



Global Property Guide

MARKET REPORT

# Global Residential Real Estate

Q4  
2023



## House Price Change (Inflation-Nominal)

## House Price Change (Inflation-Adjusted)

	Y-O-Y (%)		Q-O-Q (%)	
	Q4 2022		Q4 2023	Q4 2023
Turkey	167.87	▼	75.52	6.92
Egypt	25.35	▲	41.86	11.73
Montenegro	20.50	▲	27.95	8.95
Pakistan (Karachi)	19.55	▲	25.86	9.24
UAE (Dubai)	9.53	▲	20.14	3.40
Georgia	14.29	▼	12.78	2.88
Greece	15.05	▼	12.07	2.13
Portugal	19.04	▼	11.14	0.76
Mexico	10.41	▲	10.02	2.00
Spain	3.23	▲	8.16	1.74
Australia (8 capital cities)	-2.93	▲	8.02	2.21
Taiwan	7.62	▼	8.01	2.42
Malta	2.71	▲	7.54	0.94
North Macedonia	20.74	▼	6.97	1.01
Singapore	8.64	▼	6.84	2.81
Romania	4.30	▲	6.69	2.53
US (FHFA)	8.32	▼	6.49	1.47
Japan (Tokyo)	11.48	▼	6.44	-1.57
US (Case-Shiller)	5.75	▲	5.57	0.98
Brazil (Sao Paulo)	5.06	▲	4.69	0.95
Colombia (Bogota)	7.62	▼	4.49	1.05
Ireland	7.72	▼	4.38	3.59
Estonia	20.20	▼	4.38	-0.99
Iceland	20.27	▼	4.24	3.27
Philippines (Makati CBD)	3.93	▼	3.98	1.33
Finland	-5.95	▲	3.98	2.15
Cambodia (Phnom Penh)	-4.95	▲	3.87	3.75
India	2.80	▲	3.81	1.60
Israel	17.53	▼	3.71	2.31
Sri Lanka (Colombo)	28.60	▼	3.39	-0.14
Russia	23.05	▼	3.24	3.06
Canada	0.22	▲	3.04	-1.41
Peru	1.60	▲	2.87	1.74

	Y-O-Y (%)		Q-O-Q (%)	
	Q4 2022		Q4 2023	Q4 2023
North Macedonia	6.71	▲	23.15	4.44
Montenegro	2.86	▲	22.69	10.17
UAE (Dubai)	5.96	▲	16.34	2.70
Georgia	4.03	▲	12.34	2.41
Portugal	8.33	▼	9.29	0.46
Greece	6.26	▲	8.48	0.63
Turkey	63.06	▼	6.53	-2.76
Egypt	3.37	▲	6.11	7.69
Mexico	2.23	▲	5.37	0.47
Taiwan	4.78	▼	5.17	2.36
Spain	-2.35	▲	4.90	1.78
Australia (8 capital cities)	-9.96	▲	3.84	1.64
Japan (Tokyo)	7.20	▼	3.74	-2.12
Malta	-4.26	▲	3.71	5.50
Thailand	-0.94	▲	3.67	2.72
US (FHFA)	1.13	▲	3.14	1.36
Singapore	1.87	▼	2.74	1.97
US (Case-Shiller)	-0.67	▲	2.15	1.33
Denmark	-6.45	▲	2.06	1.10
Cambodia (Phnom Penh)	-7.60	▲	1.12	4.75
Italy	-9.67	▲	1.12	2.11
Switzerland	0.67	▼	0.99	1.25
Netherlands	-6.26	▲	0.68	2.25
Lithuania	-2.17	▲	0.51	1.09
Israel	11.71	▼	0.36	1.96
Finland	-13.61	▲	0.08	1.76
Brazil (Sao Paulo)	-0.68	▼	0.07	-0.13
Estonia	-0.20	▼	0.05	-0.87
Philippines (Makati CBD)	-3.82	▲	0.05	1.17
Ireland	-0.46	▼	-0.18	3.59
Romania	-8.62	▲	-0.30	1.82
Canada	-5.74	▲	-0.35	-1.28
Peru	-6.33	▲	-0.36	1.82

▲ 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 (%)	
	Q4 2022		Q4 2023	Q4 2023
Thailand	4.89	▼	2.81	1.71
Denmark	1.71	▲	2.76	0.50
Switzerland	3.66	▼	2.62	1.21
Argentina (Buenos Aires)	-6.03	▲	2.52	7.58
Vietnam (HCMC)	15.08	▼	2.35	-0.37
Poland (Warsaw)	9.97	▼	2.24	3.90
Netherlands	2.73	▲	1.90	1.67
Ukraine (Kiev)	1.73	▼	1.88	0.62
Indonesia	2.00	▲	1.74	0.13
Lithuania	19.10	▼	1.72	0.50
Italy	0.84	▼	1.71	1.60
Qatar	5.09	▼	1.18	6.30
South Africa	2.90	▼	0.60	0.83
Saudi Arabia	2.63	▼	0.60	0.32
Malaysia	3.90	▼	0.47	-2.46
Puerto Rico	2.49	▼	0.33	6.45
Norway	2.61	▼	-0.73	-3.47
China (Beijing)	3.75	▼	-1.23	-3.65
New Zealand	-12.22	▲	-1.29	-0.66
UK (Nationwide)	4.77	▼	-2.28	-0.39
Austria (Vienna)	4.76	▼	-3.01	-1.43
France	4.69	▼	-3.88	-3.88
South Korea	-1.79	▼	-4.70	-0.11
Macau	-7.62	▲	-5.38	-3.74
Germany	4.04	▼	-5.68	-1.55
Sweden	-3.73	▼	-6.31	-0.97
Hong Kong	-15.03	▲	-6.99	-5.41
Latvia (Riga)	1.55	▼	-7.10	-1.73
Jersey	7.24	▼	-8.45	-6.60
Slovak Republic	15.00	▼	-8.57	-0.21

