



Global Property Guide

MARKET REPORT

Global Residential Real Estate

Q4
2022



House Price Change (Nominal)

	Y-O-Y (%)		Q-O-Q (%)	
	Q4 2021		Q4 2022	Q4 2022
Turkey	59.72	▲	167.78	15.22
Sri Lanka (Colombo)	1.34	▲	28.6	1.01
Egypt	3.58	▲	25.35	22
Russia	14.95	▲	23.05	1.58
North Macedonia	11.25	▲	20.67	4.78
Montenegro	15.29	▲	20.5	6.07
Iceland	15.85	▲	20.27	0.51
Estonia	9.99	▲	20.2	5.12
Lithuania	22.39	▼	19.1	1.38
Portugal	11.53	▲	18.4	1.87
Chile	12.3	▲	17.65	-0.53
Vietnam (HCMC)	10.38	▲	15.08	-7.85
Slovak Republic	24.88	▼	15	-1.95
Georgia	1.17	▲	14.29	5.47
Pakistan	25.38	▼	13.47	0.99
Israel	8.44	▲	11.01	1.54
Mexico	8.56	▲	10.41	2.35
UAE (Dubai)	9.25	▼	9.53	2.93
Japan (Tokyo)	11.54	▼	8.99	1.22
Singapore	10.57	▼	8.64	0.43
Puerto Rico	8.49	▼	8.59	5.89
US (FHFA)	17.88	▼	8.41	0.34
Ireland	14.21	▼	7.85	1.38
Taiwan	14.62	▼	7.62	-1.74
Jersey	18.4	▼	7.24	-0.39
US (Case-Shiller)	18.9	▼	5.77	-0.87
Romania	16.19	▼	5.59	-1.35
Qatar	2.15	▲	5.2	4.65
Brazil (Sao Paulo)	4.13	▼	5.06	1.4
Spain	2.81	▲	5.03	1.48
UK (Nationwide)	10.14	▼	4.77	-2.91
Austria (Vienna)	11.34	▼	4.76	-2.43

House Price Change (Inflation-Adjusted)

	Y-O-Y (%)		Q-O-Q (%)	
	Q4 2021		Q4 2022	Q4 2022
Turkey	17.37	▲	63.02	6.89
Vietnam (HCMC)	8.42	▲	10.07	-8.37
Russia	6.13	▲	9.96	0.7
Iceland	10.22	▲	9.78	-1.26
Portugal	8.93	▼	7.74	-0.16
Sri Lanka (Colombo)	-9.6	▲	6.05	31.75
Israel	5.79	▲	5.52	0.79
Japan (Tokyo)	10.65	▼	4.8	0.24
Taiwan	11.71	▼	4.78	-2.02
Chile	4.79	▲	4.31	-2.28
UAE (Dubai)	8.1	▼	4.14	1.69
Georgia	-11.21	▲	4.03	4.73
Egypt	-2.21	▲	3.37	13.92
Montenegro	10.14	▼	2.86	3.67
Puerto Rico	4.16	▼	2.41	4.86
Mexico	1.46	▼	2.23	0.6
Singapore	6.4	▼	2.05	-0.34
China (Beijing)	6.74	▼	1.94	-0.31
North Macedonia	8.44	▼	1.66	-0.12
US (FHFA)	10.49	▼	1.22	-0.03
Switzerland	-0.11	▼	0.67	1.07
Slovak Republic	18.37	▼	-0.18	-4.63
Estonia	0.6	▲	-0.2	4.71
Ireland	8.24	▼	-0.35	-0.37
Saudi Arabia	0.59	▼	-0.43	0.17
US (Case-Shiller)	11.09	▼	-0.64	-0.87
Spain	-3.51	▲	-0.64	1.11
Brazil (Sao Paulo)	-5.39	▲	-0.68	-0.22
Qatar	-4.06	▲	-0.69	1.6
Thailand	0.23	▼	-1.13	2.14
Lithuania	10.7	▼	-2.17	-0.49
Indonesia	-0.28	▼	-3.36	-0.52

▲ 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 (%)	
	Q4 2021		Q4 2022	Q4 2022
Thailand	2.4	▲	4.69	2.29
Philippines (Makati CBD)	-6.53	▲	3.93	1.59
China (Beijing)	8.28	▼	3.75	-0.5
Switzerland	1.29	▲	3.66	1.03
South Africa	3.7	▲	2.9	0.54
Netherlands	20.33	▼	2.73	-3.73
Malta	6.94	▼	2.71	0.26
Saudi Arabia	1.66	▼	2.63	0.84
Norway	8.42	▼	2.61	-3.98
Canada	15.47	▼	2.26	-4.79
India (Delhi)	7.69	▼	2.04	0
Indonesia	1.47	▼	2	0.35
Ukraine (Kiev)	3.39	▼	1.73	0.45
France	4	▼	1.72	1.67
Denmark	8.65	▼	1.71	-2.63
Poland (Warsaw)	11	▼	1.58	1.06
Latvia (Riga)	11.77	▼	1.55	-3.17
Italy	1.56	▲	1.21	1.94
Morocco	-7.68	▲	-0.14	-0.42
Finland	4.85	▼	-2.24	-1
Australia (8 capital cities)	21.73	▼	-2.93	-3.47
South Korea	20.18	▼	-3.12	-3.63
Sweden	15.77	▼	-3.33	-5.65
Germany	13.39	▼	-4.24	-6.28
Argentina (Buenos Aires)	-4.72	▼	-6.03	-1.02
Colombia (Bogota)	1.51	▼	-6.54	-1.27
Macau	-0.45	▼	-7.62	-1.28
New Zealand	20.81	▼	-12.22	-2.59
Hong Kong	3.69	▼	-15.18	-7.27

