

The Prime Global Cities Index is a valuation-based index tracking the movement in prime residential prices in local currency across 40+ cities worldwide using data from our global research network.



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Prime Global Cities Index

Q3 2020

HEADLINES

Auckland

THE CITY WITH THE FASTEST RISING PRIME PRICES IN THE YEAR TO Q3 2020

1.6%

THE INDEX'S ANNUAL INCREASE IN THE YEAR TO SEPTEMBER 2020

2

THE NUMBER OF CHINESE CITIES IN THE TOP TEN ANNUAL RANKINGS

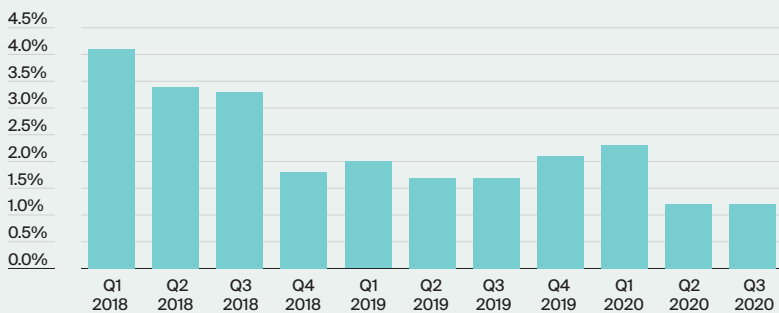
62%

THE PERCENTAGE OF CITIES REGISTERING FLAT OR POSITIVE ANNUAL PRICE GROWTH

North America

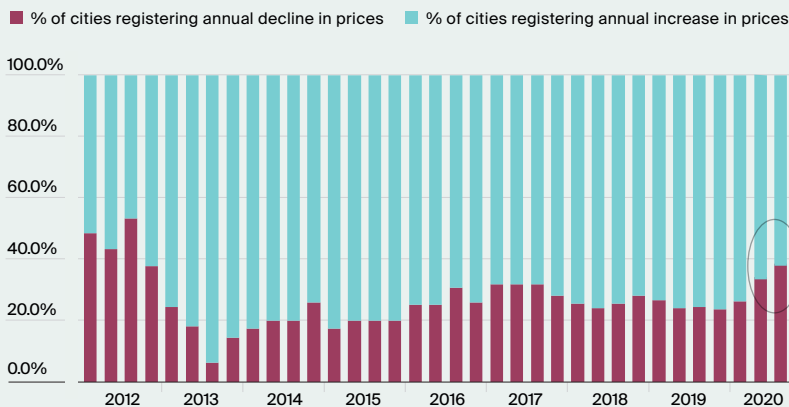
THE STRONGEST-PERFORMING WORLD REGION IN THE YEAR TO Q3 2020

Fig 1. Prime prices continue to register positive annual growth globally...
Index aggregate - 45 cities (annual % change)



Source: The Knight Frank Prime Global Cities Index

Fig 2. ...but more cities are seeing prices decline on an annual basis



Source: The Knight Frank Prime Global Cities Index

The Knight Frank Prime Global Cities Index is still registering prime price growth despite the pandemic.

A surge in demand post-lockdown as luxury homeowners re-evaluate where they want to be and the type of property they want to live in has boosted sales and supported luxury prices across several key markets.

The index increased by 1.6% in the year to Q3 2020 with 62% of cities continuing to see prime prices increase year-on-year.

That said, the percentage of cities registering annual price declines is creeping up, from 23% at the end of 2019 to 38% in Q3 2020 (figure 2).

Auckland (13%) leads the index, but what is notable is the resilience of a number of cities including Manila (10%), Seoul (7%), the Swiss cities of Zurich (7%) and Geneva (6%), Stockholm (5%) as well as the recovery of Chinese cities such as Shenzhen (9%) and Shanghai (6%).

It is perhaps not surprising that traditional safe havens, countries that are considered to have handled the pandemic efficiently or applied a lighter touch, plus those markets that are already witnessing an economic rebound have moved higher in the rankings. With travel restrictions in place across much of the world this demand remains primarily domestic in nature.

North America not only has three cities in the top ten annual rankings – Toronto (8%), Vancouver (7%) and Los Angeles (6%) but the region has snatched the crown of strongest-performing world region from Australasia this quarter.

