

REAL ESTATE

India, Asia push top growth for residential cities: Knight Frank

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A luxury listing rendering in Ahmedabad, India. Image credit: 99 Acres

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India is seeing significant growth all around, with three of its cities making the top 10 for increases in real estate and its economy booming by 8.2 percent in the year leading up to the second quarter of 2018.

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In Knight Frank's Global Residential Cities Index for the second quarter of 2018, India's Ahmedabad saw growth of 19 percent, making it the fastest growing city of the year. In Europe, Budapest saw the greatest annual growth in the report.

Global city growth

In addition to Ahmedabad, the Indian cities of Hyderabad and Pune ranked within the top 10 markets with the highest growth in Knight Frank's index. The cities respectively ranked at third and eighth and saw 16 percent growth and 14 percent, respectively.

The Netherlands' Rotterdam at 14 percent and Amsterdam at 13 percent followed Budapest, Hungary at 15 percent growth as the cities in Europe with the highest growth.

Residential prices in the majority of cities worldwide are seeing price growth, with 123 out of the 150 looked at seeing rises in price.

As Asia's importance in the luxury world grows, so do its real estate properties, as it was the strongest performing region worldwide. In the year leading up to June, average prices in Asia were 5.1 percent higher.

Hong Kong, a continual high performer within Knight Frank's rankings, saw 15 percent in growth, but did see a slight slowdown in annual growth compared to other years. For the first time in 12 years, the city's banks raised rates in September 2017, which fed into the marginal slow down.

Turin, Italy saw the weakest growth rate in the year compared to other cities worldwide.

Across 150 cities, the average rate of annual growth was 4.3 percent.

Real estate rates

Urban luxury residential markets grew just 2.6 percent in the year to June 2018, the weakest annual growth rate since the fourth quarter of 2012, according to prior research from Knight Frank.

Knight Frank attributes the weaker growth to several top markets increasing at a slower rate, as opposed to cities declining. Most of the faster-growing cities were in Asia, while Western European markets saw slower growth or even declines ([see story](#)).

While the volume of residential sales in London's most appealing neighborhoods climbed this August, prices of homes in outer London declined during the month.

In the central London neighborhoods of Kensington, Chelsea and Westminster, the combined number of sales above 2 million pounds, or \$2.5 million at current exchange, climbed 9 percent in the year to April 2018 compared to the previous 12 months. Outer London, however, saw a decline of 2.6 percent in the average prices of homes between 4 and 5 million pounds, or \$5.1 to \$6.4 million ([see story](#)).

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