



Global Property Guide

MARKET REPORT

Global Residential Real Estate

Q3
2021



House Price Change (Inflation-Adjusted)

	Y-O-Y (%)		Q-O-Q (%)	
	Q3 2020		Q3 2021	Q3 2021
Montenegro	-21.99	▲	32.40	-4.06
Sweden	5.67	▲	17.97	4.43
Australia (8 capital cities)	4.75	▲	16.08	3.60
Netherlands	7.36	▲	15.33	5.18
Puerto Rico	5.65	▲	14.56	5.19
Jersey	3.27	▲	14.37	0.07
Slovak Republic	10.10	▲	14.01	1.73
US (Case-Shiller)	5.63	▲	13.41	3.22
Pakistan	-2.42	▲	13.39	3.39
Turkey	13.96	▲	13.32	5.78
South Korea	4.33	▲	13.12	2.91
US (FHFA)	6.91	▲	12.49	2.57
Canada	6.17	▲	12.34	2.06
Lithuania	3.42	▲	12.26	3.07
Japan (Tokyo)	3.97	▲	10.12	3.65
New Zealand	13.77	▼	9.96	-5.16
Iceland	4.10	▲	9.88	2.65
Romania	0.45	▲	9.82	0.34
China (Beijing)	2.70	▲	9.09	0.50
Denmark	2.63	▲	8.67	0.81
Vietnam (HCMC)	13.83	▼	8.50	4.09
Ireland	0.36	▲	8.33	4.14
Germany	7.38	▼	8.25	2.25
UAE (Dubai)	-4.88	▲	7.71	3.26
UK (Nationwide)	2.62	▲	7.48	0.99
Russia	5.86	▲	7.21	2.08
Estonia	4.71	▲	7.07	-3.77
Taiwan	6.73	▼	6.95	1.42
Austria (Vienna)	7.84	▲	6.87	2.28
Norway	2.89	▲	6.83	-1.76
Sri Lanka (Colombo)	-7.98	▲	6.61	-10.27
Greece	5.92	▼	6.41	2.94

House Price Change (Nominal)

	Y-O-Y (%)		Q-O-Q (%)	
	Q3 2020		Q3 2021	Q3 2021
Montenegro	-21.93	▲	36.3	-3.16
Turkey	27.34	▲	35.51	10.26
Pakistan	6.37	▲	23.59	7.24
Sweden	6.27	▲	20.31	5.38
Australia (8 capital cities)	5.48	▲	19.61	4.44
US (Case-Shiller)	7.08	▲	19.52	4.21
Lithuania	4.19	▲	19.35	5.68
Puerto Rico	4.55	▲	18.58	6.44
US (FHFA)	8.22	▲	18.49	4.21
Slovak Republic	11.79	▲	18.44	3.44
Netherlands	8.55	▲	18.44	6.26
Jersey	4.25	▲	17.71	0.72
Canada	6.71	▲	17.26	3.14
South Korea	5.32	▲	15.92	4.29
Romania	2.52	▲	15.57	1.82
New Zealand	15.41	▲	15.38	-3.05
Iceland	7.74	▲	14.66	3.76
Russia	9.6	▲	14.56	3.44
Estonia	3.72	▲	13.01	-0.79
Sri Lanka (Colombo)	-4.33	▲	12.71	-9.2
Germany	7.28	▲	12.47	3.6
Ireland	-0.81	▲	12.39	5.65
Denmark	3.22	▲	11.09	1.58
Japan (Tokyo)	4.07	▲	10.99	4.56
Vietnam (HCMC)	17.22	▼	10.73	4.4
Norway	4.5	▲	10.56	-0.37
UK (Nationwide)	3.47	▲	10.34	1.99
Austria (Vienna)	9.36	▲	10.22	3.25
Latvia (Riga)	-1.59	▲	10.19	4.23
Taiwan	6.1	▲	9.76	2.4
China (Beijing)	4.48	▲	9.6	0.9
Mexico	5.02	▲	8.69	1.79

▲ 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-Adjusted)

House Price Change (Nominal)

	Y-O-Y (%)		Q-O-Q (%)	
	Q3 2020		Q3 2021	Q3 2021
France	4.86	▲	5.87	1.43
Portugal	10.60	▼	5.46	2.85
Latvia (Riga)	-1.34	▲	5.13	2.39
Singapore	0.70	▲	4.80	0.35
Israel	3.51	▲	4.61	-1.13
North Macedonia	1.15	▲	4.01	-0.27
Mexico	1.08	▲	2.73	0.44
Hong Kong	2.76	▲	1.94	2.50
Finland	1.12	▼	1.82	-0.83
Switzerland	0.64	▼	1.48	-0.06
Malta	3.08	▼	1.39	0.97
Saudi Arabia	-3.51	▲	0.45	-0.68
Thailand	4.52	▲	0.44	-1.12
Egypt	-22.31	▲	0.28	-3.09
Qatar	6.04	▼	0.11	0.82
Spain	0.78	▲	0.07	-0.69
Indonesia	0.30	▲	-0.16	0.26
Macau	0.55	▼	-0.57	-0.19
Poland (Warsaw)	7.47	▼	-1.06	2.09
Ukraine (Kiev)	1.89	▼	-1.37	-1.12
South Africa	0.27	▼	-1.97	-0.98
Malaysia	1.62	▼	-2.83	-1.61
Colombia (Bogota)	-1.67	▼	-3.20	-0.09
Italy	2.06	▼	-4.50	-2.51
Brazil (Sao Paulo)	0.21	▼	-5.51	-1.99
Peru	-1.30	▼	-5.58	-3.95
Morocco	-2.58	▼	-7.45	-2.21
Cambodia (Phnom Penh)	-8.27	▼	-11.20	-2.64
Philippines (Makati CBD)	-0.52	▼	-16.75	-2.00

	Y-O-Y (%)		Q-O-Q (%)	
	Q3 2020		Q3 2021	Q3 2021
Greece	3.91	▲	8.35	2.73
France	5.22	▲	7.70	2.03
Singapore	0.65	▲	7.48	1.10
Portugal	10.6	▼	7.03	2.85
Israel	2.79	▲	6.92	-0.28
Egypt	-19.35	▲	6.88	-1.07
UAE (Dubai)	-8.12	▲	6.10	3.75
North Macedonia	2.76	▲	5.85	0.70
Brazil (Sao Paulo)	3.35	▼	4.17	0.97
Poland (Warsaw)	10.72	▼	4.15	3.11
Spain	0.4	▲	4.08	-0.17
Finland	1.44	▲	4.06	-0.23
Ukraine (Kiev)	3.14	▼	3.90	0.46
Malta	3.26	▼	3.67	1.31
Hong Kong	0.45	▲	3.45	0.58
South Africa	3.2	▲	3.00	0.67
Qatar	-5.67	▲	2.82	2.06
Switzerland	-0.23	▲	2.33	0.17
Thailand	3.79	▼	2.13	0.13
Indonesia	1.5	▲	1.41	0.34
Colombia (Bogota)	0.26	▼	1.16	1.06
Saudi Arabia	2.03	▲	1.09	-0.26
Macau	0.52	▲	0.11	0.11
Peru	0.5	▼	-0.64	-1.64
Malaysia	0.2	▲	-0.65	-1.93
Italy	1.46	▼	-2.08	-1.85
Morocco	-1.21	▼	-6.3	-1.11
Cambodia (Phnom Penh)	-5.64	▼	-8.57	-1.78
Philippines (Makati CBD)	1.79	▼	-12.77	-1.01

▲ 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



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Q3 2021: Europe and North America lead the world's unprecedented house price boom

During the year to Q3 2021:

- Housing market growth in many countries continued to strengthen, with double-digit house price increases now becoming the norm, particularly in Europe, Asia-Pacific, and the U.S. and Canada. The magnitude of this great housing boom is unprecedented. Low interest rates, monetary easing, as well as massive government stimulus in many countries, must be assumed to be the main causes.
- Real house prices (i.e., prices adjusted for inflation) rose in 47 out of the 60 housing markets which have so far published housing statistics. The more upbeat nominal figures, more familiar to the public, rose in 54 countries, and declined in only 6 countries.
- North American housing markets are booming. In the U.S., house prices have reached record-highs. Limited supply is restricting sales activity despite the continued strong interest in homebuilding, buoyed by very low interest rates and massive government stimulus spending. Likewise in Canada, house prices in the country's eleven major cities are rising strongly again, after a two-year slowdown, thanks to robust demand, as well as improved economic prospects.
- Strong house price surges have taken place in European countries, such as Montenegro, Sweden, Netherlands, and Slovak Republic.
- Asia-Pacific housing markets are heating up, with notable performances in Australia, Pakistan, South Korea, Japan, and New Zealand.

