

# GLOBAL HOUSE PRICE INDEX Q2 2019



## GLOBAL UPDATE

More countries and territories are seeing price rises year-on-year than at any time in the last decade but the average rate of growth is slowing significantly as global uncertainty impacts.

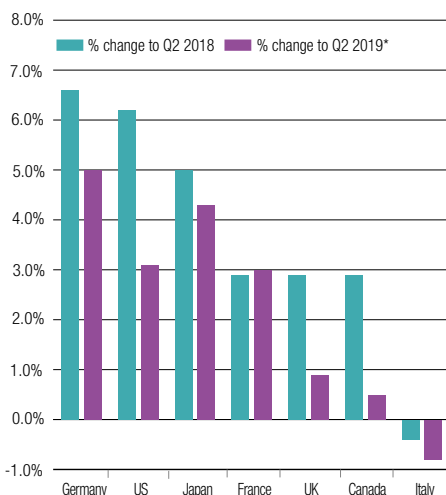
Although still in positive figures, the Global House Price Index has seen a slowdown in annual growth for six consecutive quarters. From trade wars (US/China and Japan/South Korea) to Brexit, from political protests to weakening economic forecasts, headwinds are mounting and weighing on buyer sentiment despite a raft of interest rate cuts in the last three months.

China leads the index for the first time since 2010. At 10.9%, China's growth represents the index's lowest ranking top performer since Q1 2009. China's leads due to Slovenia and Latvia, last quarter's frontrunners, slowing at a faster rate.

Perhaps counterintuitively, this quarter also saw the highest percentage of countries and territories (93%) register either flat or positive price growth year-on-year since 2009.

FIGURE 1  
THE G7 SLOWDOWN

Annual % change to Q2 2019 vs. Q2 2018



Source: Knight Frank Research \*Or latest available

In short, more locations are registering price rises year-on-year but their average rate of growth is slowing.

A look at the world's largest advanced economies, the G7, which recently held its 45th summit in Biarritz, shows that all members apart from France saw their rate of growth slow in the last twelve months, but only Italy registered a decline in prices over this period.

Analysis by world region shows Latin America was the strongest-performing world region in the year to June 2019. Mexico, Chile and Colombia all registered annual price growth above 7%. Expanding economies, rising wages and greater access to credit is bolstering demand.

In Europe, slower growth is a common theme but some interesting trends stand out; Austria (7.3%) now outperforms Germany (5.0%), Portugal (7.8%) is rising up the rankings, and Central and Eastern European countries continue to perform strongly – The Czech Republic (9.4%), Hungary (9.2%) and Bulgaria (7.3%).

The UK has slipped from 36th place a year ago to 48th place in the global rankings as uncertainty surrounding Brexit mounts. However, it remains a highly localised market, with some cities including Birmingham, Plymouth and Cardiff outperforming the average and evidence of pent-up demand building at the prime end of the market.

Only four markets registered a decline in annual prices – Morocco, Italy, Finland and Australia. However, with two interest rate cuts this year, new lending stimulus in place and prices bottoming out, we expect Australia to rise up the rankings in the second half of 2019.

## Q2 2019 RESULTS



**CHINA**  
LEADS THE ANNUAL RANKINGS WITH 10.9% GROWTH

**3.4%**

AVERAGE ANNUAL GROWTH RATE OF ALL 56 LOCATIONS

**93%**

OF LOCATIONS REGISTER STATIC OR POSITIVE GROWTH



NUMBER OF EUROPEAN COUNTRIES IN THE TOP TEN RANKINGS

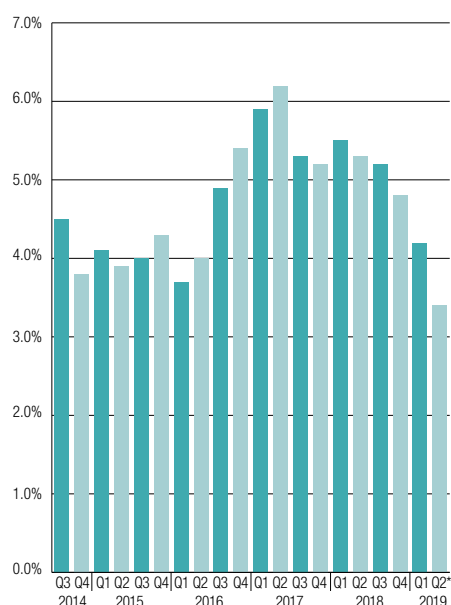


**LATIN AMERICA**  
STRONGEST-PERFORMING WORLD REGION IN YEAR TO Q2 2019

**KNIGHT FRANK'S GLOBAL HOUSE PRICE INDEX TRACKS THE MOVEMENT IN AVERAGE RESIDENTIAL PRICES ACROSS 56 COUNTRIES AND TERRITORIES WORLDWIDE USING OFFICIAL GOVERNMENT STATISTICS OR CENTRAL BANK DATA.**