House Price Change (Inflation-Adjusted)

	Y-O-Y (%)		Q-O-Q (%)	
	Q4 2021		Q4 2022	Q4 2022
India (Delhi)	2.59	▼	-3.43	-1.49
Norway	3.62	▼	-3.77	-5
Philippines (Makati CBD)	-9.32	▲	-3.82	-0.62
Canada	10.17	▼	-3.82	-5.04
UK (Nationwide)	5.5	▼	-4.21	-5.24
Malta	4.73	▼	-4.26	3.56
South Africa	-2.06	▼	-4.28	-0.49
Jersey	14.06	▼	-4.84	-3.21
Ukraine (Kiev)	-3.09	▼	-5.01	0.08
Austria (Vienna)	6.99	▼	-5.28	-4.65
Netherlands	13.83	▼	-6.26	-2.23
Denmark	5.39	▼	-6.45	-2.21
France	0.55	▼	-6.56	-0.44
Romania	8.91	▼	-7.49	-3.98
Morocco	-10.54	▲	-7.54	-1.38
South Korea	15.89	▼	-7.74	-3.74
Macau	-1.55	▼	-8.33	-1.17
Pakistan	11.65	▼	-8.86	-3.95
Italy	-2.25	▼	-9.34	-2.18
Australia (8 capital cities)	17.57	▼	-9.96	-5.3
Finland	1.36	▼	-10.2	-3.21
Germany	7.68	▼	-11.78	-5.89
Sweden	12.06	▼	-13.35	-8.53
Poland (Warsaw)	2.99	▼	-13.57	-2.52
Latvia (Riga)	3.57	▼	-15.95	-4.58
Hong Kong	1.25	▼	-16.81	-7.89
Colombia (Bogota)	-3.89	▼	-17.38	-3.93
New Zealand	14.02	▼	-18.13	-4
Argentina (Buenos Aires)	-36.88	▼	-51.76	-15.61

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During 2022



North America

In the United States, always a key market, momentum has dramatically weakened, with the FHFA index rising only meagerly and the Case-Shiller index now falling, as compared to the several years of strong growth, amidst falling demand and negative homebuilder sentiment. Canada is also showing similar trend.

Europe

Europe's housing markets are now running out of steam, with house prices rising in only 8 out of the 29 European countries included in our global survey in 2022. Real house prices in key European markets such as Germany, UK, Spain, France and Italy are now falling.

Asia

Asian housing markets are weakening. Real house prices have risen in only 6 of the 14 markets included in the survey and momentum is also weaker in most Asian countries. Striking exceptions include Vietnam and Sri Lanka.



The Middle East

The Middle East remains weak, with house prices rising in only 3 of the 6 countries included in our global survey.

Latin America

Latin America's housing markets continue to struggle, with huge house price falls in Argentina and Colombia.

Pacific

Pacific housing markets, which were previously booming, are now in trouble. Australia and New Zealand are now experiencing sharp house price falls, amidst falling property demand.

The strongest house price increases in our global survey during 2022 were seen in: Turkey (+63.02%), HCMC, Vietnam (+10.07%), Russia (+9.96%), Iceland (+9.78%), and Portugal (+7.74%), using inflation-adjusted figures.

The biggest y-o-y house price decline was registered in Buenos Aires, Argentina (-51.76%), followed by New Zealand (-18.13%), Bogota, Colombia (-17.38%), Hong Kong (-16.81%), and Riga, Latvia (-15.95%), again using inflation-adjusted figures.

In its January 2023 World Economic Outlook Update, the International Monetary Fund (IMF) expects the global economy to expand by 2.9% this year, an upward revision from its October 2022's estimate of 3.1% but still a slowdown from expansion of 3.4% in 2022 and 6.1% in 2021. Accordingly, the continued rise in central bank interest rates to fight surging inflation, as well as Russia's invasion of Ukraine continue to weigh on economic activity.



The World's Regions

Europe's house price boom is now over

House prices have risen in only 8 of the 29 European housing markets for which figures were available in 2022. In fact, only 5 countries had stronger momentum in 2022 compared to a year earlier. Most European housing markets are now losing steam, amidst the economic repercussions of the Covid-19 pandemic, coupled with the ongoing Ukraine crisis and global supply chain disruptions. A notable exception is Turkey.



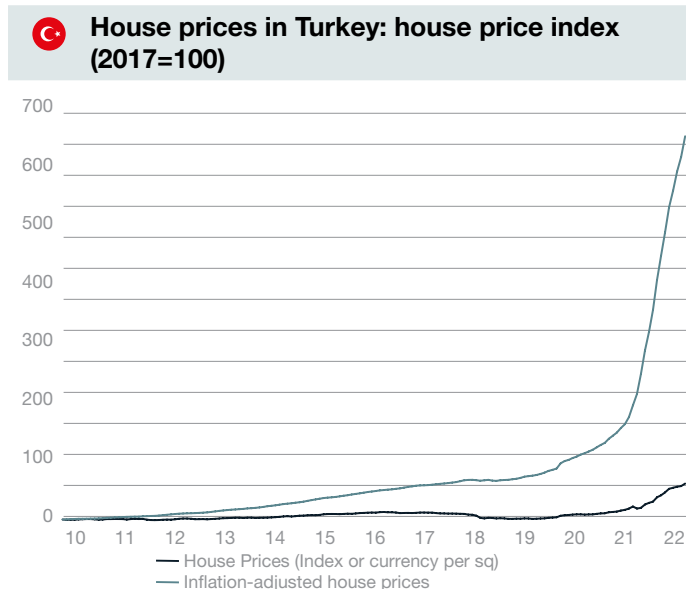
Figure 1. Change in real house prices (%) over 1 year to Q4 for countries which have released Q4 figures



Turkey remains the strongest housing market in our global house price survey, buoyed by strong demand from both local and foreign investors. The nationwide house price index rose by a spectacular 63.02% during 2022, far higher than the previous year's 17.37% y-o-y increase and its highest increase in recent history. In fact, in nominal terms, price soared by about 168%. On a quarterly basis, real house prices rose by 6.89% in Q4.