In its October 2021 World Economic Outlook Update, the International Monetary Fund (IMF) projects the global economy to grow by 5.9% this year, amidst accelerated vaccine distribution and new government stimulus efforts in many countries, particularly in advanced economies. The global economy contracted by 3.5% last year.

The strongest housing markets in our global house price survey during the year to Q3 2021 included: Montenegro (+32.4%), Sweden (+17.97%), Australia (+16.08%), Netherlands (+15.33%), and Puerto Rico (+14.56%), using inflation-adjusted figures.

The biggest year-on-year house price decline was in Makati CBD, Philippines (-16.75%), followed by Phnom Penh, Cambodia (-11.2%), Morocco (-7.45%), Peru (-5.58%), and Sao Paulo, Brazil (-5.51%), again using inflation-adjusted figures.



Momentum is stronger:

37 of the world's housing markets for which figures are available showed stronger upward momentum during the year to Q3 2021, while 23 housing markets showed weaker momentum, according to Global Property Guide's research. 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).

Inflation-adjusted figures are used throughout this survey. In the case of Kiev, Ukraine, the Global Property Guide adjusts using the official U.S. inflation rate since Ukrainian secondary market dwelling sales are denominated in U.S. dollars.

The strongest performing markets:

Montenegro is now the strongest housing market in our global house price survey, with the price of dwellings in new residential buildings rising by a whopping 32.40% (inflation-adjusted) during the year to Q3 2021. This is in stark contrast to a year-on-year price fall of 21.99% the previous year. Yet quarter-on-quarter, prices fell by 4.06% in Q3 2021.

All figures that follow are inflation-adjusted.

Sweden's housing market has strengthened further, with the nationwide house price index rising by a huge 17.97% during the year to Q3 2021, a sharp improvement from the previous year's 5.67% year-on-year increase. In fact, it was the biggest inflation-adjusted annual growth ever recorded. Quarter-on-quarter, house prices increased 4.43% in Q3.

Australia's housing market continues to impress, with record-low interest rates fueling demand. House prices in the country's eight major cities rose by a record 16.08% during the year to Q3 2021, a sharp acceleration from the previous year's 4.75% rise. Quarter-on-quarter, prices increased 3.6%.

The Netherlands' house price growth has continued to accelerate, buoyed by record low interest rates, and with supply unable to keep up with strong demand. The average purchase price of all dwellings rose strongly by 15.33% during the year to Q3 2021, its best showing since Q2 2000. On a quarterly basis, house prices increased 5.18% during the latest quarter.

Puerto Rico's housing market continues to grow strongly, despite struggling economy. The seasonally-adjusted purchase-only house price index rose by a huge 14.56% during the year to Q3 2021, a sharp acceleration from a year-on-year increase of 5.65% in Q3 2020. Quarter-on-quarter, house prices were up 5.19% in Q3 2021.



The world's regions:

No end in sight for Europe's great house price boom

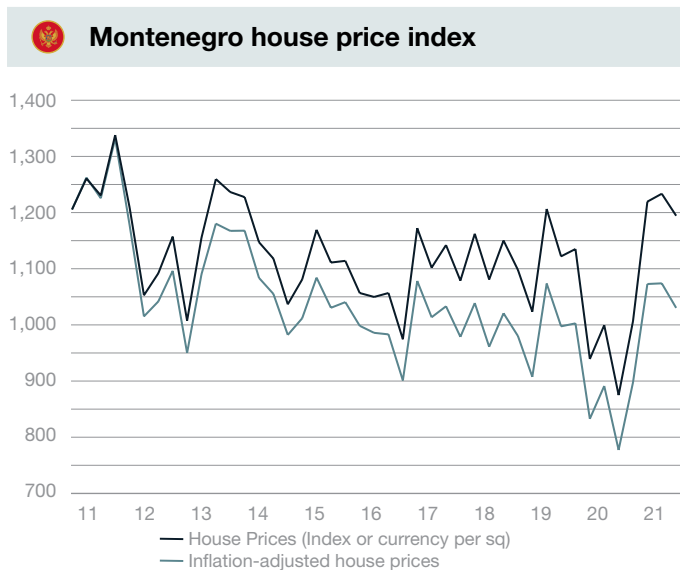
Europe's great house price boom continues to strengthen, despite the economic repercussions of the COVID-19 pandemic. House prices have risen in no less than 26 of the 29 European housing markets for which figures were available during the year to Q3 2021. Three of the five strongest housing markets in our global survey are in Europe.



Figure 1. Figure 1. Change in real house prices (%) over 1 year to Q3 for countries which have released Q3 figures



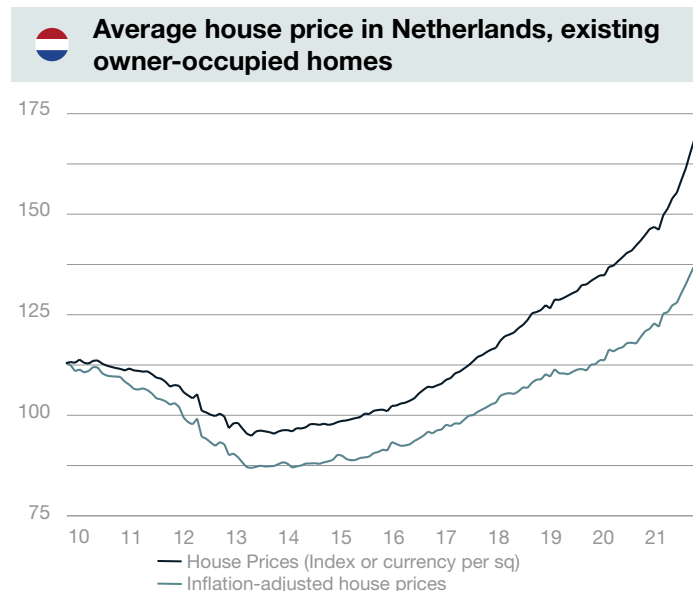
[Montenegro's](#) housing market made a surprise comeback, buoyed by strong demand, especially from foreign homebuyers. The price of dwellings in new residential buildings rising by a whopping 32.40% during the year to Q3 2021. This is in sharp contrast to a year-on-year price fall of 21.99% the previous year. Yet quarter-on-quarter, prices fell by 4.06% in Q3 2021. Montenegro's economy is expected to grow strongly this year, with a growth forecast of 7% - partially offsetting the 15.2% contraction that it suffered last year.



