Global Residential Signals

July 2026

A snapshot of prime **global** residential market trends

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Prime housing markets set for stronger growth in 2027 as Asia leads the rankings

Forecasts

Average prime residential price growth across 20 global cities is forecast to rise from 1.6% in 2026 to 2.2% in 2027, pointing to improving conditions in the world's luxury housing markets. While growth remains modest by historical standards, Knight Frank's forecasts point to a broader improvement in market conditions. Average growth is expected to strengthen in 2027 as a number of cities currently in negative territory move back into positive growth, while many of the strongest-performing markets continue to record solid price gains.

Seoul is forecast to be the strongest-performing city in both years, with prime prices expected to rise by 11% in 2026 and a further 6% in 2027. A prolonged shortfall in new housing supply continues to underpin the market, while wealthy domestic buyers and overseas Koreans increasingly favour trophy assets in the capital's most desirable districts.

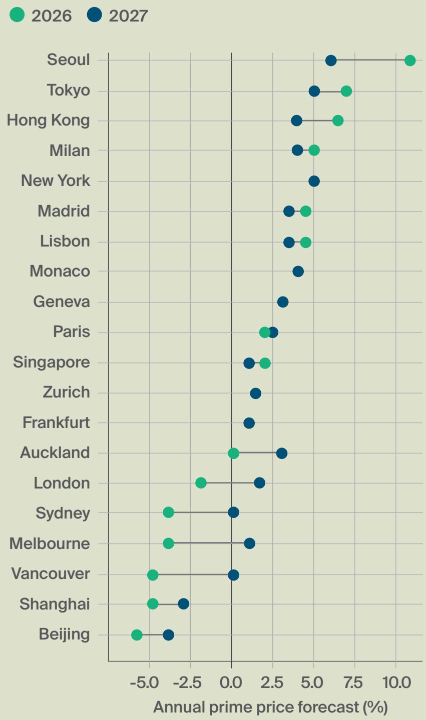
Tokyo remains among the top-ranked cities across the forecast period, holding second place in 2026 and sharing second place with New York in 2027. Although rising interest rates are beginning to temper activity, demand remains robust and is expected to support continued growth.

Hong Kong ranks third in 2026, with prime prices forecast to rise 6.5%. Improving sentiment and a growing preference for high-quality developments in prime locations are supporting activity at the top end of the market. While values remain below their previous peak, this leaves scope for further recovery over the next two years.

Outside Asia, New York and Milan complete the top five. In New York, luxury buyers remain active despite the introduction of Mayor Zohran Mamdani's new tax on high-value second homes. Luxury sales activity continues to strengthen, with transactions above $20 million rising 25% year-on-year and those in the $10–20 million segment increasing 38.6%, according to Compass' second-quarter Manhattan market report. This resilience is supported by favourable long-term wealth trends: North America is forecast to account for 43% of the world's ultra-high-net-worth (UHNW) population by 2031, up from 37% today, providing a growing pool of wealth to support activity at the top end of the market (see Fig. 3).

> "Overseas demand remains a consistent source of support, with no city forecasting a decline in international buyer interest."

Fig 2. Global prime residential forecasts: 2026 vs 2027



Source: Knight Frank Research

Fig 1. Prime residential price growth forecasts (%)

Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
City	Seoul	Tokyo	New York	Hong Kong	Milan	Monaco	Lisbon	Madrid	Geneva	Auckland	Paris	London	Zurich	Singapore	Frankfurt	Melbourne	Sydney	Vancouver	Shanghai	Beijing
2026	11.0	7.0	5.0	6.5	5.0	4.0	4.5	4.5	3.0	0.0	2.0	-2.0	1.5	2.0	1.0	-4.0	-4.0	-5.0	-5.0	-6.0
2027	6.0	5.0	5.0	4.0	4.0	4.0	3.5	3.5	3.0	3.0	2.5	2.0	1.5	1.0	1.0	1.0	0.0	0.0	-3.0	-4.0

Source: Knight Frank Research

Against this backdrop, New York is forecast to move into joint-second place with Tokyo by 2027, overtaking Hong Kong. Milan also retains a top position in both years, reflecting its growing appeal among international buyers. Strong wealth inflows and rising global interest continue to support demand, while a pipeline of high-end developments, serviced residences and premium refurbishments is helping to broaden what has traditionally been a limited supply of luxury homes.

