

The Global House Price Index tracks the movement of average residential prices across 56 countries and territories worldwide. The index tracks nominal and real price growth in local currencies.

Global House Price Index

Q2 2022

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HEADLINES

TURKEY

THE COUNTRY WITH THE HIGHEST RATE OF ANNUAL PRICE GROWTH IN THE YEAR TO Q2 2022

10.0%

AVERAGE ANNUAL PRICE CHANGE ACROSS 56 COUNTRIES AND TERRITORIES (NOMINAL TERMS)

1.6%

AVERAGE ANNUAL PRICE CHANGE ACROSS 56 COUNTRIES AND TERRITORIES (REAL TERMS)

7

THE NUMBER OF MARKETS WHERE PRICES DECLINED IN THE LATEST 3-MONTH PERIOD

51

OUT OF 56, THE NUMBER OF MARKETS WHERE HOUSE PRICES INCREASED ON AN ANNUAL BASIS

Global housing markets have wrongfooted us this quarter. We expected a notable slowdown in the second quarter, both in terms of the index's overall performance and in relation to the number of countries seeing house price declines in annual terms. Neither materialised.

The overall index is still rising at 10% per annum, down only marginally from 10.9% last quarter.

Plus, 51 of the 56 countries and territories tracked continue to register an increase in house prices on an annual basis despite the clouds, or rather storms, on the economic horizon.

Even when we look at the data over the last three months that figure only drops to 49 of the 56 markets.

Perhaps we're premature with our doom mongering and the inflection point will be next quarter.

As you would expect in real terms markets are feeling the pinch. When taking inflation into account, house prices in real terms are averaging just 1.6% growth in the year to Q2 2022, down from 6.2% a year earlier.

Asia Pacific

Although the global picture in nominal terms is one of relative resilience, there are signs Asia Pacific is ahead of the curve when it comes to the slowdown. Of the seven markets that saw prices decline between March and June 2022, six are in the Asia Pacific region: Hong Kong, South Korea,

Chinese mainland, Australia, Malaysia, and New Zealand.

New Zealand has seen the biggest decline with prices down 3% on a 3-month basis. New responsible lending laws and seven rate rises since October 2021 have shifted buyer sentiment, from a fear of missing out to a fear of overpaying.

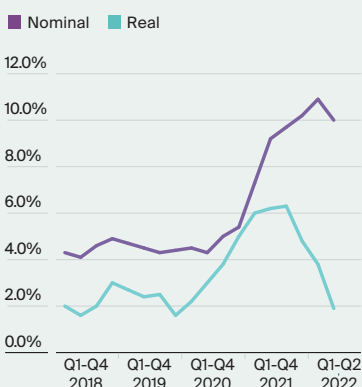
Europe

Central and Eastern European countries are still performing strongly despite the proximity of the Ukraine crisis. Slovakia (26%), Czech Republic (24%), Estonia (21%), Hungary (20%), Latvia (17%) and Slovenia (17%) all sit within the top ten this quarter.

And elsewhere....

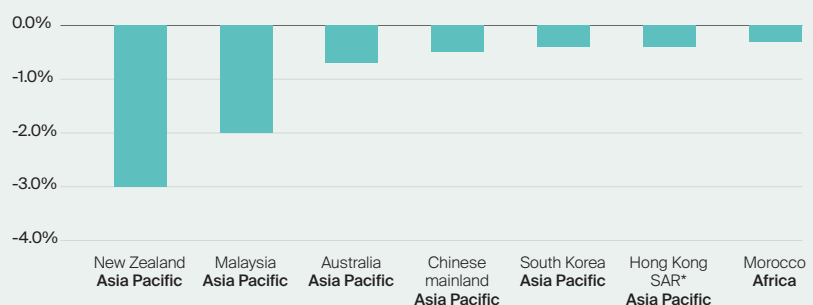
Turkey's triple-digit annual growth of 161% can largely be ignored with inflation at a

Fig 1: The impact of inflation on global house prices
GHPI annual % change



Source: Knight Frank Research, Macrobond

Fig 2: Which markets recorded a decline in house prices in the latest 3-month period?



Source: Knight Frank Research, Macrobond

24-year high of almost 80% and with interest rates heading south this figure may yet increase.

The US housing market is resilient in sixth place with 21% annual growth, but a slowdown is on the cards. Higher mortgage rates led to another fall in existing home sales in July, which are now down by 26% from their peak in January.

To keep up to speed with global housing markets sign up [here](#) for my monthly international residential newsletter.

