

## GLOBAL URBAN HOUSE PRICE INDEX RECORDS SLOWER GROWTH

The slowdown in China's cities has influenced the index's overall performance this quarter, but some Indian cities are rising up the rankings says Kate Everett-Allen.

### Results for Q2 2017

The index increased by 6.1% in the year to June 2017, down from 6.9% last quarter

Toronto leads the annual rankings but a new foreign buyer tax may curb future growth

Chinese cities now occupy three of the top ten rankings, down from seven last quarter

Cities in the BRIC nations are, on average, outperforming those in developed nations

Russia/CIS, Latin America and Africa are the weakest-performing world regions based on average price change



KATE EVERETT-ALLEN  
International Residential Research

"Long-term frontrunners such as Hong Kong, Reykjavik, Wellington and Budapest are holding firm this quarter, but we have seen some new contenders rise up the rankings, most notably key Indian cities"

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The index increased by 6.1% in the year to June 2017, down from 6.9% last quarter. This marks the index's first decline since the start of 2016. The number of cities registering annual price growth above 20% has fallen from 12 to nine in the last three months, with Chinese cities less dominant at the top of the rankings.

Last quarter, seven of the top ten rankings equated to Chinese cities, three months on, only three Chinese cities remain; Wuxi, Zhengzhou and Changsha. However, this is a deceleration rather than a crash. Prices are still rising on a year-on-year basis in all twenty of the Chinese cities we track within the index. The outliers have reduced in number and the lower tier cities are now outpacing cities such as Shanghai and Beijing, which have seen the most stringent cooling measures.

Toronto leads the rankings this quarter with prices ending the year to June 29% higher. Following the introduction of a new tax on foreign buyers in April of this year, Toronto may follow Vancouver's path and see price growth moderate in the coming months. Our index covers the period to June 2017 but the latest data from the Bank of Canada shows Toronto registered a decline in prices in August – the first since January 2016.

Long-term frontrunners such as Hong Kong, Reykjavik, Wellington and Budapest are holding firm but this quarter we have seen some new contenders rise up the rankings, most notably some key Indian cities.

A year ago, the ten Indian cities tracked by our index averaged 3% annual price growth, today this figure has jumped to 12%.

Analysis of key economic and political groupings, from the G8 to BRICs and MINTs, highlights the extent to which house price growth is accelerating fastest in cities located within emerging markets (figure 3). Cities in the BRIC nations averaged 7.5% annual growth to June 2017 compared with cities in the European Union, which averaged 4.7% over the same period.

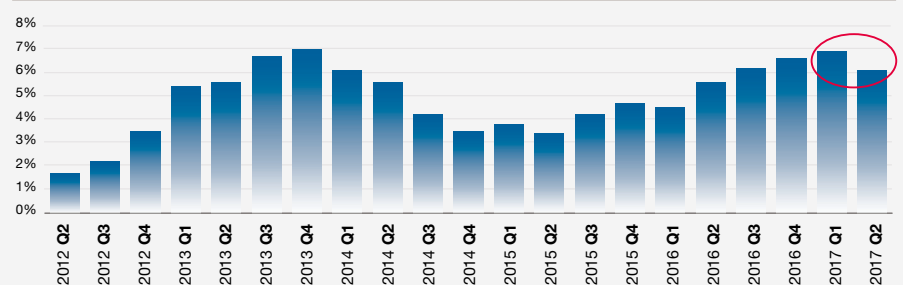
The number of cities registering declining house prices year-on-year remains static at 27 but European cities are increasingly well-represented at the bottom of the table, particularly those in the southern European economies such as Greece, Cyprus and Italy.

Analysis by world region highlights Asia's outperformance with prices rising by 10.9% on average across the region (figure 4). At the other end of the rankings, Africa stands out as the only world region to see average urban house prices decline year-on-year.

