



Global Property Guide

MARKET REPORT

Global Residential Real Estate

Q3
2023



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House Price Change (Nominal)

	Y-O-Y (%)		Q-O-Q (%)	
	Q3 2022		Q3 2023	Q3 2023
Turkey	189.09	▼	89.23	18.14
Egypt	0.81	▲	54.90	18.63
Montenegro	10.47	▲	24.56	9.53
Pakistan (Karachi)	15.14	▲	20.72	5.94
UAE (Dubai)	8.89	▲	19.59	4.94
Georgia	10.66	▲	15.63	5.47
Japan (Tokyo)	7.94	▲	14.73	1.30
Portugal	20.08	▼	12.97	3.52
Greece	12.86	▲	12.08	2.32
North Macedonia	21.25	▼	10.97	2.85
Mexico	9.38	▲	10.39	2.04
Spain	2.98	▲	7.50	0.85
Malta	5.16	▲	6.82	0.22
US (FHFA)	12.07	▼	5.45	2.12
Colombia (Bogota)	8.74	▼	5.31	1.47
Brazil (Sao Paulo)	4.54	▼	5.16	1.24
Sri Lanka (Colombo)	16.54	▼	4.57	3.49
Philippines (Makati CBD)	2.36	▲	4.25	0.74
Singapore	13.61	▼	4.05	0.51
US (Case-Shiller)	10.72	▼	3.95	2.16
Thailand	3.60	▼	3.60	0.32
Estonia	26.61	▼	3.45	-6.65
India	4.52	▼	3.37	-1.23
Chile	18.05	▼	2.76	0.71
Romania	9.62	▼	2.67	1.81
Lithuania	22.77	▼	2.62	0.73
Switzerland	2.72	▲	2.43	-0.37
Iceland	22.63	▼	2.26	-1.86
Australia (8 capital cities)	5.05	▼	2.02	3.11
China (Beijing)	4.37	▼	2.00	-0.10
Ireland	10.03	▼	1.98	1.86
Indonesia	1.94	▼	1.96	0.60

House Price Change (Inflation-Adjusted)

	Y-O-Y (%)		Q-O-Q (%)	
	Q3 2022		Q3 2023	Q3 2023
North Macedonia	5.92	▲	21.63	3.80
Turkey	57.58	▼	17.15	-5.57
Montenegro	-4.76	▲	15.46	5.81
UAE (Dubai)	5.11	▲	15.20	3.08
Georgia	-0.78	▲	14.88	4.16
Egypt	-12.35	▲	12.24	12.46
Japan (Tokyo)	4.80	▲	11.38	0.35
Greece	1.06	▲	9.59	2.34
Portugal	10.06	▲	9.20	3.35
Mexico	0.80	▲	5.51	1.04
Spain	-5.41	▲	3.85	-0.03
Thailand	-2.64	▲	3.29	0.16
Sri Lanka (Colombo)	-31.37	▲	3.23	2.97
China (Beijing)	1.55	▼	2.00	-0.78
US (FHFA)	3.46	▼	1.87	1.24
Malta	-2.08	▲	1.79	0.13
Switzerland	-0.64	▲	0.81	-0.47
US (Case-Shiller)	2.32	▼	0.24	1.27
Brazil (Sao Paulo)	-2.45	▲	-0.02	0.62
Singapore	5.85	▼	-0.04	-0.43
Indonesia	-3.09	▲	-0.89	0.22
Lithuania	-1.09	▼	-1.06	0.67
Denmark	-5.08	▲	-1.28	0.72
Estonia	2.29	▼	-1.55	-6.84
Philippines (Makati CBD)	-4.21	▲	-1.72	-1.54
Ukraine (Kiev)	-6.17	▲	-1.74	-0.51
Malaysia	0.64	▼	-1.82	-2.24
Saudi Arabia	-0.38	▼	-1.94	-1.03
Qatar	-9.34	▲	-2.14	-3.35
Chile	3.80	▼	-2.24	-0.43
India	-1.43	▼	-2.84	-3.87
Taiwan	12.53	▼	-2.85	-2.97

▲ 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 (Nominal)

	Y-O-Y (%)		Q-O-Q (%)	
	Q3 2022		Q3 2023	Q3 2023
Russia	26.86	▼	1.76	2.34
Ukraine (Kiev)	1.65	▼	1.71	0.36
Italy	0.62	▲	1.68	-0.60
Canada	8.73	▼	0.66	4.10
South Africa	3.10	▼	0.60	-0.42
Finland	-1.28	▲	0.59	-2.52
Malaysia	5.15	▼	0.09	-1.94
Saudi Arabia	2.52	▼	0.00	-0.73
Taiwan	15.64	▼	0.00	-1.72
Morocco	1.07	▼	-0.11	0.93
Israel	12.53	▼	-0.20	-2.66
Qatar	-3.86	▲	-0.37	-2.93
Puerto Rico	-0.08	▲	-0.39	-7.61
Denmark	4.43	▼	-0.43	1.59
Cambodia (Pheom Penh)	-4.15	▲	-1.00	0.17
Norway	4.84	▼	-1.26	-2.89
France	6.44	▼	-1.94	-1.13
Poland (Warsaw)	11.50	▼	-2.22	3.24
Jersey	12.17	▼	-2.36	2.31
Macau	-7.02	▲	-2.96	-3.46
New Zealand	2.01	▼	-3.21	0.64
Netherlands	9.39	▼	-3.52	1.69
Austria (Vienna)	9.65	▼	-4.00	-0.81
UK (Nationwide)	10.34	▼	-4.74	-0.69
Vietnam (HCMC)	27.17	▼	-5.33	-0.37
Argentina (Buenos Aires)	-7.11	▲	-5.67	-2.29
South Korea	4.47	▼	-7.16	-0.11
Germany	4.22	▼	-8.37	-1.74
Latvia (Riga)	6.65	▼	-8.46	-2.91
Hong Kong	-9.50	▼	-8.83	-5.41
Slovak Republic	21.98	▼	-10.10	-2.32
Sweden	2.65	▼	-11.10	0.65

House Price Change (Inflation-Adjusted)