Sources: Knight Frank Research, Macrobond, Bank for International Settlements, National Bank of Austria (Oesterreichische Nationalbank), Statistics Belgium, Brazilian Foundation Institute of Economic Research (Fipe), Bulgarian National Statistical Institute, Teranet, National Bureau of Statistics, Chilean Chamber of Construction, Colombian National Administrative Department of Statistics (DANE), National Bank of Croatia, Central Bank of Cyprus (CBC), Eurostat, Statistics Denmark, Statistics Estonia, Statistics Finland, French National Institute of Statistics & Economic Studies (INSEE), VDP, Bank of Greece, Hong Kong Rating & Valuation Department, Statistics Iceland, Bank Indonesia, Irish Central Statistics Office (CSO), Israel Central Bureau of Statistics (CBS), Italian National Institute of Statistics (Istat), Japanese Ministry of Land, Infrastructure, Transport & Tourism, States of Jersey Statistics Unit, Lithuania State Enterprise Centre of Registers, Malaysian Valuation & Property Services Department, Central Bank of Malta, Mexican Federal Mortgage Company (SHF Sociedad Hipotecaria Federal), Statistics Netherlands (CBS), Real Estate Institute of New Zealand (REINZ), Statistics Norway, Central Reserve Bank of Peru (BCRP), Polish Central Statistical Office (GUS), Portuguese National Statistics Institute (INE), Russian Federal State Statistics Service (Rosstat), Singapore Urban Redevelopment Authority (URA), Central Bank of Slovakia, Slovenian Statistical Office, First National Bank, Statistics Korea (KOSIS), Spanish Ministry of Development, Statistics Sweden (SCB), Wuest & Partner, Taiwan Ministry of the Interior, Central Bank of the Republic of Turkey (TCMB), Blagovist Real Estate Agency of Ukraine, HM Land Registry, S&P Case Shiller

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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THE KNIGHT FRANK GLOBAL HOUSE PRICE INDEX Q2 2022

Ranked by annual % change in nominal terms

	COUNTRY/ TERRITORY	NOMINAL PRICE GROWTH	REAL PRICE GROWTH (ADJUSTED FOR INFLATION)
1	Turkey	160.6%	45.9%
2	Slovakia	25.5%	10.8%
3	Czech Republic**	23.5%	9.5%
4	Iceland	22.9%	12.9%
5	Estonia	21.0%	5.0%
6	United States	20.6%	11.1%
7	Hungary	19.5%	10.1%
8	Latvia	17.3%	5.2%
9	Slovenia	16.9%	11.0%
10	Canada	16.7%	8.2%
11	Netherlands	16.7%	7.5%
12	North Macedonia	16.5%	4.5%
13	Portugal	15.8%	6.5%
14	Israel	15.3%	11.4%
15	Lithuania	14.8%	-5.1%
16	Ireland	14.1%	4.6%
17	Poland	13.5%	2.2%
18	Croatia	13.5%	5.7%
19	Austria	13.2%	4.1%
20	Sweden*	12.8%	6.5%
21	Ukraine	12.0%	-7.8%
22	Germany	11.6%	3.9%
23	Bulgaria	11.5%	-0.8%
24	Japan	11.2%	9.9%
25	Luxembourg	10.5%	4.1%
26	Jersey	9.7%	1.7%
27	Singapore***	9.5%	2.7%
28	Australia	8.9%	2.6%
29	Greece	8.6%	-0.2%
30	Taiwan	8.4%	5.8%
31	Mexico	8.0%	0.0%
32	United Kingdom	7.8%	-1.5%
33	Colombia	7.7%	-0.8%
34	France	7.3%	2.7%
35	Romania	6.9%	5.0%
36	Spain	6.7%	-2.9%
37	Belgium	6.4%	-1.8%
38	Norway	6.4%	0.0%
39	Brazil	6.1%	-5.2%
40	India	5.6%	-1.3%
41	New Zealand	5.5%	-1.7%
42	Chile	5.5%	-6.2%
43	Denmark	5.5%	0.1%
44	South Korea	5.1%	-0.9%
45	Italy	4.6%	-1.7%
46	Switzerland	4.3%	0.9%
47	South Africa	3.6%	-3.6%
48	Cyprus	3.2%	-3.7%
49	Finland	2.2%	-5.2%
50	Malta	1.9%	-2.5%
51	Indonesia	1.7%	-2.5%
52	Malaysia	-0.1%	-2.2%
53	Peru	-0.9%	-9.4%
54	Chinese mainland	-1.3%	-2.6%
55	Hong Kong SAR*	-2.4%	-4.2%
56	Morocco	-5.8%	-10.5%

Source: See box in margin

Provisional **Asking prices *** Island-wide price index for non-landed properties

Data for Chinese Mainland refers to primary market. Data for Belgium, Bulgaria, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Estonia, France, Greece, Hungary, Israel, Italy, Japan, Latvia, Luxembourg, Malaysia, Morocco, Poland, Romania, Slovakia, Slovenia, Spain, Sweden and United States is to Q1 2022. Data for Taiwan is to Q4 2021.

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