



MARKET REPORT

Global Residential Real Estate

Q1
2024



House Price Change (Inflation-Nominal)

	Y-O-Y (%)		Q-O-Q (%)	
	Q1 2023		Q1 2024	Q1 2024
Turkey	132.98	▼	51.99	5.78
Egypt	22.28	▲	39.29	4.93
Montenegro	6.01	▲	30.95	-1.90
UAE (Dubai)	12.75	▲	20.71	6.12
Pakistan (Karachi)	21.68	▼	19.27	-0.91
Russia	1.14	▲	18.96	10.99
Georgia	10.66	▲	12.94	1.07
Israel	9.95	▲	12.75	3.07
Australia (8 capital cities)	-6.51	▲	10.91	1.96
Portugal	17.18	▼	10.91	5.19
Greece	15.91	▼	10.76	-0.16
Taiwan	5.03	▲	10.48	3.56
Poland (Warsaw)	6.68	▲	10.03	5.19
Romania	3.75	▲	9.72	5.33
Mexico	11.69	▼	9.64	2.86
Puerto Rico	0.67	▲	7.82	4.85
Argentina (Buenos Aires)	-5.41	▲	7.51	4.02
Ireland	4.00	▲	7.28	1.54
Sri Lanka (Colombo)	24.75	▼	7.17	3.69
Spain	7.35	▲	7.00	1.81
Iceland	13.35	▼	6.97	2.00
Malta	10.51	▼	6.72	6.52
US (FHFA)	4.63	▲	6.60	1.06
US (Case-Shiller)	0.79	▲	6.49	1.89
Colombia (Bogota)	7.07	▼	5.58	1.45
Canada	-6.83	▲	5.54	0.14
Netherlands	-2.34	▲	5.40	2.86
Singapore	11.44	▼	4.88	1.39
Denmark	-1.74	▲	4.83	1.01
Brazil (Sao Paulo)	4.80	▲	4.77	1.12
North Macedonia	18.87	▼	4.68	-0.81
India	4.57	▲	4.09	0.89
Cambodia (Phnom Penh)	-0.91	▲	3.64	-0.22

House Price Change (Inflation-Adjusted)

	Y-O-Y (%)		Q-O-Q (%)	
	Q1 2023		Q1 2024	Q1 2024
Montenegro	-4.04	▲	24.10	-3.27
UAE (Dubai)	8.08	▲	16.81	5.57
Georgia	5.07	▲	12.33	0.73
Russia	-2.28	▲	10.46	13.67
Israel	4.53	▲	9.86	2.77
Portugal	8.49	▼	8.50	4.20
Taiwan	2.62	▲	8.21	3.62
Greece	9.47	▼	7.44	-0.67
Australia (8 capital cities)	-12.59	▲	7.06	1.05
Poland (Warsaw)	-9.45	▲	6.78	4.20
Sri Lanka (Colombo)	-17.00	▲	6.14	4.80
Puerto Rico	-4.18	▲	5.15	3.40
Mexico	3.94	▼	4.85	1.09
Egypt	-7.85	▲	4.49	-8.15
Ireland	-3.40	▲	4.29	1.34
Malta	3.19	▼	3.99	5.71
Denmark	-7.94	▲	3.86	-0.44
Spain	3.92	▲	3.68	0.60
Cambodia (Phnom Penh)	-1.61	▲	3.60	1.18
US (FHFA)	-1.11	▲	3.25	0.02
US (Case-Shiller)	-3.99	▲	2.91	0.06
Romania	-7.50	▲	2.84	2.93
Canada	-10.67	▲	2.53	-0.84
Thailand	1.92	▼	2.52	-0.70
Switzerland	0.33	▲	2.38	0.60
Lithuania	-0.95	▲	2.34	-0.02
Netherlands	-6.46	▲	2.24	1.16
Singapore	4.99	▼	1.88	1.21
Italy	-5.72	▲	0.85	0.13
Brazil (Sao Paulo)	0.14	▼	0.79	-0.31
North Macedonia	4.45	▼	0.19	-2.29
Iceland	3.23	▼	0.15	0.04
Morocco	-7.50	▲	-0.20	-0.03

▲ More than one percentage point increase in house price change

▼ Less than 1 percentage point increase in house price change

▼ More than one percentage point decrease in house price change

▲ Less than 1 percentage point decrease in house price change



House Price Change (Inflation-Nominal)

	Y-O-Y (%)		Q-O-Q (%)	
	Q1 2023		Q1 2024	Q1 2024
Switzerland	3.54	▼	3.57	1.17
New Zealand	-12.92	▲	3.23	2.59
Philippines (Makati CBD)	3.94	▲	3.22	0.61
Uruguay	18.57	▼	2.41	0.70
Lithuania	15.51	▼	2.37	0.77
Ukraine (Kiev)	1.63	▼	2.14	0.70
Japan (Tokyo)	16.28	▼	2.11	2.72
Italy	1.45	▼	2.04	0.54
Thailand	4.80	▼	2.04	-0.37
Indonesia	1.79	▼	1.89	0.62
Peru	0.75	▼	1.48	-1.62
Norway	-0.07	▲	1.21	3.89
Saudi Arabia	1.59	▲	1.20	0.41
Vietnam (HCMC)	10.32	▼	1.15	1.49
UK (Nationwide)	-1.02	▲	1.04	0.63
Qatar	-2.30	▲	0.83	-4.56
South Africa	2.40	▼	0.70	-0.16
Morocco	-0.10	▼	0.70	0.02
Malaysia	4.81	▼	0.51	-1.94
Estonia	12.05	▼	-0.46	-7.39
South Korea	-5.15	▲	-2.10	-0.21
Sweden	-9.04	▲	-2.46	-0.54
Germany	-0.62	▼	-3.67	-0.16
China (Beijing)	3.75	▼	-3.96	-0.41
Finland	-4.51	▼	-4.27	-2.43
Austria (Vienna)	0.81	▼	-4.90	-2.11
France	2.69	▼	-5.16	-1.55
Slovak Republic	1.83	▼	-5.20	-0.41
Latvia (Riga)	-4.62	▼	-6.49	-0.12
Jersey	1.82	▼	-6.56	-2.93
Macau	-4.16	▼	-9.04	-3.16
Hong Kong	-7.63	▼	-12.63	-1.12