## House Price Change (Inflation-Adjusted)

	Y-O-Y (%)		Q-O-Q (%)	
	Q4 2022		Q4 2023	Q4 2023
Qatar	-0.80	▼	-0.46	3.37
Sri Lanka (Colombo)	-18.20	▲	-0.59	-2.13
Indonesia	-3.36	▲	-0.92	-0.55
India	-2.71	▲	-0.93	1.63
China (Beijing)	1.94	▼	-0.94	-3.19
Saudi Arabia	-0.43	▲	-0.98	0.03
Malaysia	0.12	▼	-1.06	-2.76
Vietnam (HCMC)	10.07	▼	-1.18	-0.86
Ukraine (Kiev)	-5.01	▲	-1.32	0.51
Puerto Rico	-3.34	▲	-1.62	6.76
Pakistan (Karachi)	-3.98	▲	-2.96	5.27
Iceland	9.78	▼	-3.26	1.83
Poland (Warsaw)	-6.43	▲	-3.73	3.35
Russia	9.96	▼	-3.88	0.83
Colombia (Bogota)	-4.86	▼	-4.38	-0.12
South Africa	-4.28	▲	-4.38	0.03
Norway	-3.77	▼	-5.03	-4.49
New Zealand	-18.13	▲	-5.67	-1.12
UK (Nationwide)	-4.21	▼	-6.40	-1.01
Macau	-8.33	▲	-6.70	-4.17
South Korea	-6.47	▼	-7.65	0.26
Latvia (Riga)	-15.95	▲	-7.68	-0.57
France	-1.30	▼	-7.87	-7.33
Austria (Vienna)	-5.28	▼	-8.01	-2.42
Germany	-4.18	▼	-8.92	-1.58
Hong Kong	-16.66	▲	-9.17	-6.38
Sweden	-13.70	▲	-11.24	-2.02
Slovak Republic	-0.18	▼	-14.08	-0.66
Jersey	-4.84	▼	-14.83	-7.06
Argentina (Buenos Aires)	-51.76	▼	-67.08	-29.82

▲ More than one percentage point increase in house price change

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▼ More than one percentage point decrease in house price change

▲ Less than 1 percentage point decrease in house price change



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Global housing markets seem to be stabilizing, as inflationary pressures started to ease in many countries, and central banks pause their key interest rate hikes, on the back of slowing economic activity.

When adjusted for inflation, house prices have risen in 28, and actually declined in 34 markets which have so far published housing statistics in 2023.

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 2023, nominal house prices were still rising in 48 countries, and declined in only 14 out of the 62 world's housing markets. For instance, in Turkey, nominal house prices skyrocketed by 75.52% year-on-year in 2023 but in real terms, prices have actually increased by just 6.53%. This is also the case in Egypt, nominal house prices soared by 41.86% but real figures were up by just 6.11%. Also, in Karachi, Pakistan, nominal house prices surged by 25.86% but when adjusted for inflation, they actually declined by 2.96%.

In terms of momentum, most of the world's property markets are stabilizing. Momentum is visibly stronger in real terms, indicating that the worse is over: 41 out of the 62 world's housing markets showed stronger momentum in 2023 as compared to the previous year, while the remaining 21 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 2023:

- United States, always a key market, is now growing again – registering modest house price rises on the back of improved economic conditions. While Canada remains weak, it is now showing signs of improvement.
- Most of Europe's housing markets are now recovering, with house prices rising in 14 out of the 27 European countries included in our global survey in 2023. Also, 19 countries showed stronger momentum in 2023 from the prior year. Strong performers in Europe included Montenegro, Portugal and Greece.
- Pacific housing markets continue to recover, buoyed by increasing property demand. House prices are now rising modestly in Australia. New Zealand's house prices are still falling, albeit at a much slower pace.
- Asia's housing market downturn continues, amidst weakening economic growth and high inflation. House prices rose in only 7 of the 17 Asian housing markets included in our global house price survey. Except in Georgia, house prices in the region are either falling or increasing only modestly. In fact, huge house price declines were registered in Hong Kong and South Korea.

- The Middle East showed mixed results, with house prices rising in 3 of the 6 countries included in our global survey. UAE showed strong performance while Egypt is dramatically improving. In contrast, Saudi Arabia, Israel, and Qatar remain weak.
- Latin America's housing markets are also two-tiered. 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 2023 were seen in: **Montenegro** (+22.69%), **Dubai, UAE** (+16.34%), **Georgia** (+12.34%), **Portugal** (+9.29%), and **Greece** (+8.48%), using inflation-adjusted figures.

The biggest y-o-y house price decline was registered still in Buenos Aires, **Argentina** (-67.08%), followed by **Jersey** (-14.83%), **Slovak Republic** (-14.08%), **Sweden** (-11.24%), and **Hong Kong** (-9.17%), again using inflation-adjusted figures.

In its January 2024 World Economic Outlook Update, the International Monetary Fund (IMF) expects the global economy to expand by 3.1% this year, at par with the previous year's growth but 0.2 percentage point higher than its October 2023 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.

Accordingly, inflation continues to ease. Global headline inflation, excluding Argentina, is projected to fall to 4.9% in 2024. For advanced economies, headline inflation is expected to hover around 2.6% this year, close to central banks' inflation targets.



# The World's Regions

## Europe's housing markets improving gradually

House prices have risen in 14 of the 27 European housing markets for which figures were available in 2023. Also, 19 countries had stronger momentum in 2023 compared to a year earlier. Notable exceptions are Jersey, Slovak Republic, and Sweden, which continue to register huge house price falls.





**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 22.69% in 2023 from a year earlier, a sharp acceleration from the year-on-year increase of 2.86% seen in the previous year. Quarter-on-quarter, prices also increased strongly by 10.17% during the latest quarter.

In fact in nominal terms, dwelling prices surged by 27.95% during 2023 – the highest year-on-year growth in recent history. Montenegro's overall economy was estimated to have grown by 4.5% in 2023, following expansions of 6.1% in 2022 and 13% in 2021, based on IMF forecast.

**Portugal's** housing market remains fundamentally strong, supported by robust demand and a housing shortage. Nationwide property prices rose by 9.29% during 2023, following year-on-year expansions of 8.33% in 2022, 8.93% in 2021, 5.72% in 2020 and 14.09% in 2019. On a quarterly basis, real house prices were up slightly by 0.46% in Q4 2023.