	Y-O-Y (%)		Q-O-Q (%)	
	Q3 2022		Q3 2023	Q3 2023
Canada	1.75	▼	-3.02	3.24
Australia (8 capital cities)	-2.00	▼	-3.26	1.88
Italy	-7.57	▲	-3.47	-1.10
Puerto Rico	-5.86	▲	-3.56	-8.59
Netherlands	-4.49	▼	-3.72	0.62
Macau	-8.06	▲	-3.78	-3.61
Israel	7.42	▼	-3.85	-3.28
Russia	11.57	▼	-4.00	0.33
Ireland	1.72	▼	-4.17	0.93
Cambodia (Pheom Penh)	-8.22	▲	-4.56	-1.11
South Africa	-4.36	▲	-4.60	-2.19
Morocco	-6.41	▲	-4.77	-1.21
Finland	-8.46	▲	-4.98	-2.99
Colombia (Bogota)	-2.42	▼	-5.12	-0.28
Iceland	12.15	▼	-5.29	-2.55
Norway	-1.79	▼	-5.53	-3.28
Romania	-3.37	▼	-5.96	0.05
France	0.56	▼	-6.33	-4.00
Pakistan (Karachi)	-6.54	▼	-8.13	-0.96
New Zealand	-4.83	▼	-8.42	-1.17
Vietnam (HCMC)	22.35	▼	-8.68	-2.79
Austria (Vienna)	-0.13	▼	-10.11	-1.63
UK (Nationwide)	1.46	▼	-10.41	-1.15
South Korea	-1.07	▼	-10.47	-2.01
Hong Kong	-13.26	▲	-10.64	-5.77
Poland (Warsaw)	-4.20	▼	-10.72	3.60
Jersey	1.57	▼	-11.31	0.01
Latvia (Riga)	-12.71	▲	-11.40	-2.69
Germany	-4.01	▼	-12.33	-2.57
Slovak Republic	7.04	▼	-17.45	-2.29
Sweden	-6.44	▼	-17.47	-0.43
Argentina (Buenos Aires)	-49.25	▼	-60.41	-27.53

▲ 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



The global housing market downturn continues, amidst falling purchasing power caused by soaring inflation, tighter lending conditions and record-high borrowing costs due to successive interest rate hikes, as well as heightened global economic uncertainty.

When adjusted for inflation, house prices have risen in only 17, and actually declined in 46 markets which have so far published housing statistics in Q3 2023.

However, high inflation in most countries creates an illusion that house prices continue to rise strongly (or the decline is just modest), with nominal house

prices still rising in 38 countries, unchanged in 2 countries, and declined in only 23 of the 63 world's housing markets during the year to Q3 2023. For instance, in Pakistan, nominal house prices rose strongly by 20.72%

year-on-year in Q3 2023 but in real terms, prices have actually dropped by 8.13%. Also, in Turkey and Egypt, house prices soared by 89.23 and 54.90%, respectively; however when adjusted for inflation, real prices have actually increased by a more moderate 17.15% and 12.24%.

In terms of momentum, most of the world's property markets continue to slow. Momentum is visibly weaker in real terms: only 30 out of the 63 world's housing markets showed stronger momentum in Q3 2023 as compared to the same period last year, while the remaining 35 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 the year to Q3 2023:

- United States, always a key market, registered measly house price growth in Q3 2023 from a year earlier, after a decade-long housing boom, amidst weak demand and negative homebuilder sentiment. Canada is also showing similar trend.
- Europe's housing market downturn continues, with house prices rising in only 8 out of the 29 European countries included in our global survey in Q3 2023. Real house prices in key European markets such as Germany, UK, France and Italy continue to fall.
- Pacific housing markets, which were previously booming, are now depressed. Australia and New Zealand are experiencing house price falls, amidst declining property demand.
- Asian housing markets continue to show lackluster performance. Real house prices have risen in only 5 of the 17 markets included in the survey but momentum is stronger in most Asian countries. Strong house price increases were seen in Japan and Georgia while Hong Kong while huge declines were registered in Hong Kong and South Korea.
- The Middle East showed mixed results, with house prices rising in only 2 of the 6 countries included in our global survey. Though in terms of momentum, 4 countries performed better in Q3 2023 as compared to a year ago.
- Latin America's housing markets are still weak. Argentina remains the weakest housing markets in our global survey but Mexico is improving remarkably.

The strongest house price increases in our global survey during the year to Q3 2023 were seen in: North Macedonia (+21.63%), Turkey (+17.15%), Montenegro (+15.46%), Dubai, UAE (+15.20%), and Georgia (+14.88%), using inflation-adjusted figures.

The biggest y-o-y house price decline was registered still in Buenos Aires, Argentina (-60.41%), followed by Sweden (-17.47%), Slovak Republic (-17.45%), Germany (-12.33%), and Riga, Latvia (-11.40%), again using inflation-adjusted figures.

In its October 2023 World Economic Outlook Update, the International Monetary Fund (IMF) expects the global economy to expand by 3% this year, unchanged from its earlier estimate released in July, but a slowdown from

expansions of 3.5% in 2022 and 6.1% in 2021 and well below the historical average growth (2000-2019) of 3.8%. Advanced economies are projected to post a meager growth of 1.5% this year while emerging markets and developing economies are expected to grow by about 4%.

Accordingly, the continued rise in central bank interest rates to fight surging inflation, as well as supply chain disruptions caused by global socio-economic conflicts continue to weigh on economic activity. Global headline inflation is expected to fall from 8.7% in 2022 to 6.9% this year, but remains high by historical standards.



The World's Regions

Few exemptions to Europe's housing market slowdown

House prices have risen in only 8 of the 29 European housing markets for which figures were available in Q3 2023. Also, only 13 countries had stronger momentum in Q3 2023 compared to a year earlier. Most European housing markets are now slowing rapidly, amid falling global demand, the ongoing Israel-Hamas war, the prolonged Ukraine crisis, and supply chain disruptions. Notable exceptions are North Macedonia, Montenegro, Greece, and Portugal.





