

Global house prices saw record growth in 2013

Global house prices are mirroring the upturn in the global economy. Our Global House Price Index, rose by 8.4% in 2013 compared with 4.6% in 2012. Kate Everett-Allen examines the latest results.

Results for Q4 2013

The Knight Frank Global House Price Index rose by 8.4% in 2013 and by 1.2% in the final quarter

Dubai recorded the largest annual rise in mainstream property prices, but **prices remain 25% below their 2008 peak**

Ukraine, Croatia and Greece were the weakest-performing housing markets in 2013

In 2013, house prices rose in 39 countries compared with 27 in 2012

European countries still dominate the bottom of the rankings but in most cases their rate of decline slowed in 2013

For the latest news, views and analysis on the world of prime property, visit [Global Briefing](#) or [@kfglobalbrief](#)



KATE EVERETT-ALLEN
International Residential Research

"Despite Dubai's stand out performance in 2013, mainstream prices remain 25% below their 2008 peak."

Follow Kate at [@keverettkf](#)

Growth of 8.4% in 2013 represented the highest annual rate of growth since our index started in 1995.

The headline global index is now weighted according to each country's GDP which means that the movement of house prices in the US and China will have a greater bearing on the index's performance than that of locations such as Malta or Jersey.

Dubai, China and Taiwan recorded the largest annual rise in mainstream house prices ending the year 35%, 28% and 15% higher respectively.

Despite Dubai's stand out performance in 2013, mainstream prices remain 25% below their 2008 peak.

Improving employment prospects and the continuation of low interest rates in Europe and the US are together fuelling buyer confidence.

Thirty nine countries recorded positive annual price growth in 2013, a year earlier only 27 countries fell into this category.

Several emerging markets, despite their economic wobble in 2013, still recorded a strong performance. Turkey, Brazil, Indonesia and Colombia are ranked in the top ten in terms of annual price growth, each having recorded double digit growth.

Europe continues to dominate the lower half of the table but the rate of decline is slowing in countries such as France, Spain and the Netherlands.

In 2013, Ukraine, Croatia and Greece were the weakest housing markets. Here, house prices ended the year 26%, 14% and 9% lower respectively as political tension and economic stagnation caused demand to wane.

At the opposite end of the scale, there is evidence that the fortunes of even the most embattled housing markets can change, and change swiftly. Prices in Ireland, the US, and the UK rebounded in 2013.

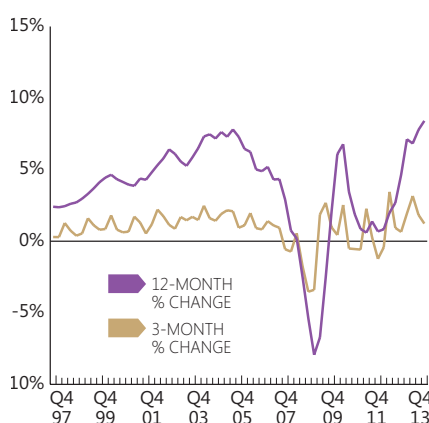
Between 2009 and 2011 Ireland occupied the index's bottom ranking on no fewer than seven occasions. Ireland now ranks in 19th position in terms of house price growth, above Germany, Austria and Switzerland.

The speed with which stimulus measures are withdrawn (QE tapering), the ramping up, or down, of cooling measures in Asia and the repercussions of the political crisis in the Ukraine are likely to be the key determinants of the index results during the remainder of 2014.

FIGURE 1

Global performance

Aggregate change in global house prices (weighted by GDP)

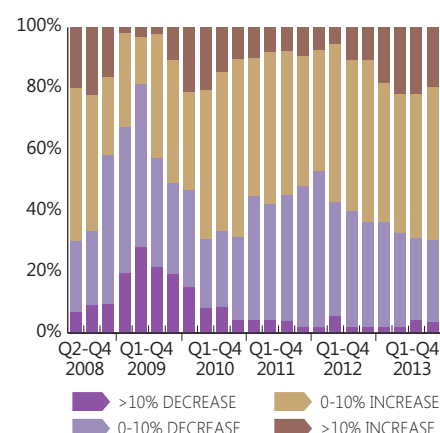


Source: Knight Frank Residential Research

FIGURE 2

Global shift

Proportion of countries by annual price change



Source: Knight Frank Residential Research

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.

