

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

Q4 2022

knightfrank.com/research

HEADLINES

Dubai

THE CITY WITH THE FASTEST RISING PRIME PRICES ON AN ANNUAL BASIS

3%

THE INDEX'S ANNUAL RATE OF GROWTH IN Q4 2022, DOWN FROM A PEAK OF 10% IN Q1 2022

73%

THE PROPORTION OF CITIES STILL REGISTERING PRIME PRICE GROWTH ON AN ANNUAL BASIS

EMEA

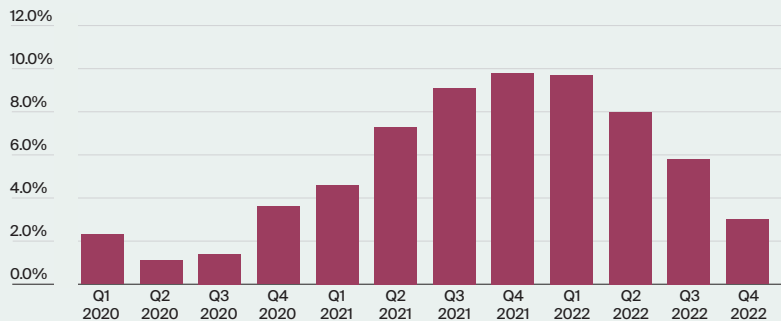
AT 8%, THE WORLD REGION WITH THE HIGHEST ANNUAL GROWTH

12

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

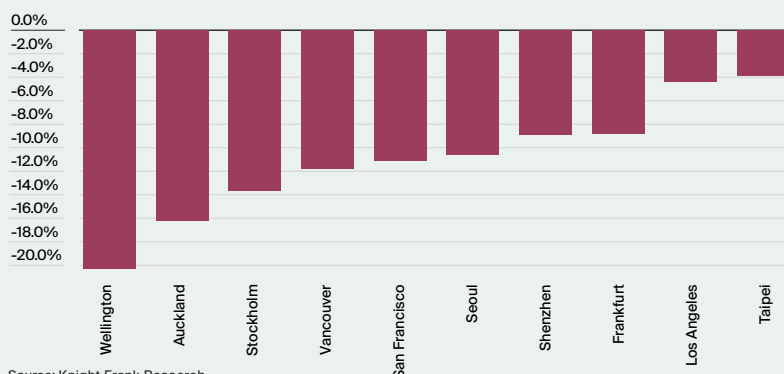
Fig 1 | Prime city markets continued to slow in Q4 2022

45-city average, annual % change



Source: Knight Frank Research

Fig 2 | The ten cities that have seen the biggest fall in prime prices since their 2022 peaks



Source: Knight Frank Research

The annual rate of prime price growth continued to slow in the final quarter of 2022, confirming the predicted slowdown across global residential markets.

The changing macroeconomic landscape, including higher interest rates and the rising of cost of living, has slowed the index's performance. Tracking the movement of prime prices across 45 cities, the index increased by 3% on an annual basis in Q4 2022, down from a high of 10% in Q1.

For the first time in seven consecutive quarters, annual growth has fallen below the index's average five-year growth rate of 4.3%, and the number of cities registering year-on-year price falls has increased from seven in Q3 to 12 in Q4.

Although more insulated than the wider housing market, some prime residential markets are being affected by weaker buyer sentiment caused by mounting economic headwinds. Wellington, Auckland, Stockholm, Vancouver and San Francisco have witnessed some of the strongest price falls from their 2022 peaks (fig 2).

Dubai continues to lead the annual rankings with annual price growth in excess of 80%. New visa initiatives, rising demand from global ultra-high-net-worth individuals and a shortage of prime supply are supporting prices. Tokyo sits in second place with 23% annual growth, as its prime sector struggles for stock. Although still in positive territory,

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 global powerhouses of London and New York are seeing their rates of annual prime price growth decline, recording 1.5% and 4.1% respectively.

In Europe, Zurich (11%), Edinburgh (8%), Dublin (7%) and Paris (6%) are continuing to record growth despite economic pressures, with a lack of supply and the normalisation of international travel key performance drivers.

Looking to 2023, homeowners will have to navigate the volatility of rising inflation and the growing costs of debt. Although prime markets are more insulated from the effects of higher mortgage costs, they're not immune. However, prime prices would need to dip by 30-40% in some cities for prices to return to their pre-pandemic levels.

In the news...