North Macedonia is now the strongest housing market in our global house price survey, with nationwide residential property prices soaring by 21.63% in Q3 2023 from a year earlier, a sharp acceleration from the prior year's 5.92%

The government's decision to officially change the country's name from "Macedonia" to "North Macedonia" under the name deal with Greece in 2019 solved the long-standing dispute between the neighboring countries and opened the way for NATO and EU integration. North Macedonia became an official member state of NATO on March 27, 2020 and its EU accession talks have finally begun. Recently, the IMF revised upwards its 2023 economic growth forecast for North Macedonia to 2.5%, from its earlier estimate of just 1.4%.

Turkey's housing market remains buoyant, though the house price growth has considerably slowed. The nationwide house price index rose by 17.15% in Q3 2023 from a year earlier, a sharp slowdown from a spectacular 57.58% increase in Q3 2022. On a quarterly basis, real house prices were actually down by 5.57% in Q3 2023. Though there is a huge gap between the nominal and real figures due to exorbitant inflation. In nominal terms, prices skyrocketed by 89.23% in Q3 2023 from a year earlier and by 18.14 as compared to the previous year.

Turkish President Tayyip Erdogan introduced an economic plan that prioritizes growth, investment, employment, and exports, pushed by a series of unorthodox interest rate cuts. The plan sparked hyperinflation and a currency crisis, with the nationwide inflation rate skyrocketing to an average of 73% in 2022 – the highest level since 1998. Inflation remains high this year, at 62% in November 2023. The value of the lira against the dollar tumbled by 44% in 2021, by 27% last year and by another 35% in the first eleven months of 2023 – its worst since Erdogan came to power nearly two decades ago. But for foreigners, the plunge in Turkey's currency value means that the property market is very attractively priced, luring many buyers from the Gulf. Turkey's economy is projected to grow by a modest 4% this year, following expansions of 5.6% in 2022 and 11.4% in 2021.

Montenegro's housing market made a surprise comeback, buoyed by recovering demand, especially from foreign homebuyers. The price of dwellings in new residential buildings rose strongly by 15.46% in Q3 2023 from a year earlier, in stark contrast to the year-on-year decline of 4.76% seen in the previous year. Quarter-on-quarter, prices also increased 5.81% during the latest quarter.

In fact in nominal terms, dwelling prices surged by 24.56% during the year to Q3 2023 – the highest year-on-year growth since Q3 2021. Montenegro's overall economy is projected to continue growing, albeit at a slower pace of 4.5%, following expansions of 6.1% in 2022 and 13% in 2021, based on IMF forecast.

Greece's housing market is strengthening, with its inflation-adjusted dwelling price index in urban areas rising by 9.59% in Q3 2023 from a year earlier, an acceleration from the meager year-on-year growth of 1.06% in Q3 2022. On a quarterly basis, prices increased by 2.34% 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. Though the overall economy is now slowing, with a projected real GDP growth of 2.4% this year and 2.3% in 2024, as compared to an expansion of 5.9% in 2022, according to the European Commission.

Portugal's housing market remains resilient, amidst strong demand and a housing shortage. Nationwide property prices rose by 9.20% during the year to Q3 2023, following year-on-year expansions of 9.84% in Q2 2023, 8.49% in Q1 2023, 8.33% in Q4 2022, and 10.06% in Q3 2022. On a quarterly basis, house prices were up by 3.35% in Q3 2023.

As a response to strong demand, residential construction activity continues to rise. The number of licensed dwelling permits in Portugal rose by 5.9% to 30,189 units in 2022, following annual growth of 11% in 2021 and 2.6% in 2020, according to figures from the Instituto Nacional de Estatística (INE).

Then in the first three quarters of 2023, dwelling permits continued to increase by 4.7% to 24,115 units as compared to the same period last year. The Bank of Portugal expects the country's economy to expand by 2.1% this year, a slowdown from a robust growth of 6.7% in 2022 and 5.5% in 2021.

Modest to minimal house price increases were seen in Spain (3.85%), Malta (1.79%), and Switzerland (0.81%). All had stronger performances in Q3 2023 compared to a year earlier. However only Malta saw quarter-on-quarter price increase during the latest quarter.



Europe's worst performing housing markets

Sweden's house prices are plummeting, amidst ailing economy, rising interest rates and soaring inflation. The nationwide residential property price index fell sharply by 17.47% in Q3 2023 from a year ago, far worse than the y-o-y decline of 6.44% in Q3 2022. It was the fifth consecutive quarter of y-o-y fall and one of the biggest declines in recent history. Quarter-on-quarter, prices fell slightly by 0.43% in Q3 2023.

Demand continues to fall. In the first three quarters of 2023, the total number of sold one- and two-dwelling buildings in Sweden fell by 24.1% to 32,992 units from the same period last year. The Swedish economy is projected to contract by 0.5% this year, after expanding by 2.6% in 2022, according to European Commission.

Slovak Republic's housing market conditions continue to worsen. Inflation-adjusted house prices in Slovakia dropped by a huge 17.45% in Q3 2023 from a year earlier, in stark contrast to the year-on-year growth of 7.04% recorded in Q3 2022. It was its fourth consecutive quarter of y-o-y price fall and its worst showing in recent history. In nominal terms, house prices also declined by 10.1% during the year to Q3 2023. On a quarterly basis, real house prices fell by 2.29% during the latest quarter.

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. Recently, the European Commission revised the country's 2023 real GDP growth forecast to a miniscule 1.3%, from its earlier estimate of a 1.7% expansion, amidst weak private consumption.

Germany's housing market woes continue, as higher mortgage interest rates and rising inflationary pressures have compounded affordability constraints. The average price of apartments plummeted by 12.33% (inflation-adjusted) during the year to Q3 2023, worse than the previous year's 4.01% decline. It is now the fifth consecutive quarter of y-o-y fall. The last three quarters have been the housing market's worst showing in recent history. On a quarterly basis, real house prices were down by 2.57% in Q3 2023. Until last year, Germany's housing market has been growing continuously since 2014, with house prices up by more than 70%.

