

URBAN HOUSE PRICE GROWTH REACHES THREE-YEAR HIGH

Our index, which tracks the performance of average house prices across 150 cities worldwide, increased by 6.9% in the year to March 2017, the last time it reached this figure was in the final quarter of 2013.

Results for Q1 2017

House prices across 150 cities worldwide increased by 6.9% on average in the year to March 2017

Chinese cities still dominate the top rankings but first tier cities such as Beijing and Shanghai have shifted downwards

Toronto (24.8%), home to a new foreign buyer tax, is likely to mirror Vancouver (12.2%) in seeing its rate of growth moderate in coming months

Of the 150 cities tracked, 123 (82%) recorded positive annual price growth and 40 of those recorded double-digit rises

Dutch cities are emerging as a key centre of growth, all four tracked by the index exceeded 10% annual growth



KATE EVERETT-ALLEN
International Residential Research

“Our top ten is dominated by Chinese cities, occupying seven places, the remaining three positions are filled by Toronto, Hamilton and Oslo.”

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Chinese cities continue to dominate the top rankings in our latest assessment of urban house prices across 150 cities worldwide. However, Shanghai and Beijing, previously in third and sixth position, have slipped down the rankings to 13th and 12th respectively, outpaced by the second tier cities of Wuxi and Nanjing – both home to a population of more than 6 million.

Tighter regulations in the form of higher loan-to-value ratios and limits on second home purchases are now filtering through into China's house price indicators. The average price change across all 20 Chinese cities tracked by our index declined from 19.2% last quarter to 15.9% this quarter.

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Prices in Toronto increased by 24.8% in the year to March but a 15% foreign buyer tax introduced in April suggests the city may follow Vancouver's path further down the rankings later this year. According to the latest figures, the number of residential sales in Toronto fell 20.3% in May compared with a year earlier.

Vancouver, where a foreign buyer tax was introduced in August 2016 and then moderated to exclude those with work

permits, has seen annual price growth decline from 25.8% in August 2016 to 12.2% in March 2017.

Oslo (21%) remains Europe's strongest – performing city for the second consecutive quarter, but the Icelandic capital, Reykjavik, is hot on its heels. Prices here have surged 18.3% in the year to March 2017 up from 6.3% a year earlier. This result tallies with our latest [Global House Price Index](#) in which Iceland ranked highest amongst 55 countries.

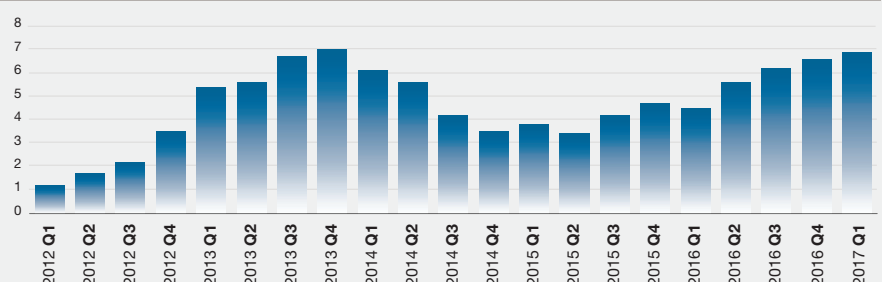
The Netherlands is emerging as a key centre of growth. The country's four largest cities – Amsterdam, Rotterdam, Utrecht and The Hague – all saw price growth in excess of 10% in the year to March 2017. Not wanting to be outdone, some southern European cities – Barcelona (9.9%) and Lisbon (9.6%) – are also moving up the rankings.

Seattle (12.2%) is the highest-ranking US city. A booming tech industry set against an historic structural undersupply of housing is fuelling price growth here. The overall performance of the 20 US cities tracked by the index is improving, a trend we expect to continue throughout the remainder of 2017, despite the prospect of one further interest rate rise.

