

VANCOUVER, MIAMI AND SYDNEY LEAD GROWTH IN PRIME URBAN HOUSE PRICES

Our Prime Global Cities Index, which tracks luxury residential price movements across 35 cities worldwide, has been rising for 22 consecutive quarters but the pace of growth has almost halved in the last year with annual growth falling from 5.2% to 2.5%. Kate Everett-Allen examines the latest data.

Results for Q2 2015

The index increased by 2.5% in the year to June 2015 but recorded flat growth in the first half of 2015

Vancouver, Miami and Sydney occupy the top three rankings in terms of annual price growth

Mirroring the period post-Lehman, seven of the top ten performing luxury markets are once again based in Asia or Australasia

Monaco has seen sales activity increase pushing prices up by 7.9% year-on-year

Singapore (down 15% year-on-year) is home to the weakest-performing luxury residential market for the sixth consecutive quarter

Closer analysis shows that whilst more cities are recording positive annual price growth the number of exceptionally strong performing markets has declined. A year ago eight cities recorded double-digit annual price growth (with Jakarta and Dublin exceeding 20% per annum), this quarter only four cities fell within this bracket.

Vancouver, Miami and Sydney are the top performers this quarter with prime prices increasing by 15%, 14% and 13% respectively in the year to June. Low interest rate environments, expanding economies and safe haven capital flows have proved influential market drivers.

Asian cities (with the exception of Singapore and Mainland China) are rising up the rankings with seven of the top ten cities now based in the Asia Pacific region. A breakdown by world region shows Australasia on top recording average growth of 10.2% over the 12-month period, Europe is bringing up the rear but has broken into positive territory with average growth of 0.8% (figure 2).

Monaco is Europe's top-performing city, the Principality has seen an upturn in sales in the last 12 months which has pushed prime prices up by 7% in annual terms. According to IMSEE, Monaco's statistics office, total sales volumes reached €2bn in 2014, exceeding 2007's peak.

With the Dirham pegged to the US dollar, a strong currency is affecting Dubai's luxury housing market leading to a 4.5% dip in prime prices in the year to June. Two key sources of demand, buyers from both the Eurozone and Russia are, as a result, less active.

The paths of Hong Kong and Singapore have deviated this quarter. Despite Hong Kong's new cooling measure (a 40% deposit is required for properties under HK\$7m (c.US\$900,000)) luxury prices increased by almost 7% in the year to June. Singapore, on the other hand, saw prime prices decline by 15% over the same period and is home to the index's weakest-performing luxury housing market for the sixth consecutive quarter.



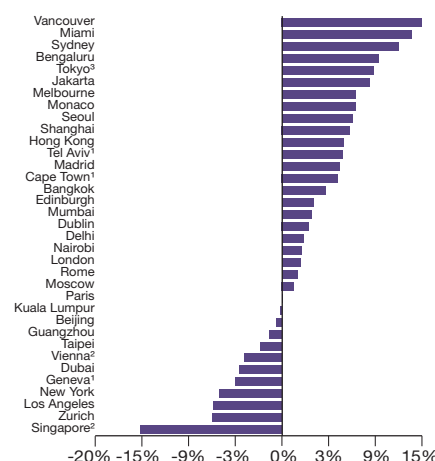
KATE EVERETT-ALLEN
Partner, Residential Research

"Asian cities are rising up the rankings with seven of the top ten cities now based in the Asia Pacific region."

Follow Kate at [@keverettkf](https://twitter.com/keverettkf)

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FIGURE 1
Prime price performance by city
Annual % change to Q2 2015

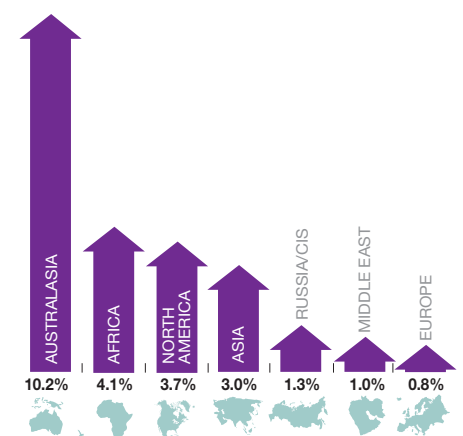


Source: See main table on page 2

¹ Annual % change to Q1 2015 ² Provisional

³ Tokyo data is based on all contracts above Yen 100m

FIGURE 2
Prime price performance by world region
Average annual % change to Q2 2015



Source: See main table on page 2

DATA DIGEST

The Knight Frank Prime Global Cities Index enables investors and developers to monitor and compare the performance of prime residential prices across key global cities. Prime property corresponds to the top 5% of the wider housing market in each city. The index is compiled on a quarterly basis using data from Knight Frank's network of global offices and research teams.