With falling demand, residential construction in Germany is declining rapidly. In the first three quarters of 2023, the number of dwelling permits plunged by 28.1% to 195,655 units from a year earlier, following an annual decline of 7% in 2022. The German economy is expected to suffer another mild contraction, amidst a decline in construction investment, weak private consumption and falling external demand. As a result, the European Commission expects Europe's biggest economy to shrink by 0.3% for the full year of 2023, after expanding by 1.8% in 2022 and 2.6% in 2021.

The UK's housing market is deteriorating fast, amidst slowing economic growth. Real house prices fell by a huge 10.41% in Q3 2023 from a year earlier, in stark contrast to the annual growth of 1.46% in Q3 2022. It was its fourth straight quarter of year-on-year price fall and its worst showing since Q2 2009. Even in nominal terms, UK house prices declined by 4.74% during the year to Q3 2023, a sharp turnaround from the previous year's 10.34% growth. Quarter-on-quarter, real house prices fell by 1.15% during the latest quarter.



Demand is plunging, with residential property transactions (seasonally-adjusted) in the UK falling to 779,510 units in the first three quarters of 2023, down by 18.9% from a year earlier, according to HM Revenue & Customs. This followed a 14.9% decline during the full year of 2022. The National Institute of Economic and Social Research expects the UK economy to grow by a meager 0.6% this year and by 0.5% in 2024, a slowdown from an expansion of 4% in 2022 and 7.6% in 2021.

Other European housing markets which are also struggling include Riga, Latvia with house prices falling by 11.40% year-on-year in Q3 2023, Jersey (-11.31%), Warsaw, Poland (-10.72%), Vienna, Austria (-10.11%), France (-6.33%), Romania (-5.96%), Norway (-5.53%), and Iceland (-5.29%). All, except Latvia, recorded weaker performances in Q3 2023 from the previous year. All, except Poland, Romania and Jersey, saw quarter-on-quarter price falls in Q3 2023.

Moderate house price falls were recorded in Finland (-4.98%), Ireland (-4.17%), Russia (-4.00%), Netherlands (-3.72%), and Italy (-3.47%). Though Finland, Netherlands and Italy have actually shown a deceleration in year-on-year house price falls in Q3 2023 as compared to Q3 2022. Ireland, Netherlands, and Russia also registered slight quarter-on-quarter price increases during the latest quarter.

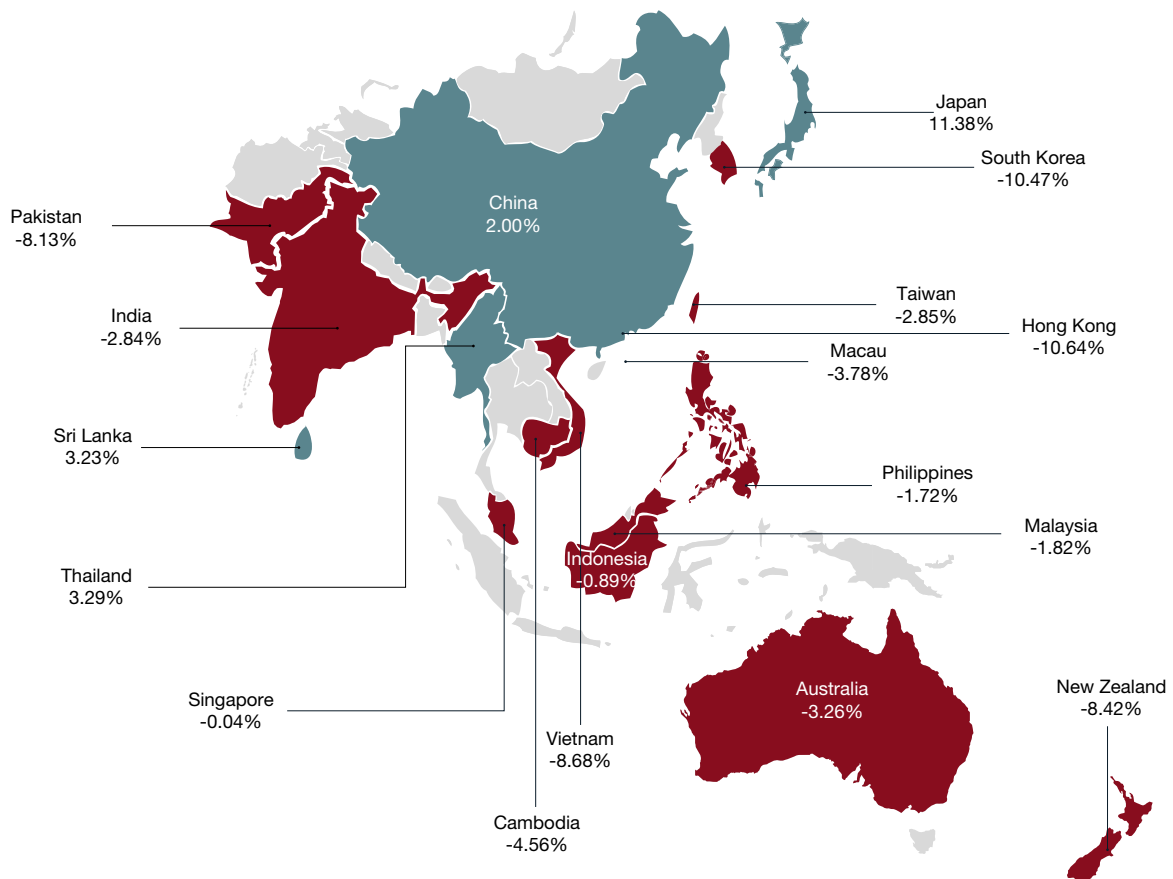
Minimal house price falls were seen in Kiev, Ukraine (-1.74%), Estonia (-1.55%), Denmark (-1.28%), and Lithuania (-1.06%). Yet only Estonia had weaker performance in Q3 2023 as compared to a year earlier. Ukraine and Estonia saw quarter-on-quarter price declines of 6.84% and 0.51%, respectively. On the other hand, Denmark and Lithuania recorded quarterly price growth of 0.72% and 0.67% over the same period.





Pacific housing markets remain depressed

House prices in the Pacific region continue to fall, amidst slowing demand caused by rising interest rates and declining purchasing power of consumers caused by soaring inflation.



