



News Release

Date: 9 December 2009

Knight Frank Global House Price Index – Quarter 3 2009

Key highlights:

- ◆ The recovery in global house prices continues with values increasing in 68% of the countries reporting price changes for Q3 2009
- ◆ House prices, however, are still lower than 12 months ago in 57% of the locations
- ◆ Israel remains the top performer over a 12-month period with prices increasing 13.7% to the end of Q3 2009
- ◆ On a quarterly basis, Singapore saw the biggest rise with prices up 15.2% during the third quarter of the year
- ◆ Dubai recorded the largest annual drop (-47%), but posted moderate positive growth in Q3

Liam Bailey, head of residential research, Knight Frank, commented:

“House prices are now rising in a clear majority of locations around the world with almost 70% of the locations in the Knight Frank Global House Price Index reporting growth in the third quarter of 2009. This compares with under 50% during the second three months of the year.

“There is still, however, a clear polarisation from the top to the bottom of the table. Israel remains the best performer on an annual basis and is the only country to have recorded double-digit growth (+13.7%) during the past 12 months. Prices in Dubai have fallen the most (-47%), despite posting a small recovery (1.2%) in the third quarter. The recent debt issues with Dubai World and the subsequent loss of confidence by investors means even this nascent rally is already under threat.

“Those European countries yet to record their first quarter of growth since the credit crunch include Spain, Denmark and Ireland where an oversupply of stock is holding back prices. This contrasts with the UK, which, despite being hit extremely hard initially, is staging a strong comeback as a shortage of houses for sale is contributing to rising values with demand outstripping supply.

“Other locations where growth is accelerating include Australia, which was relatively unscathed by the credit crunch. Many Asian economies are also performing strongly with quarterly growth of 6% in Hong Kong and 2.5% in mainland China. Q3 figures are unavailable for India, but prices were already rising in Q2 and that trend looks set to continue.”

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“In some locations, particularly Singapore (+15% in Q3), the strength of the recovery is leading to talk of another bubble developing. However, it is worth noting that house prices in almost 60% of the countries in the index are still lower than they were a year ago. That is not to say prices are on a guaranteed one-way trajectory – the global recovery from recession is unlikely to be trouble-free as the recent problems in Dubai have highlighted – but it does seem that any further falls are likely to be corrections rather than the start of another round of drastic reductions.”

Knight Frank Global House Price Index, Quarter 3 2009

Rank	Country	Annual price growth to Q3 2009	Quarterly price growth to Q3 2009
1	Israel	13.70%	2.70%
2	Austria	9.7%*	NA
3	Malta	9.7%*	NA
4	Switzerland	7.00%	1.50%
5	Australia	6.20%	4.20%
6	Hong Kong	5.60%	6.30%
7	New Zealand	5.30%	4.20%
8	Norway	3.80%	1.80%
9	Malaysia	3.7%*	NA
10	Luxembourg	3.10%	1.90%
11	India	2.2%*	NA
12	Indonesia	2.10%	0.40%
13	China	1.90%	2.50%
14	Hungary	1.50%	2.40%
15	South Africa	1.30%	3.80%
16	Finland	0.20%	2.40%
17	Belgium	0.2%*	NA
18	Portugal	0.00%	-0.30%
19	Sweden	-0.40%	2.90%
20	Canada	-1.80%	4.90%
21	Jersey	-2.10%	2.00%
22	Germany	-2.70%	2.60%
23	UK	-3.10%	3.70%
24	Italy	-3.5%*	NA
25	Netherlands	-4.90%	1.30%
26	Greece	-5.20%	-2.10%
27	Slovenia	-6.20%	2.60%
28	Croatia	-7.30%	-3.10%
29	Czech Rep.	-8.00%	-2.00%
30	France	-8.00%	1.90%
31	Spain	-8.00%	-0.90%
32	Russia	-9.10%	-2.70%
33	United States	-9.40%	3.20%



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Rank	Country	Annual price growth to Q3 2009	Quarterly price growth to Q3 2009
34	Denmark	-10.80%	-0.80%
35	Ireland	-13.10%	-3.70%
36	Slovak Rep.	-14.30%	-1.50%
37	Singapore	-14.50%	15.20%
38	Thailand	-18.40%	-13.50%
39	Bulgaria	-28.00%	-5.00%
40	Lithuania	-34.2%*	NA
41	Estonia	-35.8%*	NA
42	Dubai	-47.00%	1.20%

*Results for Q2 2009

Countries yet to report data since Q1 2009 or before: Columbia, Cyprus, Japan, Latvia, Philippines, Serbia, South Korea, Taiwan, Ukraine

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Notes to Editors

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The Knight Frank Global House Price Index is compiled using official government statistical office or central bank data where possible. In some instances reliable indices from third-party sources have been used.

No: 09pr551