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. The value of the lira against the dollar tumbled by 44% in 2021 and by another 27% last year – 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 3% this year, following expansions of 5% in 2022 and 11.4% in 2021, as inflation remains high following the lira's crash, and with the Ukraine crisis adversely impacting tourism.



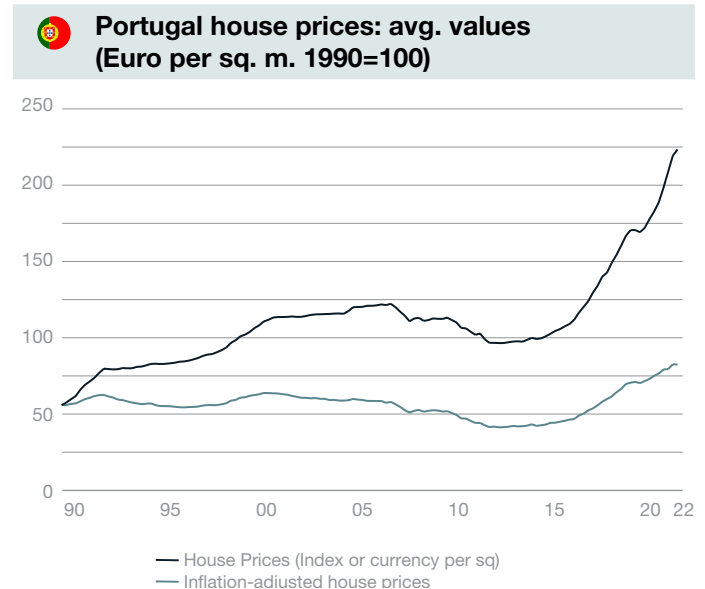
Russia's house prices continue to rise rapidly, despite its struggling economy amidst the ongoing Russia-Ukraine war. Nationwide real house prices soared by 9.96% in 2022 from a year earlier, up from the previous year's 6.13% growth. During the latest quarter, nationwide house prices increased slightly by 0.7%. However, the outlook remains gloomy as hundreds of thousands of Russians have left the country in recent months and have been purchasing properties in other markets countries instead, such as Dubai. The IMF expects Russia's economy to grow by a meager 0.3% this year, following a contraction of 2.1% in 2022 and a growth of 4.7% in 2021.

Iceland's housing market remains strong, amidst limited supply and improving economic conditions. The nationwide residential property price index rose by 9.78% in 2022 from a year earlier, at par with the prior year's 10.22% increase.

Yet on a quarterly basis, real house prices fell by 1.26% in Q4. The Icelandic economy is projected to expand by a modest 2.9% in 2023, following expansions of 5.1% in 2022 and 4.4% in 2021 and a contraction of 6.8% in 2020, based on IMF estimates.

Portugal's housing market remains healthy, amidst strong demand and a housing shortage. Nationwide property prices rose by 7.74% during 2022, following year-on-year increases of 8.93% in 2021, 5.72% in 2020, 14.09% in 2019 and 15.65% in 2018. On a quarterly basis, house prices were more or less steady in Q4 2022. Though, Bank of Portugal expects economic growth to slow to 1.5% this year, after expanding strongly by 6.7% in 2022 and 5.5% in 2021.

Modest to minimal house price increases were seen in Georgia (4.03%), **Montenegro** (2.86%), **North Macedonia** (1.66%), and **Switzerland** (0.67%). Only Georgia and Switzerland had stronger performances in 2022 compared to a year earlier. All, except North Macedonia, saw positive quarterly price rises during Q4 2022.





Most of Europe is weakening

[Latvia](#)'s housing market is now struggling, with the inflation-adjusted average apartment prices in Riga falling by a huge 15.95% during 2022, in contrast to the prior year's 3.57% increase. In nominal terms, house prices rose slightly by 1.55% y-o-y in 2022, but still sharply down from a growth of 11.77% in 2021.

Quarter-on-quarter, real house prices in the capital city were down by 4.58% in Q4 2022. Latvijas Banka expects the Latvian economy to contract by 0.3% this year before growing again by 4.4% in 2024, following a 1.8% expansion in 2022.

[Poland](#)'s housing market is now in trouble, with market sentiment adversely affected by surging inflation and the fallout from the Ukraine crisis. In Warsaw, inflation-adjusted house prices fell by 13.57% during 2022, a turnaround from the prior year's 2.99% increase. Quarter-on-quarter, prices dropped 2.52% in Q4. The European Commission expects Poland's economy to slow sharply this year, with a projected real GDP growth rate of just 0.3%, following expansions of 4.9% in 2022 and 6.8% in 2021.

[Sweden](#)'s housing market conditions continue to deteriorate, amidst slowing economy, rising interest rates and soaring inflation. The nationwide residential property price index fell sharply by 13.35% in 2022 from a year ago, in stark contrast to a y-o-y increase of 12.06% in 2021.

Quarter-on-quarter, prices plunged by 8.53% in Q4. The Swedish economy is projected to contract by 0.8% this year, after expanding by 2.4% in 2022, according to European Commission.