Australia's housing market remains fragile, amidst falling demand and construction activity. Inflation-adjusted house prices in the country's eight major cities fell by 3.26% in Q3 2023 from a year earlier, following a year-on-year decline of 2% in the same period last year. It is its fifth straight quarter of y-o-y price fall. Yet quarter-on-quarter, house prices increased 1.88% in Q3 2023.

Both demand and supply are weakening. Home sales across regions fell by 6.5% in Q3 2023 from a year ago and 9.2% lower relative to the previous five-year average, according to CoreLogic. In contrast, the volume of home sales across the combined capital cities was up by 1.9% from a year earlier and by 6.3% as compared to the five-year average. For the whole year of 2022, capital city sales were down by 16.5% relative to 2021 figures. Similarly, dwelling approvals plunged 15.9% y-o-y to 134,231 units in the first ten months of 2023, following a decline of 16.1% in 2022 and an increase of 21.5% in 2021, according to the Australian Bureau of Statistics (ABS).

The Reserve Bank of Australia (RBA) expects the country to post minimal economic growth of 0.9% this year and 1.6% in 2024, after an expansion of 2.7% in 2022 and 5.9% in 2021.

New Zealand's housing market continues to suffer, amidst declining demand caused by rising borrowing costs. Median house prices dropped by 8.42% (inflation-adjusted) in Q3 2023 from a year earlier, worse than the year-on-year decline of 4.83% seen in the previous year. In fact, it is now its sixth consecutive quarter of y-o-y price fall. On a quarterly basis, real house prices dropped 1.17% in Q3 2023.



Residential property sales across New Zealand fell by 2.5% from the previous month to 5,619 units in October 2023 but up by 8% from the same period last year, according to the Real Estate Institute of New Zealand (REINZ).

New Zealand excluding Auckland sales counts followed a similar pattern, declining by 2.2% month-on-month and increasing by 2.6% year-on-year. The total number of properties available for sale nationally was 25,090 units in October 2023, down by 3.7% from a year earlier.

New Zealand's economy is projected to grow by a meager 1.1% this year and by 0.8% in 2024, a slowdown from expansions of 2.4% in 2022 and 5.6% in 2021, as rising interest rates and high inflation weigh on private consumption.





Asian housing markets' performance remains unimpressive

House prices rose in only 5 of the 17 Asian housing markets included in our globalhousepricesurvey. Thoughtencountriesshowedstrongermomentum in Q3 2023 compared to a year earlier. Strong house price increases were seen in Georgia and Japan while huge declines were registered in Hong Kong and South Korea.

Georgia's housing market made a strong turnaround, buoyed by robust demand and limited supply, coupled with strong economy. The inflation-adjusted residential property price index rose by a huge 14.88% during the year to Q3 2023, in stark contrast to the year-on-year decline of 0.78% in the previous year. It was its fourth consecutive quarter of year-on-year price increase. On a quarterly basis, real house prices were up by 4.16% during the latest quarter.

Georgia's economy is fundamentally strong, with real GDP growing by 10.1% during 2022, at par with the prior year's 10.5% expansion. The economy is projected to expand by 6.2% this year and by another 4.8% in 2024, based on IMF estimates.

Japan's house prices continue to rise strongly, despite falling demand and weakening residential construction. The average price of existing condominiums in Tokyo rose strongly by 11.38% in Q3 2023 from a year earlier, an acceleration from the previous year's 4.8% price increase. During the latest quarter, existing condo prices increased slightly by 0.35% q-o-q.

Sales of existing condominium units in Tokyo fell by 10.5% y-o-y to 30,078 units in the first ten months of 2023, following a 10.8% decline in the full year to 2022. Likewise, sales of existing detached houses in Tokyo dropped 12.7% to 15,372 units in Jan-Oct 2023 from a year earlier, after falling by 13.1% during 2022. Construction activity is also falling, with dwelling starts decreasing by 4.3% to 688,799 units in the first ten months of 2023, following a slight growth of 0.3% during 2022. The IMF expects the Japanese economy to grow by a modest 2% for the full year of 2023, after expanding by 1% in 2022 and 2.2% in 2021.

Modest house prices increases were recorded in Thailand (3.29%), Colombo, Sri Lanka (3.23%), and Beijing, China (2.00%). All performed better in Q3 2023 as compared to a year earlier. Sri Lanka and Thailand recorded quarterly price rises during the latest quarter.



Asia's weakest housing markets

Hong Kong's housing market condition is deteriorating fast, amidst struggling economy. The inflation-adjusted residential property prices plunged by 10.64% in Q3 2023 from a year earlier, following y-o-y declines of 10.77% in Q2 2023, 9.13% in Q1 2023, 16.66% in Q4 2022, and 13.26% in Q3 2022. On a quarterly basis, house prices declined by 5.77% in Q3 2023.

Property demand is weakening. The total number and value of existing property sales fell by 4.1% and 9.6%, respectively, in the first three quarters of this year. In contrast, the number of new property sales fell slightly by 1.6% while sales value increased 10.1% over the same period.

Hong Kong's economy suffered a 3.5% contraction last year, following an expansion of 6.3% in 2021, and contractions of 6.5% in 2020 and 1.7% in 2019, as weakening global demand and strict Covid-19 restrictions hurt consumer spending and exports. The HK economy is projected to grow by 3.2% this year, after the government unveiled a number of measures, including offering cash handouts to residents, cutting salaries tax, and attracting more workers and foreign investments.

South Korea's housing market is also struggling, 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 10.47% in Q3 2023 from a year earlier, far worse than the previous year's 1.07% decline. In fact, it was its fifth consecutive quarter of year-on-year fall and its worst showing since Q4 1998. On a quarterly basis, real house prices dropped 2.01% in Q3 2023.

Even in nominal terms, house prices declined by 7.16% in Q3 2023 from the previous year, the fourth consecutive quarter of year-on-year falls. South Korea's trade-reliant economy grew by 2.6% in 2022 following a 4.1% expansion in 2021, primarily driven by robust private consumption and fixed investment. However the economy will slow this year, with projected real GDP growth rate of just 1.4%, on the backdrop of continued global economic uncertainty.

