

Prime Global Cities Index

2025 Q1

The Prime Global Cities Index (PGCI) is a valuation-based index, tracking the movement of prime residential prices across 44 cities worldwide using data from our global research network. The index tracks nominal prices in local currency

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Prime city price growth holds steady as outlook becomes more uncertain

- ▶ Average annual price growth across our 45-city basket was 2.8% in Q1 2025. While a slight slowdown from Q4 2024, this level of growth remains noticeably below the long-run trend rate of 5.3%. Asian and Middle Eastern markets remain the main engines of growth.

A MODEST REVIVAL

The overall PGCI index recorded a 2.8% rise in prime residential prices across 45 global cities in the year to March 2025. This represents a marginal slowdown from the 3.2% recorded in Q4 2024, suggesting that while the recovery in prices continues, momentum remains modest and uneven.

The market has now experienced two-years of positive growth following the trough of -0.6% in Q1 2023. Nevertheless, growth remains below the long-run average of 5.3%, with most markets awaiting clarity on interest rate cuts before stronger price movements are permitted.

Quarter-on-quarter, prices rose by 0.8%, the strongest showing since Q2 last year. Overall, price growth is being sustained by a mix of wealth-driven purchases and constrained supply, but investor sentiment is still tempered by global macroeconomic uncertainty.

CITY PERFORMANCE

Asia-Pacific and the Middle East continue to lead the recovery. Seoul remained a standout, with robust double-digit

growth at 18.4%, driven by rising wealth and increasing institutional activity in the luxury residential segment.

With an expectation that the yen will strengthen through 2025, Tokyo has continued to see overseas demand influence the top of the market.

Dubai, after a sharp deceleration in 2024, has stabilised with double-digit growth. While Asia has many strong performers in terms of price growth, some key Chinese markets, such as Guangzhou and Beijing are struggling to see positive growth. European cities show mixed results, with some markets such as Stockholm and Lisbon improving, while others including London and Vienna showing slower growth or slight declines.

LOOKING AHEAD

The direction of interest rates remains the pivotal factor for future price growth. Although inflation has been easing in many key economies, US policy on tariffs has created the potential for significant future volatility. There is the potential for disinflationary pressures to increase outside of the

2.8%

average annual growth in prices across our 45-city basket

8

number of consecutive quarters of positive growth

72%

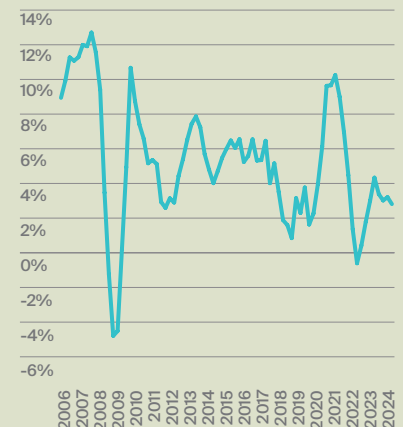
proportion of cities with positive annual price growth

Auckland

significant swing in annual change from -1.7% last quarter to 0.8% this quarter

Fig 1: Prime price change

PGCI, annual % change



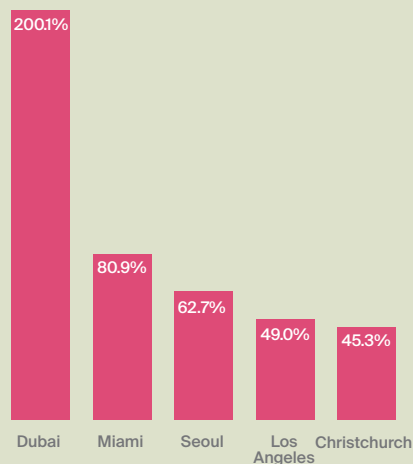
Source: Knight Frank Prime Global Cities Index

US, while the US itself faces a risk of higher inflation. While expectations of interest rate cuts have risen outside of the US, greater clarity on the pace and extent of future cuts is needed before we see significant upside in pricing in most housing markets.

Knight Frank's Wealth Report forecasts city-level outcomes ranging from +5% annual growth in Dubai to 0% in markets such as Singapore and Hong Kong.

Fig 2: Covid-era growth

Top 5 markets for aggregate house price growth Q1 2020 to Q1 2024



Source: Knight Frank Research

“The resilience of prime global property prices is evident, particularly in Asia and parts of Europe. However, to unlock the next phase of growth, markets need the support of lower borrowing costs.”

Liam Bailey, Knight Frank's global head of research

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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The Knight Frank Prime Global Cities Index Q1 2025

Ranked by annual % change

Rank/City	12-month % change	3-month % change
1 KR Seoul	18.4%	2.3%
2 AE Dubai	16.4%	3.6%
3 JP Tokyo	15.5%	0.3%
4 IN Bengaluru	8.3%	7.2%
5 IN Mumbai	7.6%	2.9%
6 TH Bangkok	7.4%	6.8%
7 PT Lisbon	5.7%	0.8%
8 ES Madrid	5.5%	1.2%
9 PH Manila	5.5%	-6.4%
10 IE Dublin	4.7%	2.3%
11 CH Zurich	4.3%	1.2%
12 CH Geneva	4.1%	1.6%
13 US Miami	4.1%	0.5%
14 KE Nairobi	4.0%	0.0%
15 IN Delhi	3.9%	3.5%
16 AU Perth	3.8%	-0.9%
17 US San Francisco	3.4%	-3.0%
18 AU Brisbane	2.8%	0.1%
19 US Los Angeles	2.6%	-0.3%
20 SG Singapore	2.5%	0.6%
21 SE Stockholm	2.3%	-1.2%
22 TW Taipei	1.9%	0.4%
23 DE Berlin	1.9%	0.4%
24 CN Shenzhen	1.8%	4.9%
25 CA Vancouver	1.7%	0.7%
26 DE Frankfurt	1.6%	0.2%
27 NZ Christchurch	1.4%	-0.3%
28 MC Monaco	1.4%	1.1%
29 CN Shanghai	1.3%	0.8%
30 RO Bucharest	1.1%	-1.9%
31 NZ Auckland	0.8%	2.0%
32 FR Paris	0.7%	0.1%
33 US New York	0.6%	0.0%
34 ID Jakarta	0.5%	0.0%
35 MY Kuala Lumpur	0.2%	0.0%
36 AT Vienna	-0.1%	1.2%
37 AU Sydney	-0.7%	-0.5%
38 CA Toronto	-1.2%	0.2%
39 UK London	-1.3%	-0.7%
40 AU Melbourne	-2.1%	-0.4%
41 HK Hong Kong	-3.0%	-1.0%
42 CN Beijing	-3.2%	0.8%
43 CN Guangzhou	-4.7%	-4.4%
44 NZ Wellington	-5.2%	-2.7%

Source: Knight Frank, Macrobond



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