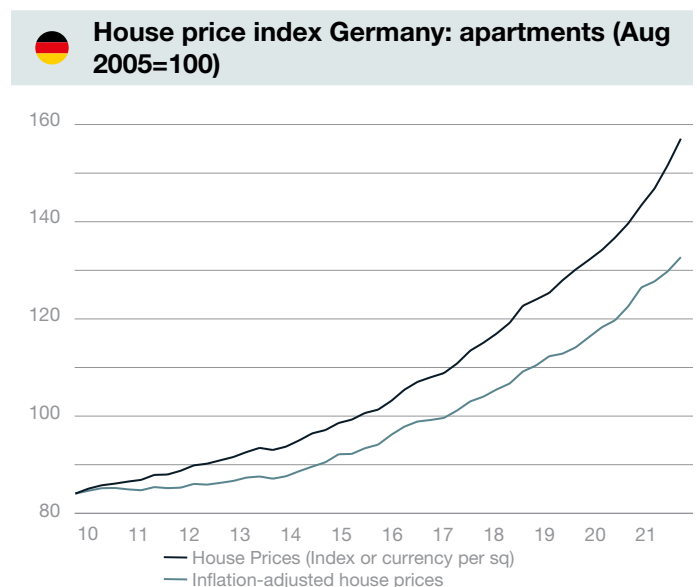
[Sweden's](#) housing market has strengthened further, with the nationwide house price index rising by a huge 17.97% during the year to Q3 2021 – more than triple the previous year's 5.67% year-on-year increase. In fact, it was the biggest inflation-adjusted annual growth ever recorded. Quarter-on-quarter, house prices increased 4.43% in Q3. The Swedish economy is projected to grow by 3.9% this year, fully offsetting its modest contraction of 2.8% last year, according to the European Commission.

The [Netherlands'](#) house price growth has continued to accelerate, buoyed by record low interest rates, and with supply unable to keep up with strong demand. The average purchase price of all dwellings rose strongly by 15.33% during the year to Q3 2021, up from the previous year's 7.36% growth.

It was the country's best showing since Q2 2000. On a quarterly basis, house prices increased 5.18% during the latest quarter. In the first ten months of 2021, the number of dwellings sold was almost unchanged year-on-year at 189,480 units, following 7.7% growth in 2020, according to Statistics Netherlands (CBS). The Dutch economy is projected to grow by 4% this year, following a decline of 3.8% in 2020.



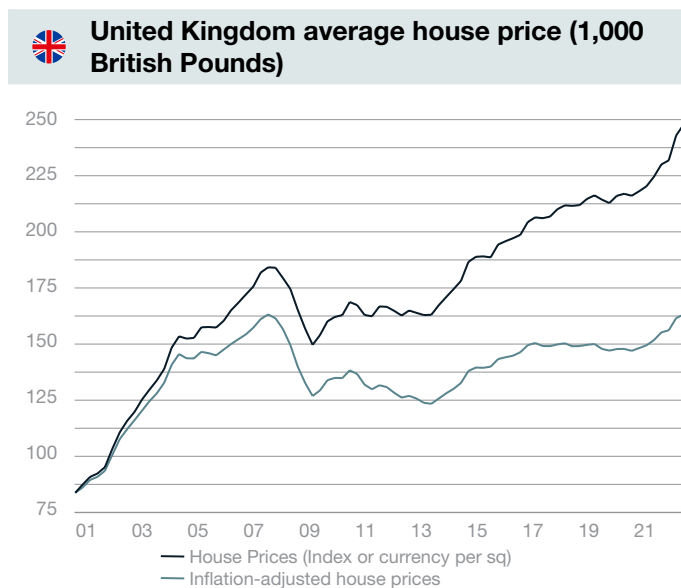
[Germany's](#) housing market remains vibrant, amidst improving economic conditions. The average price of apartments rose by 8.25% during the year to Q3 2021, following year-on-year rises of 8.38% in Q2 2021, 7.95% in Q1 2021, 8.8% in Q4 2020, and 7.38% in Q3 2020. On a quarterly basis, house prices increased 2.25% in Q3 2021. Germany's housing market has been growing continuously in the past six years, with house prices up by more than 70% from Q1 2014. Demand for residential property in Germany remains strong, buoyed by low interest rates, urbanization, and healthy household finances. In recent years, the migration crisis and strong economic growth have added to already robust demand. The German economy is projected to expand by a modest 2.7% this year, following a 4.6% contraction in 2020.





The UK's housing market continues to strengthen, with real house prices rising rapidly by 7.48% during the year to Q3 2021, a sharp improvement from the previous year's 2.62% growth. Quarter-on-quarter, real house prices increased 0.99% during the latest quarter. All regions saw house price rises during the year to Q3 2021.

Residential property transactions in the UK rose by 33% to 352,160 in Q3 2021 from a year earlier, according to HM Revenue & Customs. It was also 11.5% higher than in Q3 2019 and the biggest third quarter sales volume since 2007. In England, transactions rose by 31.5% to 297,500 in Q3 2021 from a year earlier. Yet the overall UK economy is expected to expand by just a modest 3.3% this year, after shrinking by a record 10.3% in 2020, according to the European Commission.



Other European housing markets with impressive growth include [Jersey](#), with house prices rising by 14.37% during the year to Q3 2021, [Slovak Republic](#) (14.01%), [Turkey](#) (13.32%), [Lithuania](#) (12.26%), [Iceland](#) (9.88%), [Romania](#) (9.82%), [Denmark](#) (8.67%), and [Ireland](#) (8.33%). All recorded positive quarterly price growth during the latest quarter. All, except Turkey, had stronger performances in Q3 2021 compared to the previous year.

Strong to moderate house price rises were seen in [Russia](#) (7.21%), [Estonia](#) (7.07%), Vienna, [Austria](#) (6.87%), [Norway](#) (6.83%), [Greece](#) (6.41%), [France](#) (5.87%), [Portugal](#) (5.46%), Riga, [Latvia](#) (5.13%), and [North Macedonia](#) (4.01%). All, except Estonia, Norway and North Macedonia, saw quarterly price growth during the latest quarter. All, except Austria and Portugal, performed better in Q3 2021 compared to a year earlier.

European housing markets with minimal house price rises include [Finland](#) (1.82%), [Switzerland](#) (1.48%), [Malta](#) (1.39%), and [Spain](#) (0.07%). Yet only Malta recorded positive quarterly price growth during the latest quarter. Finland and Switzerland performed better in Q3 2021 as compared to the previous year.

Interestingly, only Warsaw, [Poland](#), Kiev, [Ukraine](#), and [Italy](#) registered minimal to modest house price declines, falling by 1.06%, 1.37% and 4.5%, respectively, during the year to Q3 2021. All recorded weaker performances in Q3 2021 compared to a year earlier while both Ukraine and Italy saw quarterly price falls during the latest quarter.



Pacific housing markets remain very strong

Australia has had record-breaking house price growth and New Zealand's housing market remains strong, despite the severe economic repercussions of the coronavirus outbreak.

