

The Prime Global Cities Index is a valuation-based index tracking the movement of prime residential prices across 45 cities worldwide using data from our global research network. The index tracks nominal prices in local currency.



Prime Global Cities Index

Q1 2022

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HEADLINES

Dubai

THE CITY WITH THE FASTEST RISING PRIME PRICES IN THE 12 MONTHS TO Q1 2022

9%

THE INDEX'S RATE OF ANNUAL GROWTH DIPS FOR THE FIRST TIME SINCE THE START OF THE PANDEMIC

6

THE NUMBER OF CITIES THAT SAW PRICES DECLINE OVER A 12-MONTH PERIOD

7 years

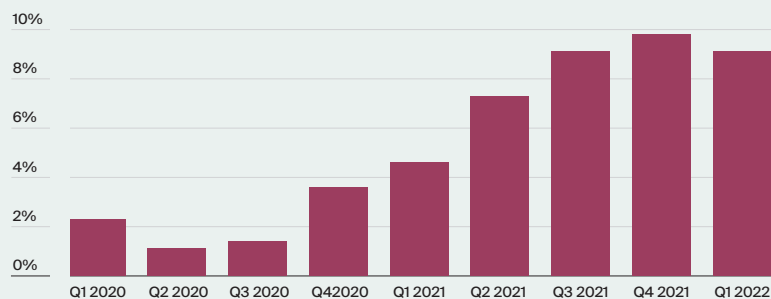
PRIME CENTRAL LONDON IS SEEING ITS STRONGEST RATE OF ANNUAL PRICE GROWTH FOR SEVEN YEARS

Asia

CITIES IN THE REGION OCCUPY ALL NINE OF THE BOTTOM RANKINGS FOR ANNUAL GROWTH

Prime price growth dips for the first time since the start of the pandemic in Q2 2020

Annual % change



Source: Knight Frank Research

Prime price growth slowed for the first time since the start of the pandemic, although on average prime cities continue to register 9% annual growth.

What's changed? There's no denying the pandemic-induced boom is winding down. The macroeconomic climate looks very different with an end to asset purchases and tighter monetary policy now the order of the day. Inflationary pressures are fuelling a higher cost of living and rising mortgage rates are starting to weigh on buyer sentiment.

The biggest slowdowns over the last quarter were across Asia Pacific. Wellington, Guangzhou, Shanghai and Shenzhen saw their annual rates of growth slide by 17%, 15%, 8% and 7% respectively over the three-month period.

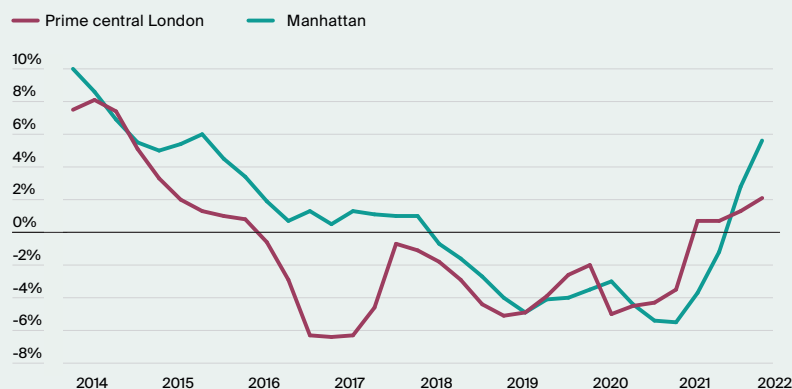
New waves of Covid-19 and a zero-Covid policy in countries like China saw some housing markets halted in their tracks, while four rate hikes in New Zealand over the last six months have dampened buyer appetites.

Despite these mounting headwinds and the backdrop of slower economic growth – the IMF expects global GDP to average 3.6% in 2022, down from its previous estimate of 4.4% – governments are starting to intervene to cool house prices.

Canada's foreign buyer ban, announced in March, comes at a time when prime prices (and sales) were already slowing. Prime price

London and New York enter a new market cycle

Prime residential prices, annual change



Source: Knight Frank Research

growth in Vancouver now sits at 8.8%, down from 15% a year ago.

Prime prices in two of the world's largest residential markets, London and New York, are rising at their fastest rate for seven and six years respectively.

At 2.1%, **London** is shaking off years of political uncertainty and tax changes with annual price growth expected to end the year at 3.5%.

