE PRICE INDEX

Our new Global Residential Cities Index takes our Global House Price Index one step further, tracking mainstream residential prices on a city rather than country basis. The new index covers 165 of the world's key urban residential markets. Kate Everett-Allen analyses the index's inaugural set of results.

Results for Q4 2015

The Knight Frank Global Residential Cities Index increased by 4.4% in 2015, outperforming our equivalent national level index

121 of the 165 cities tracked by the index recorded positive annual price growth in 2015

The Chinese city of Shenzhen leads the rankings with prices rising 47.5% in 2015

The Indian city of Chandigarh was the weakest-performing city with prices falling by 7.7% year-on-year

In 2015 China saw the largest disparity amongst its cities, 50 percentage points separate its strongest and weakest-performing city housing market



KATE EVERETT-ALLEN
International Residential Research

"More than 22 percentage points separates the Chinese city of Shenzhen from the index's second-ranking city – Auckland."

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The Global Residential Cities Index, which is based on official house price data for mainstream residential markets, increased by 4.4% in 2015.

More than 121 of the 165 cities tracked by the index saw house prices either rise or remain flat in 2015.

The Chinese city of Shenzhen leads the rankings with price growth of 47.5% recorded in 2015. More than 22 percentage points separates Shenzhen from the index's second-ranking city – Auckland (up by 25.4%).

In 2015 first-tier cities in China saw strong demand on the back of the relaxation of policy restrictions which boosted market performance. Shenzhen is fast becoming one of China's key technology hubs, its population of 10 million has an average age of 30.

Budapest, where prices increased by 16.3% in 2015, is the strongest-performing capital city within the index. The city's comparative value, combined with an exclusive investment immigration bond programme for Chinese nationals, has fuelled demand.

Of the twenty US cities included in the index, Portland (11.4%) and San Francisco

(10.4%) were the strongest performers with Washington DC the weakest (1.7%).

Although none of the US cities saw prices decline, no single city could compete with Vancouver which proved North America's top performer, with prices rising 11.9% on an annual basis.

The Indian city of Chandigarh occupies the bottom ranking this quarter, here prices fell by 7.7% year-on-year. Despite cutting interest rates four times in 2015, India's base rate still stands at 6.75 and the economy has faltered impacting on household income.

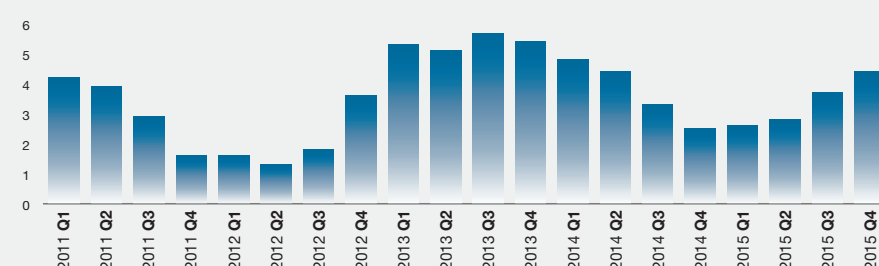
Of the 43 cities which saw house prices decline in 2015, 20 were located in Europe, with the southern European economies well represented. Cities in Greece, Italy and Cyprus occupy four of the bottom five rankings (figure 3).

Urban and rural housing markets are increasingly polarised when it comes to price performance. According to the World Bank, 54% of the world's population currently lives in cities, and by 2045 the urban population will rise by another 2 billion to 6 billion, suggesting the pressure on urban prices looks set to intensify.