House Price Change (Inflation-Adjusted)

	Y-O-Y (%)		Q-O-Q (%)	
	Q1 2023		Q1 2024	Q1 2024
Qatar	-6.06	▲	-0.23	-1.60
India	-1.39	▼	-0.45	0.72
Saudi Arabia	-1.38	▼	-0.47	-0.06
Philippines (Makati CBD)	-3.44	▲	-0.48	-0.59
Japan (Tokyo)	12.60	▼	-0.56	2.34
Indonesia	-3.28	▲	-0.67	-0.25
New Zealand	-18.38	▲	-0.78	1.93
Ukraine (Kiev)	-3.94	▲	-1.06	-0.33
Pakistan (Karachi)	-10.13	▲	-1.18	-4.89
Malaysia	1.34	▼	-1.24	-2.69
Uruguay	10.47	▼	-1.34	-1.47
Peru	-6.91	▲	-1.51	-3.16
Colombia (Bogota)	-5.53	▲	-1.66	-1.25
Vietnam (HCMC)	6.74	▼	-2.72	0.36
UK (Nationwide)	-9.19	▲	-2.75	0.25
Norway	-6.27	▲	-3.02	3.34
China (Beijing)	3.05	▼	-4.03	-0.77
South Africa	-4.53	▼	-4.38	-1.90
Estonia	-4.33	▲	-4.53	-8.76
South Korea	-8.98	▲	-5.05	-1.13
Germany	-8.18	▲	-6.03	-0.67
Sweden	-18.36	▲	-6.81	-1.19
Finland	-11.90	▲	-6.88	-3.05
Latvia (Riga)	-18.66	▲	-7.34	-2.23
France	-3.12	▼	-7.74	-3.90
Slovak Republic	-11.53	▲	-8.15	-1.41
Austria (Vienna)	-8.70	▲	-8.82	-2.85
Turkey	54.79	▼	-9.80	-8.07
Macau	-4.98	▼	-10.02	-3.25
Jersey	-9.65	▼	-11.60	-4.48
Hong Kong	-9.13	▼	-14.34	-1.49
Argentina (Buenos Aires)	-53.70	▼	-72.28	-31.40

▲ More than one percentage point increase in house price change

▼ Less than 1 percentage point increase in house price change

▼ More than one percentage point decrease in house price change

▲ Less than 1 percentage point decrease in house price change

A narrow alleyway with a string of international flags and a hanging lamp. The scene is dimly lit, with a large, dark, conical lamp hanging from the ceiling. The walls are made of light-colored stone or concrete. The flags are strung across the alley, and the overall atmosphere is quiet and somewhat somber.

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Global housing markets are now two-tiered, amidst easing inflationary pressures in many countries and continued weakness in global economic activity, coupled with ongoing geopolitical tensions. When adjusted for inflation, house prices have risen in 31, and actually declined in 33 markets which have so far published housing statistics in Q1 2024.

However, the more upbeat nominal figures, more familiar to the public, showed that house prices are rising strongly (or the decline is just modest). During the year to Q1 2024, nominal house prices were still rising in 51 countries, and declined in only 13 out of the 64 world's housing markets. For instance, in Turkey, nominal house prices skyrocketed by 51.99% year-on-year in Q1 2024 but in real terms, prices have actually declined by 9.8%. This is also the case in Egypt, nominal house prices soared by 39.29% but real figures were up by just 4.49%. Also, in Karachi, Pakistan, nominal house prices surged by 19.27% but when adjusted for inflation, they actually declined by 1.18%.

In terms of momentum, most of the world's property markets are improving. Momentum is visibly stronger in real terms, indicating that the worse is over: 46 out of the 64 world's housing markets showed stronger momentum in Q1 2024 as compared to the previous year, while the remaining 18 housing markets showed weaker momentum. Momentum is a measure of the "change in the change"; simply put, momentum has increased if a property market has risen faster this year than last (or fallen less).

During Q1 2024:

- United States, always a key market, is now experiencing house price growth again, on the back of improved economic conditions. Likewise, Canada is also recovering, as property demand increases.
- Most of Europe's housing markets remain robust, with house prices rising in 16 out of the 29 European countries included in our global survey in Q1 2024. Also, 20 countries showed stronger momentum in Q1 2024 from the prior year. Strong performers in Europe included Montenegro, Russia, Portugal and Greece.
- Pacific housing markets continue to show huge improvements, buoyed by increasing property demand. House prices in both Australia and New Zealand are now rising modestly.
- Most of Asia continue to experience housing market downturn, amidst weakening economic growth and high inflation. House prices rose in only 6 of the 17 Asian housing markets included in our global house price survey. Except in Georgia, Taiwan, and Sri Lanka, house prices in the region are either falling or increasing only modestly. In fact, Hong Kong and Macau are two of the five weakest housing markets in our global survey.

- The Middle East is recovering, with all of the six housing markets included in our global survey showing stronger momentum in Q1 2024 as compared to a year earlier. Dubai, UAE and Israel are among the top five performers in our global survey. Though Saudi Arabia and Qatar remain weak.
- Latin America's housing markets showed mixed results. Argentina remains the weakest housing markets in our global survey but Mexico continues to strengthen.

The strongest house price increases in our global survey during the year to Q1 2024 were seen in: Montenegro (+24.10%), Dubai, UAE (+16.81%), Georgia (+12.33%), Russia (+10.46%), and Israel (+9.86%), using inflation-adjusted figures.

The biggest y-o-y house price decline was registered still in Buenos Aires, Argentina (-72.28%), followed by Hong Kong (-14.34%), Jersey (-11.60%), Macau (-10.02%), and Turkey (-9.80%), again using inflation-adjusted figures.

In its April 2024 World Economic Outlook Update, the International Monetary Fund (IMF) expects the global economy to expand by 3.2% this year and in 2025, at par with the previous year's growth. The revised forecast is up by 0.1 percentage point from its January 2024 projections, amidst greater-than-expected resilience in the U.S. and several large emerging markets and developing economies, as well as fiscal support in China. Advanced economies are expected to grow by 1.7% this year while emerging and developing economies by 4.2%.

Accordingly, inflation continues to ease. Global headline inflation is projected to fall to 5.9% this year and to 4.5% in 2025, from 6.8% in the previous year. For advanced economies, headline inflation is expected to hover around 2.6% this year, close to central banks' inflation targets.