Huge year-on-year price declines were also registered in Ho Chi Minh City, Vietnam (-8.68%) and Karachi, Pakistan (-8.13%). Both markets showed weaker performance in Q3 2023 as compared to a year earlier. Vietnam and Pakistan also saw quarterly price falls of 2.79% and 0.96%, respectively, in Q3 2023.

Other weak Asian housing markets included Phnom Penh, Cambodia, with house prices falling by 4.56% during the year to Q3 2023, followed by Macau (-3.78%), Taiwan (-2.85%), India (-2.84%), Malaysia (-1.82%), Makati CBD, Philippines (-1.72%), Indonesia (-0.89%), and Singapore (-0.04%).

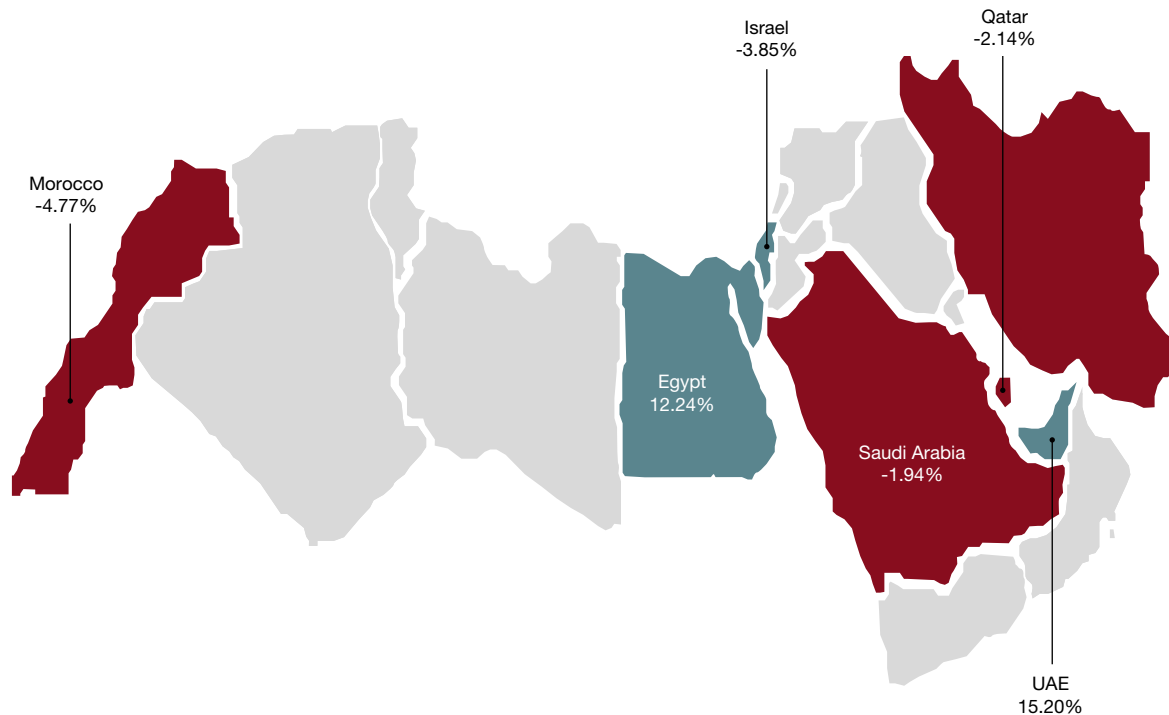
All, except Indonesia, saw quarterly price falls during the latest quarter. Yet only Singapore, Malaysia, India, and Taiwan showed weaker performance in Q3 2023 as compared to a year earlier.





Middle East's housing markets mixed

House prices rose in only 2 of the 6 Middle East housing markets included in our global house price survey. Though 4 of them showed stronger momentum in Q3 2023 as compared to the previous year.



UAE's housing market continues to grow strongly, with Dubai's inflation-adjusted residential property prices surging by 15.20% during the year to Q3 2023, an acceleration from the previous year's 5.11% growth. In fact, it was its best showing since Q3 2014. On a quarterly basis, house prices in Dubai were up by 3.08% in Q3 2023. Property demand, particularly in Dubai, is surging. In the first three quarters of 2023, the total number of transactions surged 33.8% y-o-y to 116,116 units, according to the Dubai Land Department. Likewise, transaction value also increased strongly by 36.7% y-o-y to AED 429.67 billion (US\$117 billion) over the same period.

Though, the overall UAE economy is expected to slow this year, with a projected real GDP growth rate of 3.4%, a slowdown from an expansion of 6.6% in 2022, mainly due to weaker global activity, tighter financial conditions, and stagnant oil output.

Egypt's erratic housing market movements continue, with the nationwide inflation-adjusted real estate index rising strongly by 12.24% in Q3 2023 from a year earlier, in stark contrast to the year-on-year fall of 12.35% in the same period last year. Quarter-on-quarter, real house prices increased 12.46% in Q3 2023. In nominal terms, house prices surged by 54.9% during the year to Q3 2023 – the biggest year-on-year growth in the past decade amidst soaring inflation. After growing by an estimated 6.7% in 2022, the Egyptian economy is projected to grow by 4.2% this year and by another 3.6% in 2024.

Saudi Arabia's housing market remains frail, amidst weakening economy, with the residential real estate price index falling by 1.94% during the year to Q3 2023, following y-o-y declines of 1.60% in Q2 2023, 1.38% in Q1 2023, 0.43% in Q4 2022, and 0.38% in Q3 2022. Quarter-on-quarter, prices were down 1.03% in Q3. Recently, the IMF lowered further its 2023 GDP growth forecast for the Kingdom to a meager 0.8%, down from its earlier estimate of 3.1% and a sharp slowdown from the previous year's robust growth of 8.7%.