FIGURE 1

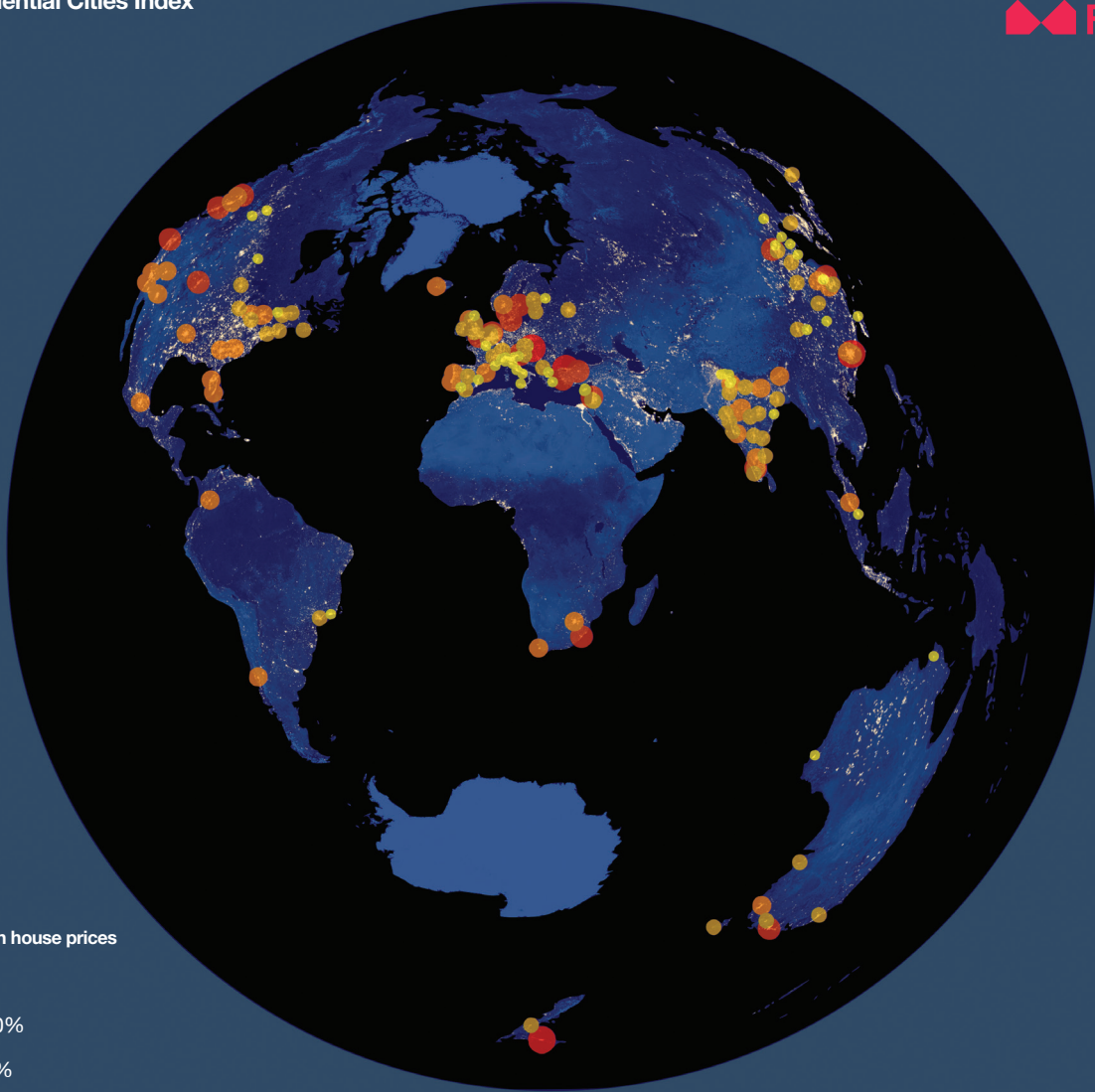
Global Residential Cities Index Q4 2015

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



Source: Knight Frank Research

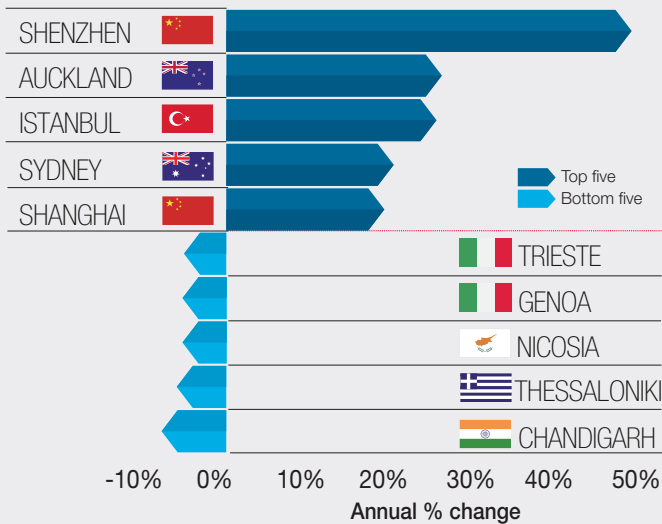
FIGURE 2
Global Residential Cities Index
Q4 2015



