

Global House Price Index

Research, Q2 2020

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HEADLINES

4.7%

AVERAGE ANNUAL CHANGE IN PRICES ACROSS 56 COUNTRIES AND TERRITORIES

TURKEY

LEADS THE ANNUAL RANKINGS IN THE YEAR TO Q2 2020

8

THE NUMBER OF EUROPEAN COUNTRIES IN THE TOP TEN ANNUAL RANKINGS

NEW ZEALAND

ASIA PACIFIC'S TOP-PERFORMING COUNTRY IN TERMS OF ANNUAL PRICE GROWTH

9%

THE PERCENTAGE OF COUNTRIES AND TERRITORIES REGISTERING ANNUAL PRICE DECLINES IN Q2 2020

The data in this report is backward-looking covering the year up to 30 June 2020 when the Covid-19 pandemic had hit most global markets.

It is not unusual for official house price indices to be published with a two- or three-month time lag but this quarter 29 of the 56 countries and territories we track (those in italics in the main table) have yet to report their figures for Q2 2020, no doubt as a direct result of Covid-19 and operational challenges. Yet, despite this the data still offers a glimpse into the impact of Covid-19 with the number of countries and territories seeing a decline in prices on the rise again (figure 1).

Turkey leads the annual rankings with prices up 25% year-on-year but it's worth noting inflation currently sits at around 12%. European countries occupy eight of the top 10 rankings this quarter with Baltic and Central and Eastern European nations well represented.

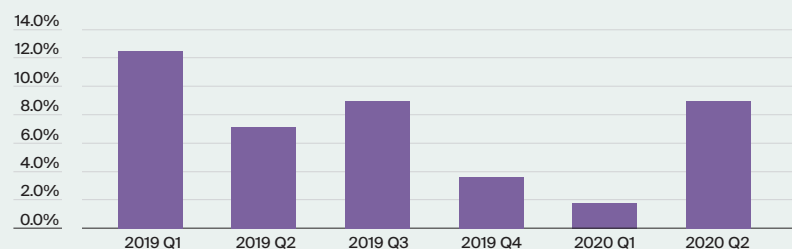
New Zealand, Germany and South Korea, three countries that were initially thought to have dealt with the pandemic most effectively registered mixed results. Germany has yet to report Q2 figures, New Zealand slumped from second to 11th place in the rankings between March and June – although it still recorded 9%

annual price growth – and South Korea, where price growth was anaemic at 0.1% in Q1 has seen annual price growth pick up to 1.3%.

These trends suggest the impact of the pandemic on global housing markets is likely to be inconsistent and

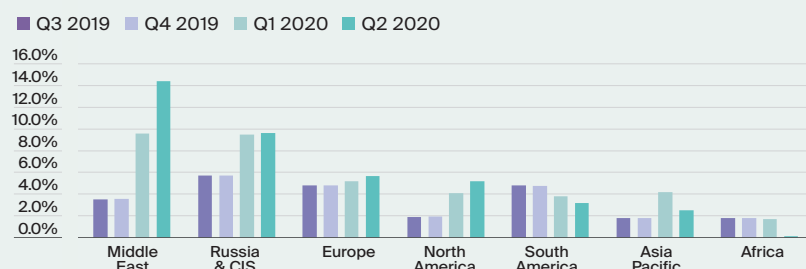
irregular. Much will depend on the state of the housing market prior to the pandemic, the length and severity of the lockdown and each country or territory's reliance on international demand which has dried up in recent months due to travel restrictions.

Fig 1. The proportion of markets registering annual price declines increased in Q2 2020



Source: The Knight Frank Global House Price Index

Fig 2. Four world regions see average price growth increase in Q2 2020



Source: The Knight Frank Global House Price Index

What we'll be watching in Q3 2020:

- Any sign of a correlation between the length and stringency of lockdowns and price performance
- If reporting rates by national statistics offices improve as national lockdowns reduce in number or if indices are halted due to a lack of transactions
- If markets reliant on tourism and with a high proportion of second homes register weaker price growth

Sources: Knight Frank Research; Macrobond, Bank for International Settlements; Eurostat; Australian Property Monitor; OeNB; Statbel; FIPE; Bulgarian National Statistical Institute; Teranet in alliance with National Bank of Canada; Chilean Chamber of Construction; China National Bureau of Statistics (NBS); DANE; Croatian Bureau of Statistics; Central Bank of Cyprus; Czech Statistics Office; Statistics Denmark; Statistics Estonia; Statistics Finland; INSEE; Federal Statistical Office of Germany; Bank of Greece; Hong Kong Rating & Valuation Department; Hungarian Central Statistical Office; Statistics Iceland; Bank of Indonesia; Irish Department of Environment, Heritage and Local Government; Israel Central Bureau of Statistics; Italian National Institute of Statistics; Japan's Ministry of Land, Infrastructure, Transport and Tourism; States of Jersey Statistics Unit; Central Statistics Latvia; Lithuania State Enterprise Centre of Registers; STATEC; Malaysian Valuation & Property Services Department; Central Bank of Malta; Mexican Federal Mortgage Company (SHF Sociedad Hipotecaria Federal); Central Bank of Morocco; Statistics Netherlands; Real Estate Institute of New Zealand (REINZ); Statistics Norway; Central Reserve Bank of Peru; Polish Central Statistical Office (GUS); Portuguese National Statistics Institute (INE); Romanian Statistics Office; Rosstat; Singapore Urban Redevelopment Authority (URA); National Bank of Slovakia; Slovenian Statistical Office; First National Bank; Statistics Korea; Spanish Ministry of Development; Statistics Sweden; Swiss National Bank/Wuest & Partner; Taiwan Ministry of the Interior; Central Bank of the Republic of Turkey (TCMB); Blagovest; 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 2020

