

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.



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Prime Global Cities Index

Q3 2022

HEADLINES

Dubai

THE CITY WITH THE FASTEST RISING PRIME PRICES IN THE YEAR TO Q3 2022

7.5%

THE INDEX'S ANNUAL RATE OF GROWTH IN Q3 2022, DOWN FROM A PEAK OF 10% IN Q1 2022

84%

THE PROPORTION OF CITIES STILL REGISTERING PRIME PRICE GROWTH ON AN ANNUAL BASIS

19

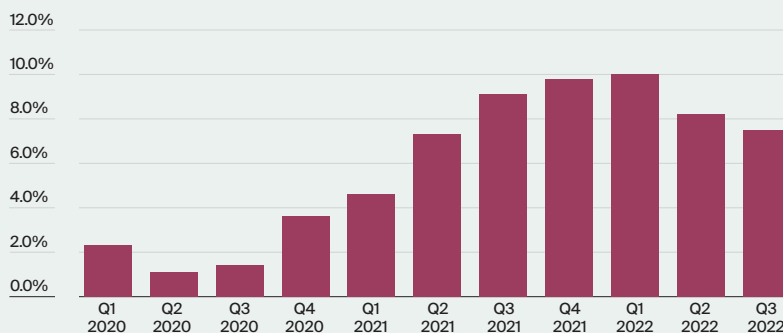
THE NUMBER OF CITIES THAT SAW PRIME PRICES DECLINE IN THE THREE MONTHS TO SEPTEMBER 2022

6

THE NUMBER OF CITIES STILL REGISTERING DOUBLE-DIGIT ANNUAL PRICE GROWTH

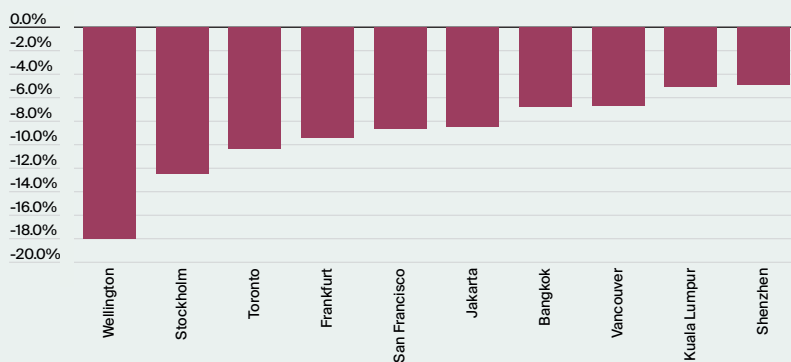
The slowdown in prime city markets continued in Q3 2022

45-city average, annual % change



Source: Knight Frank Research

The ten cities that have seen the biggest fall in prime prices since their pandemic peak



Source: Knight Frank Research

Globally, prime price growth dipped for the second consecutive quarter in Q3 2022.

The index, which tracks the movement in the top 5% of residential prices across 45 global cities, recorded average annual growth of 7.5% in Q3 2022, down from a peak of 10% in Q1 2022.

However, at 7.5%, annual growth still sits above the index's average five-year growth rate of 4.4%, and the number of cities registering year-on-year price falls has only shifted from six last quarter to seven this quarter.

But dig deeper and the quarterly data reveals a marked slowdown. Of the 45 cities tracked, 19 saw prime prices decline between June and September 2022, up from seven in Q1 2022.

Those markets that registered some of the strongest price rises during the pandemic are well represented amongst this group: San Francisco, Toronto, Wellington, Stockholm, Vancouver, Los Angeles, Seoul, as well as some Chinese mainland cities.

In prime central London (2.7%) prices are now rising at their fastest rate since Q1 2015. Meanwhile, in New York, the rate of annual growth has dipped to 5.2% from 7.1% last quarter, but it remains well above its average rate of growth over the last five years of -1.2%.

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 strong performance of some European cities is likely to reflect seasonal demand over the summer, but also a degree of safe haven capital flight. Zurich (10.7%), Edinburgh (9.9%), Berlin (9.4%), Dublin (8.6%) and Madrid (5.6%) have all risen up the rankings in the last 12 months despite the drop in sentiment and the slowdown in the Eurozone's economy.

Resilient labour markets, a lack of supply and well capitalised lenders will support prime prices in most markets into 2023. However, the transition out of a sustained period of low lending rates will lead to pinch points in some markets, particularly amongst highly-leveraged prime landlords, potentially adding to stock levels in some cities.

In the news....