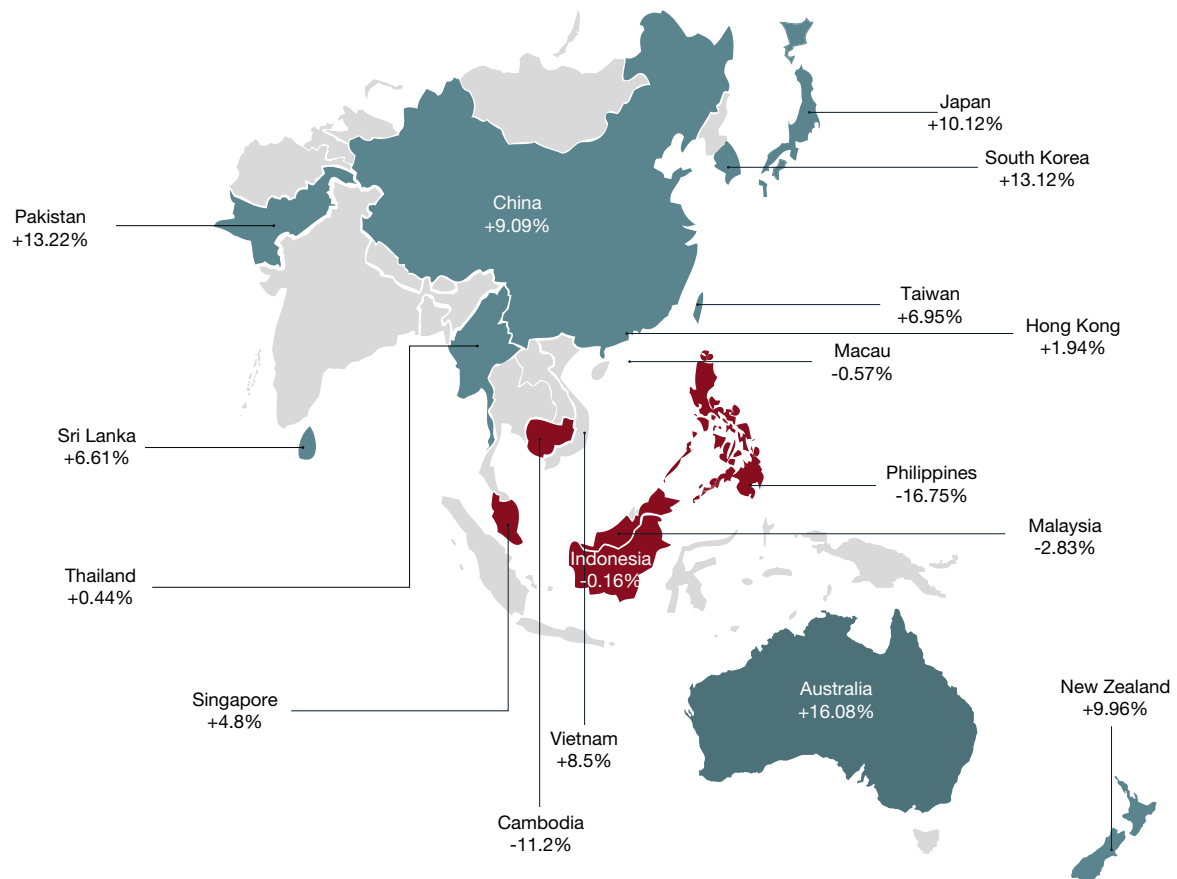


Figure 2. Figure 2. Change in real house prices (%) over 1 year to Q3 for countries which have released Q3 figures

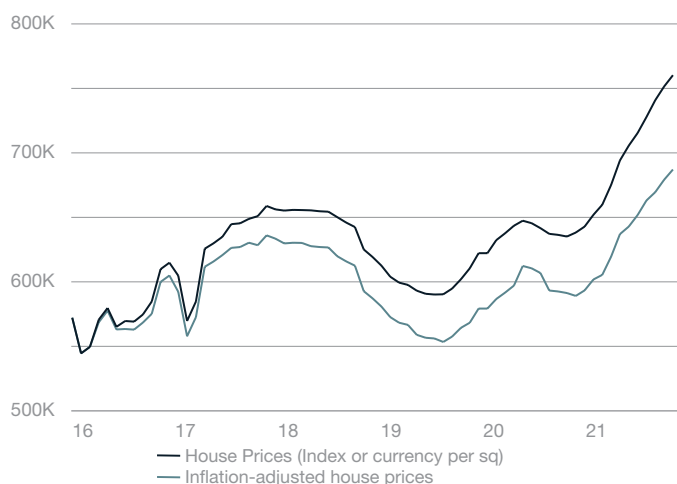
[New Zealand's](#) housing market continues to grow strongly, buoyed by ultra-low interest rates, as well as limited housing supply. Median house prices rose by 9.96% (inflation-adjusted) during the year to Q3 2021, following a year-on-year increase of 13.77% in Q3 2020. However on a quarterly basis, real house prices fell by 5.16% in Q3 2021.

[Australia's](#) housing market continues to gather pace, with record-low interest rates fuelling demand. House prices in the country's eight major cities rose by a record 16.08% during the year to Q3 2021, a sharp acceleration from the previous year's 4.75% rise. Quarter-on-quarter, prices increased 3.6%.

Home sales are surging, despite low inventory levels. In September 2021, the number of dwelling sales was up 41.9% from a year earlier and 25.5% higher than the five-year average, according to Core Logic. Likewise, dwelling approvals surged by more than 30% to 193,492 units in the first ten months of 2021 compared to a year ago, following an annual increase of 5.6% in 2020, according to Australian Bureau of Statistics. Australia's economy is projected to grow by 3.5% this year, following a 2.4% contraction last year.



Australia residential price index; weighted average of 8 capital cities (2011-12 = 100)



But low levels of inventory are now underpinning demand. In October 2021, residential property sales across New Zealand totaled 7,190 units, up 30.3% from the previous month but down 21.7% from a year earlier, according to the Real Estate Institute of New Zealand (REINZ). The number of properties available for sale fell by 16.1% year-on-year in October 2021. Recently, the IMF upgraded its 2021 economic growth forecast for New Zealand to 5.1%, from its June estimate of 4%.

New Zealand's economy contracted by 2.1% during 2020, in contrast to its robust performance during the past decade, as the effect of lockdowns and travel restrictions associated with the pandemic hit.

Asian region two-tiered

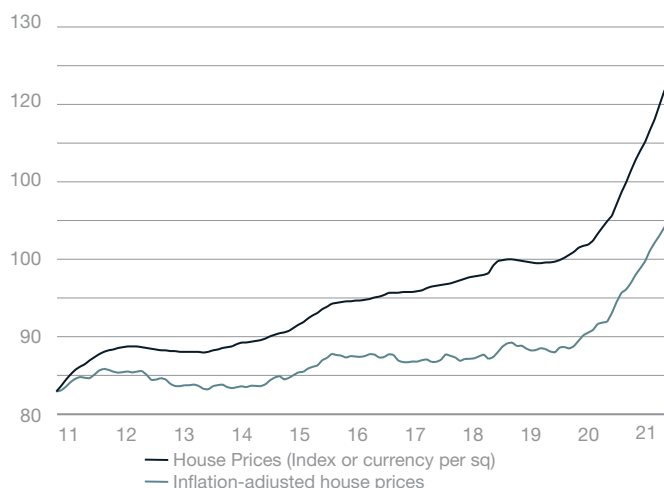
Seven of the fifteen Asian housing markets included in our global survey showed stronger momentum in Q3 2021 compared to a year earlier. House prices rose in ten countries, with notable increases in Pakistan, South Korea, Japan, as well as China.

Pakistan showed a strong turnaround, with the nationwide residential property price index rising by 13.22% during the year to Q3 2021, in sharp contrast to a year-on-year fall of 2.42% in the previous year, amidst growing investor interest and improving economic conditions. Quarter-on-quarter, prices increased 3.39% during the latest quarter. Pakistan's economy is expected to grow by 3.9% this year, following a 0.5% contraction last year due to the pandemic.

South Korea's housing market growth continues to strengthen, buoyed by falling interest rates. House prices rose by 13.12% during the year to Q3 2021, a sharp improvement from the previous year's 4.33% growth and its highest growth in 19 years. On a quarterly basis, house prices increased 2.91% in Q3.