As a response to strong demand, residential construction activity continues to rise. 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). Yet the overall economy is noticeably slowing. During 2023, the Portuguese economy expanded by just 2.1%, down from the strong growth of 6.8% in 2022 and 5.5% in 2021. Bank of Portugal's projections put the real GDP growth rate at just 1.2% this year and 2.2% in 2025.

**Greece's** housing market continues to gain momentum, with its inflation-adjusted dwelling price index in urban areas rising by 8.48% in 2023 from a year earlier, up from a year-on-year growth of 6.26% in 2022. On a quarterly basis, prices increased slightly by 0.63% 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 2.2% in 2023 and 5.9% in 2022, according to the European Commission.

Modest house price increases were seen in **Turkey** (6.53%), **Spain** (4.9%), **Malta** (3.71%), and **North Macedonia** (3.09%). All, except Turkey, had stronger performances in 2023 compared to a year earlier and saw quarter-on-quarter price increases during the latest quarter.

European housing markets which registered minimal house price growth during 2023 included **Denmark** (2.06%), **Italy** (1.12%), **Switzerland** (0.99%), **The Netherlands** (0.68%), **Lithuania** (0.51%), **Finland** (0.08%), and **Estonia** (0.05%). All performed stronger in 2023 compared to the prior year. All, except Estonia, saw quarter-on-quarter price increase in Q4 2023.





## Europe's worst performing housing markets

**Slovak Republic's** housing market condition is deteriorating fast. Inflation-adjusted house prices dropped by a huge 14.08% in 2023 from a year earlier, far worse than the year-on-year decline of only 0.18% in 2022. Last year was its worst showing in recent history. Real house prices have been falling for five consecutive quarters now. Even in nominal terms, house prices also declined by 8.57% last year. On a quarterly basis, inflation-adjusted house prices fell by 0.66% in Q4 2023.

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 2.3% this year and by 2.6% in 2025, an improvement from annual expansions of 1.1% in 2023 and 1.7% in 2022.

**Sweden's** housing market woes persist, amidst ailing economy, rising interest rates and soaring inflation. The nationwide residential property price index fell sharply by 11.24% in 2023 from a year ago, following a y-o-y decline of 13.7% in 2022. Last year had been the country's biggest price fall since 1992. Quarter-on-quarter, prices fell by 2.02% in Q4 2023.

Property demand is now declining sharply, with nationwide home sales falling by 18.7% year-on-year to 45,588 units in 2023, according to Statistics Sweden. It was the lowest level of home sales recorded in recent history. This followed an annual drop of 7% in 2022 and increases of 6.7% in 2021, 0.4% in 2020, and 2.9% in 2019. Sweden's economy declined slightly by 0.1% in 2023, in stark contrast to y-o-y expansions of 2.8% in 2022 and 6.1% in 2021, primarily caused by a decline in private consumption and housing construction, according to European Commission. The economy is projected to grow by a meager 0.2% this year.

**Germany's** housing market continues to suffer, as higher mortgage interest rates and rising inflationary pressures have compounded affordability constraints. The average price of apartments plummeted by 8.92% (inflation-adjusted) during 2023, worse than the previous year's 4.18% decline. The last four quarters have been the housing market's worst showing in recent history. On a quarterly basis, real house prices were down by 1.58% in Q4 2023.

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 and modest increases of 3.4% in 2021 and 2.2% in 2020. Germany's overall economy remains weak, with the real GDP contracting by 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 0.3% this year before slightly improving to a growth of 1.2% in 2025.

The **UK's** housing market remains depressed, amidst ailing economy. Real house prices dropped 6.4% in 2023 from a year earlier, worse than the year-on-year fall of 4.21% in 2022. Last year has been the housing market's worst showing since 2008. Even in nominal terms, UK house prices declined by 2.28% during 2023, in contrast to the previous year's 4.47% growth. Quarter-on-quarter, inflation-adjusted house prices fell by 1.01% in Q4 2023.

Demand is plunging, with the residential property transactions (seasonally-adjusted) in the UK falling by a huge 19.2% y-o-y to 1,022,570 units in 2023, according to HM Revenue & Customs. This followed a 14.7% year-on-year decline in 2022. Residential construction activity is also falling. During 2023, dwellings starts and completions in England dropped 15.6% and 11.1%, respectively. The UK economy entered recession in the second half of 2023 and real GDP grew by a miniscule 0.3% for the whole year of 2023. The National Institute of Economic and Social Research expects economic activity to remain subdued this year, with real GDP growth forecast of just 0.9%.

Other European housing markets which are also struggling include **Jersey** with house prices falling by 14.83% year-on-year in 2023, Vienna, **Austria** (-8.01%), **France** (-7.87%), and Riga, **Latvia** (-7.68%). All, except Latvia, recorded weaker performances in 2023 from the previous year. All saw quarter-on-quarter price falls in Q4 2023.

Moderate house price falls were recorded in **Norway** (-5.03%), **Russia** (-3.88%), Warsaw, **Poland** (-3.73%), and **Iceland** (-3.26%). All, except Poland, have shown worse performance in 2023 as compared to the prior year. However, only Norway has actually registered a quarter-on-quarter price fall in Q4 2023.

