

Global House Price Index

Research, Q4 2020

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HEADLINES

TURKEY

THE COUNTRY WITH THE HIGHEST RATE OF ANNUAL PRICE GROWTH IN THE YEAR TO Q4 2020

5.6%

AVERAGE CHANGE IN PRICES ACROSS 56 COUNTRIES AND TERRITORIES

NEW ZEALAND

ASIA PACIFIC'S TOP-PERFORMING COUNTRY WITH 19% ANNUAL PRICE GROWTH

Q1 2018

THE LAST TIME THE INDEX'S ANNUAL GROWTH EXCEEDED 5.6%

INDIA

AT -3.6%, THE WEAKEST-PERFORMING COUNTRY IN THE YEAR TO Q4 2020

Globally, residential prices are rising at their fastest rate in nearly three years.

Prices increased by 5.6% on average in 2020, up from 5.3% in 2019 (figure 1).

Some 89% of countries and territories saw prices increase in 2020, with several emerging markets performing strongly including Turkey which leads the index for the fourth consecutive quarter.

Several markets including New Zealand (19%), Russia (14%) the US (10%), Canada and the UK (both 9%) accelerated up the rankings in the last three months (Figure 2).

Low interest rates are fuelling demand whilst inventory levels are tight in some markets with sellers reluctant to market their property until they can identify their next home.

With travel bans in place, demand is coming from domestic buyers who have reassessed their lifestyles since the pandemic hit, many now seeking home offices and outdoor space.

But not all markets are on the up, Europe is one world region where a gulf is emerging. Austria (10%), Germany (8%) and France (6%) are moving ahead of Italy (1%) and Spain (-2%). Strict lockdowns, rising unemployment and a surplus of supply in some areas is leading to weaker price inflation in these Southern European economies.

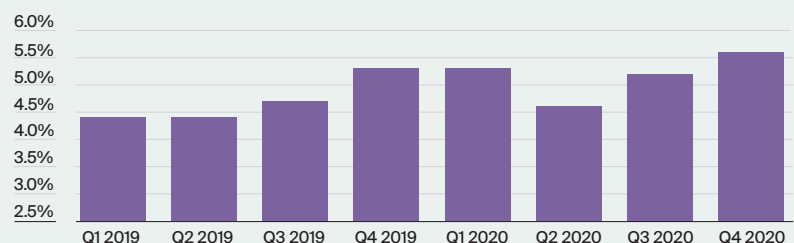
Asia Pacific's performance remains surprisingly anaemic given its relatively efficient handling of the pandemic. Although New Zealand sits in second place, the region's next highest ranking is Japan (5%) in 27th place. Housing

demand and hence price growth remains city-focused not countrywide in Asia.

Hong Kong and Malaysia both saw annual price growth slip into negative territory and even Singapore's rate of growth was muted at 2.5%.

Fig 1. Pandemic sparks house price surge

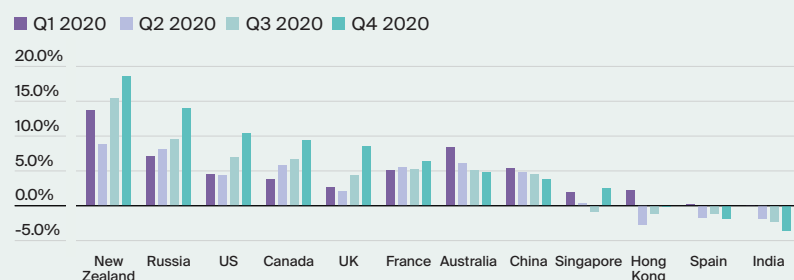
Global average, annual % change



Source: The Knight Frank Global House Price Index

Fig 2. The impact of the pandemic on house prices

Annual % change



Source: The Knight Frank Global House Price Index

The speed with which the vaccine is rolled out and economies reopen will directly affect the performance of housing markets in 2021. As policymakers step away from stimulus measures leaving jobs and mortgages less protected we may see prices weaken but the easing of travel bans may see cross-border transactions start to recover mitigating some of this impact.