FIGURE 1

### Global Residential Cities Index Q2 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

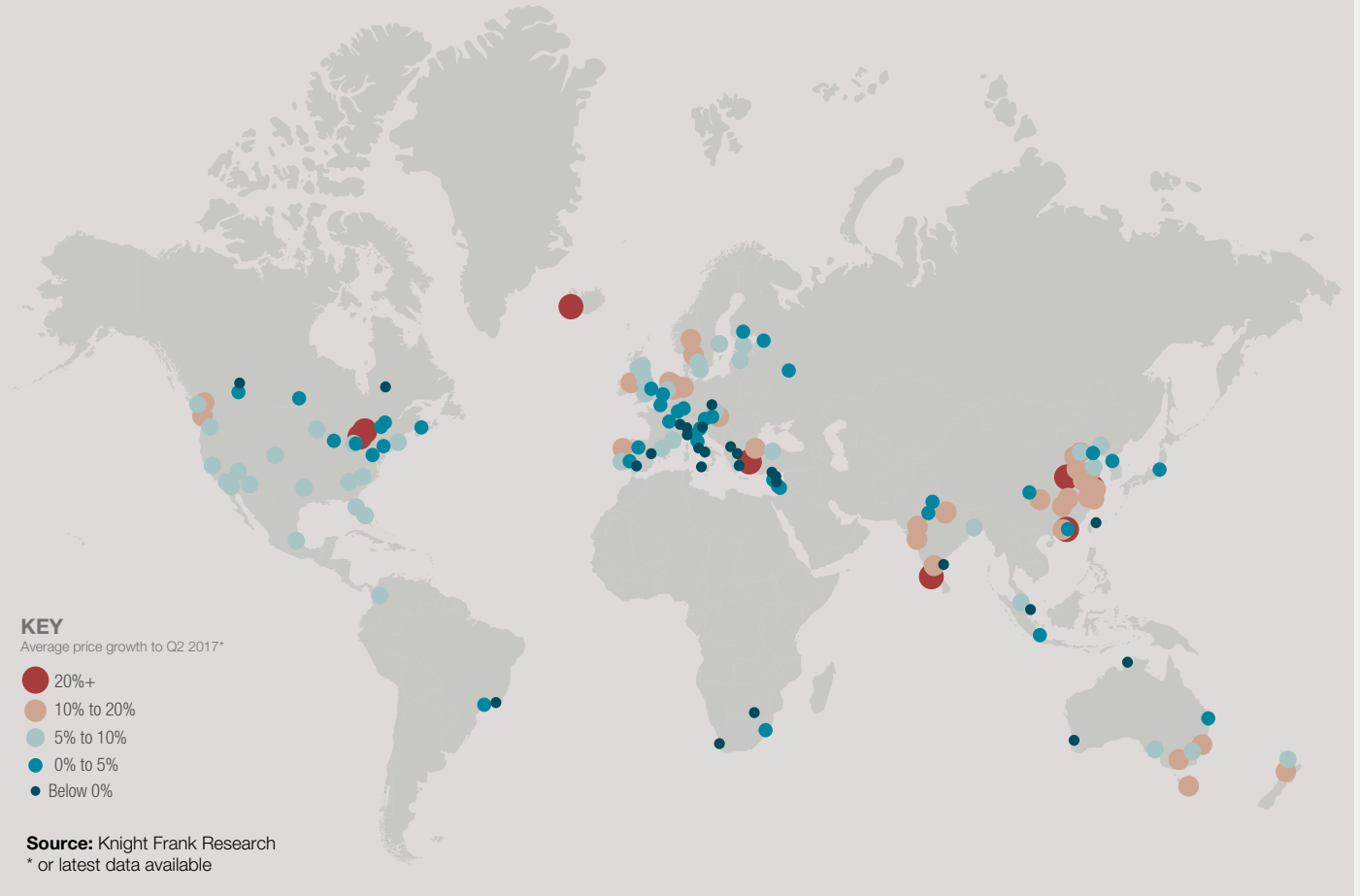
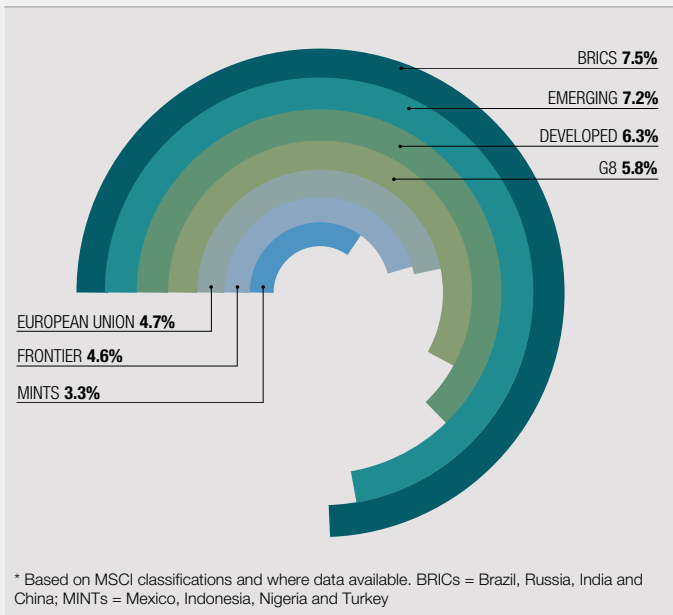
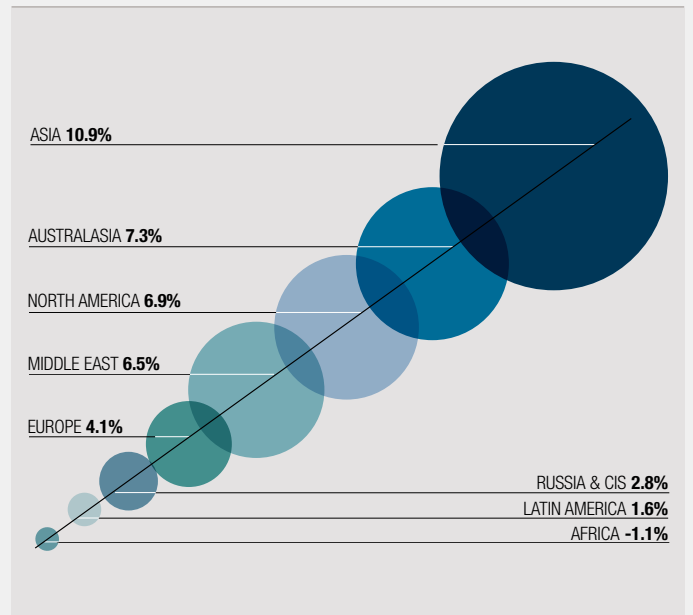