Annual change in house prices

- +20%
- 10% to 20%
- 5% to 10%
- 0% to 5%
- 0% to -10%

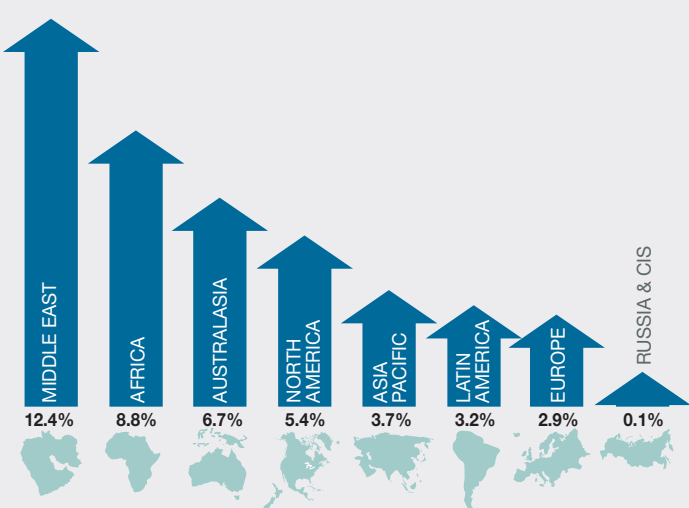
FIGURE 3
The 5 strongest and weakest-performing city housing markets
12-month % change, 2015



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 official source.