The World's Regions

Most of Europe remain healthy

House prices have risen in 16 of the 29 European housing markets for which figures were available in Q1 2024. Also, 20 countries had stronger momentum in Q1 2024 compared to a year earlier. A sharp turnaround were seen in Montenegro and Russia while Portugal and Greece continued to register strong growth.





Montenegro's house price growth is accelerating, buoyed by recovering demand, especially from foreign homebuyers. The price of dwellings in new residential buildings soared by 24.10% in Q1 2024 from a year earlier, in stark contrast from the year-on-year fall of 4.04% seen in the previous year. Yet quarter-on-quarter, prices were down by 3.27% during the latest quarter.

In fact in nominal terms, dwelling prices surged by 30.95% during the year to Q1 2024 – the second highest year-on-year growth in recent history. After expanding by an average of 8.5% annually in 2021-23, Montenegro's economic growth is projected to moderate to 3.7% this year and to 3% in 2025.

Russia's house prices are surprisingly increasing strongly again, amidst improving economy despite the ongoing Russia-Ukraine war. Nationwide house prices rose strongly by 10.46% in Q1 2024 from a year earlier, in stark contrast to the previous year's 2.28% fall. Real house prices have been falling year-on-year for four straight quarters before the surprise turnaround in Q1 2024. During the latest quarter, nationwide house prices soared by 13.67% quarter-on-quarter.

The Russian economy is expected to expand by 3.2% this year, following moderate growth of 3.6% in 2023, buoyed by a surge in defense spending despite sweeping Western economic sanctions. Yet the outlook remains uncertain as hundreds of thousands of Russians have left the country in recent months and have been purchasing properties in other countries instead, such as Dubai.

Portugal's housing market remains fundamentally strong, supported by robust demand and a housing shortage. Nationwide property prices rose by 8.5% in Q1 2024 from a year earlier, following year-on-year expansions of 9.29% in Q4 2023, 9.2% in Q3, 9.84% in Q2, and 8.49% in Q1. On a quarterly basis, real house prices were up by 4.2% in Q1 2024.

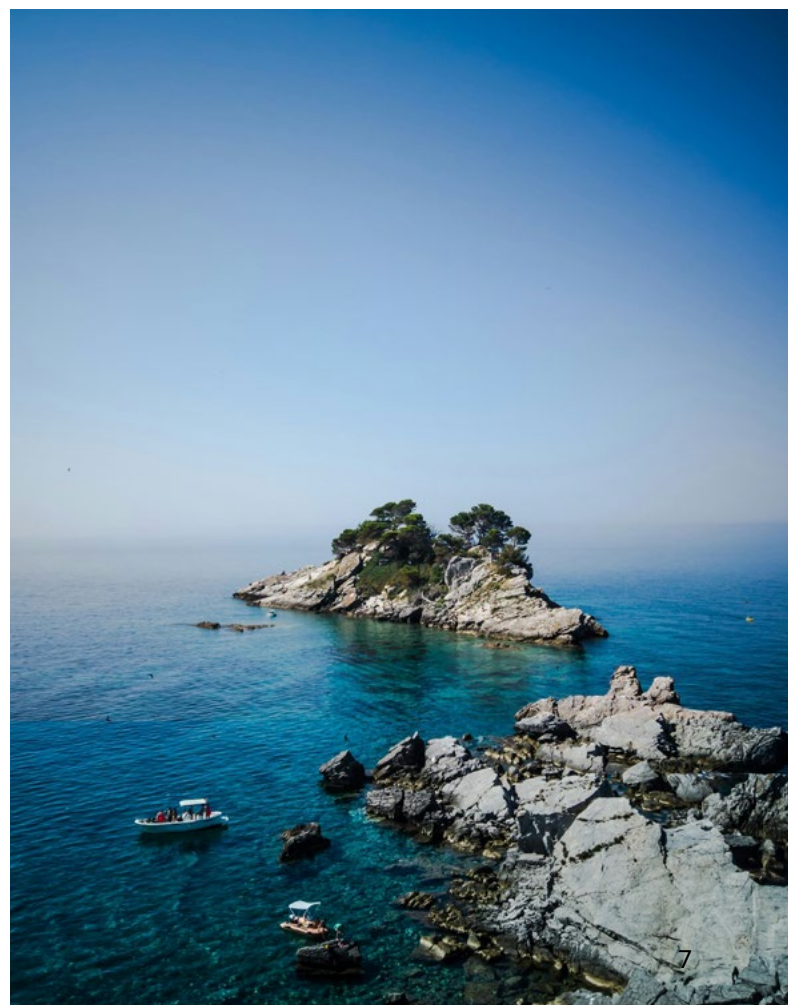
The number of licensed dwelling permits in Portugal rose by 5.6% to 31,949 units in 2023, following annual growth of 5.9% in 2022, 11% in 2021, and 2.6% in 2020, according to figures from the Instituto Nacional de Estatística (INE). However, construction activity seems slowing. In the first four months of 2024, licensed dwelling permits fell by 15.3% y-o-y to 9,704 units. The overall economy is projected to slow sharply in the medium term, with real GDP growth forecast of 1.7% this year and 1.9% in 2025, according to the European Commission, down from expansions of 2.1% in 2023, 6.8% in 2022 and 5.5% in 2021.

Greece's housing market continues to grow, with its inflation-adjusted dwelling price index in urban areas rising by 7.44% in Q1 2024 from a year earlier, following a year-on-year growth of 9.47% in Q1 2023. On a quarterly basis, prices fell slightly by 0.67% during the latest quarter.

Aside from strong local demand, demand from foreign homebuyers is rising rapidly. Foreign investors have been attracted to Greece, mainly due to the Golden Visa Program, which offers residency to non-EU investors purchasing or renting property worth over €250,000. The Greek economy is projected to expand by 2.3%, on average, in the next two years, after growing by 2% in 2023 and 5.9% in 2022, according to the European Commission.

Strong to moderate house price increases were also seen in Warsaw, **Poland** (6.78%), **Ireland** (4.29%), **Malta** (3.99%), **Denmark** (3.86%), and **Spain** (3.68%). All, except Spain, had stronger performances in Q1 2024 compared to the same period last year. Also, all except Denmark, saw quarter-on-quarter price increases during the latest quarter.