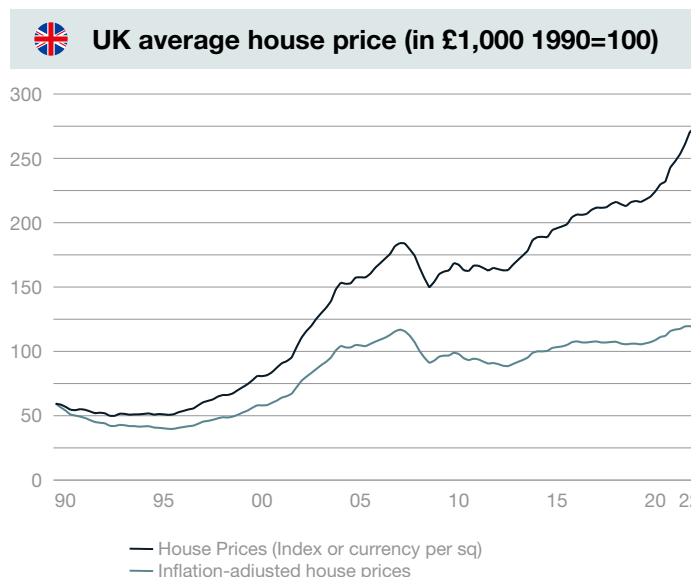
The signs of a continuing housing market slowdown in [Germany](#) are becoming more evident, as higher mortgage interest rates and rising inflationary pressures have compounded affordability constraints. The average price of apartments fell by a huge 11.78% during 2022, in stark contrast to the previous year's 7.68% growth and its worst showing in recent history. On a quarterly basis, real house prices declined 5.89% in Q4. Until last year, Germany's housing market has been growing continuously since 2014, with house prices up by more than 70%.

After growing by 1.8% last year, the German economy is expected to suffer another mild contraction in early-2023, amidst the continuous increase in energy prices for households and the slowdown in export growth due to weak foreign demand. The European Commission expects Europe's biggest economy to grow by a miniscule 0.2% this year.



Other European housing markets which are also struggling include [Finland](#) with house prices falling by 10.2% y-o-y in 2022, [Italy](#) (-9.34%), [Romania](#) (-7.49%), [France](#) (-6.56%), [Denmark](#) (-6.45%), [Netherlands](#) (-6.26%), Vienna, [Austria](#) (-5.28%), and Kiev, [Ukraine](#) (-5.01%). All recorded weaker performances in 2022 from the previous year. All, except Ukraine, saw quarterly price falls in Q4 2022.

The [UK](#)'s housing market is also cooling dramatically, amidst slowing economic growth. Real house prices fell by 4.21% in 2022 from a year earlier, in stark contrast to the annual growth of 5.5% in 2021. It was its biggest year-on-year decline since 2008. Quarter-on-quarter, real house prices fell by 5.24% during the latest quarter. Yet in nominal terms, UK house prices actually rose by 4.77% during 2022, but still a slowdown from a y-o-y increase of 10.14% in 2021.



Demand is falling, with residential property transactions (seasonally-adjusted) in the UK plunging by 14.9% y-o-y to 1,262,090 units in 2022, following a 42.8% growth during 2021, according to HM Revenue & Customs. The UK economy will likely slow sharply this year, with the IMF projecting a slight contraction of 0.6%, following a growth of 4% in 2022 and 7.6% in 2021.

Moderate to minimal house price falls were recorded in Jersey (-4.84%), [Malta](#) (-4.26%), [Norway](#) (-3.77%), [Lithuania](#) (-2.17%), [Spain](#) (-0.64%), [Ireland](#) (-0.35%), [Estonia](#) (-0.2%), and [Slovak Republic](#) (-0.18%). All, except Spain, had weaker performances in 2022 from a year earlier. All, except Estonia, Spain and Malta, saw quarterly price falls during the latest quarter.





Pacific housing market conditions deteriorating fast

House prices in both Australia and New Zealand are now falling sharply, amidst slowing demand caused by rising interest rates and declining purchasing power of consumers caused by soaring inflation.