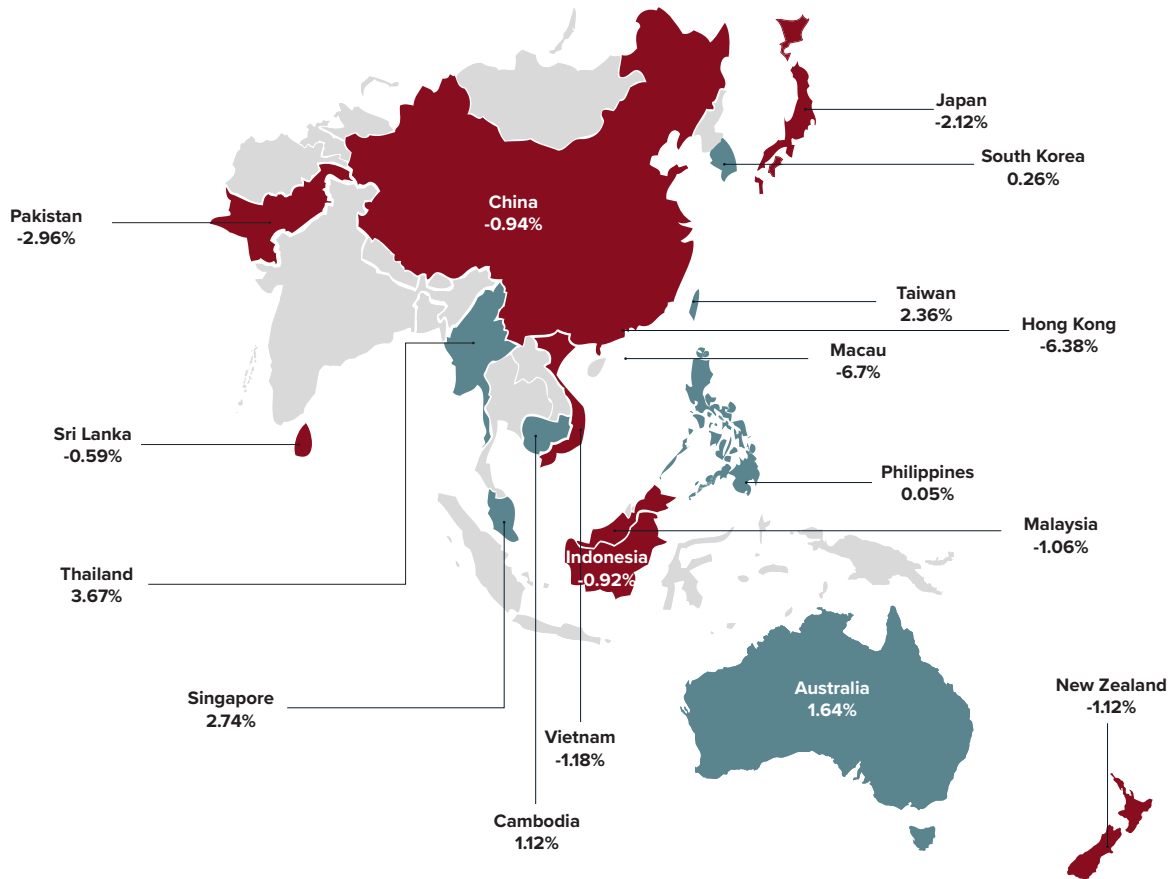
Minimal house price falls were seen in Kiev, **Ukraine** (-1.32%), **Romania** (-0.3%), and **Ireland** (-0.18%). Yet all had stronger performance in 2023 as compared to a year earlier. Also, all of the said countries also recorded quarterly price growth in Q4 2023.





## Pacific housing markets show signs of improvement

Surprisingly, Pacific housing markets are noticeably improving, despite slowing economic growth caused by rising interest rates and declining purchasing power of consumers due to soaring inflation.



**Australia's** housing market is rapidly improving, amidst increasing property demand. Inflation-adjusted house prices in the country's eight major cities rose by a modest 3.84% in 2023 from a year earlier, an improvement from a year-on-year decline of 9.96% in the prior year. In fact, in nominal terms, house prices rose strongly by 8.02% during 2023. Quarter-on-quarter, inflation-adjusted house prices increased 1.64% in Q4 2023.

Demand is recovering, but supply continues to fall. Home sales across regions over the three months ending February 2024 rose by 4.7% from a year ago, with sales in capital cities rising by 6% over the same period, according to CoreLogic. Though it remains 5% lower as compared to the five-year average. On the other hand, dwelling approvals plunged 15.2% y-o-y to 162,386 units in 2023, following a decline of 15% in 2022 and an increase of 21% in 2021, according to the Australian Bureau of Statistics (ABS).

The Reserve Bank of Australia (RBA) expects the country to post an economic growth of 1.8% this year, after an expansion of 1.5% in 2023, 2.7% in 2022 and 5.9% in 2021.

**New Zealand's** house prices continue to fall, albeit at a much slower pace. Median house prices dropped by 5.67% y-o-y in 2023, an improvement from a huge price decline of 18.13% recorded in the prior year. The housing market has been experiencing y-o-y price falls for seven consecutive quarters now. On a quarterly basis, real house prices dropped 1.12% in Q4 2023.



After a generally weak activity last year, demand is now improving again. In February 2024, residential property sales across New Zealand increased by 37.9% y-o-y to 5,693 units, according to the Real Estate Institute of New Zealand (REINZ). Across the regions, 15 of the 16 regions saw an increase in the number of properties sold year-on-year, with 14 of them registering more than 20% growth. Supply indicators are also showing an upward trend. In February 2024, new residential listings in the country increased by a huge 44.8% to 11,788 units from a year earlier. Likewise, the total number of properties available for sale nationally stood at 31,424 units in February 2024, up by 8.1% from a year ago.

New Zealand's economy was estimated to have expanded by a meager 1.1% during 2023, a sharp slowdown from annual growth of 2.4% in 2022 and 5.6% in 2021, as rising interest rates and high inflation weigh on private consumption. Economic growth is projected at just 1% this year.



## Most of Asia experiencing housing market downturn

House prices rose in only 7 of the 17 Asian housing markets included in our global house price survey. Though twelve countries showed stronger momentum in 2023 compared to a year earlier. Except in Georgia, house prices in the region are either falling or increasing only modestly. In fact, huge house price declines were registered in Hong Kong and South Korea.

**Georgia's** housing market continues to strengthen, buoyed by robust demand and limited supply, coupled with strong economy. The inflation-adjusted residential property price index rose by a huge 12.34% during 2023, a sharp acceleration from a year-on-year increase of 4.03% in 2022 and in contrast to the annual decline of 11.21% in 2021. On a quarterly basis, real house prices were up by 2.41% during the latest quarter.

Georgia's economy is fundamentally strong, with real GDP growing by an estimated 6.2% during 2023, following annual expansions of 10.1% in 2022 and 10.5% in 2021. The economy is projected to expand by 4.8% this year and by another 6.2% in 2025, based on IMF estimates.

