

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.



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Prime Global Cities Index

Q4 2019

HEADLINES

Frankfurt

THE CITY WITH THE STRONGEST RATE OF ANNUAL PRICE GROWTH

0.9%

AVERAGE ANNUAL PRIME PRICE GROWTH ACROSS 47 CITIES

77%

THE PERCENTAGE OF CITIES RECORDING FLAT OR RISING PRICES IN 2019

Vancouver

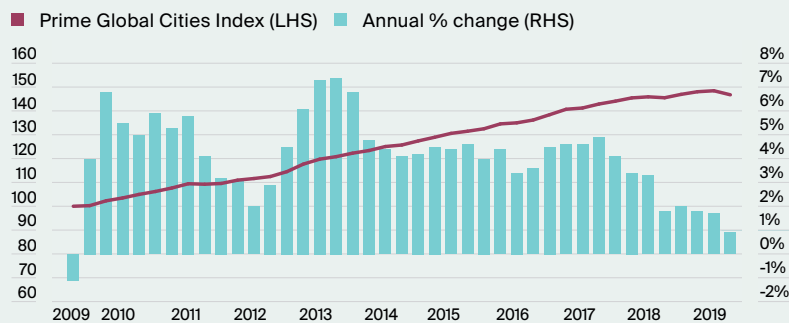
RECORDED THE WEAKEST RATE OF ANNUAL GROWTH IN 2019

47%

THE INCREASE IN THE INDEX OVER THE LAST DECADE (Q4 2009-Q4 2019)

Fig 1. Index records weakest rate of annual growth in a decade

Indexed, 100 = Q4 2009



Source: The Knight Frank Prime Global Cities Index

Frankfurt leads the index, registering prime price growth of 10.3% year-on-year in 2019. A demand/supply imbalance and regeneration of the city centre are fueling price growth. Although more expensive than Berlin, the city remains highly competitive compared with London and Paris in price terms.

At 0.9%, the index recorded its lowest rate of annual growth in a decade (figure 1). Slowing economic growth, a raft of property cooling measures and in some cases, a backlog of prime supply are together weighing on activity in a number of markets.

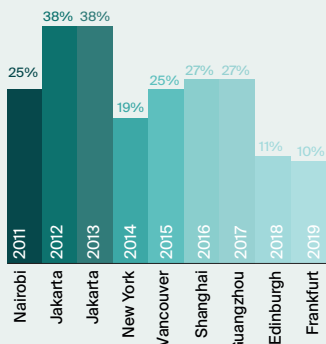
The slowdown in price growth is a trend we see reflected in the performance of the top ranked city in recent years. Between 2011 and 2013 annual price growth in excess of 25% was not unusual for some emerging market cities, but it has now more than halved (figure 2).

Despite more moderate growth, the index now sits 47% higher than it did in Q3 2008, widely regarded as the start of the global financial crisis. However, its performance over this period has been far from uniform, with Q4 2013 marking the peak for price growth.

European and Asian cities dominate the top ten in 2019 (figure 3) but absent

Fig 2. Prime price growth for the index's top-performing city declines

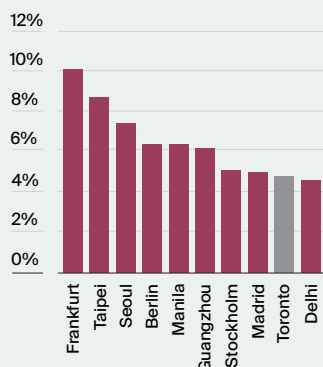
Annual % change



Source: The Knight Frank Prime Global Cities Index

Fig 3. Europe and Asian cities dominate top ten

Annual % change to Q4 2019



Source: The Knight Frank Prime Global Cities Index

are the world's tier one financial centres – New York, London and Hong Kong.

After a lacklustre 2019, London registered a price fall of 2.6%. However, the Conservative's decisive victory in December's general election provided some clarity and the market looks set to gain traction in 2020.

