

REAL ESTATE

## Urban markets see price hikes after real estate growth

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*View from Mandarin Oriental New York Central Park*

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There has been a significant increase in international housing prices within the past year, and urban cities are leading ahead of national standards, according to Knight Frank.

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For the second quarter of 2016, the real estate industry saw the strongest annual growth rate within two years, at an increase of 5.5 percent. While urban cities are ahead of most national averages in their respective countries, Chinese cities are leading the way with six of the top 10 being major municipalities in China for annual price growth.

"Of the 150 cities tracked by the index, 76 percent saw house prices increase in the year to June 2016," said Kate Everett-Allen, partner of international residential research at **Knight Frank**. "A comparison of our global indices shows urban house prices are outperforming their national averages.

"Our global cities index (tracking 150 cities) is outperforming our equivalent national index (tracking 55 countries)," she said.

### City success

Knight Frank found that there has been a 76 percent increase in real estate prices leading up to June 2016 from 2015. Shenzhen, China is still ahead in terms of pricing and growth, per usual.

However, the Chinese city saw a decline in growth, slowing from a 63 percent increase down to 43 percent. While China saw six of its cities on the top 10 list, four British cities were included within the top 10 European cities.

China's top six cities on the global list are Shenzhen, Shanghai, Nanjing, Beijing, Guangzhou and Hangzhou. The top four British cities on the European list are Bristol, London, Nottingham and Birmingham.



*London's Hyde Park*

Growth is strong for these Chinese and European cities but Moscow has taken up the bottom ranking position with a drop in prices falling 11 percent from last year to June 2016. Moscow's decrease is likely due to the area's volatile economy.

Cities such as Jaipur, India also saw declines. As with Moscow, the declines are tied to the country's economy.

Istanbul, Turkey and Stockholm, Sweden are also dropping within the rankings, with Istanbul slipping from third to ninth and Sweden from sixth to 29.

The drops in growth and pricing are not seen across the board, but instead most real estate markets are seeing the opposite. Almost 114 out of the 150 cities studied saw growth in annual prices, and 31 of those cities saw more than a double-digit increase.

Shenzhen, China; Shanghai; Nanjing, China; Budapest, Hungary and Vancouver, Canada make up the top five cities on the best performing global list.



*Vancouver home image courtesy of Knight Frank*

Budapest is Europe's top performing housing market with a growth this year of 23.6 percent and Bristol, England in second with an increase of 15.3 percent.

Real estate information

Spikes for British real estate were likely to be seen the first week of October, and poised to be the winner during China's Golden Week this year, with a 46 percent increase in enquiry rates on listed properties prior to the holiday, according to Investorist.

During the weeklong holiday that took place in China during the first week of October, a rush of Chinese buyers was expected to travel to the United Kingdom to purchase property. Manchester and London was most likely to be the prime locations for real estate purchases during the holiday ([see more](#)).

The recent number shows that hope is on the horizon for London's real estate market following Brexit. Another report from Knight Frank revealed that there was a 22.1 percent rise in the number of new prospective buyers.

Knight Frank's Prime Central London Sales Index for August revealed the increase in interest since the European Union referendum compared to 2015. Buyers' interests in the area are growing despite the dramatization of Brexit,

with users viewing listings online 20.8 percent more since last year ([see more](#)).

The housing market trends are making a difference in the luxury real estate market with Chinese and British cities doing extremely well.

"Two trends stand out, firstly the extent to which some tier 1 Chinese cities have risen up the rankings in the last 12 months and secondly, the strong performance of key U.K. cities, outside of London," Ms. Everett-Allen said.

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