Housing prices in South Korea: purchase price index (Jan 2019=100)





Foreigners have been buying more properties in South Korea in recent years, though the country has the reputation of not being easy to navigate. The housing market is unusual, with huge key money deposits (the Chonse system), and significant government intervention. Yet judging by results this is a well-run market. It has been stable since the 2007 crisis. Early this year, the government announced a plan to construct 830,000 new housing units nationwide, including 320,000 units in Seoul by 2025, in an effort to address the shrinking supply and control house price rises. South Korea's economy is projected to grow by 4.3% this year, following a decline of 0.9% in 2020.

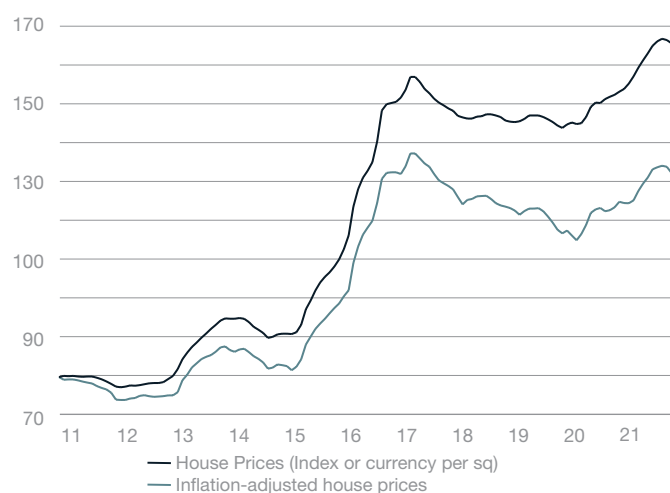
[Japan's](#) housing market continues to impress, with the average price of existing condominiums in Tokyo rising strongly by 10.12% during the year to Q3 2021, a sharp improvement on the previous year's 3.97% year-on-year increase. During the latest quarter, existing condominium prices increased by 3.65%. However, the recent reimposition of coronavirus emergency curbs in Tokyo is clouding the economic outlook, prompting the IMF to cut again its 2021 growth projection for Japan to 2.4%, from its earlier estimate of a 2.8% growth.

Average price of existing condominium sales in Tokyo Metropolitan Area (JPY 10,000 per sq. m.)



Strong house price increases were also recorded in [Beijing, China](#), with house prices rising by 9.09% during the year to Q3 2021, [HCMC, Vietnam](#) (8.5%), [Taiwan](#) (6.95%), [Colombo, Sri Lanka](#) (6.61%) and [Singapore](#) (4.8%). All saw quarterly price growth during the latest quarter. All, except Vietnam, performed better in Q3 2021 as compared to a year earlier.

House prices in China; second-hand house price index, Beijing (2015=100)



Asian housing markets with minimal house price rises include [Hong Kong](#) (1.94%) and [Thailand](#) (0.44%). Yet only Hong Kong recorded a quarterly price increase during the latest quarter. Both had weaker performances during Q3 2021 as compared to a year earlier.

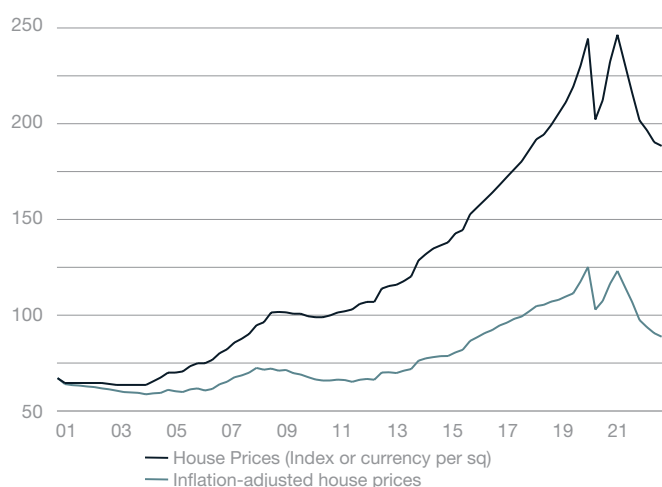


Asia's weakest housing markets

The [Philippines](#) remains the worst performing housing market in our global house price survey, as the economy continues to struggle amidst the country's weak pandemic response. The average price of a luxury 3-bedroom condominium unit in Makati CBD plummeted by 16.75% during the year to Q3 2021, far worse than the previous year's 0.52% year-on-year decline. Quarter-on-quarter, apartment prices fell 2% during the latest quarter.

The Philippines experienced a house price boom from 2010 to 2018, with Makati CBD prices rising by more than 132% (76% inflation-adjusted) due to strong demand and rapid economic growth. But the housing market slowed sharply in 2019, with a slowing domestic economy coupled with the US-China trade war. The pandemic aggravated the situation, causing the economy to shrink by 9.5% in 2020, its biggest contraction since the Philippine Statistics Authority (PSA) started collecting data in 1946. Recently, the IMF downgraded its 2021 growth forecast for the Philippines to 3.2%, from its earlier estimate of 5.4% given in June.

Apartment prices in Makati, Philippines: prime 3BR condos (1,000 PHP/ sq. m.)



[Cambodia's](#) housing market continues to struggle, with the average price of high-end condominium unit in Phnom Penh falling by 11.2% during the year to Q3 2021, worse than the previous year's 8.27% decline. Quarter-on-quarter, prices dropped 2.64% in Q3. Recently, the IMF revised downwards its 2021 growth forecast for Cambodia to just 1.9%, from its earlier projection of a 4.2% expansion.

Other weak Asian housing markets include [Malaysia](#), with house prices falling by 2.83% during the year to Q3 2021, [Macau](#) (-0.57%) and [Indonesia](#) (-0.16%). All, except Indonesia, saw quarterly price fall during the latest quarter. All had weaker performance in Q3 2021 as compared to a year earlier.





Middle East's housing markets mixed

The Middle East shows mixed results, with Dubai, UAE and Israel registering robust growth while Saudi Arabia, Egypt and Qatar are more or less steady. In contrast, Morocco's housing market conditions are worsening.