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 Q4 2020

Ranked by annual % change

COUNTRY/ TERRITORY	12-MONTH % CHANGE (Q4 2019-Q4 2020)	6-MONTH % CHANGE (Q2 2020-Q4 2020)	3-MONTH % CHANGE (Q3 2020-Q4 2020)
1 Turkey	30.3%	11.0%	5.5%
2 New Zealand	18.6%	17.0%	8.1%
3 Slovakia	16.0%	7.0%	3.4%
4 Russia	14.0%	7.8%	4.4%
5 Luxembourg	13.6%	7.0%	2.7%
6 Poland	10.9%	4.1%	2.1%
7 United States	10.4%	6.6%	3.3%
8 Peru	10.3%	4.9%	2.3%
9 Sweden*	10.1%	6.7%	4.0%
10 Austria	10.0%	5.0%	1.3%
11 Canada	9.4%	4.9%	2.8%
12 United Kingdom	8.5%	7.1%	3.2%
13 Netherlands	8.4%	3.7%	0.9%
14 Czech Republic**	8.4%	4.3%	2.6%
15 Germany	7.8%	4.6%	2.9%
16 Iceland	7.8%	4.2%	2.2%
17 Denmark	7.7%	5.8%	2.2%
18 Norway	7.1%	1.7%	0.3%
19 Croatia	6.9%	1.2%	-0.6%
20 Ukraine	6.7%	4.1%	2.3%
21 France	6.4%	3.0%	2.4%
22 Jersey	6.0%	6.4%	5.7%
23 Portugal	6.0%	3.7%	2.5%
24 Finland	5.5%	2.3%	0.6%
25 Mexico	5.4%	2.4%	1.5%
26 Lithuania	5.3%	7.2%	13.1%
27 Japan	5.3%	0.7%	2.0%
28 Malta**	5.0%	5.8%	0.3%
29 Bulgaria	4.8%	2.1%	3.2%
30 Australia	4.8%	5.4%	3.6%
31 South Korea	4.6%	3.4%	2.1%
32 Switzerland	4.4%	3.6%	2.3%
33 Estonia	3.9%	-3.6%	2.3%
34 Chinese Mainland	3.8%	1.8%	0.4%
35 Brazil	3.7%	2.5%	1.3%
36 South Africa	3.5%	2.7%	0.4%
37 Taiwan	3.3%	2.2%	1.4%
38 Slovenia	3.3%	2.0%	0.1%
39 Greece	3.2%	1.1%	0.4%
40 Belgium	3.1%	3.5%	2.2%
41 Colombia	3.0%	0.3%	0.2%
42 Israel	2.7%	1.0%	0.4%
43 Singapore***	2.5%	3.1%	3.0%
44 Romania	2.3%	-2.5%	-2.6%
45 Ireland	2.2%	2.2%	1.8%
46 Latvia	2.1%	1.2%	3.7%
47 Chile	1.7%	4.8%	4.0%
48 Indonesia	1.4%	0.6%	0.2%
49 Cyprus	1.2%	0.6%	-0.4%
50 Italy	1.0%	0.4%	-2.5%
51 Hong Kong SAR*	-0.1%	-0.8%	-0.8%
52 Malaysia	-0.8%	-0.9%	-1.3%
53 Spain	-1.8%	0.8%	0.2%
54 Hungary	-2.5%	-3.3%	-6.0%
55 Morocco	-3.3%	-4.3%	-3.4%
56 India	-3.6%	-1.4%	-0.8%

Source: Knight Frank Research
* Provisional ** Asking prices *** Island-wide price index for non-landed properties Data for Chinese Mainland refers to primary market Data for Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Germany, Greece, Israel, Italy, Japan, Latvia, Malaysia, Poland, Romania, Slovenia and Taiwan is to Q3 2020; Data for Hungary, Luxembourg and Morocco is to Q2 2020.

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