

# Global House Price Index

Research, Q4 2019

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## HEADLINES

### LITHUANIA

LEADS THE ANNUAL RANKINGS FOR THE FIRST TIME IN THE INDEX'S HISTORY

**4.4%**

AVERAGE ANNUAL GROWTH RATE FOR ALL 56 COUNTRIES

**96.4%**

OF COUNTRIES REGISTERED STATIC OR POSITIVE GROWTH IN 2019 – A RECORD HIGH

### RUSSIA & CIS

FASTEST GROWING REGION WITH AN AVERAGE OF 5.7%

### NEW ZEALAND

JUMPS FROM 14TH TO 4TH PLACE IN THE RANKINGS BETWEEN Q3 AND Q4 2019

The data in this report is backward looking and covers the period before Covid-19 became a global issue. The results for 2019 point towards an improvement in values but this is likely to be reversed in H1 2020, however we expect the main impact of Covid-19 will be to reduce transaction volumes.

2019 was a year when global economic uncertainty and political instability intensified, yet house prices increased in more countries than ever before. Some 96% of the 56 countries we track saw house prices either rise or remain flat in 2019 (figure 1).

Demographics, low interest rates and the appeal of tangible assets in tumultuous times may explain heightened demand and hence price rises but so too may a shortage of new supply and the fact that labour markets and wages defied the malaise and registered healthy growth in many advanced economies in 2019.

One trend we noticed six months ago has gathered pace – the strong performance of house prices in Central and Eastern European (CEE) countries – seven of the top ten rankings correspond to European economies and four are located within the CEE. Lithuania is the index's frontrunner with annual growth of 14% in 2019. Low interest

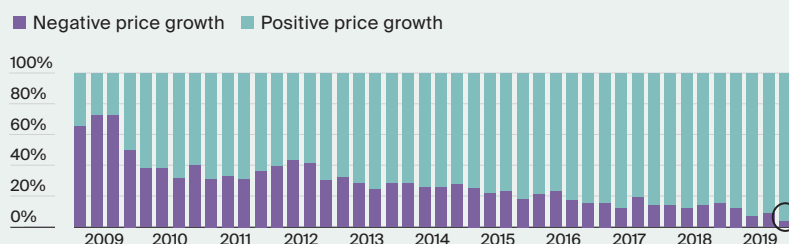
rates, strong employment growth and, as a result, rising household incomes are underpinning demand.

With average annual growth of 6%, Russia and the CIS proved the strongest-performing world region, Ukraine (9%)

is ranked in eighth place with prices correcting after several years of negative price growth.

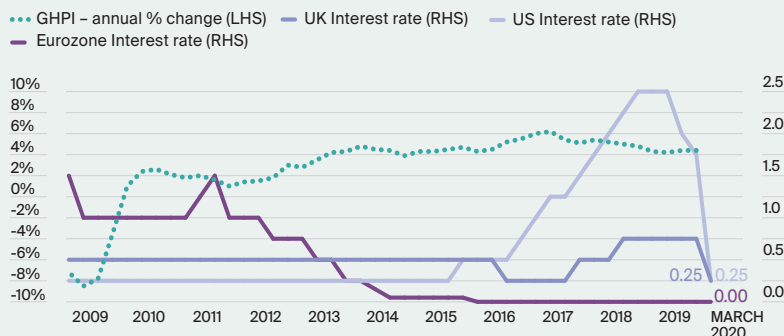
Jumping from 14th to fourth place in our annual rankings, New Zealand's resurgent housing market saw average

**Fig 1. 96% of countries registered flat or positive price growth in 2019**



Sources: The Knight Frank Global House Price Index

**Fig 2. Impact of interest rates on global house prices**



Sources: Knight Frank Research, Central Banks

prices rise 12% in 2019 as a lack of supply started to pinch and demand from first time buyers and investors swelled.

Analysis of interest rates and global house prices over the last decade shows a close correlation (figure 2). With several rate cuts already announced in 2020, aimed at stimulating growth in the face of the Covid-19 outbreak, it will be interesting to see just how far the availability of cheaper finance will support transactional volumes and prices in the first half of 2020.