European housing markets which registered minimal house price growth during the year to Q1 2024 included **Romania** (2.84%), **Switzerland** (2.38%), **Lithuania** (2.34%), **Netherlands** (2.24%), **Italy** (0.85%), **North Macedonia** (0.19%), and **Iceland** (0.15%). All, except North Macedonia and Iceland, performed stronger in Q1 2024 compared to the prior year. All, except North Macedonia and Lithuania, saw quarter-on-quarter price increases in Q1 2024.





Europe's worst performing housing markets

Turkey is an extraordinary housing market, with surging nominal house prices but actually falling real prices. The huge gap was due to hyperinflation. In March 2024, overall inflation climbed a whopping 75.45% - the highest level since November 2022. As such, Turkey's nationwide house prices surged to 51.99% during the year to Q1 2024. But when adjusted for inflation, house prices actually dropped 9.8% - making Turkey one of the weakest housing markets in our global house price survey. Quarter-on-quarter, real prices were down by 8.07% in Q1 2024.

Demand is falling. In the first five months of 2024, nationwide house sales declined by 3.4% year-on-year to 465,761 units, after falling by 17.5% in 2023. Turkey's economic growth is projected to moderate to 3.1% this year, after expanding by 4.5% in 2023, 5.5% in 2022 and 11.4% in 2021.

Austria's housing market is now struggling, which is not surprising given weakening demand, falling residential construction activity, coupled with ailing economy. In Vienna, the inflation-adjusted residential property price index fell by a huge 8.82% in Q1 2024 from a year earlier, at par with the prior year's 8.7% decline. It was its seventh straight quarter of year-on-year price fall. Quarter-on-quarter, prices in the capital city were down by 2.85% during the latest quarter.

Austria's export-reliant economy contracted by 0.8% during 2023, in stark contrast to expansions of 4.8% in 2022 and 4.6% in 2021, mainly due to weaker private consumption and investments. The European Commission expects the economy to grow by a miniscule 0.3% this year, before slightly picking up to 1.6% in 2025.

Slovak Republic's housing market condition remains depressed. Inflation-adjusted house prices dropped by 8.15% in Q1 2024 from a year earlier, following a year-on-year decline of 11.53% in Q1 2023. Last year was its worst showing in recent history. Real house prices have been falling for eight consecutive quarters now. Even in nominal terms, house prices also declined by 6.49% year-on-year in Q1 2024. On a quarterly basis, inflation-adjusted house prices fell by 1.41%.

Residential property demand, both from local and from foreign investors, is slowing rapidly, mainly due to geopolitical events such as the conflict in Ukraine which caused an increase in energy prices and led to a surge in inflation. This coupled with a rapid rise in interest rates discourages potential demand. The European Commission expects the Slovak Republic to grow by 2.2% this year and by 2.9% in 2025, an improvement from annual expansions of 1.6% in 2023 and 1.7% in 2022.

Germany's housing market woes persist, as higher mortgage interest rates and rising inflationary pressures have compounded affordability constraints. The average price of apartments dropped 6.03% (inflation-adjusted) in Q1 2024 from a year earlier, following the prior year's 8.18% decline. It is now the sixth consecutive quarter of year-on-year fall. The last five quarters have been the housing market's worst showing in recent history. On a quarterly basis, real house prices were down slightly by 0.67% in Q1 2024.





With falling demand, residential construction in Germany is declining rapidly. During 2023, dwelling permits plummeted by 26.6% y-o-y to 260,071 units, following an annual decline of 7% in 2022. Then in Q1 2024, dwelling permits plunged further by 22.2% y-o-y to 53,465 units. Germany's economic growth slowed sharply to just 0.3% in 2023, in contrast to annual growth of 1.8% in 2022 and 2.6% in 2021, as private consumption suffered from a loss in purchasing power. The European Commission projects Europe's biggest economy to grow by a meager 0.1% this year before slightly improving to a growth of 1% in 2025.

While UK's housing market remains weak, it shows considerable improvement recently. Inflation-adjusted house prices dropped 2.75% in Q1 2024 from a year earlier, a sharp improvement from the previous year's 9.19% fall. In nominal terms, UK house prices declined slightly by 1.04% during the year to Q1 2024. Quarter-on-quarter, inflation-adjusted house prices rose slightly by 0.25% during the latest quarter.

Yet demand continues to fall, with the residential property transactions (seasonally-adjusted) in the UK falling by a huge 19% y-o-y to 1,019,220 units in 2023, following a 14.8% decline in 2022, according to HM Revenue & Customs. Then in Q1 2024, transactions dropped further by 7.8% y-o-y to 227,040 units. During 2023, dwellings starts and completions in England dropped 15.6% and 11.1%, respectively. The UK economy expanded by a meager 0.1% during 2023, a sharp slowdown from growth of 4.3% in 2022, and 7.6% in 2021. The National Institute of Economic and Social Research (NIESR) expects the UK economy to remain subdued this year, with a projected real GDP growth rate of 0.9%.

Other European housing markets which are also struggling include Jersey with house prices falling by 11.6% year-on-year in Q1 2024, France (-7.74%), Riga, Latvia (-7.34%), Finland (-6.88%), and Sweden (-6.81%). All saw quarter-on-quarter price falls in Q1 2024. Yet only France and Jersey recorded weaker performances in Q1 2024 from the previous year.