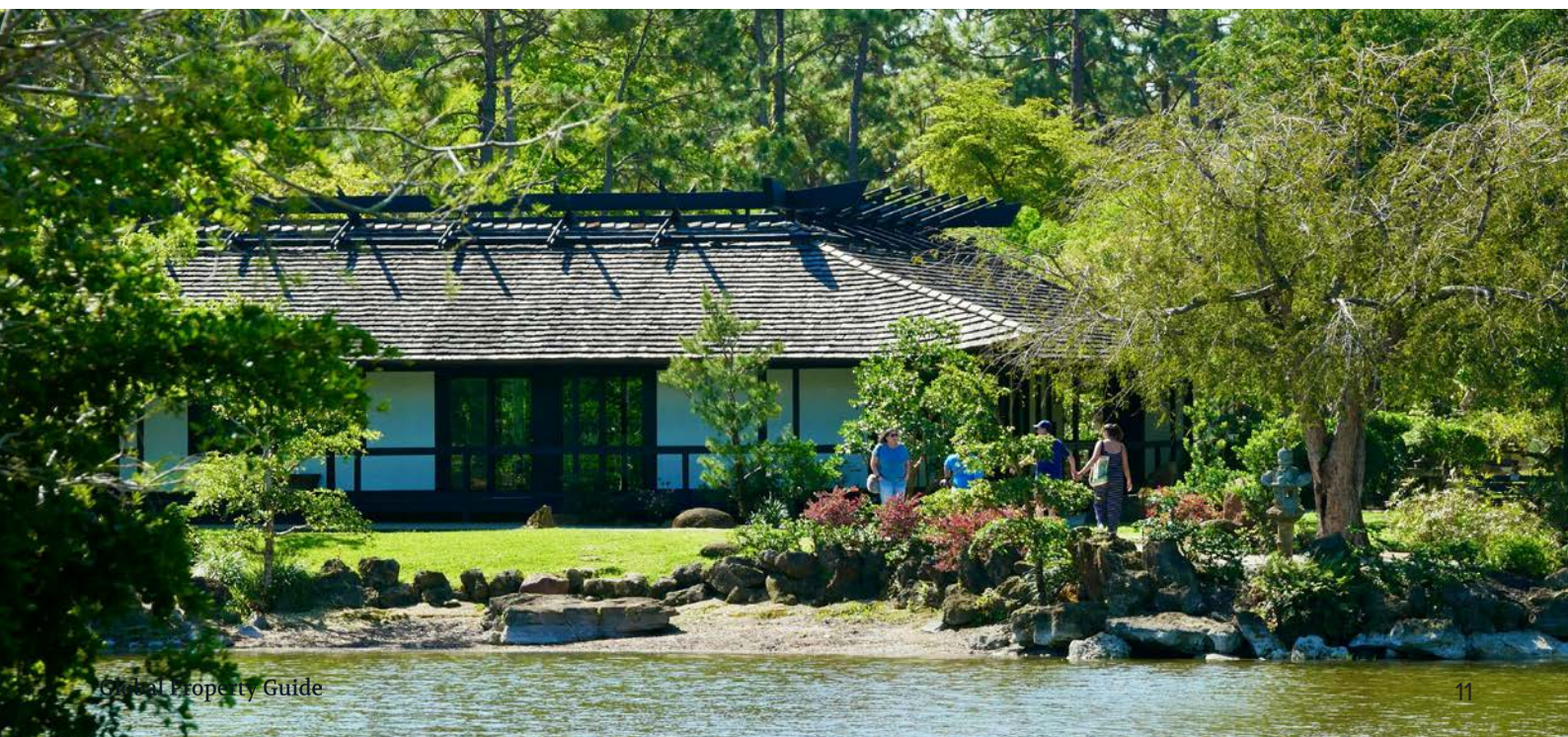
**Taiwan's** housing market remains resilient, despite weakening economy. Nationwide house prices rose by 5.17% in 2023 from a year earlier, slightly up from the year-on-year growth of 4.78% in 2022. Quarter-on-quarter, house prices were up by 2.36% during the latest quarter. The housing market slowed 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 posted an overall economic growth of just 1.31% during 2023, a sharp slowdown from annual growth of 2.4% in 2022 and 6.5% in 2021. In fact, it was the country's worst economic performance since 2009. Economic growth is projected at a modest 3.43% this year.

**Japan's** housing market is weakening again, amidst falling demand and weakening residential construction. The average price of existing condominiums in Tokyo rose modestly by 3.74% in 2023 from a year earlier, only about half the previous year's 7.2% price increase. In fact during the latest quarter, existing condo prices fell by 2.12% q-o-q.

Sales of existing condominium units in Tokyo fell by 9.6% y-o-y to 35,515 units in 2023, following a 10.8% decline in the full year to 2022, according to The Land Institute of Japan. Likewise, sales of existing detached houses in Tokyo dropped 11.5% to 18,051 units in 2023 from a year earlier, after falling by 13.1% during 2022. Construction activity is also falling. In 2023, dwelling starts in Japan fell by 4.6% y-o-y to 819,623 units, following annual increases of 0.3% in 2022 and 5% in 2021, and y-o-y declines of 9.9% in 2020 and 4% in 2019. Economic activity in the medium term is expected to remain subdued, with the IMF projecting a real GDP growth rate of 0.9% this year and another 0.6% in 2025, following an expansion of 1.9% in 2023.

Modest to minimal house prices increases were recorded in **Thailand** (3.67%), **Singapore** (2.74%), Phnom Penh, **Cambodia** (1.12%), and Makati CBD, **Philippines** (0.05%). All performed better in 2023 as compared to a year earlier. Also, all recorded quarterly price rises during the latest quarter.





## Asia's weakest housing markets

**Hong Kong's** housing market woes continue, amidst struggling economy. The inflation-adjusted residential property prices plunged by 9.17% in 2023 from a year earlier, following a y-o-y decline of 16.16% in 2022. On a quarterly basis, house prices declined by 6.38% in Q4 2023. Demand showed mixed results. In the primary market, the total number and value of new property sales rose by 4.2% and 16.3%, respectively, during 2023. In the secondary market, on the other hand, the number of existing property sales fell by 7.2% and transaction value dropped 12.2%.