FIGURE 1

Global Residential Cities Index Q1 2017

Annual performance over the last five years 12-month % change



Source: Knight Frank Research



FIGURE 2
Global Residential Cities Index

Tracking mainstream residential prices across 150 cities worldwide

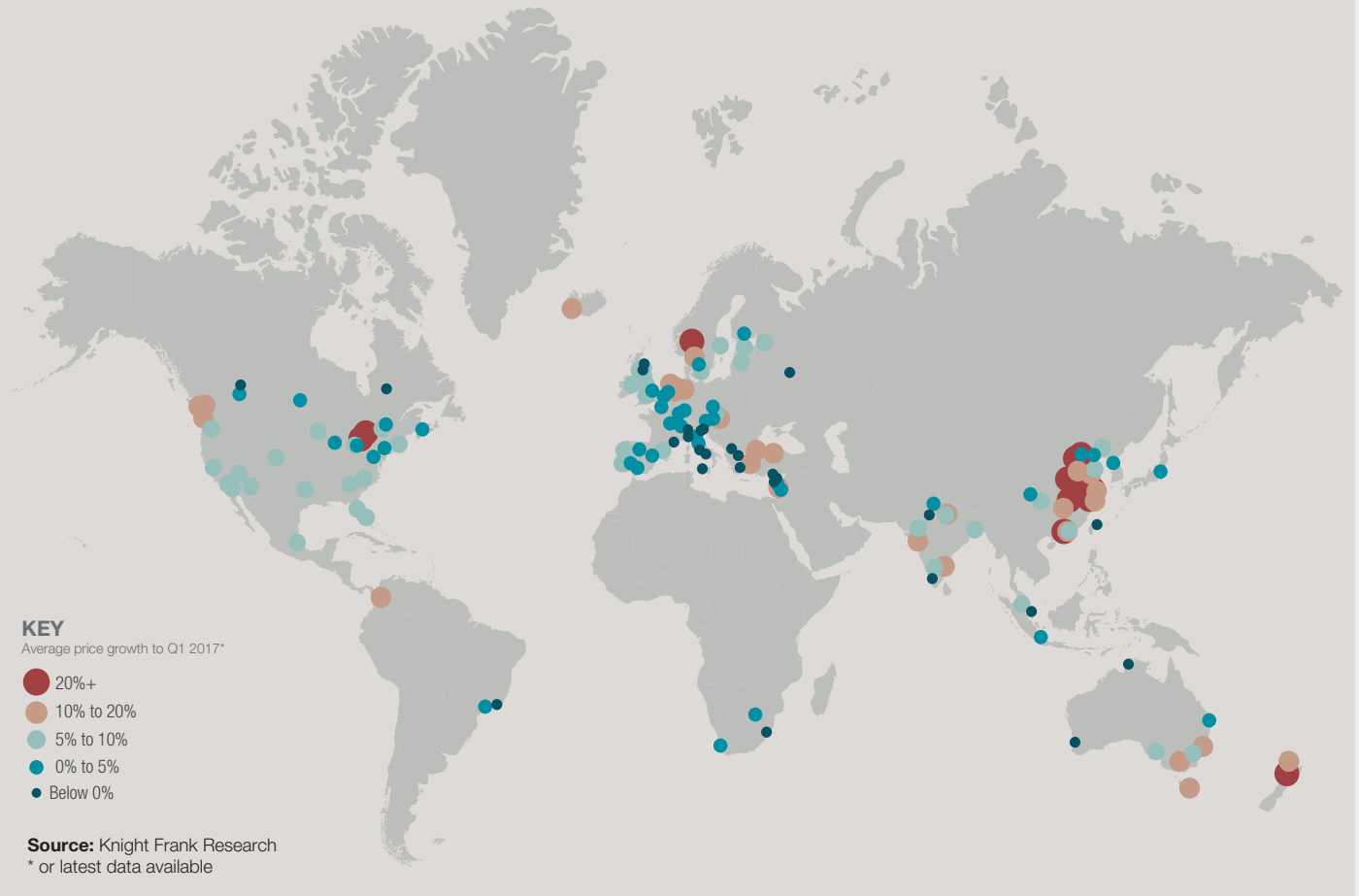
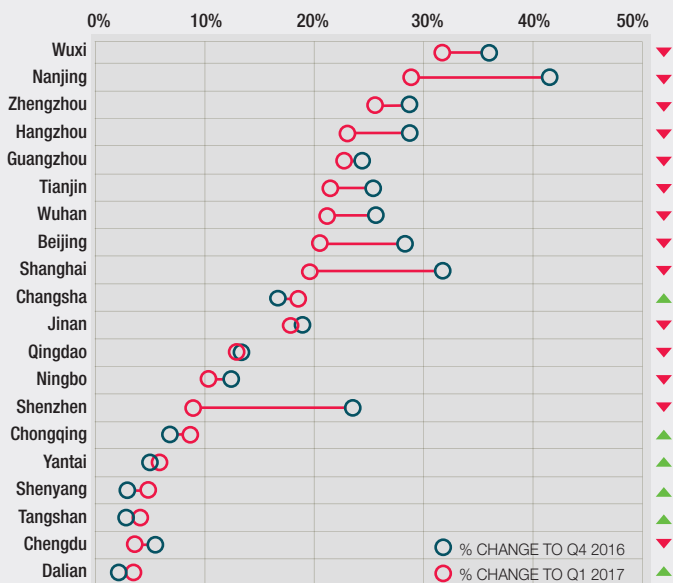
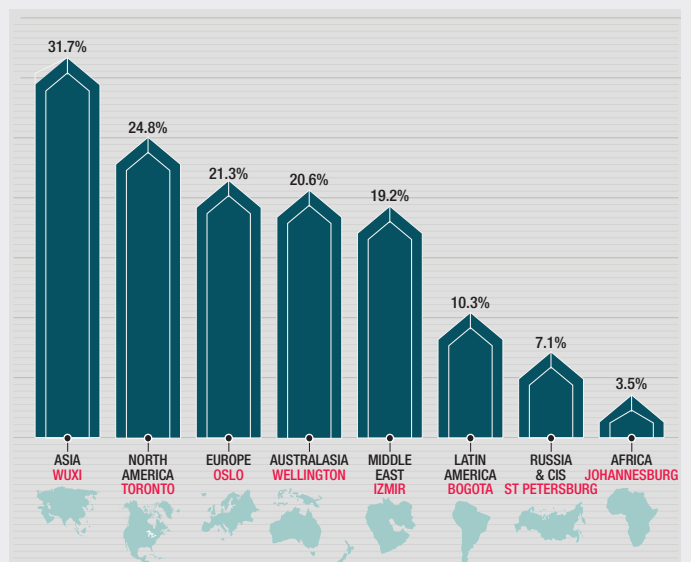