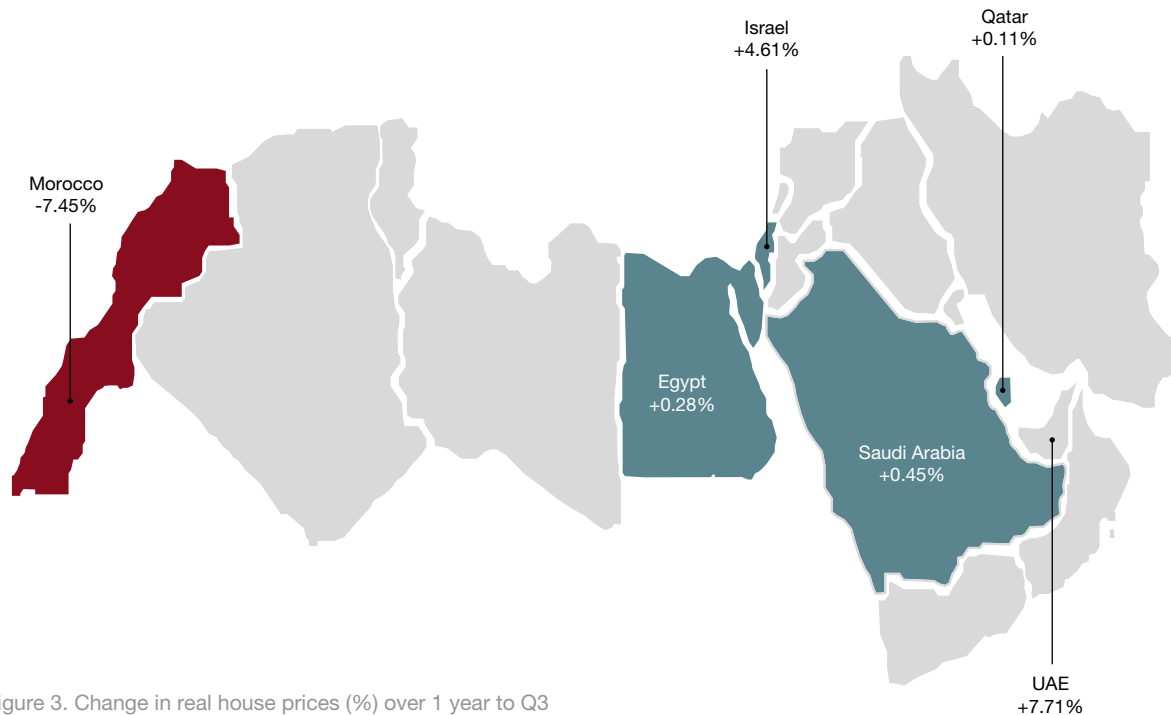
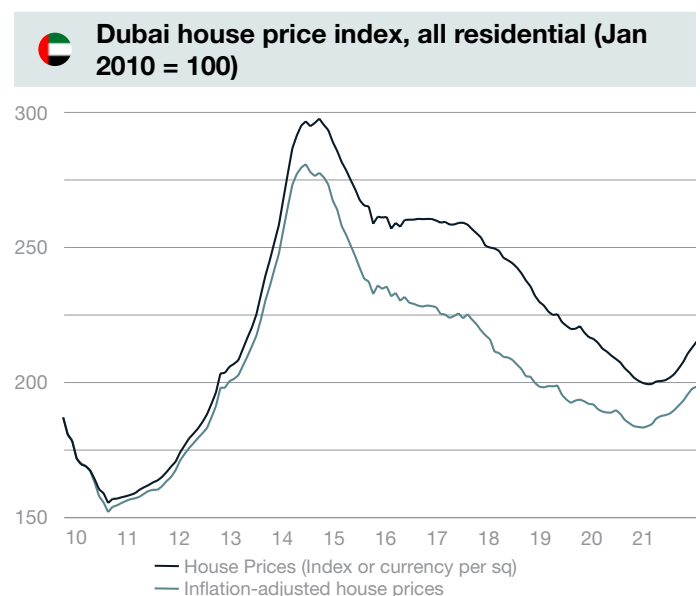


Figure 3. Figure 3. Change in real house prices (%) over 1 year to Q3 for countries which have released Q3 figures

The [UAE's](#) housing market made a surprise comeback, with Dubai's residential property prices rising strongly by 7.71% during the year to Q3 2021, in sharp contrast to a year-on-year decline of 4.88% in Q3 2020. It was its biggest annual growth since Q4 2014. During the latest quarter, house prices in Dubai increased 3.26% quarter-on-quarter. Though the overall economy remains fragile, with a projected real GDP growth of 2.2% this year, still not adequate to fully offset the 6.1% contraction last year due to a crude oil price crash caused by the COVID-19 outbreak.





[Israel's](#) housing market continues to recover, with the nationwide average price of owner-occupied dwellings rising by 4.61% during the year to Q3 2021, following a 3.51% increase in the previous year. Yet on a quarterly basis, Israeli house prices were down 1.13% during the latest quarter. The economy is projected to grow strongly by 7.1% this year, after shrinking by 2.2% in 2020.

[Saudi Arabia's](#) housing market is stabilizing, with the residential real estate price index rising slightly by 0.45% during the year to Q3 2021, an improvement from the previous year's 3.51% fall. Quarter-on-quarter, prices fell 0.68% during the latest quarter. The economy is projected to grow by a modest 2.8% this year, still not enough to offset the 4.1% decline last year.

[Egypt's](#) house price movements have been very erratic recently, amidst global economic uncertainty. The nationwide real estate index increased slightly by 0.28% during the year to Q3 2021, following year-on-year price changes of -3.68% in Q2 2021, 22.61% in Q1 2021, -14.38% in Q4 2020 and -22.31% in Q3 2020.

Real house prices fell 3.09% quarter-on-quarter during the latest quarter. President Abdel Fattah el-Sisi recently removed the last restrictions on foreign ownership of land and property in Egypt, in an effort to buoy the housing market. He also allowed the government, the biggest landowner in Egypt, to use its land for public-private partnership schemes. The economy is projected to expand by 3.3% this year and by another 5.2% in 2022, following a 3.6% expansion in 2020, according to the IMF.

[Qatar's](#) housing market is losing steam, with the real estate price index rising by a meager 0.11% during the year to Q3 2021, a sharp slowdown from the year-on-year growth of 6.04% in the previous year. On a quarterly basis, prices increased 0.83%. Yet the overall economic outlook is now improving after the Saudis agreed in January to end their sweeping economic and political blockade, begun four years ago. The new deal, which may reflect Saudi's attempts to conciliate Biden after its previous love-fest with Trump, restores the air, land and sea links to the emirate severed in June 2017. The Qatari economy is expected to grow by 1.9% this year, after shrinking by 3.6% in 2020.

[Morocco's](#) housing market continues to struggle, with residential property prices falling by 7.45% during the year to Q3 2021, almost tripled the 2.58% year-on-year decline seen in Q3 2020. Quarter-on-quarter, house prices fell by 2.21% in Q3. The Moroccan economy will expand by about 5.7% this year, following a 6.3% decline last year.

★ **Morocco: residential property price index , existing dwellings (Q1 2010=100)**





The Americas: US and Canada continue to amaze

The U.S. housing market remains overwhelmingly strong with double-digit house price rises and Canada's housing market is now heating up, despite the severe economic repercussions brought by the coronavirus outbreak.



Figure 4. Figure 4. Change in real house prices (%) over 1 year to Q3 for countries which have released Q3 figures

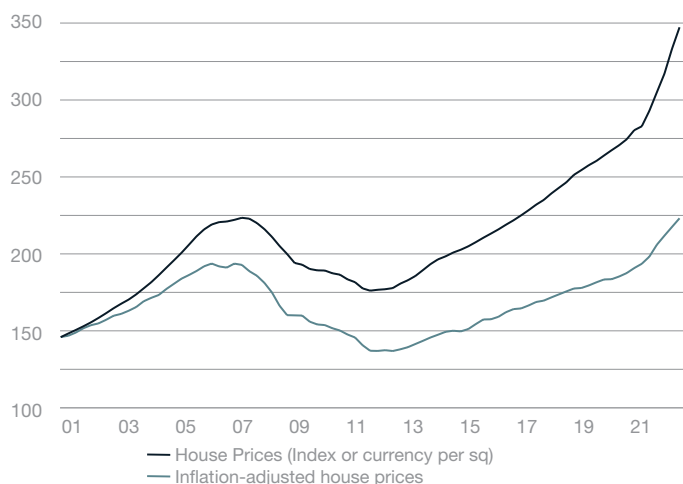
After eight years of strong house price growth, the [U.S.](#) great housing boom continues to strengthen. The S&P/Case-Shiller seasonally-adjusted national home price index surged by 13.41% during the year to Q3 2021 (inflation-adjusted), a sharp improvement from the previous year's 5.63% growth and the biggest year-on-year increase ever recorded. This is supported by figures released by the Federal Housing Finance Agency, which showed that its seasonally-adjusted purchase-only U.S. house price index rose by 12.49% year-on-year in Q3 2021 (inflation-adjusted), sharply up from the prior year's 6.91% growth and also the highest annual growth on record.