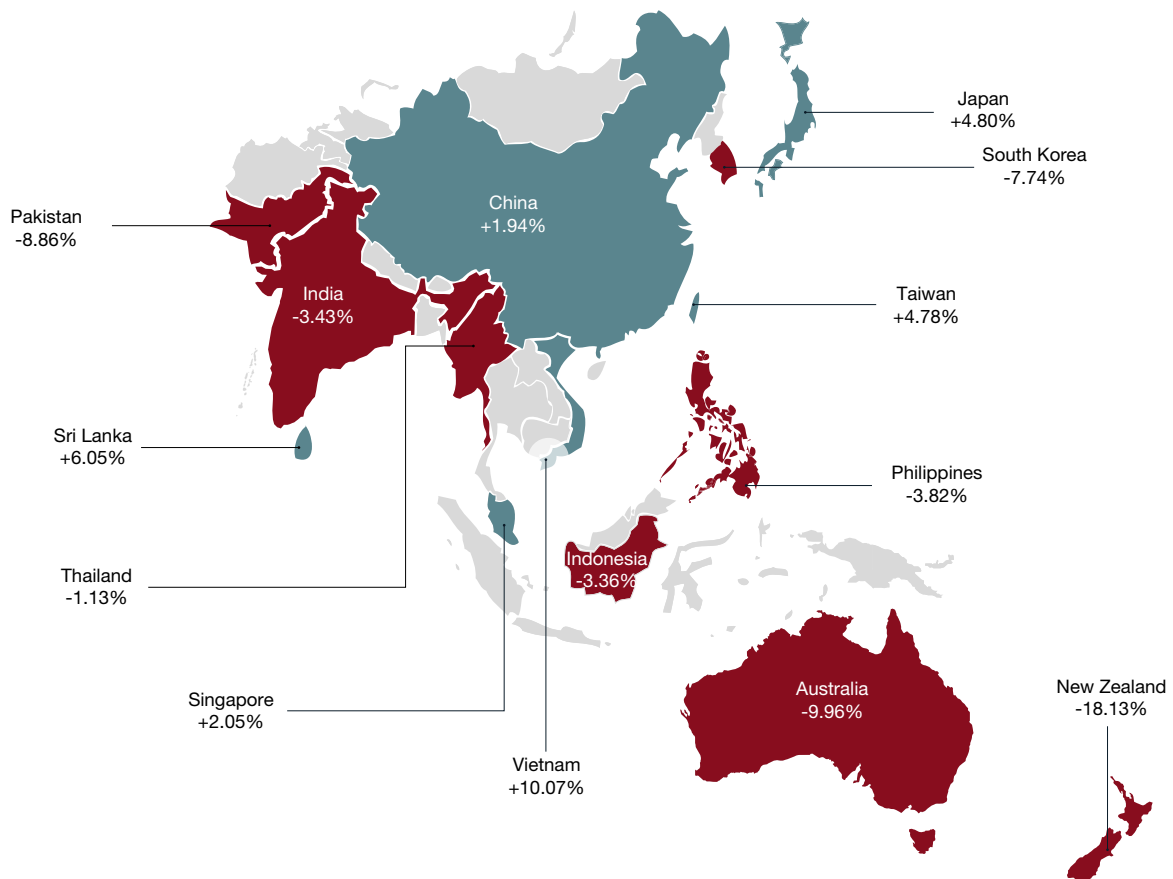
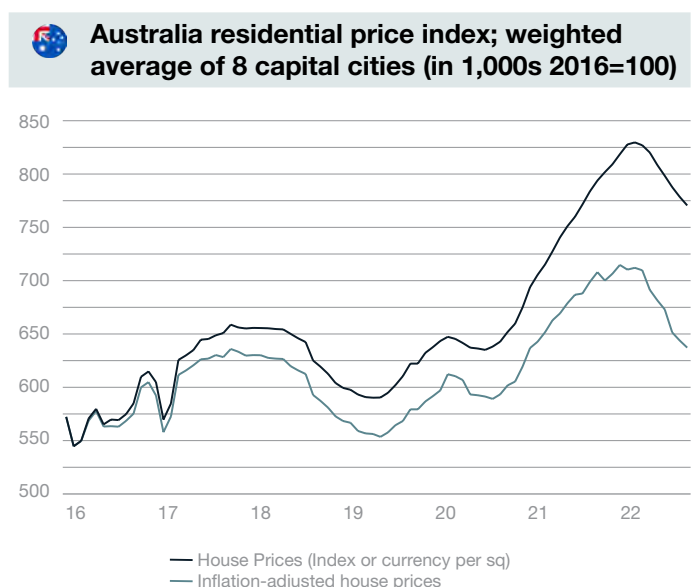


Figure 2. Change in real house prices (%) over 1 year to Q4 for countries which have released Q4 figures

[Australia's](#) housing market is now struggling, amidst falling demand and construction activity. Inflation-adjusted house prices in the country's eight major cities fell sharply by 9.96% during 2022, in stark contrast to the previous year's strong growth of 17.57% rise. Quarter-on-quarter, house prices dropped 5.3% in Q4 2022.

Both demand and supply are falling. In Q4 2022, capital city home sales activity dropped 30.1% as compared to the same period last year, according to CoreLogic. For the whole year of 2022, capital city sales were down by 16.5% relative to 2021 figures. Similarly, dwelling approvals plunged 16.1% y-o-y to 189,696 units in 2022, following an annual 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 1.5% this year and in 2024, after an expansion of 2.7% in 2022 and 5.9% in 2021.





Median house prices dropped by a whopping 18.13% in 2022 from a year earlier, in sharp contrast to a year-on-year growth of 14.02% in the previous year. In fact, it is now its worst performance in recent history. On a quarterly basis, real house prices dropped 4% in Q4 2022.

Residential property sales across New Zealand plunged 27% year-on-year to 2,759 units in January 2023, amidst the combined effects of rising interest rates, high inflation, the recent changes to the Credit Contracts and Consumer Finance Act (CCCFA) lending rules, as well as global economic and geopolitical uncertainty, according to the Real Estate Institute of New Zealand (REINZ). The total number of properties available for sale nationally was 27,732 units in January 2023, a sharp increase of 39.4% from a year ago.

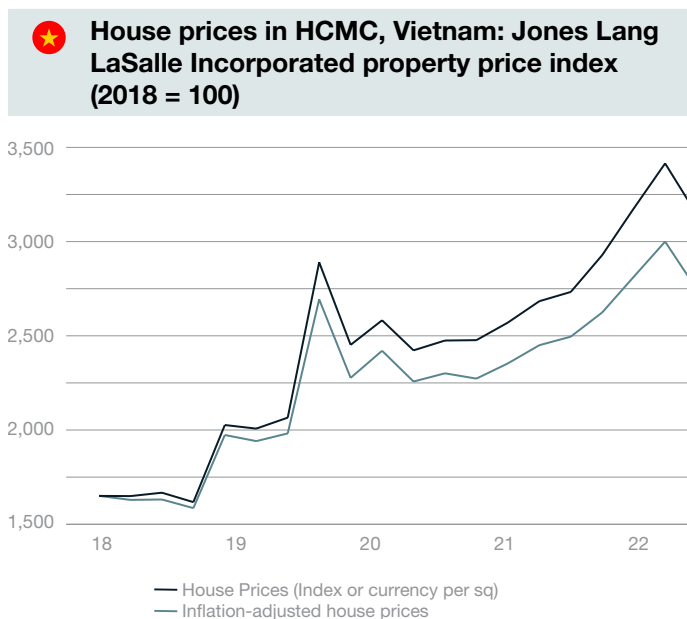
New Zealand's economy is projected to grow by 1.9% this year, a slowdown from expansions of 2.3% in 2022 and 5.6% in 2021, as rising interest rates and high inflation weigh on private consumption.



