

# Prime Global Rental Index



Q4 2022

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.

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## Singapore usurps New York as the city with the strongest rental growth

- Prime rents have remained robust across many global cities, but the overall rate of annual growth is starting to slow. The Prime Global Rental Index increased 10.3% in the year to December 2022, down from a peak of 11.8% in March 2022.

Singapore leads the Q4 2022 rankings, pushing New York off the top spot. Singapore's annual rental growth grew from 23% in Q3 to 28% in Q4 2022, with limited stock and strong demand driving prices higher.

According to Leonard Tay, Knight Frank's Head of Research in Singapore, "Around 17,000 new private homes are set for completion in 2023 that should provide some relief to accommodation pressures.

However, until such time, it will remain a landlord's market and rents are likely to rise further." Singapore's new visa rules, introduced in January 2023, offer a five-year work visa for specific tech-based professionals who earn over S\$30,000 per month, the measure is likely to supplement tenant demand further.

New York occupies second place in the annual rankings, registering 19% annual growth, with rents up 48%

### Singapore

The city that saw the strongest rise in prime rents in the year to Q4 2022

10.3%

The average annual increase in prime rents in the 12 months to Q4 2022

3.8%

The increase in Auckland's prime rents in 2022, up from -2.2% last quarter

### Hong Kong

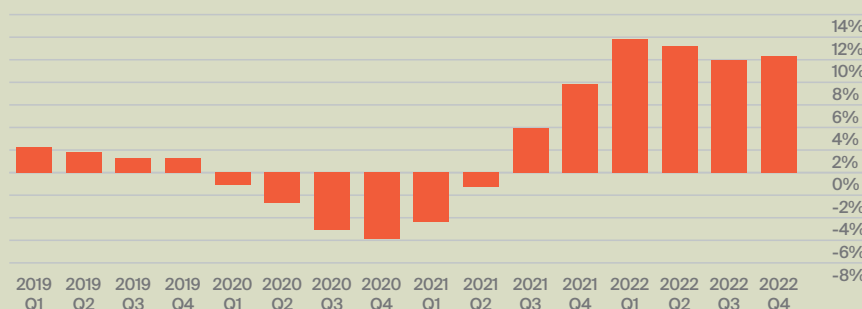
The city recording the largest fall in prime rents year-on-year, down 6.4%

6%

The forecast for rental growth in prime central London in 2023

Fig 1: Prime rents still averaging double-digit annual growth

Average annual % change



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

since their pandemic low in Q4 2020. Tight stock levels, rental listings were down 15% in December from their high in August, along with higher mortgage costs for would-be purchasers are resulting in a demand/supply imbalance.

London registered 18% prime rental growth in the year to Q4 2022. Demand remains robust with prospective tenants 27% above their

five-year average in November. Knight Frank forecasts rents in prime central London will rise by 6% in 2023, as potential buyers wait out the economic turbulence before looking to purchase a home.

The rebirth of the city following the pandemic sees several prime global rental markets struggling with stock. Toronto and Tokyo registered annual rental growth of 15% and 8%, respectively, with both markets facing competitive demand.

Hong Kong saw the largest fall in prime rents year-on-year, down 6.4%. As many international corporations have deferred expansion plans within the region, demand from corporate tenants has softened.

With many investors eyeing the rental market as an inflation hedge, providing shelter during economic turbulence, we expect prime investment markets to see robust activity in the short to medium-term.

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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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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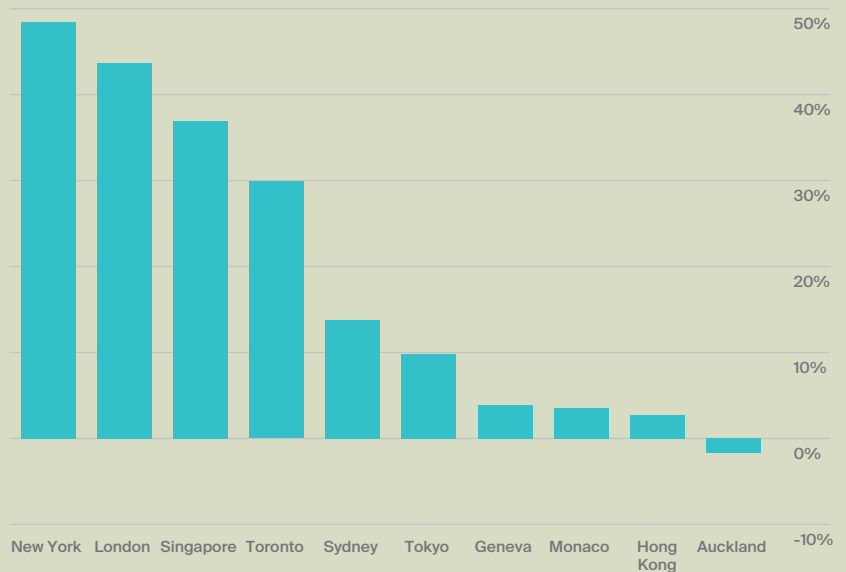
## PRIME GLOBAL RENTAL INDEX, Q4 2022

Ranked by annual change in nominal terms

Rank/Location	12-month % change	3-month % change
1 Singapore	28.2%	7.3%
2 New York	18.6%	0.0%
3 London	17.8%	2.9%
4 Toronto	15.0%	-0.2%
5 Tokyo	8.4%	3.9%
6 Sydney	6.7%	3.7%
7 Auckland	3.8%	5.4%
8 Geneva	3.8%	1.0%
9 Monaco	2.7%	0.0%
10 Hong Kong	-6.4%	-1.4%

Source: Knight Frank Research, Macrobond, IAZI AG - CIFI SA, StreetEasy  
Note: All data to Q4 2022 except Monaco to Q3 2022

**Fig 2: New York and London see biggest recovery in prime rental levels**  
% change since pandemic low



Source: Knight Frank Research, Macrobond, IAZI AG - CIFI SA, StreetEasy  
Note: All data to Q4 2022 except Monaco to Q3 2022