- **Canada's** two-year ban on foreign buyers came into effect on 1 January 2023 in an attempt to cool price inflation and boost affordability
- **China's** "three red lines" policy introduced in August 2020 has been rolled back as the government allow property developers access to greater credit
- **Hong Kong** is looking to attract more family offices by offering attractive tax concessions



Sales enquiries

Mark Harvey
+44 20 7861 5034
mark.harvey@knightfrank.com



Research enquiries

Kate Everett-Allen
+44 20 7167 2497
kate.everett-allen@knightfrank.com

[Sign up for Kate's Global Residential Monthly Update here](#)

THE KNIGHT FRANK PRIME GLOBAL CITIES INDEX Q4 2022

Ranked by annual % change

	CITY	WORLD REGION	12-MONTH % CHANGE (Q4 2021- Q4 2022)	6-MONTH % CHANGE (Q2 2022- Q4 2022)	3-MONTH % CHANGE (Q3 2022- Q4 2022)
1	Dubai	EMEA	88.8%	49.9%	29.3%
2	Tokyo ²	Asia-Pacific	22.8%	15.7%	4.6%
3	Miami ^{1,3}	Americas	21.6%	1.1%	0.6%
4	Zurich	EMEA	10.5%	4.9%	2.0%
5	Edinburgh	EMEA	8.0%	0.9%	0.0%
6	Los Angeles ^{1,3}	Americas	7.9%	-4.4%	-0.5%
7	Dublin	EMEA	6.8%	1.6%	0.0%
8	Mumbai	Asia-Pacific	6.4%	3.9%	1.7%
9	Paris	EMEA	6.2%	2.1%	0.8%
10	Madrid	EMEA	6.0%	2.5%	0.9%
11	Lisbon	EMEA	6.0%	2.3%	1.3%
12	Bangkok	Asia-Pacific	5.8%	3.4%	1.6%
13	New York	Americas	4.1%	0.8%	0.8%
14	Gold Coast	Asia-Pacific	4.1%	-0.7%	0.8%
15	Toronto	Americas	4.1%	-1.1%	8.7%
16	Singapore	Asia-Pacific	3.9%	2.8%	0.5%
17	Nairobi	EMEA	3.8%	2.6%	2.0%
18	Beijing	Asia-Pacific	3.8%	-0.3%	0.5%
19	Melbourne	Asia-Pacific	3.5%	1.7%	1.0%
20	Bengaluru	Asia-Pacific	3.0%	2.1%	0.6%
21	Geneva	EMEA	3.0%	1.5%	0.7%
22	Shanghai	Asia-Pacific	2.8%	2.9%	1.9%
23	Berlin	EMEA	2.5%	-3.0%	-2.1%
24	Bucharest	EMEA	2.4%	0.7%	0.3%
25	Vienna	EMEA	1.9%	0.1%	0.0%
26	London	EMEA	1.5%	-0.2%	-0.6%
27	Perth	Asia-Pacific	1.3%	0.5%	0.9%
28	Delhi	Asia-Pacific	1.2%	0.0%	0.0%
29	Sydney	Asia-Pacific	1.1%	-0.1%	1.8%
30	Jakarta	Asia-Pacific	0.9%	0.9%	0.9%
31	San Francisco ^{1,3}	Americas	0.7%	-11.1%	-2.7%
32	Brisbane	Asia-Pacific	0.2%	-1.6%	0.8%
33	Kuala Lumpur	Asia-Pacific	0.1%	0.6%	0.6%
34	Guangzhou	Asia-Pacific	-0.4%	-1.1%	-0.7%
35	Taipei	Asia-Pacific	-0.7%	-3.9%	-0.4%
36	Manila	Asia-Pacific	-1.6%	-1.8%	-2.7%
37	Hong Kong	Asia-Pacific	-1.6%	-1.1%	-0.7%
38	Monaco	EMEA	-3.8%	-0.5%	0.3%
39	Seoul	Asia-Pacific	-4.6%	-10.6%	-6.8%
40	Shenzhen	Asia-Pacific	-6.9%	-8.9%	-4.3%
41	Vancouver	Americas	-7.4%	-11.8%	-5.5%
42	Stockholm	EMEA	-7.7%	-9.4%	-1.4%
43	Frankfurt	EMEA	-10.6%	-5.0%	-1.6%
44	Auckland	Asia-Pacific	-19.0%	-9.3%	-4.3%
45	Wellington	Asia-Pacific	-23.7%	-12.4%	-1.9%

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 to November 2022; Data for Los Angeles, Miami and San Francisco is to October 2022.

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).

Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. © Knight Frank LLP 2023. Terms of use: This report is published for general information only and not to be relied upon in any way. All information is for personal use only and should not be used in any part for commercial third party use. By continuing to access the report, it is recognised that a licence is granted only to use the reports and all content therein in this way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without prior written approval from Knight Frank LLP. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.