Qatar's house prices continue to fall, albeit at a much slower pace. The nationwide real estate price index fell by 2.14% in Q3 2023 from a year earlier, an improvement from the prior year's 9.34% decline. It was its twelfth quarter of year-on-year price fall. On a quarterly basis, prices were down 3.35% during the latest quarter. The oversupply of residential properties in Qatar associated with the 2022 FIBA World Cup, coupled with slowing demand, is pulling down prices. The Qatari economy is expected to expand by a modest 2.4% this year, following annual growth of 3.4% in 2022 and 1.5% in 2021.

Israel's housing market is slowing considerably again, with the nationwide average price of owner-occupied dwellings falling slightly by 3.85% y-o-y in Q3 2023, in stark contrast from the 7.42% increase in the same period last year. On a quarterly basis, Israeli house prices dropped by 3.28% in Q3 2023.

The IMF projects Israel's economy to grow by a modest 3.1% this year, a slowdown from expansions of 6.1% in 2022 and 8.6% in 2021. Though, economic conditions are expected worsen further in the coming months, amidst the ongoing Israel-Hamas war.

Morocco's housing market outlook remains gloomy, with residential property prices falling by 4.77% in Q3 2023 from a year earlier, following an annual decline of 6.41% in the previous year. It was its eleventh quarter of year-on-year fall. Quarter-on-quarter, house prices declined by 1.21% during the latest quarter. Morocco registered a meager economic growth of 1.3% in 2022, sharply down from an expansion of 8% in 2021, amidst a severe drought and a surge in commodity prices. The economy is now expected to grow by a modest 2.4% this year.



Americas: U.S. and Canada housing markets cooling

Both the U.S. and Canada housing markets remain lackluster, with house prices either falling or rising slightly, amidst slowing economy, surging inflation, and heightened global economic uncertainty.



The U.S. housing market continues to lose steam, after a decade-long house price boom, amidst falling demand and deteriorating homebuilder sentiment. The S&P/Case-Shiller seasonally-adjusted national home price index rose by a miniscule 0.24% in Q3 2023 from a year earlier (inflation-adjusted), a deceleration from a year-on-year increase of 2.32% in Q3 2022.

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 1.87% during the year to Q3 2023 (inflation-adjusted), following a 3.46% growth in the previous year.

The S&P/Case-Shiller index increased by 1.27% q-o-q in Q3 2023, while the FHFA index rose by 1.24%.

Demand showed mixed results. In October 2023, existing home sales fell by 4.1% to a seasonally-adjusted annual rate of 3.79 million units as compared to a year earlier, according to the National Association of Realtors (NAR). This followed a full year decline of 17.8% during 2022. On the other hand, sales of new single-family houses increased by 17.7% y-o-y to a seasonally-adjusted annual rate of 679,000 units in October 2023, according to the U.S. Census Bureau.



The U.S. homebuilder sentiment fell by six points in November 2023 to just 34, its lowest level since the end of last year, as developers are now feeling pessimistic about their business amidst stubbornly high mortgages rates, 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 grew strongly by an annual rate of 5.2% in Q3 2023, following expansions of 2.1% in Q2 and 2.2% in Q1, amidst the continued growth in consumer spending, government expenditures, and nonresidential fixed investment. In fact, it marks the strongest growth since Q4 2021. Despite this, the world's biggest economy is expected to slow in the medium term, with The Conference Board forecasting that real GDP will grow by 2.4% in 2023 and then fall to 0.8% in 2024, mainly due to persistent inflation, Federal Reserve hawkishness, fallout from the banking crisis, and slowing consumer spending and business investment.

Canada's housing market is still struggling, amidst declining demand. In Q3 2023, inflation-adjusted house prices in the country's eleven major cities fell by 3.02% from a year earlier, a moderation from a year-on-year drop of 9.63% in the previous quarter but still in contrast to an annual price growth of 1.75% in Q3 2022. It is now the fourth straight quarter of y-o-y price decline. Though quarter-on-quarter, real house prices increased 3.24% during the latest quarter.

Both demand and supply are falling. During 2022, the actual number of sales transactions plunged by 25.2% to 498,175 units from a record high of 666,390 units a year earlier, according to the Canadian Real Estate Association (CREA). This was in sharp contrast to the annual growth in sales of 20.5% in 2021 and 12.6% in 2020. Recently, CREA projects that about 449,614 properties will be sold this year via the Canadian MLS Systems, down by 9.8% from the previous year. Likewise, housing starts dropped by 8.6% y-o-y to 177,571 units in the first three quarters of 2023, following a 3.4% decline during 2022.

The Canadian economy grew by a modest 3.6% during 2022, following an expansion of 4.5% in 2021 and a contraction of 5.2% in 2020, according to the Bank of Canada. However economic outlook is now bleak, as higher borrowing costs adversely affect consumer spending and as export growth moderates amidst deteriorating global economic condition. The central bank expects Canada's economy to grow by a meager 1.2% this year and 0.9% in 2024.





Latin America's housing market outlook remains gloomy

House prices fell in four of the five 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. But Mexico is an exception, which showed considerable improvement this quarter.



Argentina remains the weakest housing market in our global house price survey, amidst slowing economy, surging inflation and nervous political situation. During the year to Q3 2023, apartment prices in Buenos Aires plunged by a whopping 60.41%, worse than the y-o-y decline of 49.25% in the previous year. On a quarterly basis, prices dropped by a huge 27.53%. The overall economy is projected to shrink by 2.5% this year, from expansions of 5% in 2022 and 10.7% in 2021.

Colombia's housing market woes persist, after several years of vigorous price rises. In Bogotá, house prices fell by 5.12% during the year to Q3 2023, following y-o-y declines of 5.80% in Q2 2023, 6.01% in Q1 2023, 5.30% in Q4 2022 and 2.42% in Q3 2022. In fact, it was its seventh straight quarter of y-o-y fall. During the latest quarter, house prices dropped slightly by 0.28% q-o-q.

Chile's house prices continue to fall, despite increasing demand. The nationwide average price of new apartments fell by 2.24% y-o-y in Q3 2023, in contrast to the previous year's 3.80% growth. Quarter-on-quarter, house prices declined slightly by 0.43%. The number of residential properties sold in Great Santiago rose strongly by 33.3% y-o-y to 20,274 units in the first three quarters of 2023. Chile's economy will contract by 0.5% this year, following growth of 2.4% in 2022 and 11.7% in 2021.



