

The Prime Global Cities Index is a valuation-based index tracking the movement in 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

Q3 2021

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## HEADLINES

**Miami**

THE CITY WITH THE FASTEST RISING PRIME PRICES IN THE YEAR TO Q3 2021

**9.5%**

THE INDEX'S OVERALL PERFORMANCE IN THE YEAR TO Q3 2021

**85%**

THE PERCENTAGE OF CITIES THAT SAW PRICES INCREASE IN THE YEAR TO Q3 2021

**35%**

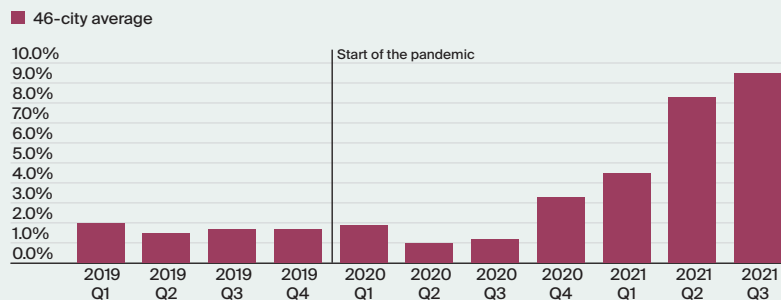
THE PERCENTAGE OF CITIES THAT REGISTERED PRICE GROWTH ABOVE 10% OVER THE 12-MONTH PERIOD

**15**

THE NUMBER OF CITIES THAT SAW THEIR RATE OF ANNUAL PRICE GROWTH DECLINE BETWEEN Q2 AND Q3 2021

### Prime price growth continues on an upward trajectory

Annual % change



Source: Knight Frank Research

Prime prices in global cities continue to rise. The index, based on the average price performance of 46 cities, surged by 9.5% in the year to September 2021, up from 8.3% in June.

With travel starting to normalise, the prospect of tighter monetary policy on the horizon, as well as higher taxes and cooling measures, evidence suggests prime markets had a busy third quarter.

Some 85% of cities saw prices rise on an annual basis, up from 76% last quarter and 16 cities (35%) saw prices increase by more than 10% during the 12-month period.

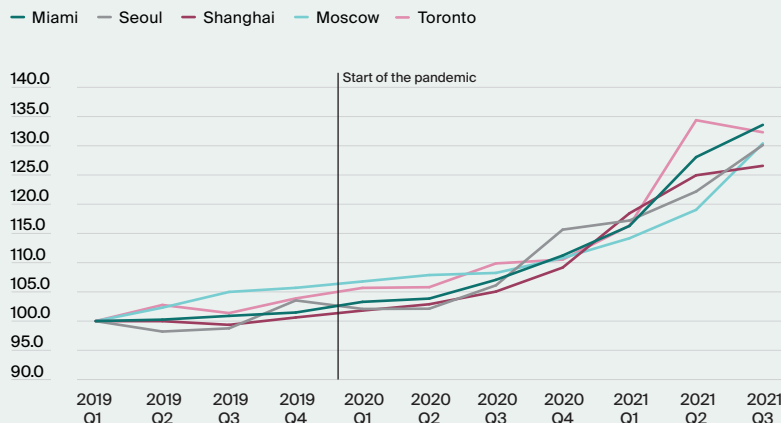
Miami (26.4%) leads the index this quarter for the first time since the index started in 2007. The hunt for larger accommodation, coastal living, and Florida's low taxes acted as a key draw for a new breed of remote workers in the US.

Amongst the 15 cities that saw their annual rate of growth decline in Q3 compared to the previous quarter are the four Chinese mainland cities we track: Shanghai, Beijing, Guangzhou and Shenzhen as well as Toronto and Vancouver.

The Evergrande crisis, a raft of cooling measures and localised outbreaks of Covid-19 explain the slowdown in luxury price growth in the Chinese mainland's top tier cities and whilst the mooted two-year nationwide ban on foreign residents

### The impact of the pandemic on the five highest-ranked cities

Indexed, 100 = Q1 2019



Source: Knight Frank Research

in Canada won't impact domestic buyers directly, it may be adding to jitters as homeowners reflect on the government's overall direction of travel.

