

## European property prices rise for the first time since 2010

**House prices around the world rose by 2.4% in the second quarter of 2013, the highest rate of annual growth since Q2 2010 according to Knight Frank's Global House Price Index. Kate Everett-Allen assesses the latest index results.**

### Results for Q2 2013

**The Knight Frank Global House Price Index rose by 2.4%** in the second quarter of 2013 and by 6.1% over a 12 month period

**Dubai recorded the largest rise** on an annual basis (up 22%) while prices in Taiwan rose the most on a quarterly basis (up 7.4%)

**Greece recorded the largest annual fall in mainstream prices** for the fourth consecutive quarter, declining by 11.5%

**The US and UK housing markets are gaining traction**, recording quarterly growth of 7.1% and 2.6% respectively in the second quarter

**Europe recorded positive annual growth for the first time since 2010** but it remains the weakest-performing world region

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KATE EVERETT-ALLEN  
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*"On a regional basis, Europe's housing markets recorded positive annual price growth for the first time since 2010."*

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Prices rose in 37 of the 55 countries tracked by the index in the second quarter of 2013. This compares to 27 two years earlier which points to an improving global picture.

Dubai leads the annual rankings, recording price growth of 21.7% in the year to the end of June. The emirate's housing market has gained momentum since late 2012, while its prime market led the way, mainstream prices are now following suit.

For the first time since 2010, European countries recorded positive annual price growth. However, the average 0.7% uplift over the past 12 months masks a sharp divergence in performance between individual countries with Turkey the strongest performer (up by 12.2%) and Greece the weakest (down by 11.5%) year-on-year.

Mainstream prices in Greece, Spain and Italy are now 31%, 29% and 15% below their respective market peaks, according to official data.

The economies of some key emerging markets are showing signs of strain and this is being reflected in their housing markets' performance. Annual price growth in Brazil for example stands at 11.9%, down from 18.4% a year earlier.

The US housing market recovery appears to be on firmer ground, with its second

consecutive quarterly rise. Nationally, prices rose by 10.2% in the last 12 months, with the cities of Atlanta and Chicago recording the strongest growth in the second quarter.

It is interesting to note that the world's two largest housing markets – the US and China – are experiencing contrasting fortunes; quarterly growth reached 7.1% in the US but hovered around 0% in China.

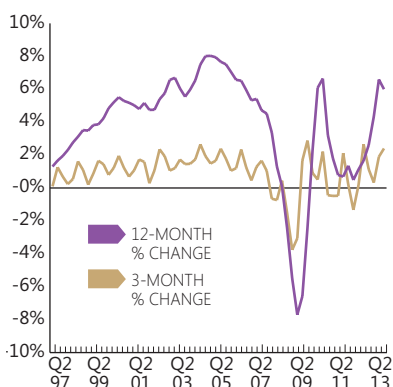
For the fourth consecutive quarter the bottom ten rankings have all been occupied by European countries.

While Greece, Spain and Portugal dominate the headlines, the sluggish markets of The Netherlands, Hungary and Croatia are often overlooked. These countries recorded price falls of 8.5%, 8.2% and 5.5% respectively in the year to June. Tight lending conditions, high levels of consumer debt and rising unemployment are depressing market activity.

The UK, after three years of negative or stuttering price growth in its mainstream market, has found some traction. Prices rose by 2.6% in the second quarter.

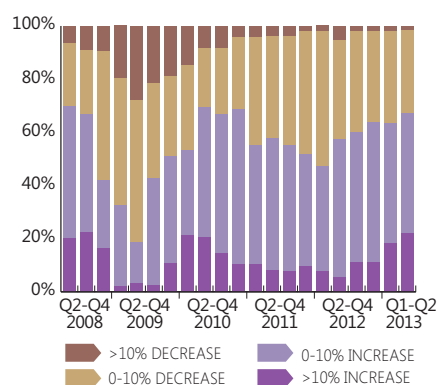
The medium term outlook is muted, Europe has been the main drag on the global housing market's performance in recent years but growing confidence is being tempered by deterioration in the outlook for a number of the large emerging market economies.