Asia's housing market woes continue

House prices rose in only 6 of the 14 Asian housing markets included in our global house price survey. Likewise, only 3 countries showed stronger momentum in 2022 compared to a year earlier. Striking exceptions to the slowdown in Asian markets are Vietnam and Sri Lanka.

[Vietnam](#)'s property market continues to gather pace, after a sharp slowdown in recent years due to the COVID-19 pandemic. Apartment prices in Ho Chi Minh City rose by a robust 10.07% in 2022 from a year earlier. This followed an 8.42% increase in 2021 and a 14.52% drop in 2020. Yet quarter-on-quarter, house prices declined 8.37% in Q4 2022. The Vietnamese economy grew by 8.02% in 2022 from a year earlier, far higher than the expansion of 2.58% in 2021 and the fastest growth seen in 25 years, thanks to robust growth in domestic consumption and exports, and recovering tourism. For 2023, the economy is projected to expand by another 6.3%, making the country still the fastest growing economy in Southeast Asia.



[Sri Lanka](#) showed surprise turnaround, with the average price of high-end condominium units in Colombo rising by 6.05% y-o-y in 2022, in stark contrast to the previous year's 9.6% decline. Quarter-on-quarter, prices increased by a huge 31.75% in Q4. Though the wider economy continues to suffer, with Sri Lanka now on the brink of bankruptcy, as it suffers its worst financial crisis in more than 70 years, leaving millions of Sri Lankans struggling to buy food, medicine and fuel. The crisis-hit economy shrank by a record 7.8% during 2022 and will likely to contract further by another 3.5% to 4% this year.

[Japan](#)'s house prices are still rising, albeit at a slower pace, amidst weakening demand. The average price of existing condominiums in Tokyo rose by 4.8% in 2022 from a year earlier, a sharp slowdown from a year-on-year increase of 10.65% in the prior year. During the latest quarter, existing condo prices increased slightly by 0.24% q-o-q. Yet sales of existing condominium units and detached houses in Tokyo fell by 10.8% and 13.1% y-o-y, respectively, during 2022. The Japanese economy is projected to grow by 1.8% this year, following annual expansions of 1.1% in 2022 and 2.1% in 2021.

[Taiwan](#)'s housing market is slowing again, with the nationwide real house prices rising by 4.78% in 2022 from a year earlier, a slowdown from the previous year's 11.71% growth. Quarter-on-quarter, house prices declined by 2.02% during the latest quarter. During 2022, housing transactions in Taiwan fell by 8.6% to 318,101 units, the first decline in six years, amidst stricter policy measures and heightened economic uncertainty. The overall economy is projected to expand by 2.12% this year, after growing by 2.45% in 2022 and 6.53% in 2021.

House prices also increased in [Singapore](#) (2.05%) and Beijing, [China](#) (1.94%) during 2022. Though both showed much weaker performances in 2022 compared to a year earlier. Both countries also saw negative quarterly price change in Q4 2022.

Asia's weakest housing markets

[Hong Kong](#)'s housing market conditions are deteriorating fast, amidst struggling economy. The inflation-adjusted residential property prices plunged by a whopping 16.81% in 2022 from a year earlier, in sharp contrast to the previous quarter's 1.25% increase. On a quarterly basis, house prices fell by 7.89% in Q4 2022. Sales for both new and existing houses plunged by 41.6% and 38.7% y-o-y in 2022.

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 restrictions hurt consumer spending and exports. The HK economy is projected to grow by between 3.5% and 5.5% 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.

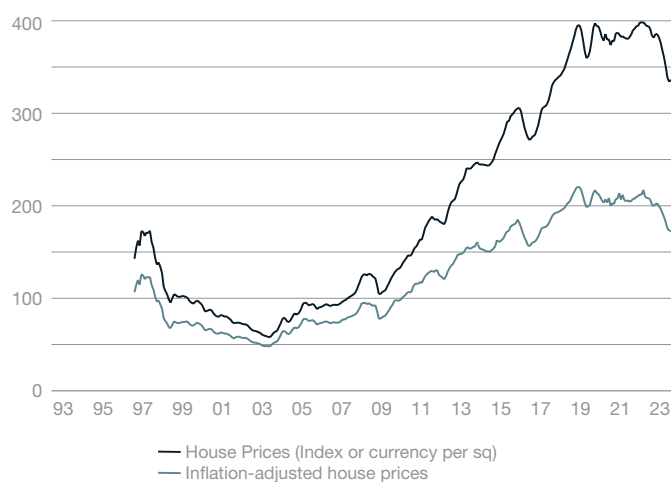


Other weak Asian housing markets included [Pakistan](#), with house prices falling by 8.86% during 2022, [Macau](#) (-8.33%), and [South Korea](#) (-7.74%). All recorded quarterly price falls in Q4 2022. Also, all performed much weaker in 2022 as compared to a year earlier.

More moderate house price falls were registered in Makati CBD, [Philippines](#) (-3.82%), Delhi, India (-3.43%), [Indonesia](#) (-3.36%), and [Thailand](#) (-1.13%). All, except the Philippines, registered weaker performances in 2022 compared to a year ago. All, except Thailand, saw quarterly price declines during the latest quarter.