Vancouver's recovery continues to surprise having sat low in the rankings for the last four years following the introduction of a 20% foreign buyer tax. Low mortgage rates and pent up demand released post-lockdown saw sales across Greater Vancouver reach 3,643 in September, up 56% year-on-year.

In an age of uncertainty, buyers are looking more favourably at luxury property, mirroring what we saw in 2008. With equity markets volatile, Brexit looming large, the repercussions from the US presidential election expected to rumble on, and further waves of the pandemic hitting Europe and the US, property's credentials as a safe and tangible asset class are rising to the fore.

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 2020

Ranked by annual % change

| CITY | WORLD REGION | 12-MONTH % CHANGE (Q3 2019-Q3 2020) | 3-MONTH % CHANGE (Q2 2020-Q3 2020) | |
|------|------------------------------|-------------------------------------|------------------------------------|-------|
| 1 | Auckland | Australasia | 12.9% | 0.1% |
| 2 | Manila | Asia | 10.2% | 0.0% |
| 3 | Shenzhen | Asia | 8.9% | 2.2% |
| 4 | Toronto | North America | 8.4% | 3.8% |
| 5 | Seoul | Asia | 7.4% | 3.9% |
| 6 | Zurich | Europe | 7.3% | 1.9% |
| 7 | Vancouver | North America | 6.6% | 1.8% |
| 8 | Los Angeles ^{1,3} | North America | 6.2% | 2.7% |
| 9 | Geneva | Europe | 6.1% | 1.6% |
| 10 | Shanghai | Asia | 5.7% | 2.1% |
| 11 | San Francisco ^{1,3} | North America | 5.5% | 1.9% |
| 12 | Miami ^{1,3} | North America | 4.9% | 1.9% |
| 13 | Stockholm | Europe | 4.6% | 4.3% |
| 14 | Edinburgh | Europe | 4.0% | 2.3% |
| 15 | Frankfurt | Europe | 3.8% | 1.8% |
| 16 | Sydney | Australasia | 2.3% | -1.5% |
| 17 | Perth | Australasia | 2.2% | -1.3% |
| 18 | Gold Coast | Australasia | 1.8% | -0.7% |
| 19 | Guangzhou | Asia | 1.6% | 1.7% |
| 20 | Vienna | Europe | 1.5% | 0.1% |
| 21 | Tokyo ² | Asia | 1.3% | -0.2% |
| 22 | Moscow | Russia & CIS | 1.3% | -1.4% |
| 23 | Brisbane | Australasia | 1.1% | -1.4% |
| 24 | Berlin | Europe | 0.9% | 1.4% |
| 25 | Taipei | Asia | 0.7% | 0.0% |
| 26 | Melbourne | Australasia | 0.3% | -0.7% |
| 27 | Delhi | Asia | 0.2% | -0.1% |
| 28 | Bucharest | Europe | 0.1% | 0.1% |
| 29 | Paris | Europe | -0.5% | -2.1% |
| 30 | Beijing | Asia | -0.5% | 0.6% |
| 31 | St. Petersburg | Russia & CIS | -0.6% | -0.1% |
| 32 | Jakarta | Asia | -1.0% | 0.0% |
| 33 | Mumbai | Asia | -1.3% | -0.7% |
| 34 | Bengaluru | Asia | -1.4% | -1.5% |
| 35 | Monaco | Europe | -3.3% | 0.0% |
| 36 | Madrid | Europe | -3.5% | -1.6% |
| 37 | Kuala Lumpur | Asia | -3.6% | -1.1% |
| 38 | Dubai | Middle East | -3.7% | -1.7% |
| 39 | Dublin | Europe | -4.1% | -0.3% |
| 40 | New York | North America | -4.1% | -1.3% |
| 41 | London | Europe | -4.5% | 0.2% |
| 42 | Nairobi | Africa | -5.3% | -1.1% |
| 43 | Hong Kong | Asia | -5.4% | -1.5% |
| 44 | Bangkok | Asia | -6.0% | 0.0% |
| 45 | Singapore | Asia | -6.1% | -1.1% |

Notes: Data for New York relates to Manhattan; Data for Los Angeles, Miami, and San Francisco is to August 2020. Data for Shenzhen reflects a 9-month % change. Data for Vienna is to Q2 2020

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