**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; STAREC; 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.

**We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.**



**Sales enquiries**

**Paddy Dring**

+44 20 7861 5271

paddy.dring@knightfrank.com



**Research enquiries**

**Kate Everett-Allen**

+44 20 7167 2497

kate.everett-allen@knightfrank.com

## THE KNIGHT FRANK GLOBAL HOUSE PRICE INDEX Q4 2019

Ranked by annual % change

	COUNTRY/ TERRITORY	12-MONTH % CHANGE (Q4 2018-Q4 2019)	6-MONTH % CHANGE (Q2 2019-Q4 2019)	3-MONTH % CHANGE (Q3 2019-Q4 2019)
1	Lithuania	13.8%	14.3%	12.2%
2	Latvia	13.5%	8.7%	3.9%
3	Hungary	13.2%	1.8%	-0.5%
4	New Zealand	12.1%	7.4%	5.2%
5	Luxembourg	11.4%	6.0%	5.0%
6	Jersey	10.7%	3.9%	2.2%
7	Turkey	9.9%	7.0%	3.3%
8	Ukraine	9.3%	8.6%	5.8%
9	Czech Republic	8.6%	4.4%	1.9%
10	Slovenia	8.5%	4.4%	3.1%
11	Portugal	8.3%	3.9%	1.7%
12	Estonia	8.1%	3.4%	2.4%
13	Croatia	8.0%	3.2%	0.6%
14	Mexico	7.7%	2.8%	1.2%
15	Greece	7.5%	1.9%	0.6%
16	China	6.8%	2.9%	1.1%
17	Russia	6.6%	2.2%	0.4%
18	Chile	6.5%	2.1%	1.9%
19	Netherlands	6.5%	3.0%	1.0%
20	Slovakia	6.3%	2.7%	-0.4%
21	Colombia	5.8%	2.2%	1.4%
22	Japan	5.5%	-1.0%	0.2%
23	Bulgaria	5.4%	1.7%	1.1%
24	Australia	5.3%	7.0%	4.0%
25	Germany	4.9%	3.8%	1.6%
26	Taiwan	4.5%	4.1%	4.4%
27	Iceland	4.3%	3.1%	2.2%
28	Romania	3.9%	3.1%	1.5%
29	Belgium	3.9%	3.4%	2.9%
30	Sweden	3.9%	2.3%	0.3%
31	United States	3.8%	0.8%	0.2%
32	France	3.7%	2.3%	1.4%
33	South Africa	3.5%	1.3%	0.4%
34	Hong Kong	3.4%	-3.4%	-1.8%
35	Denmark	3.4%	0.0%	-0.6%
36	Austria	3.0%	-1.2%	-2.0%
37	Cyprus	2.8%	1.2%	0.5%
38	Norway	2.6%	-2.9%	-2.1%
39	Israel	2.6%	1.5%	0.8%
40	Malta	2.5%	-1.9%	-1.3%
41	United Kingdom	2.2%	1.9%	0.3%
42	Spain	2.1%	0.9%	0.9%
43	India	2.0%	0.7%	0.8%
44	Canada	2.0%	1.5%	0.3%
45	Singapore	1.9%	1.0%	-0.3%
46	Indonesia	1.8%	0.8%	0.3%
47	Switzerland	1.4%	1.2%	0.1%
48	Ireland	0.9%	0.7%	-0.6%
49	Poland	0.8%	0.2%	-0.2%
50	Malaysia	0.4%	0.1%	-0.8%
51	Italy	0.4%	1.1%	-0.3%
52	South Korea	0.2%	0.7%	0.6%
53	Peru	0.0%	-1.0%	-0.5%
54	Brazil	0.0%	-0.3%	-0.2%
55	Morocco	-0.6%	-1.0%	-0.5%
56	Finland	-1.2%	-4.3%	-2.0%

Source: Knight Frank Research

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

Data for Belgium, Bulgaria, Croatia, Czech Republic, Estonia, Germany, Hungary, Israel, Italy, Japan, Latvia, Malaysia, Poland, Romania and Slovenia is to Q3 2019; data for Cyprus, Luxembourg, Morocco and Taiwan is to Q2 2019.

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