FIGURE 3  
**The bigger picture\***  
 Average annual % change to Q2 2017



**Source:** Knight Frank Research

FIGURE 4  
**Asia in front**  
 Average annual % change to Q2 2017, by world region



**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, Q2 2017 Ranked by annual % change

Rank	City	12-month % change (Q2 2016-Q2 2017)	Rank	City	12-month % change (Q2 2016-Q2 2017)	Rank	City	12-month % change (Q2 2016-Q2 2017)
1	Toronto, CA	29.3%	51	Portland, US	8.2%	101	St. Petersburg, RU	3.0%
2	Kochi, IN	27.3%	52	Vancouver, CA	8.1%	102	Washington, US	3.0%
3	Hamilton, CA	25.6%	53	Canberra, AU	7.9%	103	Brisbane, AU	3.0%
4	Reykjavik, IS	25.0%	54	Kuala Lumpur, MY	7.9%	104	Zurich, CH	2.9%
5	Wuxi, CN	23.0%	55	Dallas, US	7.7%	105	Shenzhen, CN	2.7%
6	Hong Kong, HK**	21.5%	56	Lisbon, PT	7.7%	106	Moscow, RU	2.6%
7	Zhengzhou, CN	20.2%	57	Glasgow, UK	7.7%	107	Jaipur, IN	2.6%
8	Izmir, TR	20.2%	58	Yantai, CN	7.6%	108	Jerusalem, IL	2.6%
9	Changsha, CN	18.5%	59	Detroit, US	7.6%	109	Lille, FR	2.2%
10	Wellington, NZ	18.1%	60	Denver, US	7.6%	110	Montreal, CA	2.2%
11	Guangzhou, CN	17.9%	61	Las Vegas, US	7.2%	111	Chengdu, CN	2.1%
12	Victoria, CA	17.4%	62	San Diego, US	7.2%	112	Bologna, IT*	2.1%
13	Mumbai, IN	17.3%	63	Copenhagen, DK	7.1%	113	Halifax, CA	1.8%
14	Kanpur, IN	17.2%	64	Tampa, US	7.0%	114	Venice, IT*	1.7%
15	Lucknow, IN	16.2%	65	Barcelona, ES	6.8%	115	Calgary, CA	1.4%
16	Budapest, HU	16.0%	66	Bratislava, SK	6.7%	116	Sevilla, ES	1.2%
17	Jinan, CN	15.9%	67	Stockholm, SE	6.3%	117	Winnipeg, CA	1.0%
18	Ahmedabad, IN	15.3%	68	Boston, US	6.3%	118	Limassol, CY	0.9%
19	Bengaluru, IN	14.9%	69	San Francisco, US	6.2%	119	Sao Paulo, BR	0.8%
20	Wuhan, CN	14.9%	70	Brussels, BE	6.2%	120	Florence, IT*	0.6%
21	Hangzhou, CN	14.6%	71	Charlotte, US	6.0%	121	Tokyo, JP	0.3%
22	Sydney, AU	13.8%	72	Phoenix, US	5.8%	122	Zagreb, HR	0.3%
23	Melbourne, AU	13.8%	73	Manchester, UK	5.7%	123	Ljubljana, SI	0.3%
24	Nanjing, CN	13.6%	74	Minneapolis, US	5.7%	124	Malaga, ES	-0.1%
25	Amsterdam, NL	13.4%	75	Birmingham, UK	5.7%	125	Nicosia, CY	-0.1%