FIGURE 2  
GLOBAL HOUSE PRICE INDEX

Annual performance over the last five years



Source: See below

\*Provisional

Sources: Knight Frank Research; Macrobond, Bank for International Settlements; Eurostat; Australian Bureau of Statistics; 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; India National Housing Bank; 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; Government of South 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

**Please contact us for further information**

If you're thinking of buying or selling, or would just like some property advice, please do get in touch.

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**KNIGHT FRANK GLOBAL HOUSE PRICE INDEX, Q2 2019**

Ranked by annual % change

Rank	Country/Territory	12-month % change (Q2 2018-Q2 2019)	6-month % change (Q4 2018-Q2 2019)	3-month % change (Q1 2019-Q2 2019)
1	China	10.9%	3.8%	2.0%
2	Malta***	10.8%	6.0%	4.7%
3	Czech Republic***	9.4%	3.6%	1.7%
4	Luxembourg	9.3%	5.2%	2.6%
5	Mexico	9.2%	4.7%	2.4%
6	Hungary	9.2%	4.1%	0.5%
7	Chile	9.1%	4.3%	2.7%
8	Slovenia	8.4%	3.9%	0.8%
9	Taiwan	8.4%	5.1%	6.0%
10	Portugal	7.8%	4.3%	2.0%
11	India	7.7%	1.4%	1.4%
12	Jersey	7.6%	6.5%	2.1%
13	Croatia	7.4%	4.7%	3.5%
14	Austria	7.3%	4.3%	2.9%
15	Bulgaria	7.3%	3.6%	2.6%
16	Colombia	7.1%	3.5%	1.2%
17	Latvia	7.1%	5.2%	1.5%
18	Lithuania	7.0%	9.2%	5.1%
19	Russia	6.9%	4.3%	0.5%
20	Netherlands	6.9%	3.4%	1.3%
21	Slovakia	6.4%	3.6%	1.1%
22	Estonia	5.9%	4.5%	1.7%
23	Romania	5.3%	0.1%	0.8%
24	Germany	5.0%	0.9%	-0.3%
25	New Zealand	4.5%	4.5%	0.0%
26	Spain	4.4%	2.9%	1.1%
27	Japan	4.3%	6.6%	3.3%
28	Iceland	4.2%	1.1%	0.4%
29	Greece	3.9%	2.5%	1.7%
30	Belgium	3.6%	0.5%	1.1%
31	South Africa	3.5%	2.2%	1.4%
32	South Korea	3.2%	2.1%	0.9%
33	United States	3.1%	2.8%	2.3%
34	France	3.0%	1.4%	0.7%
35	Peru	2.9%	3.1%	-1.2%
36	Denmark	2.7%	1.0%	1.6%
37	Hong Kong**	2.7%	7.0%	6.8%
38	Norway	2.1%	5.7%	2.9%
39	Ireland	2.0%	0.3%	0.8%
40	Sweden**	2.0%	1.6%	1.3%
41	Turkey	1.7%	2.7%	1.8%
42	Indonesia	1.5%	0.7%	0.2%
43	Cyprus	1.5%	0.5%	0.2%
44	Singapore****	1.4%	0.9%	2.0%
45	Ukraine	1.3%	0.7%	0.7%
46	Malaysia	1.3%	-0.9%	-0.9%
47	Israel	1.1%	1.0%	1.5%
48	United Kingdom	0.9%	0.3%	1.4%
49	Canada	0.5%	0.4%	1.2%
50	Poland	0.4%	0.6%	-0.5%
51	Brazil	0.2%	0.3%	0.1%
52	Switzerland	0.2%	0.2%	0.1%
53	Morocco	-0.8%	-0.4%	-0.3%
54	Italy	-0.8%	-0.6%	-0.5%
55	Finland	-2.6%	-0.3%	0.5%
56	Australia	-7.4%	-5.3%	-3.0%

Source: Knight Frank Research

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

Data for Australia, Belgium, Bulgaria, Colombia, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Poland, Romania, Slovenia, Spain, and India is to Q1 2019; data for Cyprus, Hungary, Luxembourg, Romania, South Korea, Taiwan and Peru is to Q4 2018; date for Morocco is to Q3 2018.

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