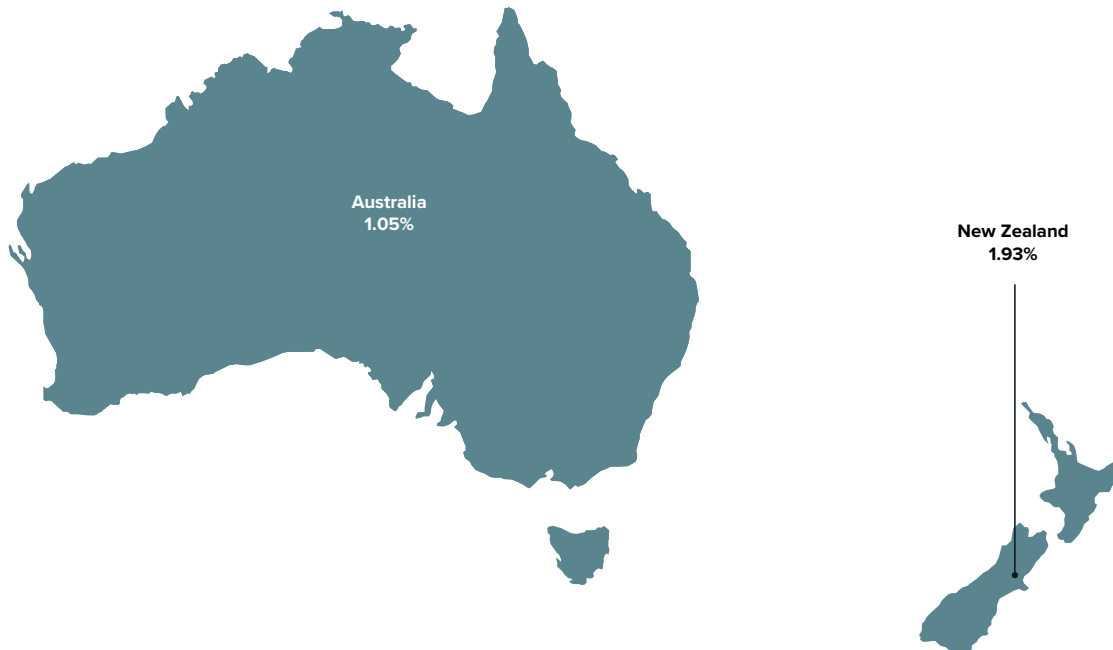
Moderate to minimal house price falls were registered in Estonia (-4.53%), Norway (-3.02%), and Kiev, Ukraine (-1.06%). Only Estonia has shown worse performance in Q1 2024 as compared to the prior year. However, only Norway has actually registered a quarter-on-quarter price increase in Q1 2024.





Pacific housing markets gaining momentum

Pacific housing markets continue to show huge improvements, despite weak economic growth caused by rising interest rates and declining purchasing power of consumers due to soaring inflation.



Australia's housing market has shown a quick turnaround, amidst increasing property demand. Inflation-adjusted house prices in the country's eight major cities rose strongly by 7.06% in Q1 2024 from a year earlier, in stark contrast from a huge year-on-year decline of 12.59% in the prior year. In fact, it was its best showing since Q1 2022. Quarter-on-quarter, real house prices increased 1.05% in Q1 2024. In nominal terms, house prices soared by 10.91% in Q1 2024 from the previous year.

Demand is increasing, but supply remains low. In May 2024, home sales were up by 2.8% from a year ago and 7.2% above the previous five-year average. Despite this, the number of home listings in the capital cities remained 16% below the previous five-year average and nearly 2% lower than a year ago. Dwelling approvals were up by a modest 3.5% in April 2024 from a year earlier but still 23.5% below the decade average.

The Australian economy is projected to grow by 1.5% this year, after expanding by 2.1% in 2023, 3.8% in 2022, and 5.6% in 2021.

New Zealand's housing market conditions are noticeably improving, despite sluggish economic growth. Inflation-adjusted median house prices dropped slightly by 0.78% year-on-year in Q1 2024, a huge improvement from the house price decline of 18.38% in the prior year. In fact, on a quarterly basis, real house prices increased 1.93% in Q1 2024.

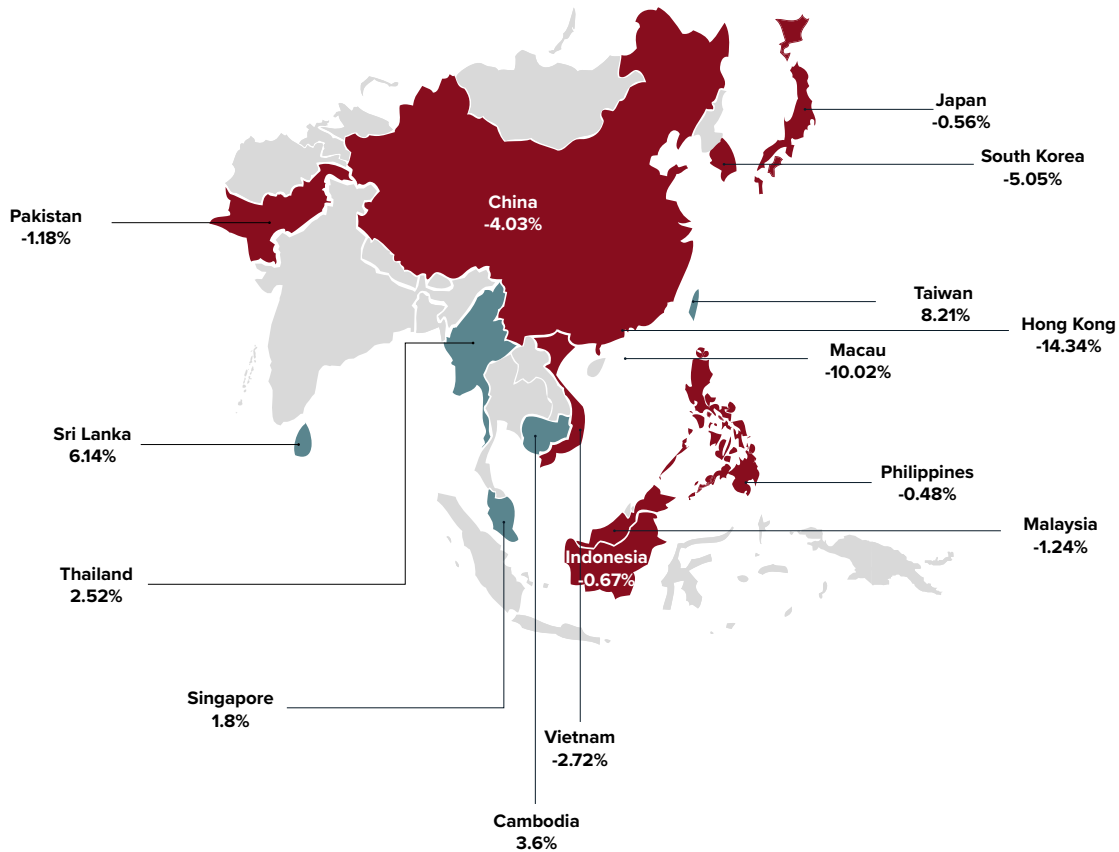
After a generally weak activity last year, demand is now improving again. In May 2024, residential property sales across New Zealand increased by 6.8% y-o-y to 6,303 units, according to the Real Estate Institute of New Zealand (REINZ). Across the regions, 11 of the 16 regions saw an increase in the number of properties sold year-on-year, with Gisborne registering the highest increase in sales count at 112%. Supply indicators are also showing an upward trend. In May 2024, new residential listings in the country increased by a huge 25.4% to 9,225 units from a year earlier. Likewise, stock levels also rose by 22% to 32,598 units in May 2024 as compared to a year earlier.