26	Rotterdam, NL	13.4%	76	Los Angeles, US	5.5%	126	Vienna, AT	-0.1%
27	Seattle, US	13.4%	77	Bogota, CO	5.4%	127	Edmonton, CA	-0.1%
28	Oslo, NO	13.0%	78	Atlanta, US	5.4%	128	Tel Aviv, IL	-0.3%
29	Tianjin, CN	12.9%	79	Nottingham, UK	5.4%	129	Quebec, CA	-0.6%
30	Hobart, AU	12.4%	80	Mexico City, MX	5.3%	130	Chennai, IN	-0.9%
31	Utrecht, NL	12.4%	81	Marseille, FR	5.2%	131	Larnaca, CY	-0.9%
32	Chongqing, CN	12.0%	82	Bristol, UK	5.2%	132	Taipei City, TW	-1.0%
33	Beijing, CN	11.5%	83	Adelaide, AU	5.0%	133	Athens, GR	-1.2%
34	Gothenburg, SE	11.5%	84	Miami, US	5.0%	134	Thessaloniki, GR	-1.3%
35	Qingdao, CN	11.5%	85	Dalian, CN	4.9%	135	Milan, IT*	-1.3%
36	Dublin, IE	11.1%	86	London, UK	4.1%	136	Trieste, IT*	-1.3%
37	Hague, NL	10.5%	87	Madrid, ES	3.9%	137	Turin, IT*	-1.8%
38	Istanbul, TR	10.5%	88	Durban, ZA	3.9%	138	Singapore, SG	-2.1%
39	Ningbo, CN	10.1%	89	New York, US	3.9%	139	Cape Town, ZA	-2.1%
40	Porto, PT	10.0%	90	Lyon, FR	3.8%	140	Rio de Janeiro, BR	-2.2%
41	Shanghai, CN	10.0%	91	Jakarta, ID***	3.7%	141	Perth, AU	-3.1%
42	Auckland, NZ	9.8%	92	Cleveland, US	3.5%	142	Rome, IT*	-3.6%
43	Riga, LV	9.5%	93	Delhi, IN	3.5%	143	Palermo, IT*	-3.7%
44	Shenyang, CN	9.1%	94	Paris, FR	3.5%	144	Napoli, IT*	-4.2%
45	Kolkata, IN	9.0%	95	Haifa, IL	3.4%	145	Darwin, AU	-4.9%
46	Edinburgh, UK	9.0%	96	Bern, CH	3.4%	146	Johannesburg, ZA	-5.1%
47	Malmö, SE	8.9%	97	Ottawa Gatineau, CA	3.3%	147	Genoa, IT*	-6.1%
48	Tallinn, EE	8.7%	98	Chicago, US	3.2%	148	Valencia, ES	-6.9%
49	Ankara, TR	8.5%	99	Helsinki, FI	3.1%	149	Skopje, MK	-7.0%
50	Tangshan, CN	8.3%	100	Seoul, KR	3.1%	150	Aberdeen, UK	-9.5%

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 Q2 2017 except: Ahmedabad, Auckland, Bengaluru, Brussels, Budapest, Chennai, Delhi, Jaipur, Kanpur, Kochi, Kolkata, Kuala Lumpur, Larnaca, Lille, Limassol, Lucknow, Lyon, Marseille, Mumbai, Nicosia, Santiago, Skopje, Vienna, Wellington and Zagreb to Q1 2017; Brussels and Tallinn to Q4 2016 and Cape Town, Durban and Johannesburg to Q3 2016.

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