FIGURE 1  
**Global performance**  
Weighted average global residential price change



Source: Knight Frank Residential Research

FIGURE 2  
**Global shift**  
Proportion of countries by annual price change



Source: Knight Frank Residential Research

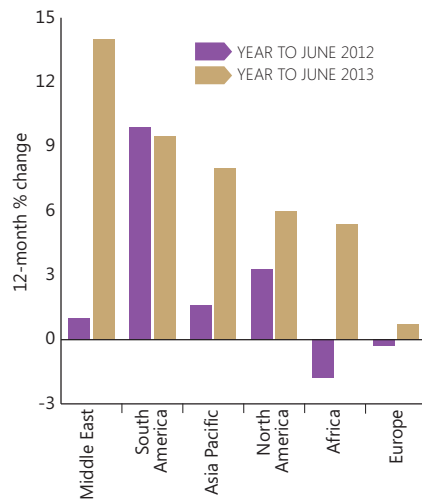
# RESIDENTIAL RESEARCH GLOBAL HOUSE PRICE INDEX



FIGURE 3

## Regional analysis

Unweighted average annual price change by world region



Source: Knight Frank Residential Research

## Knight Frank Global House Price Index

Rank	Country	12-month % change (Q2 2012-Q2 2013)	6-month % change (Q4 2012-Q2 2013)	3-month % change (Q1 2013-Q2 2013)	Latest data if not Q2 2013
1	Dubai, UAE	21.7%	14.7%	5.0%	
2	Hong Kong <sup>1</sup>	19.1%	6.7%	1.4%	
3	Taiwan	15.4%	11.9%	7.4%	
4	China <sup>2</sup>	14.8%	10.7%	0.0%	
5	Colombia	12.7%	7.2%	2.4%	Q1
6	Turkey	12.2%	5.9%	3.8%	Q1
7	Indonesia	12.1%	7.1%	2.2%	
8	Estonia	11.9%	8.7%	5.2%	
9	Brazil <sup>3</sup>	11.9%	5.8%	3.0%	
10	Ukraine	10.9%	4.0%	2.3%	Q1
11	South Africa	10.8%	4.3%	1.8%	
12	United States	10.2%	8.3%	7.1%	
13	Austria	8.5%	0.4%	-0.3%	Q4
14	New Zealand	8.4%	4.6%	1.5%	
15	Russia	6.4%	2.4%	1.1%	
16	Israel	6.4%	3.5%	-1.3%	
17	Malaysia <sup>1</sup>	6.0%	0.3%	-2.6%	Q1
18	India	5.9%	-0.1%	-1.7%	
19	Germany	5.4%	4.3%	4.6%	
20	Norway	5.4%	5.6%	2.6%	
21	Denmark	5.4%	3.1%	0.8%	Q1
22	Australia	5.1%	3.2%	2.4%	
23	Slovenia	5.0%	3.4%	4.4%	Q1
24	Switzerland	4.9%	1.4%	0.3%	
25	Iceland	4.9%	3.4%	3.4%	
26	Singapore <sup>4</sup>	4.5%	2.2%	1.5%	
27	Luxembourg	4.1%	3.8%	3.2%	Q1
28	Mexico	3.9%	3.1%	2.3%	
29	Finland	3.3%	2.3%	1.4%	
30	Sweden	3.0%	1.5%	1.5%	
31	Belgium	2.2%	0.3%	-0.1%	
32	Canada	1.8%	2.3%	2.4%	
33	United Kingdom	1.4%	2.7%	2.6%	
34	Ireland	1.2%	-0.3%	2.3%	
35	Latvia	1.0%	1.0%	1.0%	
36	Slovakia	0.2%	-1.4%	-0.8%	
37	Morocco	0.0%	-1.0%	-1.2%	Q4
38	Czech Republic <sup>3</sup>	-0.3%	0.0%	0.3%	
39	Malta	-0.7%	0.6%	1.5%	Q1
40	Romania	-0.9%	4.1%	4.3%	Q1
41	France <sup>1</sup>	-1.4%	-2.2%	-0.8%	Q1
42	South Korea	-1.5%	-0.2%	0.3%	
43	Bulgaria	-2.1%	-1.0%	-0.1%	
44	Japan	-2.2%	-1.0%	-0.5%	Q1
45	Portugal	-2.4%	-0.5%	3.4%	
46	Lithuania	-2.6%	4.6%	5.4%	Q1
47	Poland	-3.8%	-1.9%	-1.1%	Q1
48	Italy	-5.1%	-3.1%	-1.6%	
49	Cyprus	-5.3%	-2.4%	-1.6%	Q1
50	Croatia	-5.5%	-0.2%	-4.4%	
51	Jersey	-6.1%	-1.2%	-3.8%	
52	Spain	-7.6%	-3.2%	-2.4%	
53	Hungary	-8.2%	-6.8%	-2.0%	Q1
54	Netherlands	-8.5%	-4.2%	-2.0%	
55	Greece	-11.5%	-4.6%	-2.5%	

<sup>1</sup> Provisional data <sup>2</sup> Based on Beijing & Shanghai <sup>3</sup> Asking prices <sup>4</sup> Private non-landed property

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## DATA DIGEST

**The Knight Frank Global House Price Index** established in 2006 is the definitive means for investors and developers to monitor and compare the performance of mainstream residential markets across the world. The index is compiled on a quarterly basis using official government statistics or central bank data where available.

### Notes to Editors

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