After expanding by a meager 0.6% in 2023, NZ's economic activity is expected to remain subdued this year, with the IMF projecting a real GDP growth rate of just 1%, as rising interest rates and high inflation weigh on private consumption.



Asia's housing market downturn continues

House prices rose in only 6 of the 17 Asian housing markets included in our global house price survey. Though ten countries performed better in Q1 2024 compared to a year earlier. Except in Georgia, Taiwan, and Sri Lanka, house prices in the region are either falling or increasing only modestly.



Georgia's housing market continues to grow strongly, buoyed by robust demand and limited supply, coupled with robust economic growth. The inflation-adjusted residential property price index rose by a huge 12.33% during the year to Q1 2024, a sharp acceleration from a year-on-year increase of 5.07% in the same period last year. On a quarterly basis, real house prices were up slightly by 0.73% during the latest quarter.

Georgia's economy is fundamentally strong, with real GDP growing by 7.5% during 2023, following annual expansions of 10.1% in 2022 and 10.5% in 2021. The economy is projected to expand by 5.7% this year and by another 5.2% in 2025, based on IMF estimates.

Taiwan's housing market is gathering pace, amidst recovering property demand. Nationwide house prices rose strongly by 8.21% in Q1 2024 from a year earlier, a sharp improvement from a year-on-year growth of 2.62% in the previous year. Quarter-on-quarter, houses prices were up by 3.62% in Q1 2024. The housing market slowed

in recent years, after dramatic government measures to curb speculative house purchases. Surprisingly, it started to gain momentum again during the onset of the Covid-19 pandemic in the past three years.

Taiwan's economy is projected to grow by around 3% this year, up from the meager growth of 0.3% registered in 2023, buoyed by strong growth in exports and private consumption, according to the Directorate-General of Budget, Accounting and Statistics (DGBAS).

Modest to minimal house prices increases were recorded in Colombo, **Sri Lanka** (6.14%), Phnom Penh, **Cambodia** (3.6%), **Thailand** (2.52%), and **Singapore** (1.88%). All, except Singapore, performed better in Q1 2024 as compared to a year earlier. All, except Thailand, recorded quarterly price increase during the latest quarter.



Asia's weakest housing markets

Hong Kong's housing market remains in deep trouble, amidst struggling economy. The inflation-adjusted residential property prices plummeted by 14.34% in Q1 2024 from a year earlier, worse than the prior year's 9.13% year-on-year decline. On a quarterly basis, house prices fell by 1.49% in Q1 2024. After falling in the past two years, demand remains weak this year. In the first four months of 2024, the number of property transactions dropped further by 1.2% y-o-y to 18,374 units while transactions value declined by 10.4% to HK\$154.41 billion (US\$19.77 billion).

Residential construction activity is now plummeting. Completions fell by a whopping 34.6% to just 13,852 units in 2023 from a year earlier, in sharp contrast to the 47.1% increase in 2022. In Jan-Apr 2024, there were 5,599 completed units. Hong Kong's service-oriented economy grew by 3.2% in 2023, following a contraction of 3.5% in 2022. The government forecasts the HK economy to grow further by 2.5% to 3.5% this year.

Macau's housing market performance remains dismal, despite rapidly improving economic conditions. The average transaction price of residential units fell by a huge 10.02% (inflation-adjusted) in Q1 2024 from a year earlier, far worse than the prior year's 4.98% decline. Quarter-on-quarter, prices fell by 3.25% during the latest quarter.

Macau's economy is strengthening, with the real GDP growing by a whopping 80.5% during 2023, in stark contrast to the annual contraction of 21.4% seen in 2022, mainly due to the impact of low base effects, as well as sustained improvement in the tourism and gaming sectors. The economy is projected to grow by 13.9% this year, based on IMF estimates.

South Korea's housing market continues to struggle, after a surge in house prices in recent years. The slowdown can be primarily attributed to the recent introduction of stricter lending criteria and interest rate hikes. Inflation-adjusted house prices fell by 5.05% in Q1 2024 from a year earlier, following a year-on-year fall of 8.98% in Q1 2023. Prices have been falling for seven consecutive quarters now. On a quarterly basis, real house prices fell by 1.13% in Q1 2024. Even in nominal terms, house prices declined by 2.1% in Q1 2024 from the same period last year.

South Korea's trade-reliant economy expanded by 1.4% during 2023, a slowdown from annual expansions of 2.6% in 2022 and 4.3% in 2021. Recently, Bank of Korea upgraded its real GDP growth projection for 2024 from 2.1% to 2.5%, amidst stronger-than-expected growth in economic activity.

Other weak Asian housing markets included Beijing, China, with house prices falling by 4.03% during the year to Q1 2024, followed by Ho Chi Minh City, **Vietnam** (-2.72%), **Malaysia** (-1.24%) and Karachi, **Pakistan** (-1.18%). All, except Pakistan, showed weaker performance in Q1 2024 compared to a year earlier. All, except Vietnam, registered quarterly price falls in Q1 2024.