FIGURE 3
China's slowdown
Annual % change



Source: Knight Frank Research

FIGURE 4
Strongest-performing city by world region
Annual performance to Q1 2017



Source: Knight Frank Research

Note: Where official data is published for multiple cities we have selected those cities with the highest GDP or included only those cities tracked by an official source.

Knight Frank Global Residential Cities Index, Q1 2017 Ranked by annual % change

Rank	City	12-month % change (Q1 2016-Q1 2017)	Rank	City	12-month % change (Q1 2016-Q1 2017)	Rank	City	12-month % change (Q1 2016-Q1 2017)
1	Wuxi, CN	31.7%	51	Porto, PT	8.6%	101	Montreal, CA	3.5%
2	Nanjing, CN	28.8%	52	Denver, US	8.3%	102	Brisbane, AU	3.5%
3	Zhengzhou, CN	25.4%	53	Dublin, IE	8.3%	103	Vienna, AT	3.4%
4	Toronto, CA	24.8%	54	Riga, LV	7.9%	104	Lyon, FR	3.3%
5	Hangzhou, CN	23.0%	55	Bristol, UK	7.8%	105	Tel Aviv, IL	3.3%
6	Guangzhou, CN	22.9%	56	Malmö, SE	7.8%	106	Bern, CH	3.1%
7	Hamilton, CA	21.5%	57	Boston, US	7.7%	107	London, UK	3.0%
8	Tianjin, CN	21.5%	58	Kolkata, IN	7.2%	108	Seoul, KR	2.9%
9	Wuhan, CN	21.2%	59	St. Petersburg, RU	7.1%	109	Winnipeg, CA	2.2%
10	Oslo, NO	21.0%	60	Manchester, UK	7.0%	110	Johannesburg, ZA	2.2%
11	Wellington, NZ	20.6%	61	Detroit, US	6.8%	111	Jerusalem, IL	2.2%
12	Beijing, CN	20.5%	62	Charlotte, US	6.7%	112	Malaga, ES	2.1%
13	Shanghai, CN	19.7%	63	Minneapolis, US	6.6%	113	Jakarta, ID ***	2.0%
14	Changsha, CN	19.6%	64	Las Vegas, US	6.5%	114	Zagreb, HR	2.0%
15	Lucknow, IN	19.3%	65	San Diego, US	6.4%	115	Brussels, BE	1.8%
16	Izmir, TR	19.2%	66	Stockholm, SE	6.1%	116	Sevilla, ES	1.4%
17	Hong Kong, HK**	18.6%	67	Mexico City, MX	6.1%	117	Zurich, CH	1.3%
18	Reykjavik, IS	18.1%	68	Yantai, CN	6.1%	118	Lille, FR	1.2%
19	Jinan, CN	18.0%	69	Miami, US	5.9%	119	Turin, IT*	1.1%
20	Victoria, CA	18.0%	70	Glasgow, UK	5.8%	120	Calgary, CA	1.0%
21	Budapest, HU	17.1%	71	Birmingham, UK	5.7%	121	Florence, IT*	0.7%
22	Amsterdam, NL	15.7%	72	Phoenix, US	5.6%	122	Sao Paulo, BR	0.7%
23	Sydney, AU	14.4%	73	Nottingham, UK	5.6%	123	Bologna, IT*	0.2%
24	Melbourne, AU	13.4%	74	Atlanta, US	5.4%	124	Limassol, CY	-0.5%
25	Auckland, NZ	13.4%	75	Kuala Lumpur, MY	5.3%	125	Edinburgh, UK	-0.6%
26	Qingdao, CN	13.1%	76	Ottawa, CA	5.3%	126	Milan, IT*	-1.0%
27	Mumbai, IN	12.9%	77	Los Angeles, US	5.3%	127	Kochi, IN	-1.1%
28	Utrecht, NL	12.4%	78	Tampa, US	5.2%	128	Nicosia, CY	-1.1%
29	Seattle, US	12.2%	79	Shenyang, CN	5.1%	129	Athens, GR	-1.4%