- **Ontario** raised its non-resident stamp duty tax to 25% from 20% in a surprise move, the second hike in 2022
- **US** 30-year fixed mortgage rates exceeded 7% for the first time since 2002
- **Hong Kong** ended travel restrictions in September after tight controls had been in force since March 2020



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THE KNIGHT FRANK PRIME GLOBAL CITIES INDEX Q3 2022

Ranked by annual % change

| | CITY | WORLD REGION | 12-MONTH % CHANGE (Q3 2021- Q3 2022) | 6-MONTH % CHANGE (Q1 2022- Q3 2022) | 3-MONTH % CHANGE (Q2 2022- Q3 2022) |
|----|------------------------------|---------------|---|--|--|
| 1 | Dubai | Middle East | 88.8% | 49.9% | 29.3% |
| 2 | Miami ^{1,3} | North America | 30.8% | 15.2% | 3.1% |
| 3 | Tokyo ² | Asia | 17.0% | 5.7% | 10.6% |
| 4 | Los Angeles ^{1,3} | North America | 13.6% | 2.8% | -4.1% |
| 5 | Gold Coast | Australasia | 11.3% | 0.1% | -1.6% |
| 6 | Zurich | Europe | 10.7% | 6.1% | 2.8% |
| 7 | Edinburgh | Europe | 9.9% | 5.3% | 0.9% |
| 8 | Berlin | Europe | 9.4% | 4.3% | -0.9% |
| 9 | Seoul | Asia | 8.9% | 0.6% | -4.1% |
| 10 | Taipei | Asia | 8.6% | 3.3% | 1.7% |
| 11 | Dublin | Europe | 8.6% | 3.8% | 1.6% |
| 12 | Paris | Europe | 7.6% | 2.6% | 1.2% |
| 13 | Melbourne | Australasia | 6.7% | 0.4% | 0.7% |
| 14 | Lisbon | Europe | 6.1% | 2.4% | 1.0% |
| 15 | Singapore | Asia | 6.0% | 3.9% | 2.3% |
| 16 | Madrid | Europe | 5.6% | 3.1% | 1.6% |
| 17 | San Francisco ^{1,3} | North America | 5.5% | -2.4% | -10.0% |
| 18 | Sydney | Australasia | 5.4% | -2.5% | -1.9% |
| 19 | New York | North America | 5.2% | 2.1% | 0.0% |
| 20 | Brisbane | Australasia | 5.2% | -2.4% | -2.4% |
| 21 | Auckland | Australasia | 4.9% | -1.5% | 8.3% |
| 22 | Mumbai | Asia | 4.8% | 3.5% | 2.1% |
| 23 | Shenzhen | Asia | 4.5% | -2.6% | -4.8% |
| 24 | Toronto | North America | 4.1% | -10.3% | -9.0% |
| 25 | Beijing | Asia | 3.9% | 0.4% | -0.9% |
| 26 | Perth | Australasia | 3.4% | -0.3% | -0.4% |
| 27 | Bengaluru | Asia | 3.3% | 1.9% | 1.5% |
| 28 | Geneva | Europe | 3.2% | 1.5% | 0.8% |
| 29 | Nairobi | Africa | 2.9% | 0.4% | 0.5% |
| 30 | Bucharest | Europe | 2.8% | 0.6% | 0.4% |
| 31 | London | Europe | 2.7% | 1.3% | 0.5% |
| 32 | Vienna | Europe | 1.9% | 1.2% | 0.1% |
| 33 | Bangkok | Asia | 1.9% | 3.3% | 1.8% |
| 34 | Shanghai | Asia | 1.4% | -0.2% | 1.0% |
| 35 | Manila | Asia | 1.2% | 0.4% | 0.9% |
| 36 | Delhi | Asia | 1.2% | 1.0% | 0.0% |
| 37 | Hong Kong | Asia | 0.2% | -0.5% | -0.4% |
| 38 | Monaco | Europe | 0.1% | -3.4% | -2.0% |
| 39 | Kuala Lumpur | Asia | -0.5% | 0.1% | 0.0% |
| 40 | Vancouver | North America | -1.7% | -5.2% | -6.7% |
| 41 | Jakarta | Asia | -2.2% | -1.0% | -0.2% |
| 42 | Guangzhou | Asia | -2.5% | 3.4% | -0.5% |
| 43 | Stockholm | Europe | -5.2% | -12.5% | -8.1% |
| 44 | Frankfurt | Europe | -9.4% | -7.3% | -3.5% |
| 45 | Wellington | Australasia | -18.0% | -14.5% | -8.2% |

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

*Notes: Data for New York relates to Manhattan; Data for Los Angeles, Miami and San Francisco is to August 2022. Data for Taipei and Monaco is to Q2 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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