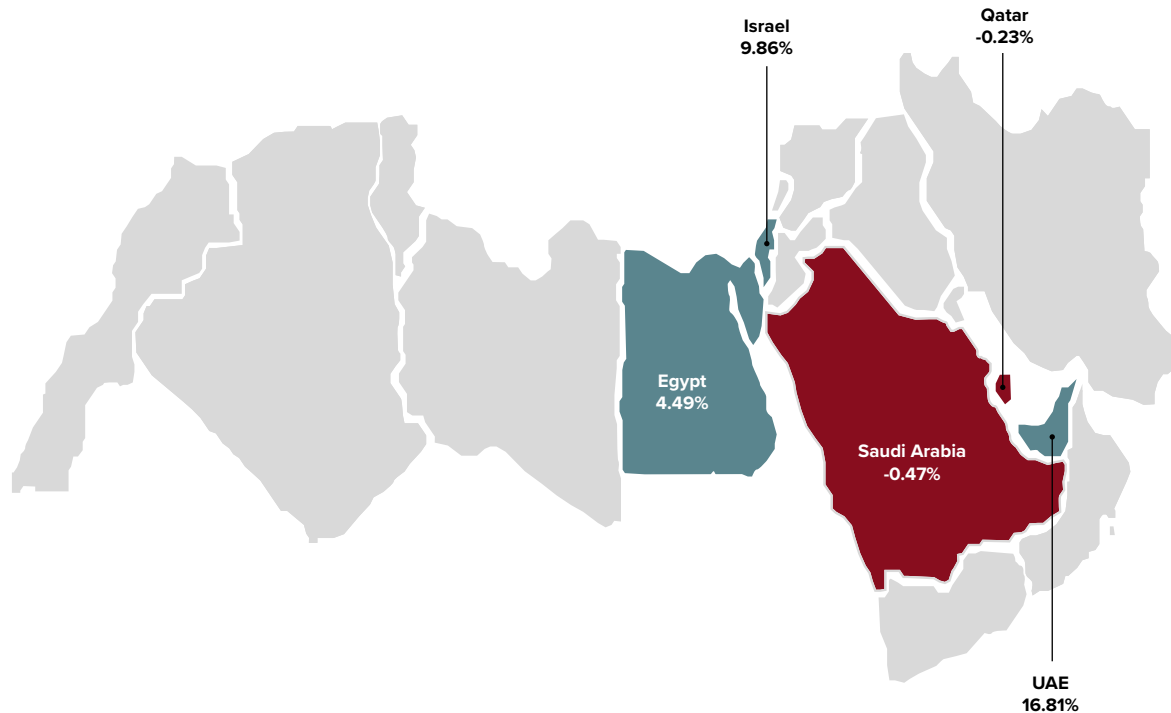
Minimal year-on-year price falls were also recorded in **Indonesia** (-0.67%), Tokyo, **Japan** (-0.56%), Makati CBD, **Philippines** (-0.48%) and **India** (-0.45%). All, except Japan, showed stronger performance in Q1 2024 compared to a year earlier. Yet only Japan and India saw quarterly price increases during the latest quarter.





Middle East housing market conditions improving

All of the 6 Middle East housing markets included in our global house price survey showed stronger momentum in Q1 2024 as compared to the previous year. House prices rose in 3 markets while the remaining markets saw minimal house price falls only.



The **UAE's** housing market emerged as the second best performer in our global house price survey, supported by robust demand. In Dubai, inflation-adjusted residential property prices rose by a huge 16.81% in Q1 2024 from a year earlier, double the previous year's 8.08% growth. In fact, it was its best showing since Q3 2014. On a quarterly basis, house prices in Dubai were up by 5.57% in Q1 2024. Residential sales transactions in Dubai registered a 16% growth in value and a 20% increase in volume in Q1 2024 as compared to the same period last year, according to JLL MENA. The overall UAE economy is projected to grow by 4.2% this year and by another 5.2% in 2025, up from the annual expansion of 3.1% in 2023, buoyed by the expected rise in oil production.

Israel's housing market is strengthening, with the nationwide average price of owner-occupied dwellings rising strongly by 9.86% year-on-year in Q1 2024, an acceleration from the 4.53% increase in the prior year. On a quarterly basis, Israeli house prices increased by 2.77% in Q1 2024. Though Israel's overall economy is actually slowing, as the war with Hamas is taking a heavy toll on the economy. The Israeli economy is projected to grow by just 1.6% this year, a deceleration from annual expansions of 2% in 2023, 6.5% in 2022, and 9.3% in 2021.

Egypt's housing market is improving, with the nationwide inflation-adjusted real estate index rising by 4.49% in Q1 2024 from a year earlier, in contrast from a year-on-year fall of 7.85% in the prior year. In nominal terms, house prices surged by 39.29% during the year to Q1 2024. However, quarter-on-quarter, real house prices dropped 8.15% in Q1 2024. After growing by 6.7% in 2022 and 3.8% in 2023, the overall economy is projected to expand further by a modest 3% this year.

Minimal year-on-year house price falls were experienced in **Saudi Arabia** (-0.47%), **Qatar** (-0.23%), and **Morocco** (-0.2%). All showed better performance in Q1 2024 compared to a year earlier. Yet all also continued to register quarterly price falls during the latest quarter.



Americas: Both U.S. and Canada housing markets recovering

The U.S. housing market is now experiencing modest house price growth again, on the back of improved overall economic conditions. Likewise, Canada's housing market showed a remarkable improvement, as demand gradually returns.



U.S. house prices are now increasing modestly, amidst improved economic conditions. The S&P/Case-Shiller seasonally-adjusted national home price index rose by 2.91% in Q1 2024 from a year earlier (inflation-adjusted), in contrast to a year-on-year fall of 3.99% in Q1 2023. This is supported by figures released by the Federal Housing Finance Agency (FHFA), which showed that its seasonally-adjusted purchase-only U.S. house price index increased by a modest 3.25% during the year to Q1 2024 (inflation-adjusted), an improvement from a decline of 1.11% in the prior year. Both the S&P/Case-Shiller index and the FHFA index were more or less steady in Q1 2024 when compared to the previous quarter.

The increase in house prices came as a surprise given falling demand and weak homebuilder sentiment. In May 2024, existing home sales – completed transactions that include single-family homes, townhomes, condominiums and coops – fell by 2.8% to a seasonally-adjusted annual rate of 4.11 million units as compared to a year earlier, according to the National Association of Realtors (NAR). Likewise, sales of new single-family houses decreased by 7.7% y-o-y to a seasonally-adjusted annual rate of 634,000 units in April 2024, according to the U.S. Census Bureau.

The U.S. homebuilder sentiment fell to 43 in June 2024, down from 45 in the previous month and 55 in the same month last year, as high mortgage rates continue to adversely impact prospective homebuyers and overall housing demand outlook, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI). A reading of 50 is the midpoint between positive and negative sentiment.