Russia is another hotspot with prime prices up 20.5% and 15.5% in Moscow and St Petersburg respectively. With the luxury market heavily skewed to new-build or primary sales and the delivery of projects delayed due to the pandemic, the demand/supply imbalance has boosted prices.

With New Zealand one of the first key economies to hike interest rates, Auckland's housing market is one that policymakers will be watching closely. Prior to the recent rate rise, prime prices were rising at a rate of 9.8% per annum, and demand in the last 12 months was almost entirely domestic, due to travel rules and foreign buyer restrictions. As more governments look to tighten monetary policy we expect the prime market to be better insulated given the sector's large proportion of cash purchasers.

**We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.**



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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 KNIGHT FRANK PRIME GLOBAL CITIES INDEX Q3 2021

Ranked by annual % change

	CITY	WORLD REGION	12-MONTH % CHANGE (Q3 2020-Q3 2021)	3-MONTH % CHANGE (Q2 2021-Q3 2021)
1	Miami <sup>1,3</sup>	North America	26.4%	8.1%
2	Seoul	Asia	22.6%	6.5%
3	Shanghai	Asia	20.5%	1.3%
4	Moscow	Russia & CIS	20.5%	9.5%
5	Toronto	North America	20.4%	-1.5%
6	San Francisco <sup>1,3</sup>	North America	20.2%	4.2%
7	Taipei	Asia	18.9%	3.5%
8	Los Angeles <sup>1,3</sup>	North America	18.2%	4.2%
9	Guangzhou	Asia	17.6%	-0.1%
10	St. Petersburg	Russia & CIS	15.5%	2.0%
11	Vancouver	North America	15.0%	0.4%
12	Stockholm	Europe	11.6%	1.9%
13	Geneva	Europe	10.8%	2.4%
14	Sydney	Australasia	10.7%	2.3%
15	Gold Coast	Australasia	10.5%	2.1%
16	Perth	Australasia	10.4%	0.8%
17	Auckland	Australasia	9.8%	6.8%
18	Beijing	Asia	8.8%	-0.1%
19	Edinburgh	Europe	8.5%	2.0%
20	Manila	Asia	8.4%	-2.6%
21	Brisbane	Australasia	8.4%	1.1%
22	Zurich	Europe	7.6%	1.8%
23	Hong Kong	Asia	7.2%	1.6%
24	Melbourne	Australasia	6.5%	2.1%
25	Tokyo <sup>2</sup>	Asia	6.3%	3.0%
26	Monaco	Europe	5.0%	3.9%
27	Dublin	Europe	4.9%	3.2%
28	Berlin	Europe	4.7%	2.0%
29	Frankfurt	Europe	4.5%	1.1%
30	Singapore	Asia	4.3%	0.0%
31	Vienna	Europe	3.6%	2.8%
32	Paris	Europe	3.1%	2.4%
33	Lisbon	Europe	2.4%	0.3%
34	Madrid	Europe	2.0%	0.5%
35	Nairobi	Africa	1.3%	0.1%
36	Shenzhen	Asia	1.0%	-2.1%
37	London	Europe	0.7%	0.2%
38	Bucharest	Europe	0.6%	0.1%
39	Delhi	Asia	0.0%	0.0%
40	Mumbai	Asia	-0.1%	0.2%
41	Kuala Lumpur	Asia	-0.9%	0.0%
42	Bengaluru	Asia	-1.1%	0.0%
43	New York <sup>1,3</sup>	North America	-1.8%	1.7%
44	Bangkok	Asia	-2.3%	4.4%
45	Dubai	Middle East	-3.6%	0.3%
46	Jakarta	Asia	-4.2%	-4.0%

**Notes:** Data for New York relates to Manhattan; Data for Los Angeles, Miami, New York and San Francisco is to August 2021. Data for Dubai is to March 2021.

<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

**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); and Dubai (REIDIN)

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