At 5.6% annual growth, New York is following a similar trajectory. After six years of subdued activity sales increased 10% in Q1 2022 compared to Q1 2021.

The crisis in Ukraine and a weakening economic outlook for Europe are key challenges, but President Macron's recent victory and a weaker euro may bolster interest from overseas, particularly from US dollar buyers, or those currencies pegged to the dollar. At the end of last year, a €1m property cost a US buyer \$1,137,270, four months later the same property costs \$1,070,780 as a result of currency shifts, almost 6% or \$66,490 less.

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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Prime property definition: The most desirable and expensive property in a given location, generally defined as the top 5% of each market by value. Prime markets often have a significant international bias.

THE KNIGHT FRANK PRIME GLOBAL CITIES INDEX Q1 2022

Ranked by annual % change

	CITY	WORLD REGION	12-MONTH % CHANGE (Q1 2021- Q1 2022)	6-MONTH % CHANGE (Q3 2021- Q1 2022)	3-MONTH % CHANGE (Q4 2021- Q1 2022)
1	Dubai	Middle East	58.9%	23.2%	6.8%
2	Miami ^{1,3}	North America	33.1%	13.4%	6.9%
3	Toronto	North America	24.0%	16.0%	6.7%
4	San Francisco ^{1,3}	North America	23.4%	8.1%	6.5%
5	Los Angeles ^{1,3}	North America	22.8%	10.3%	6.0%
6	Seoul	Asia	20.2%	8.3%	1.7%
7	Gold Coast	Australasia	19.3%	11.2%	3.1%
8	Auckland	Australasia	17.6%	6.5%	3.1%
9	Sydney	Australasia	16.0%	8.1%	1.8%
10	Tokyo ²	Asia	15.4%	12.0%	8.4%
11	Stockholm	Europe	13.2%	8.4%	7.0%
12	Brisbane	Australasia	11.3%	7.7%	1.8%
13	Perth	Australasia	11.0%	3.7%	0.7%
14	Melbourne	Australasia	10.9%	6.3%	2.1%
15	Taipei	Asia	10.1%	3.2%	1.6%
16	Monaco	Europe	10.0%	5.8%	0.0%
17	Berlin	Europe	9.4%	4.9%	0.4%
18	Edinburgh	Europe	8.9%	4.4%	2.5%
19	Vancouver	North America	8.8%	3.7%	3.4%
20	Paris	Europe	8.7%	4.9%	2.6%
21	Shanghai	Asia	8.5%	1.5%	1.0%
22	Dublin	Europe	8.3%	4.6%	2.9%
23	Zurich	Europe	8.2%	4.5%	2.2%
24	Hong Kong	Asia	8.0%	0.7%	-0.4%
25	Geneva	Europe	7.4%	2.1%	1.2%
26	Beijing	Asia	7.3%	3.5%	2.8%
27	New York	North America	5.6%	2.8%	0.9%
28	Wellington	Australasia	5.2%	-4.0%	-2.8%
29	Madrid	Europe	4.2%	2.4%	1.9%
30	Vienna	Europe	4.0%	0.7%	0.7%
31	Lisbon	Europe	3.8%	3.6%	2.2%
32	Nairobi	Africa	3.5%	2.4%	1.3%
33	Singapore	Asia	2.6%	2.0%	-0.5%
34	Bucharest	Europe	2.3%	1.9%	1.4%
35	London	Europe	2.1%	1.4%	0.9%
36	Frankfurt	Europe	1.6%	-2.2%	-2.0%
37	Bengaluru	Asia	1.4%	1.4%	0.5%
38	Mumbai	Asia	1.4%	1.3%	1.0%
39	Delhi	Asia	0.2%	0.2%	0.2%
40	Kuala Lumpur	Asia	-0.7%	-0.6%	-0.6%
41	Manila	Asia	-1.5%	-0.3%	0.0%
42	Shenzhen	Asia	-2.3%	7.3%	-0.1%
43	Bangkok	Asia	-2.7%	-1.4%	0.9%
44	Guangzhou	Asia	-4.0%	-5.6%	-3.0%
45	Jakarta	Asia	-4.7%	-0.5%	0.0%

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

Notes: Data for New York relates to Manhattan; Data for Los Angeles, Miami and San Francisco is to February 2022. Data for Manila is to Q4 2021.

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 (Wuest Partner).

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