FIGURE 4
House price growth by world region
Average 12-month % change to Q4 2015



Source: Knight Frank Research

Knight Frank Global Residential Cities Index, Q4 2015 Ranked by annual % change

Rank	City	12-month % change (Q4 2014-Q4 2015)	Rank	City	12-month % change (Q4 2014-Q4 2015)	Rank	City	12-month % change (Q4 2014-Q4 2015)
1	Shenzhen, CN	47.5%	56	Barcelona, ES	5.7%	111	Hobart, AU	1.7%
2	Auckland, NZ	25.4%	57	Santiago, CL	5.5%	112	Washington, US	1.7%
3	Istanbul, TR	25.0%	58	Atlanta, US	5.5%	113	Lille, FR	1.1%
4	Sydney, AU	19.9%	59	Rotterdam, NL	5.5%	114	Jaipur, IN	1.0%
5	Shanghai, CN	18.2%	60	Charlotte, US	5.4%	115	Skopje, MK	0.9%
6	Izmir, TR	16.5%	61	Kuala Lumpur, MY**	5.3%	116	Jinan, CN	0.8%
7	Budapest, HU	16.3%	62	Coimbatore, IN	5.3%	117	Brussels, BR	0.8%
8	Stockholm, SE	15.6%	63	Lisbon, PT	5.1%	118	Chengdu, CN	0.6%
9	Göteborg, SE	14.4%	64	Tokyo, JP	5.0%	119	Montreal, CA	0.4%
10	Vancouver, CA	12.9%	65	Hague, NL	4.9%	120	Quebec, CA	0.2%
11	Ljubljana, SI	12.8%	66	Tel Aviv, IL	4.8%	121	Lyon, FR	0.2%
12	Haifa, IL	12.8%	67	Minneapolis, US	4.7%	122	Ludhiana, IN	0.0%
13	Ankara, TR	12.4%	68	Birmingham, UK	4.6%	123	Turin, IT*	-0.5%
14	Durban, ZA	11.6%	69	Wuhan, CN	4.5%	124	Dehradun, IN	-0.5%
15	Portland, US	11.5%	70	Boston, US	4.5%	125	Changsha, CN	-0.5%
16	London, UK	11.4%	71	Nottingham, UK	4.4%	126	Bologna, IT*	-0.8%
17	Amsterdam, NL	10.9%	72	Moscow, RU	4.4%	127	Florence, IT*	-0.8%
18	Copenhagen, DK	10.8%	73	Seoul, KR	4.4%	128	Shenyang, CN	-0.9%
19	Beijing, CN	10.4%	74	Chennai, IN	4.3%	129	Chongqing, CN	-1.0%
20	San Francisco, US	10.4%	75	Raipur, IN	4.2%	130	Winnipeg, CA	-1.1%
21	Greater Malmo, SE	10.2%	76	Tallinn, EE	4.0%	131	Edmonton, CA	-1.1%
22	Denver, US	10.2%	77	Canberra, AU	4.0%	132	Meerut, IN	-1.2%
23	Seattle, US	10.0%	78	Mumbai, IN	3.9%	133	Rio de Janeiro, BR	-1.4%
24	Melbourne, AU	9.9%	79	Nagpur, IN	3.9%	134	Wuxi, CN	-1.5%
25	Dallas, US	9.5%	80	Wellington, NZ	3.9%	135	Milan, IT*	-1.5%
26	Toronto, CA	9.5%	81	Brisbane, AU	3.8%	136	Paris, FR	-1.8%
27	Oslo, NO	9.2%	82	Ningbo, CN	3.6%	137	Valencia, ES	-1.8%
28	Guangzhou, CN	9.2%	83	Kochi, IN	3.5%	138	Dalian, CN	-1.8%
29	Reykjavik, IS	9.2%	84	Manchester, UK	3.5%	139	Aberdeen, UK	-1.8%
30	Guwahati, IN	9.1%	85	Adelaide, AU	3.5%	140	Yantai, CN	-1.9%
31	Hamilton, CA	8.8%	86	Vienna, AT	3.4%	141	Darwin, AU	-2.0%
32	Victoria, CA	8.7%	87	Tianjin, CN	3.4%	142	Ottawa Gatineau, CA	-2.1%
33	Cape Town, ZA	8.6%	88	Madrid, ES	3.4%	143	Palermo, IT*	-2.2%
34	Porto, PT	8.6%	89	New York, US	3.3%	144	Marseille, FR	-2.3%
35	Glasgow, UK	8.6%	90	Bratislava, SK	3.2%	145	Qingdao, CN	-2.4%
36	Pune, IN	8.2%	91	Edinburgh, UK	3.2%	146	Sevilla, ES	-2.5%
37	Nanjing, CN	7.9%	92	Jerusalem, IL	3.2%	147	Calgary, CA	-2.6%
38	Indore, IN	7.7%	93	Zurich, CH	3.1%	148	Napoli, IT*	-2.7%
39	Bengaluru, IN	7.5%	94	Lucknow, IN	3.1%	149	Tangshan, CN	-2.8%
40	Faridabad, IN	7.2%	95	Kolkata, IN	2.9%	150	Venice, IT*	-2.8%
41	San Diego, US	7.1%	96	Ahmedabad, IN	2.9%	151	Larnaca, CY	-3.0%
42	Utrecht, NL	7.1%	97	Riga, LV	2.8%	152	Perth, AU	-3.3%
43	Miami, US	7.1%	98	Cleveland, US	2.8%	153	Singapore, SG	-3.6%
44	Detroit, US	7.1%	99	Zhengzhou, CN	2.7%	154	Bhubaneswar, IN	-3.6%
45	Hong Kong, HK**	7.0%	100	Dublin, IE	2.6%	155	Rome, IT*	-3.8%
46	Tampa, US	6.9%	101	Halifax, CA	2.6%	156	Limassol, CY	-3.9%
47	Patna, IN	6.7%	102	Helsinki, FI	2.5%	157	St. Petersburg, RU	-4.2%
48	Mexico City, MX	6.6%	103	Sao Paulo, BR	2.5%	158	New Taipei City, TW	-4.3%
49	Phoenix, US	6.3%	104	Chicago, US	2.5%	159	Delhi, IN	-4.5%
50	Los Angeles, US	6.2%	105	Bern, CH	2.4%	160	Athens, GR	-4.8%
51	Bogota, CO	6.2%	106	Zagreb, HR	2.4%	161	Trieste, IT*	-5.0%
52	Johannesburg, ZA	6.0%	107	Malaga, ES	2.4%	162	Genoa, IT*	-5.1%
53	Hangzhou, CN	5.9%	108	Hyderabad, IN	2.1%	163	Nicosia, CY	-5.2%
54	Las Vegas, US	5.8%	109	Vijayawada, IN	1.9%	164	Thessaloniki, GR	-5.9%
55	Bhopal, IN	5.8%	110	Surat, IN	1.8%	165	Chandigarh, IN	-7.7%

Source: Knight Frank Research *Asking prices ** Provisional

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, 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 Q4 2015 except Australia, Austria, Belgium, Chile, Colombia, Croatia, Cyprus, Denmark, France, Hungary, India, Malaysia, New Zealand and Slovenia where latest available data is published.

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