Knight Frank Global House Price Index

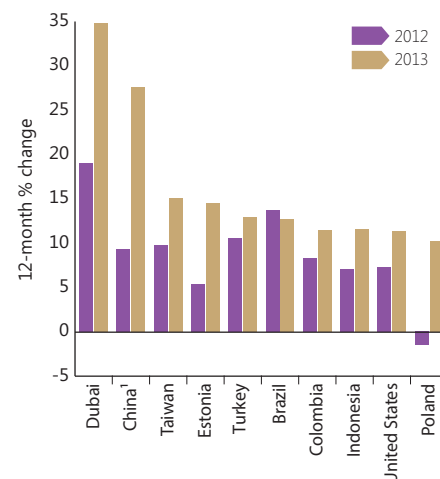
Rank	Country	12-month % change (Q4 2012-Q4 2013)	6-month % change (Q2 2013-Q4 2013)	3-month % change (Q3 2013-Q4 2013)	Latest data if not Q4
1	Dubai	34.8%	15.3%	NA	
2	China ¹	27.5%	10.8%	5.0%	
3	Taiwan	15.1%	2.9%	2.0%	
4	Estonia	14.5%	5.3%	6.0%	
5	Turkey	13.8%	5.7%	2.9%	
6	Brazil ³	12.7%	6.6%	3.5%	
7	Indonesia	11.5%	4.1%	1.8%	
8	Colombia	11.5%	5.6%	1.9%	Q3
9	United States	11.3%	2.8%	-0.3%	
10	Poland	10.2%	9.0%	6.4%	
11	Malaysia ²	10.1%	5.1%	1.3%	Q3
12	Kazakhstan	9.4%	4.8%	3.3%	
13	Australia	9.3%	5.9%	3.4%	
14	New Zealand	9.2%	4.4%	1.8%	
15	Iceland	8.7%	5.1%	3.2%	
16	Israel	8.6%	2.7%	0.7%	Q3
17	Hong Kong ²	7.7%	0.7%	-0.2%	
18	United Kingdom	7.0%	5.0%	2.7%	
19	Ireland	6.4%	6.7%	2.6%	
20	Luxembourg	5.5%	1.6%	0.4%	Q3
21	Switzerland	4.6%	1.8%	1.2%	
22	Russia	4.2%	1.8%	0.5%	
23	Austria	4.1%	0.6%	-0.5%	
24	Sweden	4.1%	2.6%	1.1%	
25	Mexico	4.1%	0.9%	0.1%	
26	Canada	3.8%	1.5%	0.1%	
27	India	3.4%	3.4%	2.4%	
28	Latvia	3.0%	2.0%	1.2%	
29	South Africa	2.8%	2.3%	1.4%	
30	Denmark	2.6%	1.6%	-0.6%	Q3
31	Germany	2.5%	-1.4%	2.1%	
32	Singapore ⁴	1.9%	-0.3%	-0.9%	
33	Belgium	1.8%	2.3%	2.1%	Q3
34	Lithuania	1.8%	-8.9%	-5.4%	Q3
35	Malta	1.1%	0.5%	2.0%	Q3
36	Norway	1.0%	-4.4%	-2.6%	
37	Romania	0.8%	-3.2%	-2.4%	Q3
38	Morocco	0.4%	-0.4%	-1.9%	Q3
39	South Korea	0.3%	0.6%	0.5%	
40	Portugal	-0.5%	0.0%	0.0%	
41	Finland	-0.6%	-3.8%	-2.7%	Q3
42	Czech Republic	-0.9%	-0.1%	-0.7%	Q3
43	Bulgaria	-1.2%	-0.2%	-0.1%	
44	France ²	-1.4%	0.1%	-0.7%	
45	Japan	-1.6%	-0.6%	0.0%	
46	Slovenia	-2.3%	0.7%	0.1%	Q3
47	Slovakia	-2.6%	-1.3%	-0.4%	
48	Jersey	-2.7%	-1.5%	-4.8%	
49	The Netherlands	-3.7%	1.2%	0.0%	
50	Spain	-4.0%	-2.2%	-1.8%	
51	Italy	-5.3%	-1.8%	-1.2%	Q3
52	Cyprus	-7.3%	-4.8%	-2.4%	Q3
53	Hungary	-7.6%	-4.9%	-3.5%	Q3
54	Greece	-9.3%	-4.3%	-3.0%	
55	Croatia	-14.4%	-0.8%	0.0%	
56	Ukraine	-25.9%	-0.3%	-2.9%	

¹ Based on Beijing & Shanghai ² Provisional data ³ Asking prices ⁴ Island-wide price index for non-landed properties

FIGURE 3

Largest risers, 2013

Top 10 countries by price growth in 2013 v 2012 performance



Source: Knight Frank Residential Research

¹ Based on Beijing & Shanghai



GLOBAL BRIEFING

For the latest news, views and analysis on the world of prime property, visit KnightFrankblog.com/global-briefing

RESIDENTIAL RESEARCH

Liam Bailey

Global Head of Residential Research

+44 20 7861 5133

liam.bailey@knightfrank.com

Kate Everett-Allen

International Residential Research

+44 20 7861 1513

kate.everett-allen@knightfrank.com

PRESS OFFICE

Bronya Heaver

+44 20 7861 1412

bronya.heaver@knightfrank.com

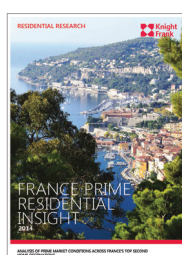
RECENT MARKET-LEADING RESEARCH PUBLICATIONS



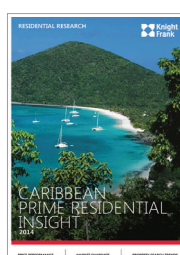
The Wealth Report
2014



Hong Kong Monthly
February 2014



France Residential
Insight 2014



Caribbean Residential
Insight 2014

Knight Frank Research Reports are available at KnightFrank.com/Research



© Knight Frank LLP 2014 - This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.