

REAL ESTATE

Vancouver boasts best performing prime real estate market in 2016: Knight Frank

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Knight Frank listing in Vancouver

By STAFF REPORTS

Canada's Vancouver tops Knight Frank's rankings of the prime global cities with the greatest increase in real estate prices.

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From the third quarter of 2015 to the same period of 2016, Vancouver's real estate prices grew 31.6 percent, coming in ahead of second place Shanghai's 23.4 percent. The overall Prime Global Cities Index rose 3.8 percent in a year, however about half of the cities tracked experienced a slowing in price growth into the third quarter.

Knight Frank's Prime Global Cities Index follows the trajectory of luxury residential real estate prices in key cities around the world.

Year in review

When it comes to tax-efficient locations, Hong Kong is the preferred spot for entrepreneurs, with London coming in second. However, London was named the most important city for the world's wealthy, followed by New York and Singapore.



Hong Kong; image courtesy of Knight Frank

Those with families tend to prefer Luxembourg, while retired couples choose Sydney.

The Prime Global Rental Index flat lined in the past year, recording 0 percent growth. North American luxury rents, however, outperformed the average with 5.1 percent growth.

In August, Knight Frank noted that its global price index increased 4.4 percent, the most in two years, even as traditional players have faltered ([see story](#)).

The consultancy expects that the value of the U.S. dollar will affect the global residential real estate market in the foreseeable future.

"Global wealth flows have continued to shape prime property markets in 2016 with security, currency and education all emerging as influential market drivers," said Kate Everett-Allen, partner, international residential research at Knight Frank.

"The traditional first tier safe haven markets such as London, New York and Hong Kong are seeing weaker capital appreciation and we've seen the unraveling of price booms in cities such as Vancouver and Auckland as policymakers use tax and regulatory measures to dampen price inflation," she said.

"All eyes will be on China in the coming months and its attempts to reign in prices in its largest cities. Emerging markets will continue to see an outflow of wealth but the extent to which these buyers are willing to offset their appetite for capital growth against their preference for transparency and good governance will determine the direction of such capital flows."

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