

Prime Global Cities Index

2024 Q3

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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Luxury property shifts into lower gear

► Price growth in our basket of 44 cities has continued to moderate, with annual growth slowing to 2.9% – down from 3.4% in the first quarter of the year and significantly below the 10-year high of 10.3% recorded in Q4 2021.

SLOWING GROWTH

Prime residential prices grew at an annual rate of 2.9% in the third quarter of 2024, marking the lowest growth this year and falling well below the 10-year average of 4.6%.

RATE CUTS HOLD THE KEY

Recent rate cuts have supported growth over the past few quarters, but the slowdown in annual growth suggests a need for further cuts to sustain future price increases. The European Central Bank's rate cut in October, coupled with the Fed's substantial cut in September and an anticipated reduction in early November, indicates that interest rate constraints on the global housing market could ease further into 2025.

GROWTH MARKETS

Among the 44 cities tracked, a majority (29 out of 44) saw a prime residential price increase compared to last year. This positive trend was similarly reflected in quarterly comparisons, with most cities (31 out of 44) reporting price increases over the previous quarter. Manila continued to thrive, with remarkable growth of 4.6% over the past three months and an annual increase of 29.2%, driven by strong economic growth and rising consumer

confidence. Tokyo, despite a 2.8% quarterly decline, maintained robust annual growth of 12.8%. However, with the Japanese Yen strengthening and the Bank of Japan among the few central banks expected to raise rates, the housing market may face slower growth in the coming quarters.

SUSTAINABLE GROWTH

Dubai, a hotspot for price growth since the pandemic, is transitioning to more sustainable growth patterns. Prime residential prices have steadily increased by 0.5% over the past quarter, resulting in a total price growth of 16.9% over the past year. The emirate's remarkable performance is evident, with Dubai's prime market soaring by an astonishing 190% since early 2020, outperforming all other cities in the index during that period.

“The recent slowdown in global price growth reflects the need for additional stimulus through further rate cuts before prices can strengthen. We expect the anticipated wave of cuts into 2025 to support higher house price growth in the medium term.”

Liam Bailey, Knight Frank's global head of research

2.9%

average annual growth in prices across our 44-city basket

29 out of 44

of our city's prime residential prices are positive for the past 12 months

16.9%

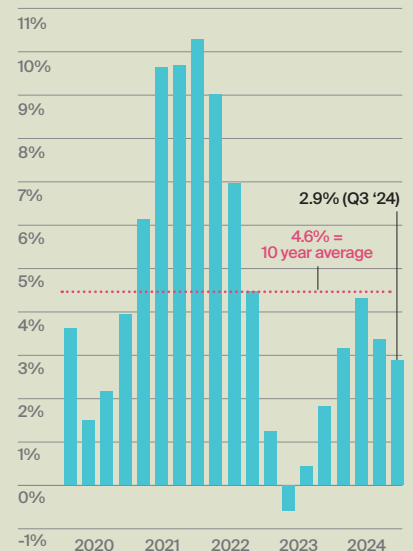
the annual price growth in Dubai

4.6%

the 10-year average for annual PGCI growth

Fig 1: PGCI Basket

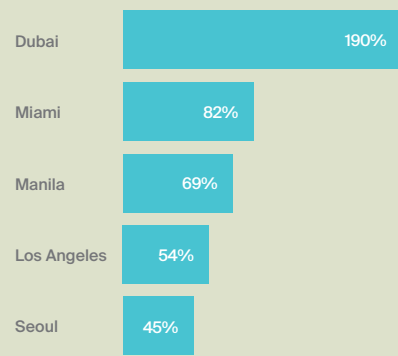
Annual % change (Q1 2014 – Q3 2024)



Source: Knight Frank Prime Global Cities Index

Fig 2: Post pandemic growth

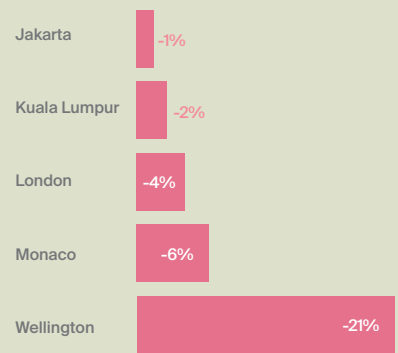
House price growth Q1 2020 to Q3 2024
(Top 5, aggregate)



Source: Knight Frank Prime Global Cities Index

Fig 3: Post pandemic fall

House price growth Q1 2020 to Q3 2024
(Bottom 5, aggregate)



Source: Knight Frank Prime Global Cities Index

The Knight Frank Prime Global Cities Index Q3 2024

Ranked by annual % change

Rank/City	12-month % change	3-month % change
1 PH Manila	29.2	4.6
2 AE Dubai	16.9	0.5
3 JP Tokyo	12.8	-2.8
4 IN Mumbai	11.5	1.9
5 US Los Angeles	7.9	2.7
6 US Miami	7.1	2.8
7 KE Nairobi	6.9	0.3
8 SG Singapore	6.9	-0.3
9 IN Delhi	6.5	0.0
10 AU Perth	5.8	1.4
11 PT Lisbon	5.6	1.6
12 ES Madrid	5.5	1.2
13 IN Bengaluru	4.8	1.1
14 KR Seoul	4.6	5.0
15 IE Dublin	4.5	0.0
16 US San Francisco	4.4	3.8
17 CH Zurich	4.4	1.6
18 TH Bangkok	3.1	2.6
19 AU Sydney	2.2	-0.4
20 MC Monaco	2.2	0.0
21 RO Bucharest	2.1	0.5
22 CH Geneva	2.0	0.8
23 AU Brisbane	1.6	0.3
24 FR Paris	1.6	0.5
25 NZ Christchurch	1.4	2.8
26 SE Stockholm	0.6	2.3
27 TW Taipei	0.3	-0.6
28 AU Melbourne	0.2	-1.2
29 ID Jakarta	0.1	0.0
30 MY Kuala Lumpur	-0.2	-0.2
31 CN Shenzhen	-0.2	-0.7
32 NZ Auckland	-0.5	2.7
33 US New York	-0.5	0.9
34 DE Berlin	-0.9	1.0
35 CA Vancouver	-1.1	-2.2
36 CN Guangzhou	-1.4	-1.4
37 UK London	-2.1	-0.3
38 CA Toronto	-2.6	-3.1
39 HK Hong Kong	-2.7	-0.8
40 DE Frankfurt	-3.1	0.2
41 AT Vienna	-3.2	0.9
42 CN Beijing	-3.3	-1.5
43 CN Shanghai	-4.2	0.2
44 NZ Wellington	-8.2	0.8

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.



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