

2019 Knight Frank Prime Global Forecast released

Knight Frank's recently released [Prime Global Forecast 2019](#) predicts a convergence of price growth across the world's luxury residential markets.



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The proliferation of property market regulations, the rising cost of finance, uncertainty surrounding Brexit and, in some markets, a high volume of new prime supply, is weighing on prime prices. However, key European cities are bucking the trend for lower growth, and are leading the rankings with prices expected to rise by 6% in Madrid, Berlin and Paris over the year.

Kate Everett-Allen, partner, international residential research at Knight Frank commented, “Of the 15 cities monitored, the key European cities of Madrid, Berlin and Paris, lead our forecast for 2019 with growth of 6%. Still positive, but marginally down on 2018, the normalisation of monetary policy, weaker economic growth and a fragile political landscape post-Brexit will influence demand, but the relative value of these cities remains a key driver.”

Knight Frank’s Prime Price Forecast 2019:

Taking account of the latest economic indicators, supply, demand and sales trends, Knight Frank predicts price performance in 15 cities worldwide:

Ranking	City	Prime Price Forecast, annual growth in 2019
1 =	Madrid	6%
1 =	Berlin	6%
1 =	Paris	6%
4	Miami	5%
5	Vancouver	3%
6	Los Angeles	2%
7	Sydney	2%
8	Geneva	1%
9	Melbourne	1%
10	London	1%
11	New York	0%
12	Singapore	0%
13	Dubai	-2.4%
14	Mumbai	-5%
15	Hong Kong	-10%

Top performers over the last 10 years:

- Prices in Vancouver have risen by 101.5%.
- Sydney sits in third place with a rise of 60%.
- New York comes bottom of the ranking recording price growth of 15.2% over the 10-year period.

Events to watch in 2019

A number of key events in 2019 are likely to impact prime residential markets:

- The UK is expected to leave the EU on 29 March 2019.
- New five to 10-year investment visas and five-year retirement visa for 55 yrs+.
- The government in Mumbai will begin to implement a developer tax on unsold inventory.
- In Hong Kong, stamp duty is likely to remain unchanged but loan-to-value ratios could be relaxed.
- The full implications of state and local tax deductions (SALT) in the US will be understood in April 2019 as tax returns are filed.

Trends to monitor:

- Follow the tech – universities, startup industries and technology parks will be key drivers of future growth.
- 2019 may be the year US buyers increase their share of overseas purchases.
- In established western markets, non-traditional real estate sectors such as student accommodation, retirement living and build-to-rent will outperform the wider market.
- More cities will enter the ultra-prime market. San Francisco, Chicago, Dallas, Beijing and Shanghai are expected to join the select club of cities where three or more sales above \$25m take place annually.