Hong Kong house prices: private domestic price index, all classes (1993=100)





The Middle East is two-tiered

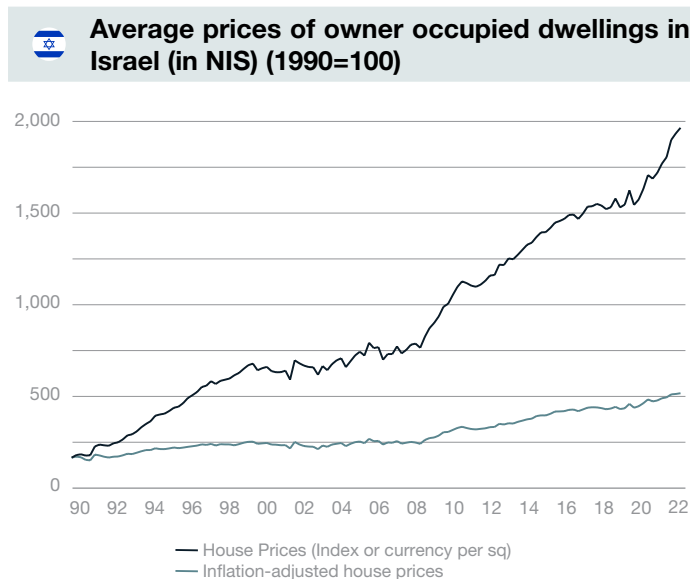
House prices rose in 3 of the 6 Middle East housing markets included in our global house price survey. Likewise, only 3 countries showed stronger momentum in 2022 as compared to the previous year.



Figure 3. Change in real house prices (%) over 1 year to Q4 for countries which have released Q4 figures

Israel's housing market remains stable, with the nationwide average price of owner-occupied dwellings rising by 5.52% during 2022, at par with the 5.79% increase in the previous year. On a quarterly basis, Israeli house prices increased slightly by 0.79% in Q4. Israel's economic growth is projected to slow to 3% this year, from 6.1% in 2022 and 8.6% in 2021.

UAE's housing market growth is now slowing, with Dubai's residential property prices rising by a modest 4.14% during 2022, a deceleration from a y-o-y increase of 8.1% in the previous year. On a quarterly basis, house prices in Dubai increased 1.69% in Q4. The UAE's economy is expected to expand by 4.2% this year, following strong growth of 7.6% in 2022 primarily buoyed by higher energy prices.



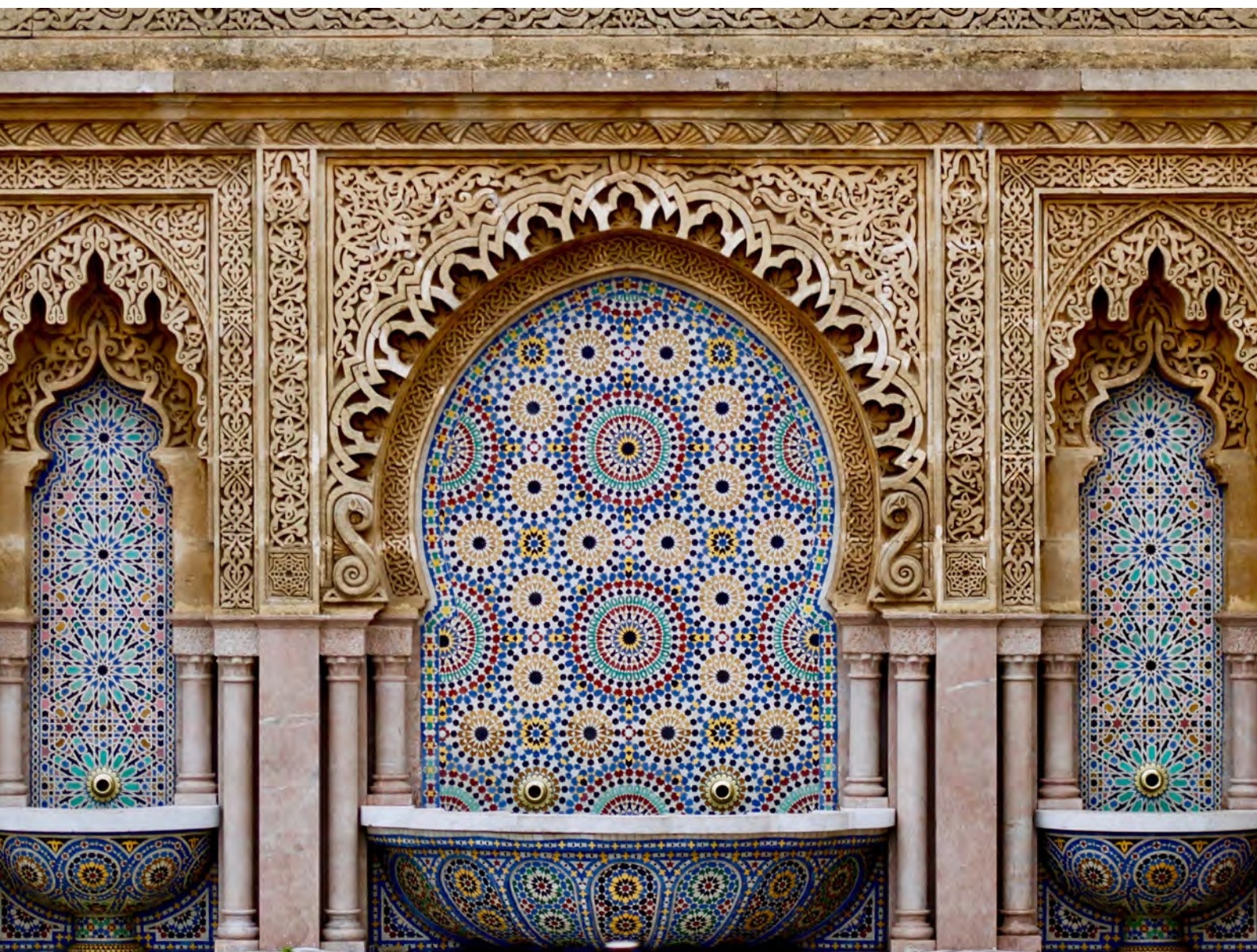
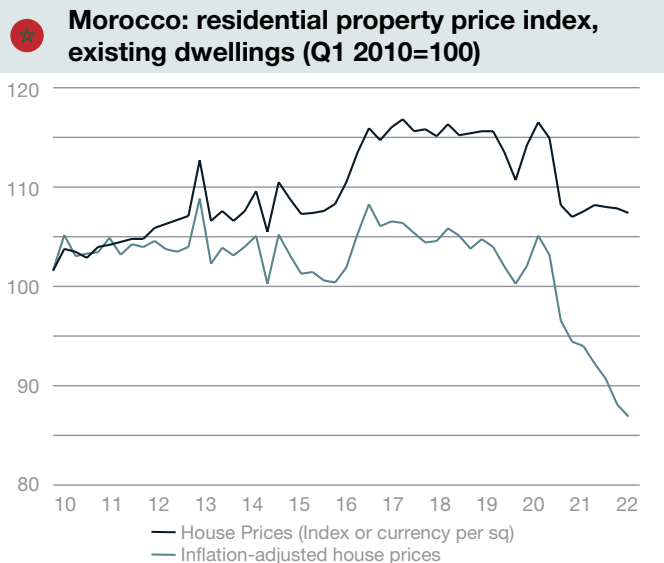
Egypt's housing market is showing signs of improvement, with the nationwide real estate index rising by 3.37% in 2022 from a year ago, following y-o-y declines of 2.21% in 2021, 14.38% in 2020, 2.28% in 2019, 19.24% in 2018 and 11.49% in 2017. Quarter-on-quarter, real house prices increased strongly by 13.92% in Q4. After growing by an estimated 6.6% in 2022, the Egyptian economy is projected to grow by another 4% this year.