Knight Frank Prime Global Cities Index, Q2 2015

Rank	City	World Region	12-month % change (Jun 14-Jun 15)	6-month % change (Dec 14-Jun 15)	3-month % change (Mar 15-Jun 15)	Latest data if not Q2 2015
1	Vancouver	North America	15.0%	11.5%	5.0%	
2	Miami	North America	13.9%	-6.1%	-8.0%	
3	Sydney	Australasia	12.5%	8.4%	5.8%	
4	Bengaluru	Asia	10.3%	3.2%	0.0%	
5	Tokyo ¹	Asia	9.8%	2.7%	-5.8%	
6	Jakarta	Asia	9.4%	1.4%	0.7%	
7	Melbourne	Australasia	7.9%	3.3%	2.8%	
8	Monaco	Europe	7.9%	10.1%	10.1%	
9	Seoul	Asia	7.6%	2.9%	1.7%	
10	Shanghai	Asia	7.3%	7.8%	4.0%	
11	Hong Kong	Asia	6.6%	1.7%	0.8%	
12	Tel Aviv	Middle East	6.5%	2.9%	0.4%	Q1
13	Madrid	Europe	6.2%	3.2%	1.3%	
14	Cape Town	Africa	6.0%	-1.3%	-4.0%	Q1
15	Bangkok	Asia	4.7%	1.1%	1.0%	
16	Edinburgh	Europe	3.4%	1.6%	0.4%	
17	Mumbai	Asia	3.2%	0.8%	0.5%	
18	Dublin	Europe	2.9%	-2.2%	-2.8%	
19	Delhi	Asia	2.3%	2.0%	0.0%	
20	Nairobi	Africa	2.1%	2.0%	0.9%	
21	London	Europe	2.0%	1.3%	1.1%	
22	Rome	Europe	1.7%	0.2%	0.2%	
23	Moscow	Russia & CIS	1.3%	-7.5%	-4.1%	
24	Paris	Europe	0.1%	0.6%	0.0%	
25	Kuala Lumpur	Asia	-0.2%	-0.7%	-0.2%	
26	Beijing	Asia	-0.6%	1.8%	1.1%	
27	Guangzhou	Asia	-1.3%	0.0%	0.0%	
28	Taipei	Asia	-2.3%	-1.7%	-1.7%	
29	Vienna ²	Europe	-4.0%	-0.3%	0.4%	
30	Dubai	Middle East	-4.5%	-3.2%	-2.5%	
31	Geneva	Europe	-5.0%	-3.4%	0.0%	Q1
32	New York	North America	-6.7%	-7.1%	-1.4%	
33	Los Angeles	North America	-7.3%	-14.5%	-3.3%	
34	Zurich	Europe	-7.4%	0.3%	-2.5%	
35	Singapore ²	Asia	-15.2%	-7.9%	-2.2%	

Source: Knight Frank Research, Douglas Elliman/Miller Samuel Inc, Ken Corporation

Notes: Price change calculated in local currency

¹ Tokyo data is based on all contracts above Yen 100m ² Provisional

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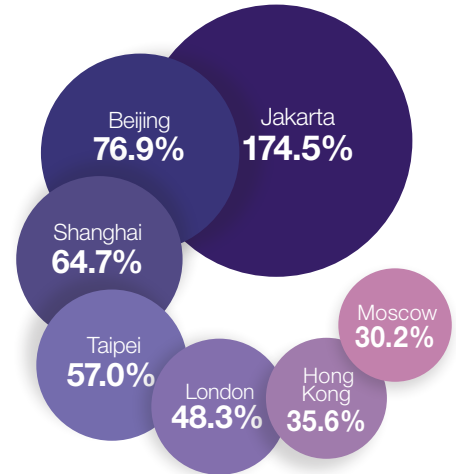
Asia Pacific Residential Review - June 2015

Knight Frank Research Reports are available at KnightFrank.com/Research

FIGURE 3

Which cities have seen the strongest prime price growth post-Lehman?

% change since Q3 2008



Source: See main table on page 2

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