

Prime Global Cities Index



2024 Q1

The Prime Global Cities Index (PGCI) is a valuation-based index, tracking the movement of prime residential prices across 44 cities worldwide using data from our global research network. The index tracks nominal prices in local currency.

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Global house price growth strengthens

- Average annual house price growth rose by 4.1% in the 12 months to March 2024, up from a 3.2% increase seen in the final quarter of 2023. Prices are rising at their fastest rate since the third quarter of 2022.

The first quarter of 2024 witnessed an average annual growth rate of 4.1% across the 44 markets covered by the Knight Frank Prime Global Cities Index, marking the strongest rate of growth since Q3 2022 – a period when interest rates were surging and nearly 70% of central banks were tightening monetary policy.

On a quarterly basis, price growth also showed signs of strengthening, with a 1.1% increase in Q1 2024, up from a 0.3% increase in the last quarter of 2023.

While the current annual growth of 4.1% marks a notable recovery from zero growth seen at the end of 2022, it remains below the long-term average annual growth rate of 5.4%. However, quarterly growth at 1.3% is now aligning with the long-term quarterly average.

Looking across the 44 cities that make up the index, 78% are experiencing annual price growth, while 19% are seeing declines. The rate of price declines has slowed: a year ago, in Q1 2023, nine markets were experiencing annual price falls of more than 5%. In Q1 this year, only one market – Frankfurt – was seeing prices fall at this rate.

City focus

At the top of our table is Manila with 26.2% annual growth, followed by Tokyo at 12.5%. Indian cities are experiencing strong growth, with Mumbai at 11.5% and Delhi at 10.5%. In fourth place, Perth, at 11.1%, confirms the resilience of key Australian markets.

Manila's strong growth can be attributed to two particular factors: strong economic performance, which has boosted consumer confidence and spending power, and significant infrastructure investment in and around the city, which has also boosted demand.

In Tokyo, the robust growth in house prices early in 2024 can be attributed to two key factors: exceptionally favourable mortgage terms offered by Japanese banks and a weaker yen, which has increased foreign investment in Tokyo's real estate. Despite Japan's overall population decline, Tokyo continues to see a net increase in population due to migration from other parts of Japan.

With annual GDP growth running at over 8%, strong economic growth across India has boosted house prices in the main cities, particularly in Delhi and Mumbai, as our results confirm.

4.1%

average annual growth in prices across our 44 city basket

Q3 2022

the last time average annual prices were rising at this rate

78%

of markets are seeing positive annual price growth

One

city (Frankfurt) seeing annual prices fall more than 5% in Q1 2024 compared to nine cities in Q1 2023

26.2%

annual price growth in Manila, the highest on our ranking this quarter

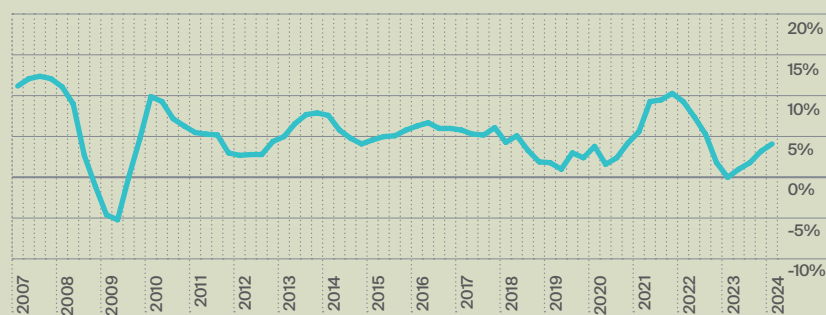
While the Australian market has remained healthy in recent months, there has been a slowing in price growth in most cities. However, Perth has been positively impacted by the rebound in commodity prices, particularly in the mining sector, which is a significant part of Western Australia's economy.

The weaker markets in our index are mainly seeing a continuation of the negative impact of higher interest rates, which is affecting affordability.

“The rebound in global housing markets is continuing, as evidenced by our Prime Global Cities Index reaching 4.1% annual growth. Rather than heralding a return to boom conditions, the index indicates that upwards price pressures are stemming from relatively healthy demand, set against continued low supply volumes. The pivot in rates – when it comes – will encourage more vendors into the market, leading to a welcome return to liquidity in key global markets.”

Liam Bailey, Knight Frank’s global head of research

Fig 1: Knight Frank Prime Global Cities Index Q1 2024
Annual % change



Source: Knight Frank Research

The Knight Frank Prime Global Cities Index Q1 2024
Ranked by annual % change

Rank/City	12-month % change	6-month % change	3-month % change
1 PH Manila	26.2	6.0	4.6
2 JP Tokyo	12.5	8.3	-2.1
3 IN Mumbai	11.5	6.7	1.5
4 AU Perth	11.1	7.9	5.6
5 IN Delhi	10.5	6.4	6.3
6 KR Seoul	9.6	-5.1	0.1
7 NZ Christchurch	9.1	2.6	1.2
8 AE Dubai	8.6	-2.7	4.2
9 US Los Angeles	8.3	1.5	0.4
10 ES Madrid	7.6	3.0	1.3
11 US Miami	6.6	2.4	0.2
12 CA Vancouver	6.5	-2.8	0.6
13 CA Toronto	6.0	-2.9	2.8
14 NZ Wellington	5.2	3.5	-1.2
15 NZ Auckland	5.2	2.3	-1.3
16 SG Singapore	5.0	7.4	3.1
17 IN Bengaluru	4.8	3.7	3.0
18 CN Shenzhen	4.6	0.9	1.3
19 KE Nairobi	4.6	4.5	4.1
20 AU Brisbane	4.1	3.6	3.0
21 CN Beijing	3.1	1.0	-0.2
22 TW Taipei	3.0	1.2	0.7
23 CH Zurich	2.5	1.7	1.2
24 AU Sydney	2.2	1.3	0.9
25 IE Dublin	2.1	2.1	1.5
26 CN Guangzhou	1.9	0.7	1.1
27 US San Francisco	1.9	-4.0	-2.6
28 PT Lisbon	1.8	0.9	0.4
29 CN Shanghai	1.7	-3.0	0.5
30 FR Paris	1.6	1.2	0.2
31 MC Monaco	1.4	1.8	0.1
32 RO Bucharest	1.2	0.9	0.8
33 ID Jakarta	0.6	-0.1	-
34 AT Vienna	-	-	-
35 CH Geneva	-0.2	-0.0	0.1
36 MY Kuala Lumpur	-0.3	-0.1	-0.1
37 AU Melbourne	-0.3	1.5	-0.2
38 TH Bangkok	-0.4	2.2	0.8
39 US New York	-2.1	-1.3	-0.5
40 UK London	-2.4	-1.5	-0.4
41 SE Stockholm	-2.6	-2.8	-1.5
42 HK Hong Kong	-2.8	-1.9	-0.8
43 DE Berlin	-4.7	-1.5	-0.4
44 DE Frankfurt	-6.9	-3.0	-1.5

Source: Knight Frank, Macrobond

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



Research enquiries
Liam Bailey
+44 7919 303 148
liam.bailey@knightfrank.com



Press enquiries
Astrid Recaldin
+44 20 7861 1182
astrid.recaldin@knightfrank.com