Residential construction activity in HK is weakening. Completions fell by a whopping 34.6% y-o-y to just 13,852 units in 2023, in sharp contrast to the 47.1% increase in 2022. 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.

**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 7.65% in 2023 from a year earlier, following a year-on-year fall of 6.47% in 2022. Nationwide house prices have been falling for six consecutive quarters now. On a quarterly basis, real house prices increased slightly by 0.26% in Q4 2023. Even in nominal terms, house prices declined by 4.7% in 2023 from the previous year, worse than the prior year's 1.79% fall.

South Korea's trade-reliant economy was estimated to have 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 downgraded its real GDP growth projection for 2024 to 2.1%, its third downward revision in a row as sluggish consumer spending and construction investment add greater economic uncertainty.

Other weak Asian housing markets included **Macau**, with house prices falling by 6.7% during 2023, followed by Karachi, **Pakistan** (-2.96%), Ho Chi Minh City, **Vietnam** (-1.18%), and **Malaysia** (-1.06%). Vietnam and Malaysia showed weaker performance in 2023 compared to a year earlier. All, except Pakistan, registered quarterly price falls in Q4 2023.

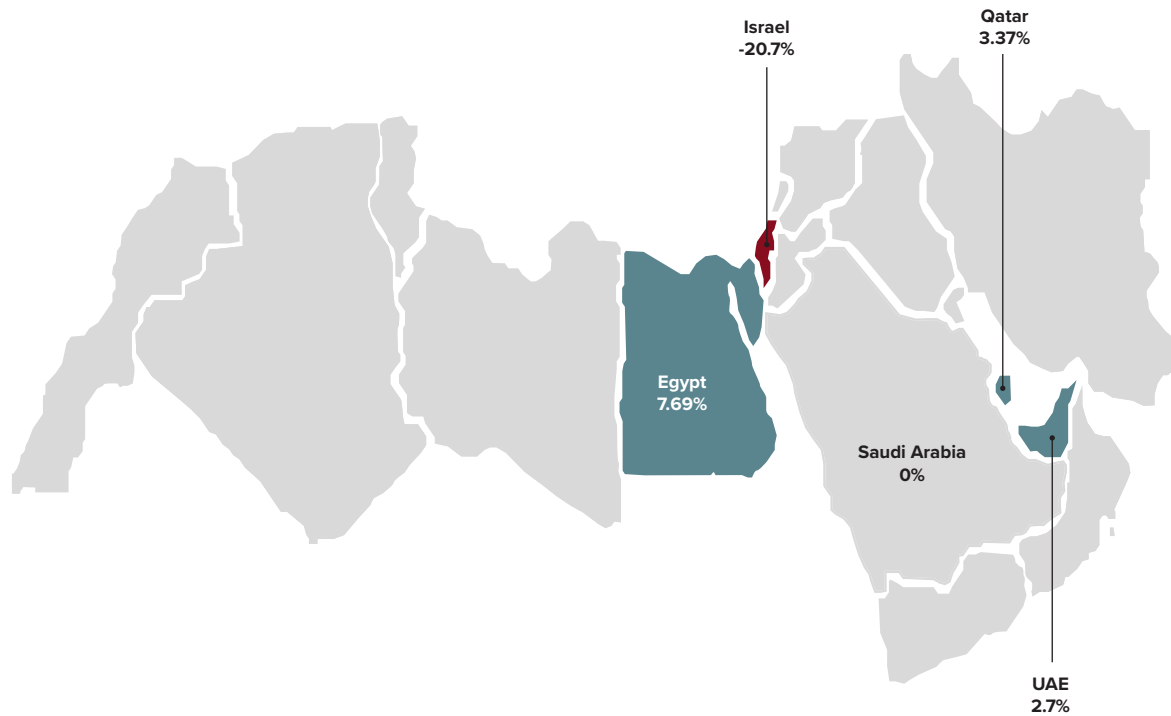
Minimal year-on-year price falls were also recorded in Beijing, **China** (-0.94%), **India** (-0.93%), **Indonesia** (-0.92%), and Colombo, **Sri Lanka** (-0.59%). Yet all, except China, showed stronger performance in 2023 as compared to a year earlier. All, except India, saw quarterly price falls in Q4 2023.





## Middle East housing markets are two-tiered

House prices rose in 3 of the 5 Middle East housing markets included in our global house price survey. Also, 3 of them showed stronger momentum in 2023 as compared to the previous year.



The **UAE's** housing market continues to grow strongly, supported by robust demand. In Dubai, inflation-adjusted residential property prices rose by a huge 16.34% in 2023 from a year earlier, a sharp acceleration from the previous year's 5.96% expansion. In fact, it was its best showing since 2013. On a quarterly basis, house prices in Dubai were up by 2.7% in Q4 2023. Registered sales transactions in Dubai reached a record 133,134 deals in 2023, up by an impressive 38% from the prior year, according to real estate portal Property Finder.

The UAE economy grew by around 3.1% in 2023 from a year earlier, following strong expansions of 7.9% in 2022 and 4.4% in 2021 and a pandemic-induced contraction of 5% in 2020. Economic growth will strengthen again this year, with the expected rise in oil production. The UAE central bank expects a real GDP growth rate of 5.7% this year.

**Egypt's** house price growth is gaining momentum, with the nationwide inflation-adjusted real estate index rising by 6.11% in 2023 from a year earlier, an improvement from a year-on-year increase of 3.37% in 2022 and annual declines of 2.21% in 2021, 14.38% in 2020, 2.28% in 2019, and 19.24% in 2018. Quarter-on-quarter, real house prices increased 7.69% in Q4 2023. In nominal terms, house prices surged by 41.86% during 2023 – the biggest year-on-year growth in the past decade. After growing by 6.7% in 2022, the economy was estimated to have expanded by 4.2% last year. Economic growth is projected at a modest 3% this year.



**Israel's** housing market is cooling fast, with the nationwide average price of owner-occupied dwellings rising by a miniscule 0.36% y-o-y in 2023, a sharp slowdown from the 11.71% increase in the prior year. On a quarterly basis, Israeli house prices increased by 1.96% in 2023. Israel's overall economy contracted by a huge 20.7% (annualized) in Q4 2023, marking the deepest downturn since Q2 2020, as the war with Hamas took a heavy toll on the economy. Despite this, the Israeli economy still managed to post a modest growth of 2% during the whole year of 2023, a slowdown from expansions of 6.1% in 2022 and 8.6% in 2021.

