

The Prime Global Cities Index is a valuation-based index tracking the movement in prime residential prices in local currency across 40+ cities worldwide using data from our global research network.



Prime Global Cities Index

Q1 2020

knightrank.com/research

HEADLINES

Manila

THE CITY WITH THE STRONGEST RATE OF ANNUAL PRICE GROWTH

Bangkok

THE CITY WITH THE WEAKEST RATE OF QUARTERLY GROWTH

76%

THE PERCENTAGE OF CITIES RECORDING FLAT OR RISING PRICES IN THE YEAR TO Q1 2020

Europe

THE STRONGEST PERFORMING WORLD REGION IN THE YEAR TO Q1 2020

73%

THE RISE IN PRIME PRICES IN SYDNEY SINCE Q1 2008

Fig 1. Post-Lehman: Prime property prices vs alternative assets

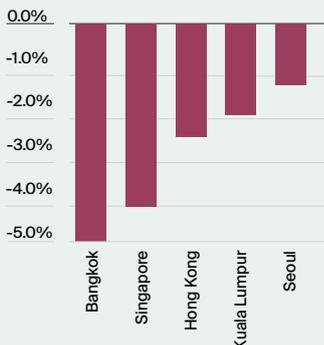
Indexed, 100 = Q1 2008



Source: The Knight Frank Prime Global Cities Index

Fig 2. The five cities to register weakest growth in Q1 2020

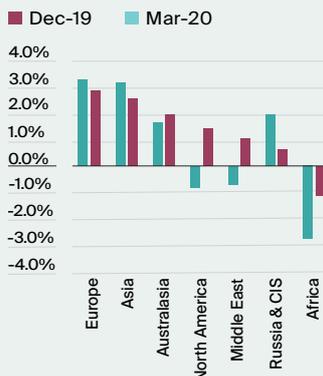
Quarterly % change



Source: The Knight Frank Prime Global Cities Index

Fig 3. Average price change by world region

Annual % change



Source: The Knight Frank Prime Global Cities Index

This is our first opportunity to take the pulse of prime residential markets around the world since our PIRI 100 Index in *The Wealth Report 2020*.

A lot has happened since December 2019. We are now in the midst of a global pandemic with strict travel restrictions in place and the global economy is forecast to shrink by 3% in 2020 according to the IMF.

The latest index results cover the year to the end of March 2020. At this stage, much of Asia and the Middle East had been hit by Covid-19 with cases in China totalling 83,000 and those in Iran 47,000. However, whilst cases in Italy and Spain were escalating; the crisis was in its nascent stages in the UK and US meaning it is likely to be Q2 before we can accurately gauge the full impact of the disease on prime housing markets globally.

Despite the fact that housing markets are in a state of flux at present with viewings and transactions largely halted in many cities, there is some value in looking back at where we were before the crisis took hold.

As we reported in *The Wealth Report 2020*, several markets – in particular London, New York and Vancouver – were entering into a new phase of their property market cycles. After several

THE KNIGHT FRANK PRIME GLOBAL CITIES INDEX Q1 2020

Ranked by annual % change

years of prime price declines, in part due to taxation and regulation, we were starting to see sales volumes gain traction and this was certainly evident in January and February. This story continued in the first quarter of 2020 with all three cities seeing their rate of annual decline moderate further in Q1 2020.

A look at quarterly shifts provides some indication as to the impact of Covid-19 with all five of the weakest-performing markets being in Asia in Q1 2020 (figure 2) – Bangkok witnessing the deepest decline at -5%.

All eyes are now on Asia and its pace of recovery. As we highlight in our *Global Residential Outlook*, whilst China looks to be seeing improving transactional data, data from Singapore looks to be stuttering following the resurgence in Covid-19 cases.

With travel restrictions firmly in place and with many solicitors and land registries largely closed we expect Q2 to see a marked drop in sales volumes although we expect prime prices in most markets to display some resilience.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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	CITY	WORLD REGION	12-MONTH % CHANGE (Q1 2019-Q1 2020)	3-MONTH % CHANGE (Q4 2019-Q1 2020)
1	Manila	Asia	15.3%	10.2%
2	Taipei	Asia	8.9%	0.0%
3	Stockholm	Europe	8.6%	3.3%
4	Guangzhou	Asia	6.5%	0.6%
5	Tokyo ²	Asia	6.3%	5.2%
6	Zurich	Europe	6.2%	2.4%
7	Toronto	North America	5.7%	1.7%
8	Sydney	Australasia	4.7%	1.2%
9	Madrid	Europe	4.6%	-0.4%
10	Geneva	Europe	4.3%	0.6%
11	Moscow	Russia & CIS	4.2%	4.9%
12	Paris	Europe	4.1%	1.9%
13	Milan	Europe	3.8%	0.0%
14	Frankfurt	Europe	3.5%	1.3%
15	Jakarta	Asia	3.1%	-0.7%
16	Edinburgh	Europe	3.1%	1.7%
17	Melbourne	Australasia	3.0%	0.5%
18	Miami ^{1,3}	North America	2.8%	0.9%
19	San Francisco ^{1,3}	North America	2.6%	-0.2%
20	Berlin	Europe	2.6%	0.0%
21	Los Angeles ^{1,3}	North America	2.3%	0.0%
22	Cape Town	Africa	2.3%	3.7%
23	Seoul	Asia	2.1%	-1.4%
24	Shanghai	Asia	1.8%	1.2%
25	Gold Coast	Australasia	1.7%	0.8%
26	Vienna	Europe	1.7%	0.4%
27	Bengaluru	Asia	1.4%	0.1%
28	Brisbane	Australasia	1.4%	0.4%
29	Perth	Australasia	1.0%	-0.3%
30	Dubai	Middle East	1.0%	0.3%
31	Bucharest	Europe	0.8%	-0.1%
32	Delhi	Asia	0.4%	0.0%
33	Mumbai	Asia	0.1%	-0.1%
34	Monaco	Europe	0.0%	0.0%
35	Singapore	Asia	-0.1%	-4.2%
36	Hong Kong	Asia	-0.3%	-2.6%
37	Auckland	Australasia	-0.7%	2.7%
38	London	Europe	-1.1%	0.2%
39	Beijing	Asia	-1.7%	0.2%
40	Kuala Lumpur	Asia	-2.0%	-2.1%
41	Vancouver	North America	-2.0%	-0.2%
42	Dublin	Europe	-2.5%	0.0%
43	St. Petersburg	Russia & CIS	-3.0%	-1.3%
44	New York	North America	-3.2%	-0.9%
45	Bangkok	Asia	-4.3%	-5.0%
46	Nairobi	Africa	-4.5%	-1.0%

Notes: Notes: Data for New York relates to Manhattan; Data for Los Angeles, Miami, and San Francisco is to February 2020. Data for Auckland and Taipei is to December 2019. The price change for Tokyo relates to all properties above JPY100m.

¹ Based on top-tier of mainstream market in metro area. ² Based on all contracts above Yen100m ³ Provisional

Source: All data comes from Knight Frank's global network with the exception of Tokyo (Ken Corporation); New York (StreetEasy); Los Angeles, Miami and San Francisco (S&P CoreLogic Case-Shiller); Berlin and Frankfurt (ZIEGERT Research/ ImmobilienScout 24); Stockholm (Svensk Maklarstatistik); Toronto (Real Estate Board of Toronto); Vancouver (Vancouver Real Estate Board); Zurich and Geneva (Wüest Partner); and Dubai (REIDIN).

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