Brazil's housing market continues to recover, buoyed by returning demand and improving economic conditions. Real house prices in Sao Paulo were more or less steady during the year to Q3 2023, in contrast to the prior year's 2.45% fall. On a quarterly basis, Sao Paulo prices increased slightly by 0.62% in Q3. In the first ten months of 2023, new residential sales in the capital city rose by 11.5% y-o-y to 62,699 units, according to figures from Secovi-SP, following a full year growth of 4.9% in 2022. Brazil's economy is projected to expand by 3.1% this year, slightly up from the 2.9% growth seen in 2022.

Mexico's housing market is now gaining momentum, with the nationwide house price index rising by 5.51% in Q3 2023 from a year earlier, a sharp improvement from a y-o-y growth of just 0.8% in Q3 2022. Along with the previous quarter, it was its strongest growth recorded since Q1 2016. On a quarterly basis, house prices increased 1.04% during the latest quarter. The overall economy is projected to grow by a modest 3.2% this year, following expansions of 3.9% in 2022 and 5.8% in 2021.





Puerto Rico's housing market is very volatile

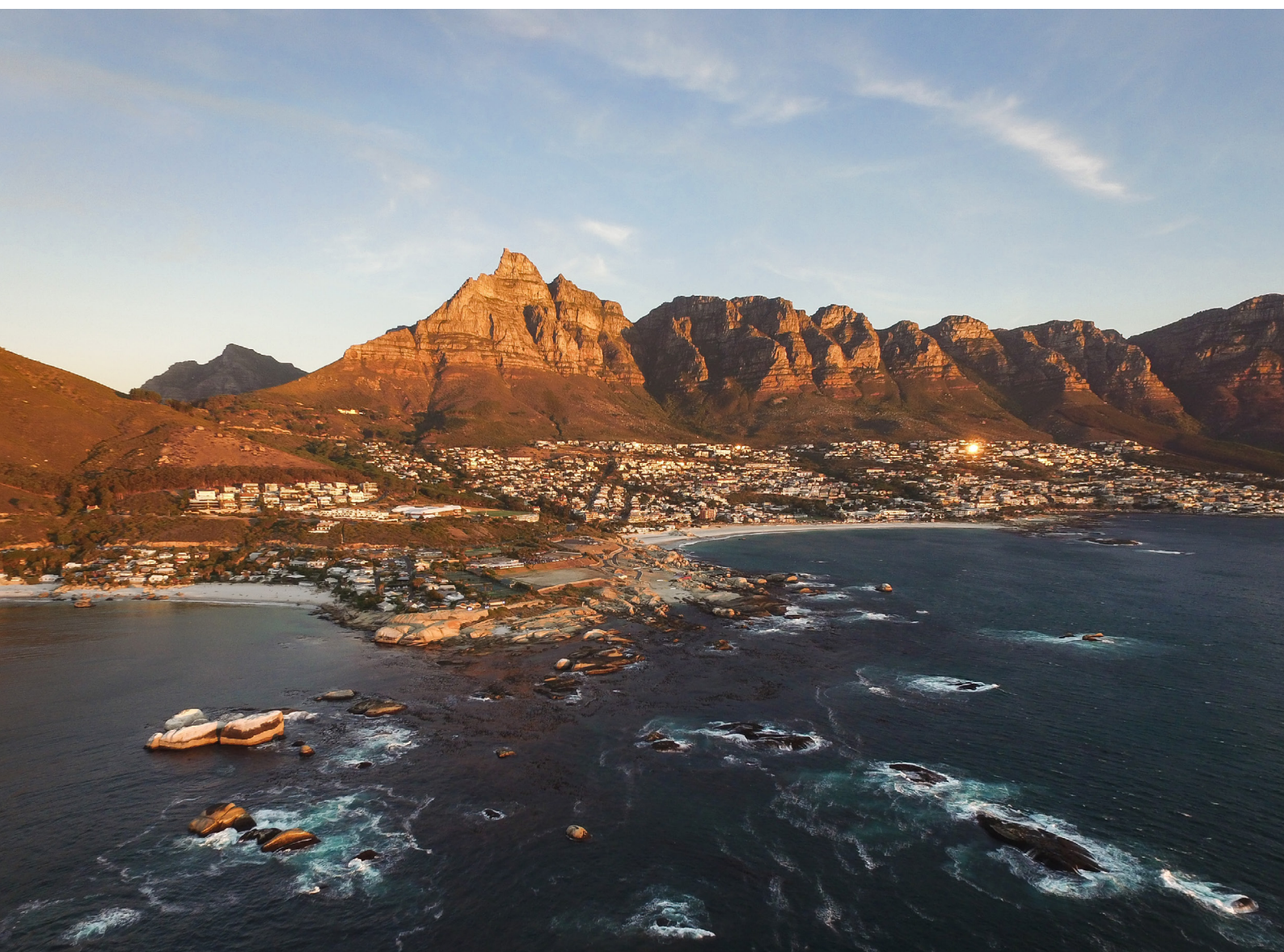
Puerto Rico's housing market remains unpredictable, with the seasonally-adjusted purchase-only house price index falling by 3.56% in Q3 2023 from a year earlier, following a year-on-year growth of 14.04% in Q2 2023 and annual declines of 5.24% in Q1 2023, 3.33% in Q4 2022, 5.86% in Q3 2022 and 11.47% in Q2 2022. Quarter-on-quarter, house prices dropped 8.59% 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. Recently, the IMF revised its 2023 economic forecast for Puerto Rico from a measly growth of 0.4% to a contraction of 0.7%.

South Africa's housing market remains quiet

South Africa's housing market is still weak, having been depressed for most of the past seven years. The price index for medium-sized apartments fell by 4.60% during the year to Q3 2023, at par with the y-o-y decline of 4.36% in the previous year. On a quarterly basis, house prices dropped 2.19%.

After registering a post-pandemic growth of 4.9% in 2021, SA's economic growth slowed to 2% in 2022, 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 0.8% this year, according to the South African Reserve Bank (SARB).





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