30	Vancouver, CA	12.2%	80	Ahmedabad, IN	5.1%	130	Larnaca, CY	-1.5%
31	Gothenburg, SE	12.2%	81	San Francisco, US	5.0%	131	Venice, IT*	-1.8%
32	Istanbul, TR	12.2%	82	Kanpur, IN	5.0%	132	Trieste, IT*	-2.0%
33	Rotterdam, NL	11.4%	83	Adelaide, AU	5.0%	133	Rio de Janeiro, BR	-2.0%
34	Hobart, AU	11.3%	84	Chicago, US	4.9%	134	Taipei City, TW	-2.0%
35	Hague, NL	10.8%	85	Madrid, ES	4.9%	135	Singapore, SG	-2.0%
36	Chennai, IN	10.5%	86	Delhi, IN	4.9%	136	Moscow, RU	-2.3%
37	Haifa, IL	10.5%	87	Helsinki, FI	4.5%	137	Marseille, FR	-2.6%
38	Bogota, CO	10.3%	88	Tangshan, CN	4.4%	138	Thessaloniki, GR	-2.7%
39	Ankara, TR	10.1%	89	Ljubljana, SI	4.4%	139	Rome, IT*	-2.7%
40	Ningbo, CN	10.1%	90	Cleveland, US	4.3%	140	Edmonton, CA	-2.8%
41	Barcelona, ES	9.9%	91	Washington, US	4.1%	141	Quebec, CA	-2.8%
42	Lisbon, PT	9.6%	92	Halifax, CA	4.1%	142	Perth, AU	-3.5%
43	Bengaluru, IN	9.3%	93	Chengdu, CN	4.0%	143	Napoli, IT*	-3.6%
44	Shenzhen, CN	9.2%	94	New York, US	4.0%	144	Palermo, IT*	-4.6%
45	Portland, US	9.2%	95	Valencia, ES	4.0%	145	Durban, ZA	-5.1%
46	Chongqing, CN	9.0%	96	Tokyo, JP	3.9%	146	Jaipur, IN	-5.4%
47	Canberra, AU	8.9%	97	Cape Town, ZA	3.9%	147	Aberdeen, UK	-5.5%
48	Tallinn, EE	8.7%	98	Dalian, CN	3.8%	148	Genoa, IT*	-5.9%
49	Bratislava, SK	8.6%	99	Copenhagen, DK	3.7%	149	Darwin, AU	-5.9%
50	Dallas, US	8.6%	100	Paris, FR	3.7%	150	Skopje, MK	-7.0%

Source: Knight Frank Research *Asking prices **Provisional ***Metropolitan area

AT Austria, AU Australia, BE Belgium, BR Brazil, CA Canada, CH Switzerland, CL Chile, CN China, CO Bogota, CY Cyprus, CZ Czech Republic, DK Denmark, EE Estonia, ES Spain, FI Finland, FR France, GR Greece, HK Hong Kong, HR Croatia, HU Hungary, ID Jakarta, IE Ireland, IL Israel, IN India, IS Iceland, IT Italy, JP Japan, KR South Korea, LV Latvia, MK Macedonia, MX Mexico City, MY Malaysia, NL Netherlands, NO Norway, NZ New Zealand, PT Portugal, RU Russia, SE Sweden, SG Singapore, SI Slovenia, SK Slovakia, TR Turkey, TW Taiwan, UK United Kingdom, US United States, ZA South Africa

All data corresponds to 12-month percentage change to Q1 2017 except: Ahmedabad, Auckland, Bengaluru, Bogota, Budapest, Chennai, Delhi, Jaipur, Kanpur, Kochi, Kolkata, Kuala Lumpur, Larnaca, Lille, Limassol, Ljubljana, Lucknow, Lyon, Marseille, Mumbai, Mexico City, Nicosia, Tallinn, Vienna, Wellington and Zagreb to Q4 2016 and Brussels, Cape Town, Durban, Johannesburg and Lille to Q3 2016.

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