The S&P/Case-Shiller index rose by 3.22% quarter-on-quarter in Q3 2021, while the FHFA index increased 2.57%.

Limited supply is restricting sales activity. In October 2021, existing home sales rose by 0.8% from the previous month but fell by 5.8% from a year earlier to a seasonally-adjusted annual rate of 6.34 million units. Likewise, sales of new single-family houses fell by 23.1% year-on-year to a seasonally-adjusted annual rate of 745,000 units in October 2021. Despite the continued strong interest for home buying, low existing inventories as well as higher prices and building material bottlenecks have constrained some new home sales.



U.S. house price index, S&P/Case-Shiller, seasonally adjusted (Q1 1990=100)



U.S. homebuilder sentiment rose to a six-month high at 83 in November 2021, as demand remains high despite high prices and continued supply shortages, 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 solid market for home building continued in November despite ongoing supply-side challenges,” said NAHB Chairman Chuck Fowke. “Lack of resale inventory combined with strong consumer demand continues to boost single-family home building.”

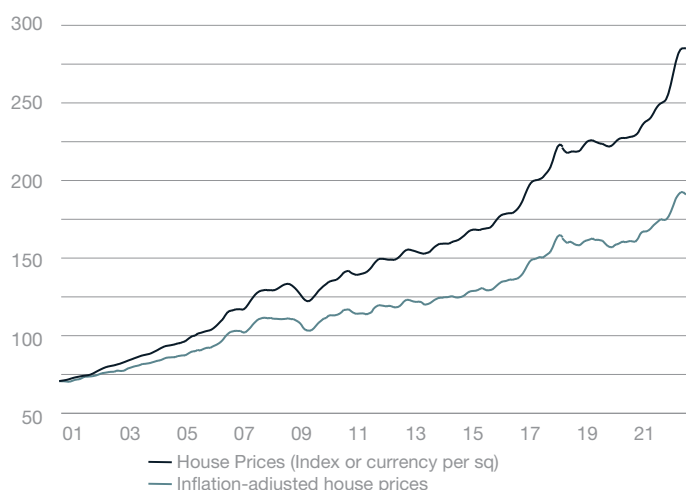
The IMF recently downgraded its 2021 economic growth forecast for the U.S. to 6%, from its earlier estimate of 7%, amidst worldwide supply chain disruptions and inflation pressures. Last year, the U.S. economy contracted by 3.5%, the biggest decline since the demobilization from World War II in 1946.

After a two-year slowdown, [Canada's](#) housing market is now growing impressively again. Real house prices in the country's eleven major cities rose by a huge 12.34% during the year to Q3 2021, a sharp acceleration from the prior year's 6.17% growth. In fact it was the second highest year-on-year increase since Q2 2017. Quarter-on-quarter, house prices increased 2.06% in Q3.

Sales have reached new record highs. The actual number of sales transactions totaled 581,275 residential properties in the first ten months of 2021, surpassing the annual record of 552,423 sales for all of 2020, according to the Canadian Real Estate Association (CREA). Residential construction is also rising sharply. Housing starts surged 31.7% year-on-year to 202,924 units in the first three quarters of 2021 and completions increased 12.9% to 166,816 units over the same period.



House prices in Canada, composite of 11 cities (June 2005=100)



After contracting by 5.3% in 2020, the Canadian economy is projected to grow by 5% this year and by another 4.5% in 2022, buoyed by strong consumption and business investment, as well as a rebound in exports.





Latin America still weak

Mexico remains more or less steady while Peru, Brazil, as well as Colombia are still struggling.

[Mexico's](#) housing market remains stable, despite the Mexican economy contracting by a huge 8.2% last year, its biggest annual contraction since the 1930s. The nationwide house price index rose by 2.73% during the year to Q3 2021, following a year-on-year growth of 1.08% in Q3 2020. On a quarterly basis, house prices increased by a miniscule 0.44% during the latest quarter. The IMF expects the Mexican economy to expand by 6.2% this year.

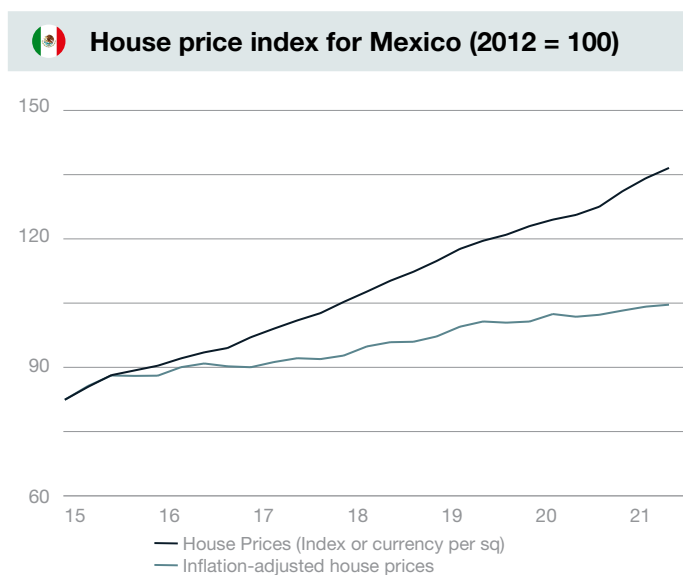


Figure 5. Figure 5. Change in real house prices (%) over 1 year to Q3 for countries which have released Q3 figures



