

Prime Global Cities Index



2023 Q1

The Prime Global Cities Index (PGCI) is a valuation-based index tracking the movement of prime residential prices across 46 cities worldwide using data from our global research network. The index tracks nominal prices in local currency.

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Global luxury house prices fall for first time since 2009

- The first quarter of 2023 saw annual price change in the world's luxury housing markets turn negative for the first time since the Global Financial Crisis.

Knight Frank's Prime Global Cities Index (PGCI), which tracks prices in 46 leading prime markets, fell by 0.4% in the 12 months to the end of March this year. This marks a sharp reversal from a peak of 10.1% growth in the fourth quarter of 2021.

The slowdown in growth has overwhelmingly been driven by sharply higher interest rates following recent tightening in global monetary policy.

Annual prices are now falling in 16 of the 46 markets tracked. While two thirds of markets are still seeing positive growth, the large size of price declines in the weakest markets has pulled the overall index negative.

Exceptional performance

At the top of the table Dubai's 44% annual growth remains a substantial outlier, with second place Miami the only other city to reach double digit

149%

growth in prime Dubai prices through the pandemic (2020 Q1 to latest)

-0.4%

2023 Q1 PGCI annual change, first fall since 2009

65%

of markets recording positive growth in Q1 2023

26%

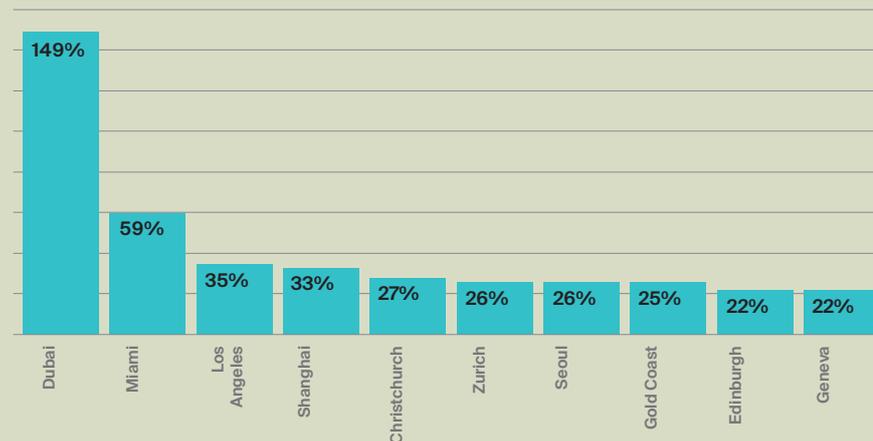
of markets seeing strengthening annual growth this quarter

+19

biggest improvement in rank of annual price change since last quarter, Guangzhou

Fig 1: Pandemic boom

Prime residential price change 2020 Q1 to 2023 Q1



Source: Knight Frank Research

growth (11%). Zurich (9.4%), Berlin (5.7%) and Singapore (5.5%) complete the top five markets - pointing to the resilience of wealth and, in Berlin's case, investment hubs.

Dubai's 149% growth through the pandemic (March 2020 to date) reflects a market undergoing significant structural change. Miami saw the second strongest growth over the same period, but at only 59%

merely serves to highlight Dubai's exceptional market transformation.

New Zealand dominates the lower ranks of the index with Wellington seeing prices fall more than 27% over the past year, followed by Auckland (-17%), and Christchurch (-15.3%). Other weak performers include Stockholm (-11%) and Vancouver (-9.4%), reflecting weakness in their broader national markets.

What next?

While the Federal Reserve and other central banks may be closing in on peak rates, it is likely that even prime housing markets will experience continued downward pressure on prices for the next few quarters.

That said it is unlikely we will see a correction similar in scale to that seen during the Global Financial Crisis, when the overall PGCi index fell 8.2% from peak to trough during 2009. There are early signs that some markets are seeing improvements, 46% of markets saw quarterly price falls through the second half of 2022, but only 28% did in the first quarter of this year, the lowest number since the first quarter of 2021.

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Fig 2: Knight Frank Prime Global Cities Index Q1 2023
Overall index



The Knight Frank Prime Global Cities Index Q1 2023

Ranked by annual % change

Rank/City	12-month % change	6-month % change	3-month % change
1 Dubai ¹	44.2%	25.1%	-3.3%
2 Miami ²	11.0%	-3.5%	0.0%
3 Zurich	9.4%	0.1%	0.7%
4 Berlin	5.7%	1.3%	1.0%
5 Singapore	5.5%	1.5%	1.0%
6 Mumbai	5.5%	1.9%	0.2%
7 Edinburgh	5.1%	-0.2%	-0.2%
8 Shanghai	5.1%	5.2%	3.3%
9 Lisbon	4.6%	2.2%	0.9%
10 Nairobi	4.5%	4.0%	2.0%
11 Paris	4.3%	1.7%	0.9%
12 Bangkok	4.2%	0.9%	-0.7%
13 Madrid	4.1%	1.0%	0.2%
14 Dublin	3.9%	0.1%	0.1%
15 Guangzhou	3.5%	0.1%	0.8%
16 Bengaluru	3.0%	1.1%	0.4%
17 Melbourne	2.9%	2.5%	1.5%
18 Manila	2.3%	1.9%	4.7%
19 Tokyo ³	2.1%	-3.4%	-7.6%
20 Geneva	1.7%	-0.8%	-0.1%
21 Gold Coast	1.6%	1.5%	0.6%
22 Delhi	1.2%	0.2%	0.2%
23 Vienna	1.2%	0.0%	0.0%
24 Bucharest	1.1%	0.5%	0.2%
25 Kuala Lumpur	1.0%	0.9%	0.3%
26 Beijing	0.9%	0.5%	0.0%
27 Jakarta	0.9%	0.9%	0.0%
28 Sydney	0.6%	3.2%	1.4%
29 London	0.5%	-0.8%	-0.2%
30 Perth	0.5%	0.8%	-0.1%
31 Brisbane	-0.4%	2.0%	1.2%
32 Los Angeles ²	-0.5%	-3.1%	0.2%
33 New York	-0.7%	-3.1%	-2.3%
34 Hong Kong	-1.3%	-0.8%	0.0%
35 Taipei	-2.0%	0.0%	0.3%
36 Monaco	-3.1%	-0.4%	-0.7%
37 Shenzhen	-4.9%	-2.4%	2.0%
38 Seoul	-9.0%	-9.6%	-3.0%
39 Vancouver	-9.4%	-4.4%	1.2%
40 San Francisco ²	-9.7%	-7.4%	-2.7%
41 Stockholm	-11.0%	1.7%	3.2%
42 Frankfurt	-11.1%	-4.0%	-2.5%
43 Toronto	-13.4%	-3.5%	4.8%
44 Christchurch	-15.3%	-10.5%	-6.1%
45 Auckland	-17.0%	-5.2%	-0.9%
46 Wellington	-27.2%	-10.4%	-8.6%

¹ Data for Q4 2022. ² Based on top-tier of mainstream market in metro area. ³ Based on all contracts above Yen100m

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).