Correction markets begin to find a floor

At the other end of the rankings, several cities remain in the latter stages of a correction cycle. Beijing and Shanghai continue to face pressure from elevated supply and weaker buyer confidence, although policy support is helping to stabilise market activity. Vancouver is also contending with high inventory levels following a wave of apartment completions, while Melbourne and Sydney continue to face headwinds from changes to the investment landscape. In Australia, higher interest rates and recent tax reforms are expected to temper price growth by reducing borrowing capacity and cooling investor activity.

London remains under pressure from a combination of non-dom reforms and high borrowing costs, with prime values forecast to decline in 2026 before stabilising in 2027.

While performance remains highly varied across cities, Knight Frank's forecasts point to stronger growth in 2027 than in 2026. Asian markets are expected to continue lead the rankings, with Seoul retaining the top position, while Tokyo and New York share second place in 2027. Milan remains Europe's highest-ranked city throughout the forecast period.

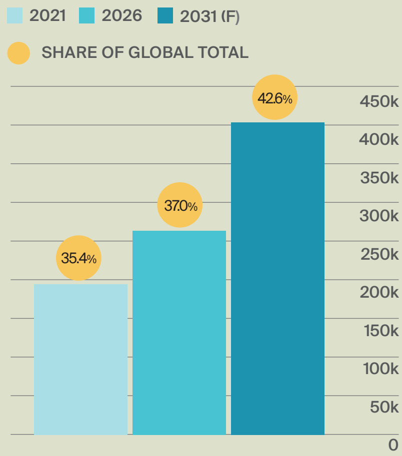
Survey results

Most prime residential markets expect activity to hold firm or improve in the second half of 2026 compared with H1 (see Fig. 4). Half of the 15 cities surveyed anticipate stronger demand, sales volumes and foreign buyer activity, while only a minority expect conditions to weaken.

Overseas demand remains a consistent source of support, with no city forecasting a decline in international buyer interest. Monaco and Paris stand out, with both expecting a significant increase in foreign buyer activity in the latter half of the year.

At a city level, Monaco is the strongest performer overall, with demand rising sharply against a backdrop of increasingly constrained supply. Across Asia, Beijing, Seoul, Shanghai and Hong Kong all expect sales activity to improve. By contrast, Sydney and Melbourne remain among the more cautious markets, with both demand and transaction volumes expected to soften in H2 2026.

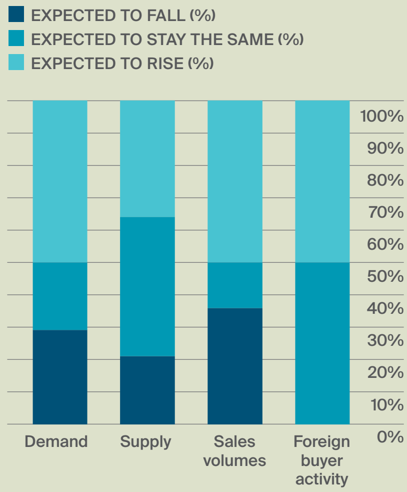
Fig 3. North America UHNW (US$30m+) populations



Source: Knight Frank Research

Fig 4. Most markets expect demand and sales to hold firm or strengthen in H2 2026

Share of markets*



Source: Knight Frank Research

*Based on responses from Knight Frank researchers across 15 global prime residential markets, comparing expected H2 2026 conditions with H1 2026

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