

The Prime Global Rental Index tracks the movement of prime residential rents across ten cities using data from our global research network. The index tracks nominal rents in local currency.



Prime Global Rental Index

Q3 2022

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HEADLINES

New York

THE CITY THAT SAW THE STRONGEST RISE IN PRIME RENTS IN THE YEAR TO Q3 2022

10.2%

THE AVERAGE ANNUAL INCREASE IN PRIME RENTS IN THE 12 MONTHS TO Q3 2022

19%

ANNUAL RENTAL GROWTH IN PRIME CENTRAL LONDON REACHED 19% IN Q3 2022, DOWN FROM 27% LAST QUARTER

2

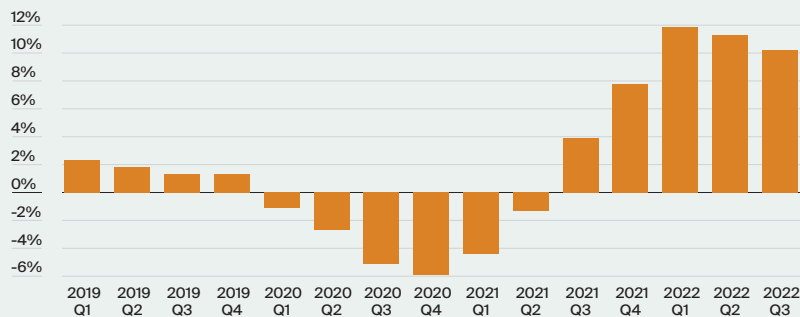
THE NUMBER OF CITIES WHERE PRIME RENTS ARE FALLING YEAR-ON-YEAR

6%

THE FORECAST FOR RENTAL GROWTH IN PRIME CENTRAL LONDON IN 2023

Prime rental growth dips for first time since Q4 2020

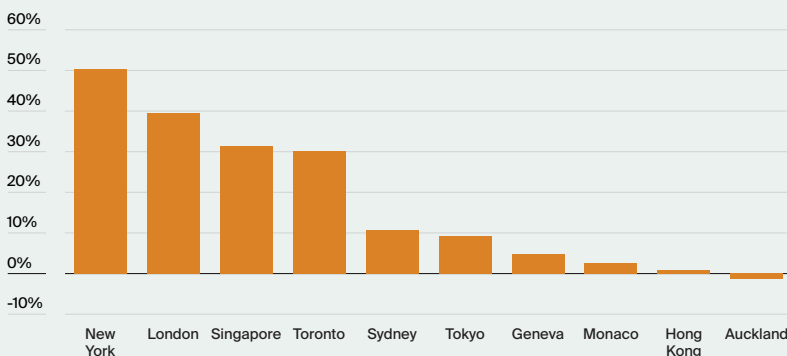
Average annual % change



Source: Knight Frank Research, Macrobond, IAZI AG - CIFI SA, StreetEasy

New York and London see biggest recovery in prime rental growth

% change since pandemic low



Source: Knight Frank Research, Macrobond, IAZI AG - CIFI SA, StreetEasy

Prime rents continue to rise but the rate of growth is slowing. Across ten global cities luxury rents increased 10.2% on average in the 12 months to Q3 2022, down from a high of 11.9% in Q1 2022.

New York led the rankings for the third consecutive quarter. Annual growth may have dipped from a high of 39% last quarter to 31%, but limited stock and continued demand is keeping rents elevated. The number of properties for rent across Manhattan is down 5% over the quarter but 65% lower compared to pandemic times in September 2020 according to StreetEasy.

Singapore sits in second place, registering a 23% rise in luxury rents over the last 12 months. The opening of borders, along with the introduction of new visas to attract top talent from around the world, has generated an uptick in demand. New rules announced in September mean those looking to sell their private home and purchase a non-subsidised Housing and Development Board (HDB) resale flat now have to wait 15 months, this policy shift is adding to rental

demand as sellers opt to rent in the interim.

London completes the top three. Although the UK capital recorded a 19% rise in the year to Q3 2022, annual rental growth is down from 27% last quarter, reflecting the slowdown from the summer rental peak. But demand remains strong. *Knight Frank data* shows the number of new prospective tenants was 60% above the five-year average (excluding 2020) in October, while new listings were down by about a third.

Two cities saw prime rents decline year-on-year, Hong Kong (-5%) and Auckland (-2%). Demand in Hong Kong was largely locally-driven in the third quarter due to travel constraints, but with restrictions on new arrivals now lifted, demand may start to increase from expats. In Auckland, strong supply is having a softening effect on luxury rents. Following nine base rate hikes, the average mortgage rate is currently around 6% prompting some vendors to downsize temporarily and rent rather than sell their property.

THE KNIGHT FRANK PRIME GLOBAL RENTAL INDEX, Q3 2022
Ranked by annual change

	CITY	WORLD REGION	12-MONTH % CHANGE	3-MONTH % CHANGE
1	New York	AMERICAS	31.3%	2.6%
2	Singapore	APAC	22.9%	7.0%
3	London	EMEA	18.6%	5.6%
4	Toronto	AMERICAS	14.5%	6.9%
5	Sydney	APAC	8.9%	0.3%
6	Geneva	EMEA	3.4%	-0.1%
7	Monaco	EMEA	2.7%	0.0%
8	Tokyo	APAC	2.1%	0.7%
9	Auckland	APAC	-2.2%	-3.1%
10	Hong Kong	APAC	-5.0%	-1.8%

Source: Knight Frank Research, Macrobond, IAZI AG - CIFI SA, StreetEasy

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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Prime property definition: The most desirable and expensive property in a given location, generally defined as the top 5% of each market by value. Prime markets often have a significant international bias.

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