Ranked by annual % change

	COUNTRY/ TERRITORY	12-MONTH % CHANGE (Q2 2019-Q2 2020)	6-MONTH % CHANGE (Q4 2019-Q2 2020)	3-MONTH % CHANGE (Q1 2020-Q2 2020)
1	Turkey	25.7%	17.4%	11.2%
2	Luxembourg ¹	13.9%	6.0%	3.8%
3	Lithuania	12.4%	-1.6%	-6.6%
4	Estonia ¹	11.5%	7.8%	4.8%
5	Poland ¹	11.3%	6.6%	3.6%
6	Slovakia	11.2%	8.4%	3.6%
7	Ukraine	11.2%	2.4%	0.0%
8	Czech Republic ¹	9.5%	4.7%	2.6%
9	Latvia ¹	9.1%	1.2%	1.1%
10	Croatia ¹	9.1%	5.7%	2.7%
11	New Zealand	9.1%	1.6%	-4.1%
12	Portugal	8.3%	2.2%	0.5%
13	Romania ¹	8.1%	4.9%	3.3%
14	Russia	8.1%	5.8%	1.4%
15	Netherlands	7.6%	4.5%	1.9%
16	Greece ¹	6.9%	2.5%	2.0%
17	Germany ¹	6.8%	2.7%	0.3%
18	Iceland	6.7%	3.4%	1.5%
19	Australia	6.1%	-0.4%	-2.0%
20	Canada	5.9%	4.3%	3.2%
21	Mexico	5.8%	2.9%	1.2%
22	Slovenia ¹	5.5%	1.0%	1.1%
23	Austria	5.2%	4.8%	3.0%
24	Sweden ¹	5.2%	1.8%	1.5%
25	France ¹	5.0%	3.2%	1.9%
26	Colombia ¹	5.0%	2.7%	1.3%
27	China	4.9%	1.9%	1.5%
28	Bulgaria ¹	4.7%	2.7%	1.2%
29	Hungary ¹	4.5%	-0.1%	1.4%
30	United States ¹	4.5%	1.5%	1.3%
31	Jersey	4.3%	-0.4%	0.9%
32	Peru	4.1%	5.1%	3.7%
33	Japan ¹	3.7%	4.8%	4.1%
34	Taiwan ¹	3.6%	1.1%	0.6%
35	Belgium ¹	3.6%	-0.4%	-0.1%
36	United Kingdom	3.5%	0.6%	1.4%
37	Israel ¹	3.1%	1.7%	0.5%
38	Denmark ¹	2.5%	-0.4%	0.1%
39	Norway	2.3%	5.3%	3.2%
40	Switzerland	2.0%	0.8%	1.1%
41	Cyprus ¹	1.8%	0.6%	0.4%
42	Malaysia ²	1.8%	0.6%	-0.3%
43	Italy ¹	1.7%	0.6%	0.9%
44	Indonesia	1.6%	0.8%	0.3%
45	South Korea	1.3%	1.1%	0.5%
46	Brazil	0.8%	1.1%	0.6%
47	South Africa	0.7%	-0.2%	0.7%
48	Singapore	0.4%	-0.6%	0.4%
49	Chile ¹	0.3%	-2.6%	-0.9%
50	Spain ¹	0.3%	0.1%	-0.8%
51	Ireland	0.2%	0.1%	0.1%
52	Morocco ²	-0.5%	0.7%	-0.4%
53	Finland ¹	-1.1%	-1.4%	0.6%
54	India	-1.9%	-2.3%	-1.6%
55	Malta	-2.6%	-0.7%	-3.8%
56	Hong Kong	-2.8%	0.6%	1.6%

Source: Knight Frank Research

¹ Provisional ² Asking prices ^{***} Island-wide price index for non-landed properties

¹ Data for Belgium, Bulgaria, Chile, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Israel, Italy, Japan, Latvia, Luxembourg, Poland, Romania, Slovenia, Spain, Sweden, Taiwan, United Kingdom and United States is to Q1 2020; ² data for Malaysia and Morocco is to Q4 2019.

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