

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

Q2 2022

knightrank.com/research

## HEADLINES

### Dubai

THE CITY WITH THE FASTEST RISING PRIME PRICES IN THE YEAR TO Q2 2022

### 7.5%

THE INDEX'S ANNUAL RATE OF GROWTH IN Q2 2022, DOWN FROM 10% IN Q1 2022

### 6

THE NUMBER OF CITIES REGISTERING A FALL IN PRICES, THE SAME AS IN Q1 2022

### 7 years

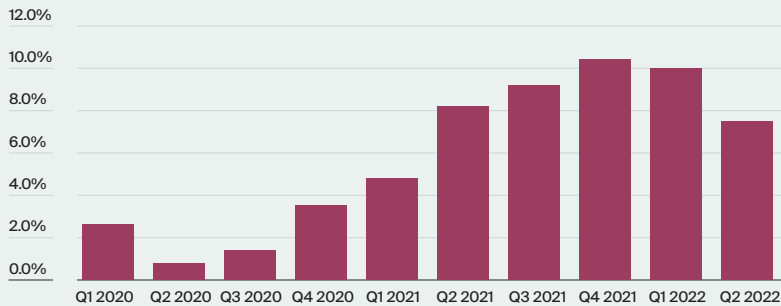
PRIME CENTRAL LONDON IS SEEING ITS STRONGEST RATE OF ANNUAL PRICE GROWTH FOR SEVEN YEARS

### Asia

CITIES IN THE REGION OCCUPY SIX OF THE BOTTOM TEN RANKINGS FOR ANNUAL PRICE GROWTH

## The slowdown in prime residential price growth gathers pace in Q2 2022...

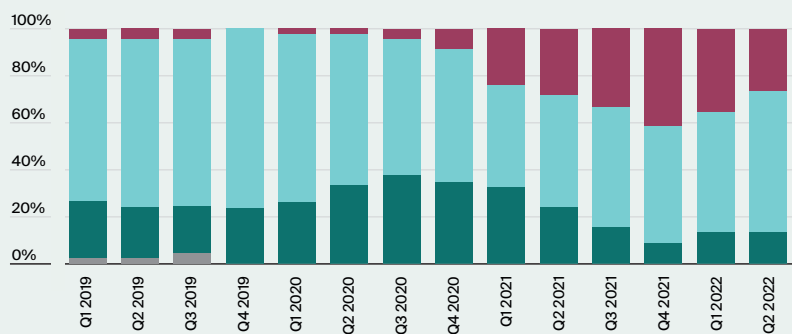
45-city average, annual % change



Source: Knight Frank Research

## ...lower rates of growth rather than price falls are behind the decline

■ >10% decrease ■ 0-10% decrease ■ 0-10% increase ■ >10% increase



Source: Knight Frank Research

## The winds of change are blowing through global property markets, including the prime sector.

The index, which tracks the movement in prime residential prices, defined as the top 5% of the housing market in value terms, saw annual price growth decline from 10% in Q1 2022 to 7.5% in Q2 2022.

However, so far the story is one of lower rates of growth, not falling prices. The number of cities registering a fall in prices in the year to Q2 2022 is the same as last quarter – just six.

But 19 of the cities tracked (42%) saw their rate of annual price growth decline between March and June 2022.

Rising mortgage rates and a weakening global economic outlook are cooling some of the ebullience of the last two years, but the slowdown will be felt most in lower price brackets and domestic-driven markets.

Auckland, Wellington, Toronto and Stockholm registered some of the largest declines in annual price growth.

Overall, Dubai leads the annual rankings with growth of 64.8%.

Asia, an outlier during the pandemic with only muted growth, has not only seen its strongest performers, Seoul and Tokyo, strengthen further but the luxury segment in some Chinese cities (Shenzhen, Beijing) and Indian markets (Mumbai) are showing signs of recovery.

**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.

In Europe, Berlin (12.6%), Dublin (10.2%), Edinburgh (11.2%) and Paris (8.9%) are out in front as the appeal of urban living strengthens and international travel resumes.

The recovery of global powerhouses London (2.5%) and New York (7.2%) continues apace with both cities recording their strongest rate of price growth for seven and eight years respectively.

## In the news....

- **Canada's** two-year ban on foreign buyers is due to commence 1 January 2023
- Concerns over **China's** default mortgage crisis are likely to be eased by a government bailout, in the form of a \$44 billion real estate fund to support property developers
- A new OECD report argues the **UK** should increase its property taxes
- **Australia's** Foreign Investment Review Board (FIRB) has recently doubled the application fee payable for international buyers of Australian property