The U.S. economy is projected to expand by 2.7% this year, following annual growth of 2.5% in 2023 and 1.9% in 2022.

Canada's housing market continues to show signs of improvement, after a slowdown in the past two years. In Q1 2024, inflation-adjusted house prices in the country's eleven major cities increased by 2.53% from a year earlier, a sharp turnaround from the prior year's 10.67% fall. It was the first year-on-year increase since Q2 2022. Quarter-on-quarter, real house prices fell slightly by 0.84% during the latest quarter.



Demand is recovering. In April 2024, actual sales activity was up by 10.1% from the same period last year, following annual contractions of 11.1% in 2023 and 25.2% in 2022. The Canadian Real Estate Association (CREA) projects that 492,083 properties will be sold this year via the Canadian MLS Systems, up by 10.5% from last year. Likewise, housing starts rose by 12.8% y-o-y to 52,859 units in Q1 2024, in contrast to annual declines of 8.2% in 2023 and 3.4% in 2022, according to the Canada Mortgage and Housing Corporation (CMHC).

The Canadian economy grew by a meager 1% in 2023 from a year earlier, sharply down from expansions of 3.6% in 2022 and 4.5% in 2021, as high interest rates weighted on consumers and business, according to Statistics Canada. The central bank expects Canada's economy to grow by just 0.8% this year, before improving to 2.4% in 2025.



Latin America's housing market showed mixed results

House prices fell in four of the six Latin American housing markets included in our global survey. In fact, the world's weakest housing market in our global house price survey is in Latin America - Argentina. But Mexico is an exception, which continued to gain momentum in Q1 2024.



Argentina's housing market remains depressed, amidst struggling economy, surging inflation and nervous political situation. During the year to Q1 2024, inflation-adjusted apartment prices in Buenos Aires plunged by a whopping 72.28%, worse than the year-on-year decline of 53.7% in Q1 2023. On a quarterly basis, prices dropped by a huge 31.4% in Q1 2024. The overall economy contracted by 1.6% last year, from expansions of 5% in 2022 and 10.7% in 2021. The IMF expects the Argentinian economy to remain weak this year, with a projected real GDP contraction of 2.8%.

Colombia's housing market remains weak, after several years of vigorous price rises. In Bogotá, house prices fell by 1.66% in Q1 2024 from a year earlier, following a y-o-y decline of 5.53% in Q1 2023. The country has been experiencing nine consecutive quarter of y-o-y price falls now. During the latest quarter, house prices dropped 1.25% q-o-q. Colombia's economy grew by just 0.6% during 2023, a sharp slowdown from strong expansions of 7.3% in 2022 and 10.8% in 2021. Economic growth is projected at 1.1% this year.



Peru's housing market performance is still sluggish, with the nationwide average price of new apartments falling by 1.51% in Q1 2024 from a year earlier, its thirteenth consecutive quarter of year-on-year price falls. Quarter-on-quarter, house prices declined 3.16% in Q1 2024. Chile's overall economy contracted by 0.6% during 2023, following growth of 2.7% in 2022 and 13.4% in 2021. The IMF expects the economy to improve in the coming years, with projected real GDP growth rate of 2.5% this year and 2.7% in 2025.

Uruguay's housing market is slowing rapidly, with nationwide house prices falling by 1.34% during the year to Q1 2024, in stark contrast with the year-on-year increase of 10.47% in the previous year. On a quarterly basis, house prices were down by 1.47% during the latest quarter. The economy is projected to grow by 3.7% this year, following annual expansions of 0.4% in 2023, 4.7% in 2022, and 5.6% in 2021.

Brazil's housing market continues to stabilize, amidst rising demand and supply. Real house prices in Sao Paulo increased by a little 0.79% in Q1 2024 from a year earlier, following a year-on-year increase of 0.14% in Q1 2023. On a quarterly basis, Sao Paulo real prices were down slightly by 0.31% in Q1 2024. In the first four months of 2024, new residential sales in Sao Paulo surged 39.4% y-o-y to 30,308 units, after increasing by 9.8% in 2023 and 4.9% in 2022. Brazil's economy is projected to expand by 2.5% this year, at par with the growth seen in the past two years.

Mexico's housing market continue to gather pace, with the nationwide house price index rising by 4.85% in Q1 2024 from a year earlier, slightly up from the year-on-year increase of 3.94% seen in Q1 2023. In fact in nominal terms, house prices actually increased strongly by 9.64% during the year to Q1 2024. On a quarterly basis, real house prices were up by 1.09% in Q1 2024. Overall, the Mexican economy posted a modest growth of 3.2% last year and is expected to remain stable this year, with a projected real GDP growth rate of 2.4%.





Puerto Rico's housing market very unpredictable

Puerto Rico's housing market movements remain erratic, amidst slowing economy. The seasonally-adjusted purchase-only house price index rose by 5.15% in Q1 2024 from a year earlier, following year-on-year price changes of 0.6% in Q4 2023, -2.59% in Q3, 16.38% in Q2, and -4.18% in Q1, using inflation-adjusted figures. Quarter-on-quarter, house prices increased 3.4% during the latest quarter.

The Puerto Rican housing market has suffered tremendously for most of the decade. The island has experienced a prolonged economic crisis, massive debt, high unemployment and continuing population loss. With US\$70 billion in debt and US\$50 billion in pension liabilities, Puerto Rico's bankruptcy filing in May 2017 was the biggest in the history of the United States. Puerto Rico's economy is expected to remain weak in the medium term, with the IMF projecting another real GDP decline of 0.2% this year and a zero growth in 2025, after a 0.7% contraction in 2023.

South Africa's housing market still struggling

South Africa's housing market woes continue, having been depressed for most of the past eight years. The price index for medium-sized apartments fell by 4.38% in Q1 2024 from a year earlier, at par with the year-on-year decline of 4.53% in the previous year. On a quarterly basis, house prices were down by 1.9% during the latest quarter.

The overall economy remains subdued. During 2023, SA's economic growth slowed to just 0.6%, down from 1.9% in 2022 and 4.7% in 2021, amidst the fallout of the war in Ukraine coupled with several domestic setbacks, such as floods and energy crisis. The SA economy will likely post a meager growth of 0.9% this year and another 1.2% in 2025.



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