**Qatar's** housing market conditions remain gloomy, with the nationwide real estate price index falling slightly by 0.46% in 2023 from a year earlier, following declines of 0.8% in 2022, 4.06% in 2021, and 4.89% in 2020. Yet on a quarterly basis, real house prices increased by 3.37% 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. In the beginning of 2024, the supply of apartments and villas in Doha has increased to more than 400,000 units, a compound annual growth rate of 6.2% over the past decade. In the first eleven months of 2023, residential sales in the country declined by 16.2% y-o-y, following a huge fall of 25.5% in 2022, based on a report released by Cushman and Wakefield. The Qatari economy is projected to grow by 1.9% this year, following annual expansions of 1.6% in 2023, 4.2% in 2022 and 1.6% in 2021.

**Saudi Arabia's** housing market remains frail, amidst weakening economy, with the residential real estate price index falling slightly by 0.98% during 2023, following a y-o-y decline of 0.43% in 2022 and a miniscule growth of 0.59% in 2021. Quarter-on-quarter, prices were more or less steady in Q4 2023. The overall economy contracted by 0.9% in 2023, in stark contrast to the prior year's robust growth of 8.7%. The IMF expects the economy to Saudi Arabia to post a modest growth of 2.7% this year.





## Americas: U.S. housing market stabilizes, Canada remains fragile

The U.S. housing market is now experiencing modest house price growth again, on the back of improved overall economic conditions. In contrast, Canada's housing market remains lackluster, with house prices still falling slightly, amidst weak economy, surging inflation, and heightened global economic uncertainty.



The **U.S.** housing market continues to stabilize, after a decade-long house price boom, amidst modest economic growth and improving homebuilder sentiment. The S&P/Case-Shiller seasonally-adjusted national home price index rose by 2.15% in 2023 from a year earlier (inflation-adjusted), an improvement from a year-on-year fall of 0.67% in 2022.

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 increased by a modest 3.14% during 2023 (inflation-adjusted), an improvement from a 1.13% growth in the prior year. The S&P/Case-Shiller index increased by 1.33% q-o-q in Q4 2023, while the FHFA index rose by 1.36%.

Demand showed mixed results. In February 2024, existing home sales – completed transactions that include single-family homes, townhomes, condominiums and coops – fell by 3.3% to a seasonally-adjusted annual rate of 4.38 million units as compared to a year earlier, according to the National Association of Realtors (NAR). On the other hand, sales of new single-family houses increased by 5.9% y-o-y to a seasonally-adjusted annual rate of 662,000 units in February 2024, according to the U.S. Census Bureau.



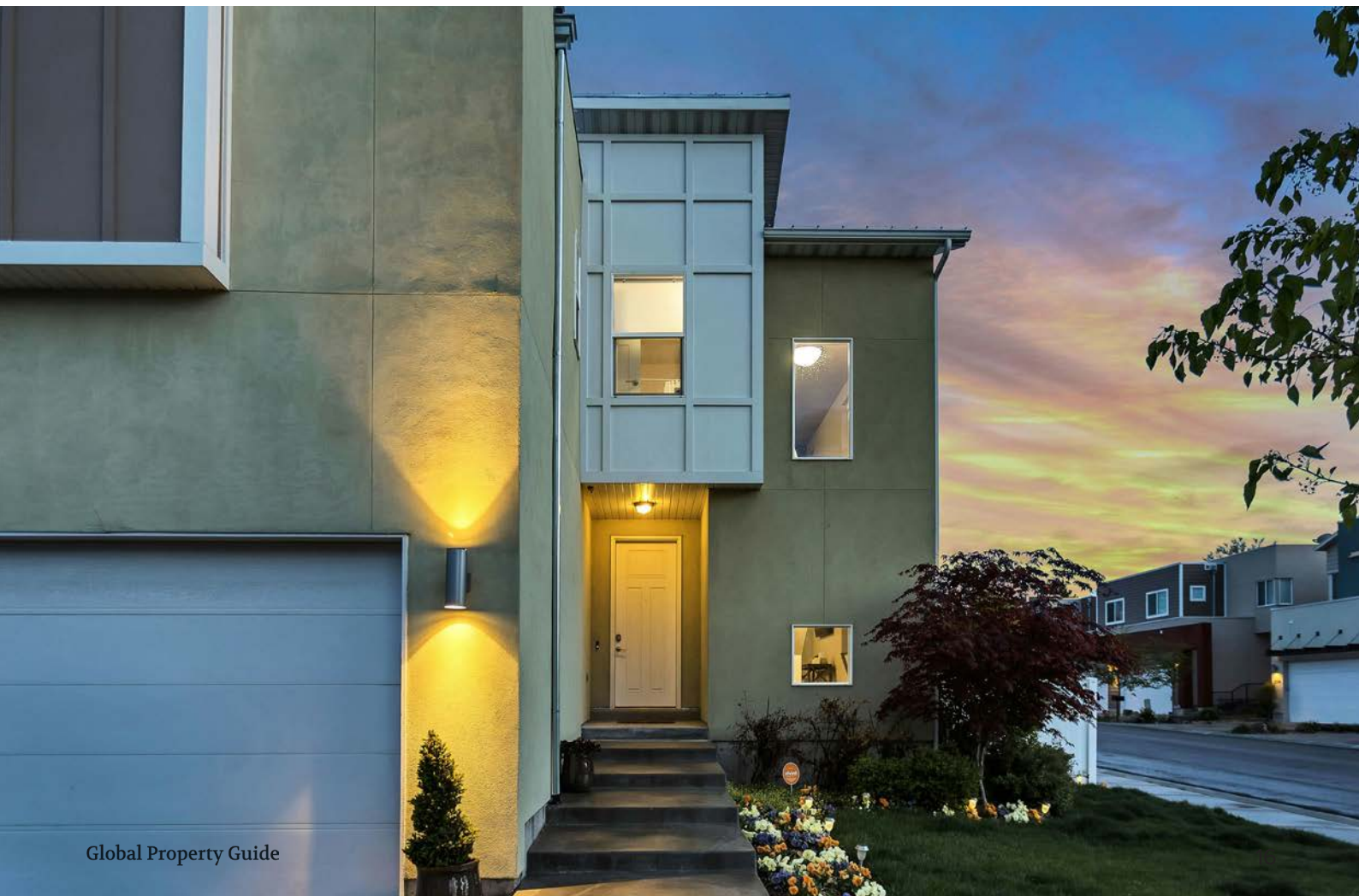
The U.S. homebuilder sentiment rose three points in March 2024 to 51, the highest level since July 2022, as the recent decline in borrowing costs has prompted a burst of optimism among homebuilders that the Federal Reserve is done with its aggressive interest rate hike policy, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI). A reading of 50 is the midpoint between positive and negative sentiment.