Meanwhile, New York's strong prime supply is slowly being absorbed and Hong Kong's luxury segment proved relatively resilient in 2019 as a mortgage rate cap reduction and three interest rate cuts mitigated some of the impact of the political volatility.

Vancouver was the index's weakest-performing city although its rate of annual decline has slowed from -10.2% last quarter to -8.3% in Q4 2019, suggesting the market may be adjusting to the numerous property regulations that policymakers have imposed to curb price inflation.

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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THE KNIGHT FRANK PRIME GLOBAL CITIES INDEX Q4 2019

Ranked by annual % change

	CITY	WORLD REGION	12-MONTH % CHANGE (Q4 2018-Q4 2019)	3-MONTH % CHANGE (Q3 2019-Q4 2019)
1	Frankfurt	Europe	10.3%	0.0%
2	Taipei	Asia	8.9%	0.0%
3	Seoul	Asia	7.6%	4.8%
4	Berlin	Europe	6.5%	0.0%
5	Manila	Asia	6.5%	0.0%
6	Guangzhou	Asia	6.3%	0.5%
7	Stockholm	Europe	5.2%	0.4%
8	Madrid	Europe	5.1%	0.0%
9	Toronto	North America	4.9%	2.5%
10	Delhi	Asia	4.7%	0.3%
11	Zurich	Europe	4.5%	1.5%
12	Paris	Europe	4.3%	0.9%
13	Milan	Europe	4.0%	3.4%
14	Jakarta	Asia	3.9%	1.0%
15	Sydney	Australasia	3.7%	2.3%
16	Geneva	Europe	3.5%	-1.0%
17	Tokyo ²	Asia	3.0%	1.0%
18	Hong Kong	Asia	2.9%	1.3%
19	Moscow	Russia & CIS	2.8%	-3.8%
20	Miami ^{1,3}	North America	2.3%	0.6%
21	Melbourne	Australasia	2.2%	1.5%
22	Bengaluru	Asia	2.1%	0.0%
23	Edinburgh	Europe	2.0%	0.0%
24	Shenzhen **new**	Asia	1.9%	-
25	Vienna	Europe	1.9%	0.7%
26	Gold Coast	Australasia	1.8%	0.5%
27	Brisbane	Australasia	1.4%	1.8%
28	Los Angeles ^{1,3}	North America	1.3%	0.1%
29	Singapore	Asia	1.2%	-0.9%
30	St. Petersburg	Russia & CIS	1.0%	3.8%
31	Perth	Australasia	0.9%	1.5%
32	Bangkok	Asia	0.8%	0.3%
33	Bucharest	Europe	0.8%	0.1%
34	Mumbai	Asia	0.5%	0.0%
35	Beijing	Asia	0.4%	-2.0%
36	Monaco	Europe	0.0%	-3.3%
37	Shanghai	Asia	-0.1%	1.3%
38	Kuala Lumpur	Asia	-0.3%	0.1%
39	Auckland	Australasia	-0.7%	-2.7%
40	Dubai	Middle East	-0.7%	0.3%
41	Dublin	Europe	-0.9%	-3.2%
42	San Francisco ^{1,3}	North America	-1.2%	-3.4%
43	Cape Town	Africa	-1.5%	-1.4%
44	London	Europe	-2.6%	-0.3%
45	New York	North America	-3.6%	-0.4%
46	Nairobi	Africa	-4.0%	-1.1%
47	Vancouver	North America	-8.3%	-2.0%

Notes: Data for Berlin and Frankfurt is to Q3 2019. Data for Los Angeles, Miami, and San Francisco is to October 2019. Data for New York relates to Manhattan and is to November 2019; Data for Vancouver is to November 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/ ImmobilienScout24); Stockholm (Svensk Maklarstatistik); Toronto (Real Estate Board of Toronto); Vancouver (Vancouver Real Estate Board); and Dubai (REIDIN).

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