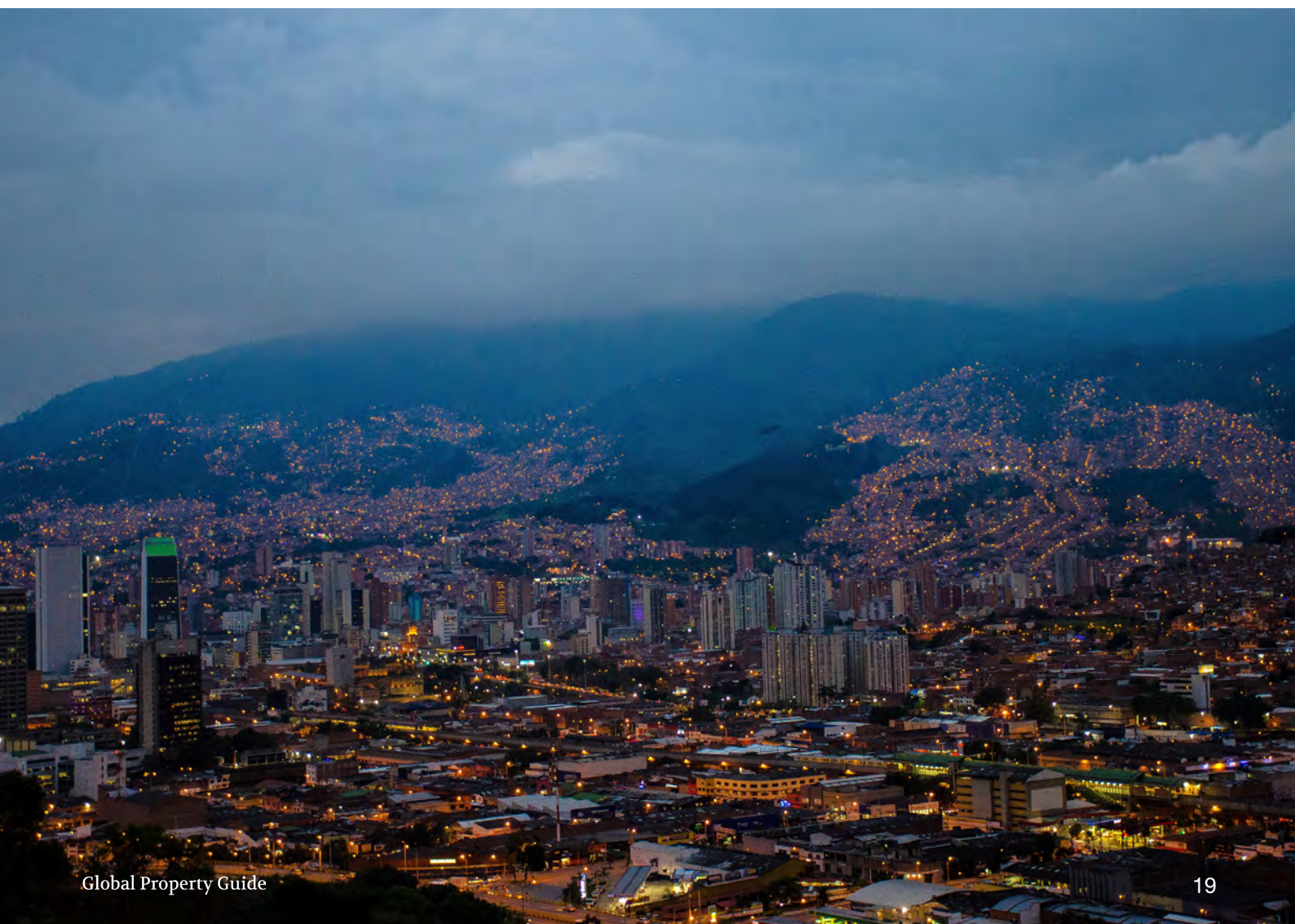
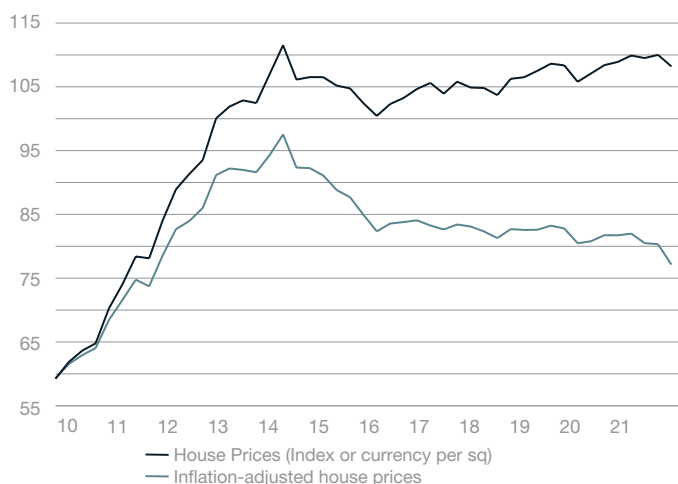
[Colombia's](#) housing market continues to suffer, after several years of vigorous price rises. In Bogotá, house prices fell by 3.2% during the year to Q3 2021, worse than the prior year's 1.67% year-on-year decline.

During the latest quarter, house prices dropped 0.1% quarter-on-quarter. After plunging by 6.8% last year, Colombia's economy is projected to grow strongly by 7.6% this year.

The pandemic has halted [Brazil's](#) housing market recovery, with house prices in Sao Paulo falling by 5.51% during the year to Q3 2021, following a year-on-year increase of 0.21% last year. On a quarterly basis, Sao Paulo prices fell by 1.99% during the latest quarter. The Brazilian economy is projected to expand by 5.2% this year, following a 4.1% contraction last year.

[Peru's](#) housing market woes continue, with house prices falling by 5.58% during the year to Q3 2021, far worse than the year-on-year fall of 1.3% the previous year. Quarter-on-quarter, house prices fell 3.95% during the latest quarter. The economy is expected to grow strongly by 10% this year, but still not enough to fully offset the 11.1% contraction recorded last year.

 **Residential property prices in Lima, Peru, flats (New Sol/ sq.m.)**





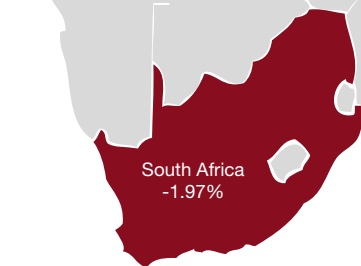
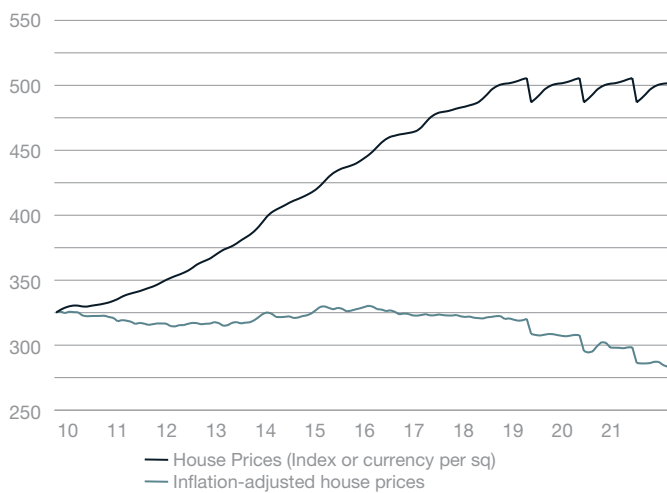
South Africa's housing market remains unhappy

South Africa's housing market remains weak, having been depressed for the past five years.

The price index for medium-sized apartments fell by 1.97% during the year to Q3 2021, in contrast to a year-on-year increase of 0.27% in Q3 2020. On a quarterly basis, house prices fell by 0.98% during the latest quarter. The SA economy is expected to post a 5% expansion this year, after shrinking by 6.4% last year due to the Covid-19 pandemic.



House prices in South Africa: ABSA index, all dwellings (2001=100)

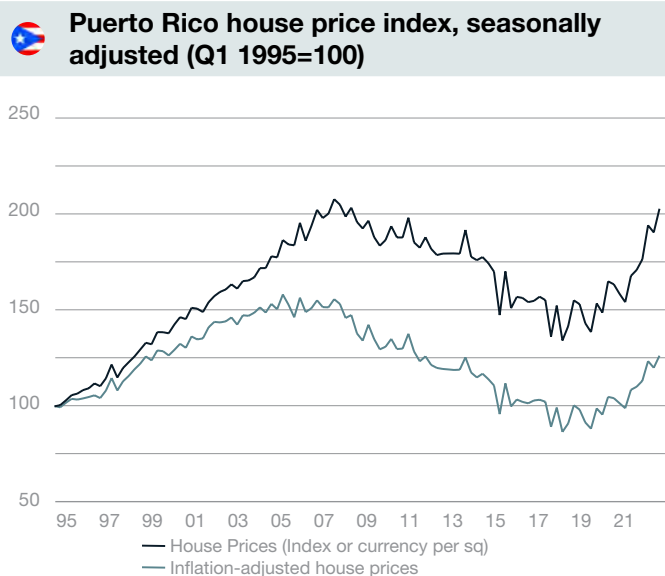




Puerto Rico's housing market growth accelerating

Puerto Rico's housing market continues to grow strongly, despite a struggling economy.

The seasonally-adjusted purchase-only house price index rose by a huge 14.56% during the year to Q3 2021, a sharp acceleration from a year-on-year increase of 5.65% in Q3 2020, using inflation-adjusted figures. Quarter-on-quarter, house prices were up 5.19% in Q3 2021. The Puerto Rican housing market has been falling continuously 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. The economy is expected to remain weak with real GDP to decline again by 0.6% this year, following a contraction of 3.9% in 2020.





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