During 2023, the U.S. economy grew by 2.5% from a year earlier, following an annual growth of 1.9% seen in 2022, driven by strong consumer spending, as well as increases in government spending, exports, and residential and nonresidential fixed investment. While the world's biggest economy entered 2024 on a strong footing, headwinds such as rising consumer debt and high interest rates continue to weigh on economic activity, with The Conference Board forecasting that real GDP will grow by 2.1% in 2024 and by another 1.5% in 2025. This is at par with the IMF's forecast.

**Canada's** housing market remains fragile, amidst weak demand. During 2023, inflation-adjusted house prices in the country's eleven major cities fell slightly by 0.35% from a year earlier, an improvement from a year-on-year drop of 5.74% in the previous year. It is now the sixth straight quarter of y-o-y price decline but the lowest in a row. Quarter-on-quarter, real house prices fell slightly by 1.28% during the latest quarter.

Both demand and supply are falling. During 2023, the actual number of sales transactions dropped 11.1% to 443,511 units, following a huge decline of 25.2% in the prior year, 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. Likewise, housing starts fell by 8.2% y-o-y to 240,267 units in 2023, worse than the modest decline of 3.4% in 2022 and in sharp contrast to the huge 24.5% growth in 2021, 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. Outside of 2022, economic growth in 2023 was the slowest pace since 2016. 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 three 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 continued to gain momentum last year.



**Argentina** remains the weakest housing market in our global house price survey, amidst struggling economy, surging inflation and nervous political situation. During 2023, inflation-adjusted apartment prices in Buenos Aires plunged by a whopping 67.08%, worse than the y-o-y declines of 51.76% in 2022 and 36.88% in 2021. On a quarterly basis, prices dropped by a huge 29.82% in Q4 2023. The overall economy was estimated to have contracted by 2.5% 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 trouble continues, after several years of vigorous price rises. In Bogotá, house prices fell by 4.38% in 2023 from a year earlier, following a y-o-y decline of 4.86% in 2022 and annual growth of 2.93% in 2021 and 3.66% in 2020. The country has been experiencing eight consecutive quarter of y-o-y price falls now. During the latest quarter, house prices dropped slightly by 0.12% q-o-q. Colombia's economy was estimated to have grown by just 1.4% this year, a sharp slowdown from strong expansions of 7.3% in 2022 and 11% in 2021. Economic growth is projected at 2% this year.



**Peru's** house prices continue to fall, albeit at a much slower pace. The nationwide average price of new apartments fell slightly by 0.36% y-o-y in 2023, an improvement from the previous year's 6.33% decline. Quarter-on-quarter, house prices increased by 1.82% in Q4 – the highest quarterly growth seen since Q2 2014. Though Chile's overall economy remains weak, with the country's real GDP falling by about 0.5% last year, following growth of 2.4% in 2022 and 11.7% in 2021. The IMF expects the economy to grow by 1.6% this year.

**Brazil's** housing market is now stabilizing, buoyed by returning demand and improving economic conditions. Real house prices in Sao Paulo increased by a little 0.1% in 2023 from a year earlier, an improvement from a year-on-year decline of 0.68% in 2022. On a quarterly basis, Sao Paulo real prices were down slightly by 0.13% in in Q4 2023. During 2023, the total number of new residential units sold in the city of Sao Paulo reached 76,145 units, up by 9.8% from a year earlier, according to figures from Secovi-SP, following a growth of 4.9% in 2022. Brazil's economy grew by 2.9% last year and is projected to expand by another 2.2% this year.

**Mexico's** housing market continues to strengthen, with the nationwide house price index rising by 5.37% in 2023 from a year earlier, up from year-on-year increases of 2.23% in 2022, 1.46% in 2021, and 1.79% in 2020. In fact in nominal terms, house prices actually increased strongly by 10.02% during 2023. On a quarterly basis, real house prices were up slightly by 0.47% in Q4 2023. 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 2.7%.





## Puerto Rico's housing market still weak

**Puerto Rico's** housing market movements remain erratic, amidst slowing economy. The seasonally-adjusted purchase-only house price index fell by 1.62% in 2023 from a year earlier, following a year-on-year fall of 3.34% in 2022 and annual increases of 5.34% in 2021 and 11.21% in 2020, using inflation-adjusted figures. Quarter-on-quarter, house prices increased 6.76% 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 an estimated 0.7% contraction in 2023.

## South Africa's housing market downturn continues

**South Africa's** housing market is still struggling, having been depressed for most of the past seven years. The price index for medium-sized apartments fell by 4.38% during 2023, at par with the y-o-y decline of 4.28% in the previous year. On a quarterly basis, house prices were more or less steady in Q4 2023.

The overall economy remains subdued. During 2023, SA's economic growth slowed to just 0.6%, down from 2% in 2022 and 4.9% 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 1.2% this year and another 1.3% in 2025, according to the South African Reserve Bank (SARB).



# Global Property Guide

The Global Property Guide ([www.globalpropertyguide.com](http://www.globalpropertyguide.com)) provides research to help buyers of residential property abroad.

Our collation of statistics on national house-price changes sells to the World Bank, IMF, and similar institutions (educational institutions should apply for special consideration).

Our in-house research is widely quoted by leading media such as The Economist, Forbes, the Wall Street Journal, the BBC, as well as by industry publications.

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