

Top 35 PIRI average prices for residential property, December 2007 (source: Knight Frank)

Location	€ per sq ft	\$ per sq ft	€ per sq m
London, UK	3,025	6,191	46,000
Monaco	2,877	5,888	43,750
St Jean Cap Ferrat, France	2,860	5,853	43,490
Courchevel, France	2,302	4,710	35,000
Manhattan, USA	2,111	4,320	32,100
Cortina d'Ampezzo, Italy	1,480	3,028	22,500
Portofino, Italy	1,315	2,692	20,000
Singapore	1,197	2,450	18,202
Verbier (new developments), Switzerland	1,136	2,325	17,273
Moscow, Russia	1,092	2,235	16,610
St Tropez, France	1,029	2,106	15,650
Hong Kong, China	988	2,021	15,020
St Petersburg, Russia	946	1,937	14,390
Sydney, Australia	941	1,926	14,310
Paris, France	915	1,872	13,910
Verbier, Switzerland	884	1,809	13,440
Rome, Italy	859	1,758	13,060
Gstaad, Switzerland	792	1,622	12,050
Venice, Italy	753	1,541	11,450
Valais, Switzerland	671	1,373	10,200
Geneva, Switzerland	605	1,238	9,200
Florence, Italy	580	1,187	8,820
Barbados	562	1,151	8,550
Surrey, UK	560	1,147	8,520
Madrid, Spain	517	1,058	7,860
Côte d'Azur, France	510	1,044	7,760
Buckinghamshire, UK	500	1,023	7,600
Hampshire, UK	487	997	7,410
Mallorca, Spain	475	973	7,230
Bermuda	475	972	7,220
Edinburgh, UK	450	921	6,840
Milan, Italy	449	919	6,830
Berkshire, UK	434	888	6,600
Chianti, Italy	425	869	6,460
Dublin, Ireland	414	848	6,300

accumulation in emerging economies and high-end service sector activities will also continue.

Western Europe

With the significant exception of London, the main Swiss centres and Monaco, most European locations saw price growth well below the global average. Dublin (-15%) and Ibiza (-13%) saw the biggest price declines overall. European markets have to some extent stagnated, due in part to high price growth in previous years squeezing affordability and also the slowdown in the Eurozone economy.

Africa, Asia and Australia

Capital values in Marrakech have increased by 12%. Low initial prices, together with rapid improvements in the local economy, have also yielded significant price growth in other African markets. In Botswana, for instance, growth was 25% in 2007 for prime landed properties. Prime markets in Asia are benefiting from significant economic growth. There are ripple effects in the local economy and this boosts local demand. Malaysia, for example, has seen growth at 22%.

Australian prime residential markets have seen a solid performance in recent years. After the market slowdown in 2004 and 2005, prime market locations in Sydney and elsewhere have seen fairly constant growth in demand. Prices rose by around 9% in both prime Sydney and prime Gold Coast locations.

The US and South America

With the notable exception of Manhattan, the prime markets in the US did not experience an especially strong performance in 2007. Pulled down by ongoing problems in the mainstream US market, the prime markets managed growth at or around only 2%. The weak dollar has increased the attractiveness of Caribbean destinations for non-American buyers. As a result, prices rose steadily in Barbados (12%) and the Cayman Islands (9%). The star performer was Antigua, which saw price growth at more than 40% through the year.

Brazil is seeing healthy growth in the prime residential markets. For example, São Paulo saw 8% growth in prices during 2007 following strong growth in 2005 and 2006. With prices for prime property standing at an average of only €1,520 per square metre, there is considerable room for growth over the next few years. So, although lenders have been widening access to mortgage finance and developers have increased newbuild supply over time, there now appears to be only a limited risk of a bubble developing in the prime city and coastal markets.