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## THE KNIGHT FRANK PRIME GLOBAL CITIES INDEX Q2 2022

Ranked by annual % change

|    | CITY                         | WORLD REGION  | 12-MONTH % CHANGE (Q2 2021-Q2 2022) | 6-MONTH % CHANGE (Q4 2021-Q2 2022) | 3-MONTH % CHANGE (Q1 2022-Q2 2022) |
|----|------------------------------|---------------|-------------------------------------|------------------------------------|------------------------------------|
| 1  | Dubai*                       | Middle East   | 64.8%                               | 25.9%                              | -0.6%                              |
| 2  | Miami <sup>1,3</sup>         | North America | 37.3%                               | 19.6%                              | 11.8%                              |
| 3  | Los Angeles <sup>1,3</sup>   | North America | 23.4%                               | 13.8%                              | 7.2%                               |
| 4  | San Francisco <sup>1,3</sup> | North America | 22.2%                               | 15.5%                              | 8.5%                               |
| 5  | Seoul                        | Asia          | 20.9%                               | 6.7%                               | 4.9%                               |
| 6  | Gold Coast                   | Australasia   | 15.4%                               | 4.9%                               | 1.7%                               |
| 7  | Toronto                      | North America | 13.8%                               | 5.2%                               | -1.3%                              |
| 8  | Berlin                       | Europe        | 12.6%                               | 5.6%                               | 5.2%                               |
| 9  | Edinburgh                    | Europe        | 11.2%                               | 7.1%                               | 4.4%                               |
| 10 | Dublin                       | Europe        | 10.2%                               | 5.2%                               | 2.2%                               |
| 11 | Zurich                       | Europe        | 10.2%                               | 6.0%                               | 3.7%                               |
| 12 | Tokyo <sup>2</sup>           | Asia          | 10.2%                               | 3.6%                               | -4.5%                              |
| 13 | Sydney                       | Australasia   | 9.9%                                | 1.2%                               | -0.6%                              |
| 14 | Paris                        | Europe        | 8.9%                                | 4.0%                               | 1.3%                               |
| 15 | Brisbane                     | Australasia   | 8.9%                                | 1.8%                               | 0.0%                               |
| 16 | Taipei                       | Asia          | 8.6%                                | 3.3%                               | 1.7%                               |
| 17 | Melbourne                    | Australasia   | 8.2%                                | 1.8%                               | -0.3%                              |
| 18 | Shenzhen                     | Asia          | 7.5%                                | 2.2%                               | 2.3%                               |
| 19 | New York                     | North America | 7.3%                                | 3.4%                               | 2.3%                               |
| 20 | Vancouver                    | North America | 5.8%                                | 5.0%                               | 1.5%                               |
| 21 | Geneva                       | Europe        | 5.4%                                | 2.0%                               | 0.8%                               |
| 22 | Lisbon                       | Europe        | 5.4%                                | 3.6%                               | 1.4%                               |
| 23 | Stockholm                    | Europe        | 5.2%                                | 1.9%                               | -4.7%                              |
| 24 | Beijing                      | Asia          | 4.7%                                | 4.1%                               | 1.3%                               |
| 25 | Vienna                       | Europe        | 4.6%                                | 1.8%                               | 1.1%                               |
| 26 | Perth                        | Australasia   | 4.6%                                | 0.8%                               | 0.1%                               |
| 27 | Bangkok                      | Asia          | 4.5%                                | 2.4%                               | 1.5%                               |
| 28 | Madrid                       | Europe        | 4.4%                                | 3.5%                               | 1.5%                               |
| 29 | Singapore                    | Asia          | 3.6%                                | 1.1%                               | 1.6%                               |
| 30 | Hong Kong                    | Asia          | 3.1%                                | -0.5%                              | -0.1%                              |
| 31 | Mumbai                       | Asia          | 2.9%                                | 2.4%                               | 1.4%                               |
| 32 | London                       | Europe        | 2.5%                                | 1.7%                               | 0.8%                               |
| 33 | Nairobi                      | Africa        | 2.4%                                | 1.2%                               | -0.1%                              |
| 34 | Bucharest                    | Europe        | 2.2%                                | 1.6%                               | 0.2%                               |
| 35 | Bengaluru                    | Asia          | 1.8%                                | 0.9%                               | 0.4%                               |
| 36 | Shanghai                     | Asia          | 1.7%                                | -0.1%                              | -1.2%                              |
| 37 | Delhi                        | Asia          | 1.2%                                | 1.2%                               | 1.0%                               |
| 38 | Auckland                     | Australasia   | 1.0%                                | -6.2%                              | -9.0%                              |
| 39 | Monaco                       | Europe        | 0.1%                                | -3.4%                              | -2.0%                              |
| 40 | Manila                       | Asia          | -0.1%                               | 0.2%                               | -0.6%                              |
| 41 | Kuala Lumpur                 | Asia          | -0.5%                               | -0.5%                              | 0.0%                               |
| 42 | Jakarta                      | Asia          | -2.0%                               | -0.8%                              | -0.8%                              |
| 43 | Guangzhou                    | Asia          | -2.1%                               | 0.8%                               | 3.8%                               |
| 44 | Frankfurt                    | Europe        | -5.1%                               | -5.8%                              | -4.0%                              |
| 45 | Wellington                   | Australasia   | -8.1%                               | -9.5%                              | -6.8%                              |

<sup>1</sup> Based on top-tier of mainstream market in metro area. <sup>2</sup> Based on all contracts above Yen100m. <sup>3</sup> Provisional

\*Notes: Data for Dubai is to Q1 2022. Data for New York relates to Manhattan; Data for Los Angeles, Miami and San Francisco is to May 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).

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