Saudi Arabia's housing market remains more or less steady, with the residential real estate price index falling slightly by 0.43% during 2022, from the previous year's meager growth of 0.59%. Quarter-on-quarter, prices were up 0.17% in Q4. Recently, the IMF lowered its economic growth forecast for the kingdom to 2.6% this year, down from its earlier estimate of 3.7% and from the previous year's robust growth of 8.7% - the highest in the region.



Qatar's housing market is still weak, with the nationwide real estate price index falling slightly by 0.69% in 2022 from a year earlier, following y-o-y declines of 4.06% in 2021 and 4.89% in 2020, a slight increase of 0.55% in 2019. Though on a quarterly basis, prices increased by 1.6% in Q4. 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, and a contraction of 3.6% in 2020, according to the IMF.

Morocco's housing market continue to struggle, with residential property prices falling by 7.54% during 2022, following a y-o-y decline of 10.54% in 2021. Quarter-on-quarter, house prices fell by 1.38% in Q4. Morocco registered a meager economic growth of 0.8% in 2022, sharply down from an expansion of 7.9% in 2021, amidst a severe drought and a surge in commodity prices. The economy is now expected to grow by a modest 3.1%.





Americas: U.S. and Canada's housing market correction looming

Both the U.S. and Canada's house price appreciation is virtually stopped, amidst slowing economy, surging inflation, and heightened global economic uncertainty.



Figure 4. Change in real house prices (%) over 1 year to Q4 for countries which have released Q4 figures

After almost a decade of strong house price growth, the [U.S.](#) housing market is now decelerating rapidly, amidst falling demand and weakening economy. The S&P/Case-Shiller seasonally-adjusted national home price index fell slightly by 0.64% y-o-y in 2022 (inflation-adjusted), following annual increases of 11.09% in 2021 and 9.01% in 2020. It was its worst showing since 2011.

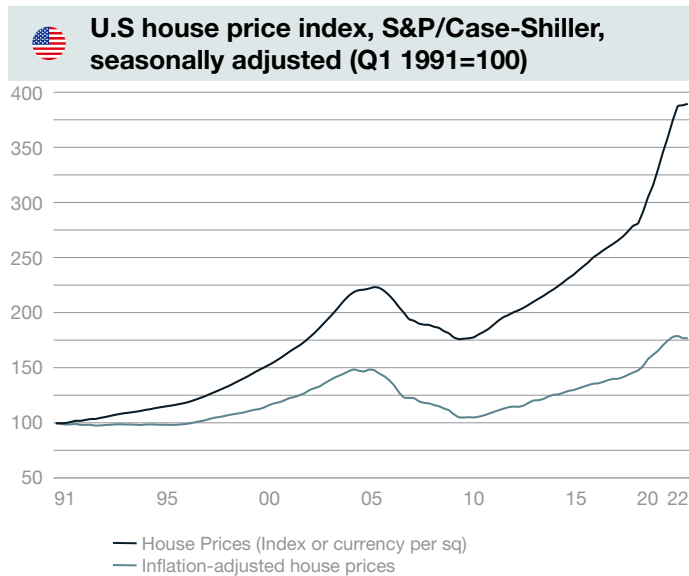
This is supported by figures released by the Federal Housing Finance Agency, which showed that its seasonally-adjusted purchase-only U.S. house price index rose by a meager 1.22% during 2022 (inflation-adjusted), a sharp slowdown from the prior year's 10.49% growth. The S&P/Case-Shiller index fell by 0.87% q-o-q in Q4 2022, while the FHFA index declined slightly by 0.03%.

Demand is falling sharply. In 2022, existing home sales totalled 5.03 million units, down by 17.8% from the previous year. Likewise, sales of new single-family houses fell by 16.4% y-o-y to 644,000 units in 2022.

The U.S. homebuilder sentiment stood at 44 in March 2023, up by 2 points from the previous month but still far below prior year's 79, amidst persistently high inflation and rising interest 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.



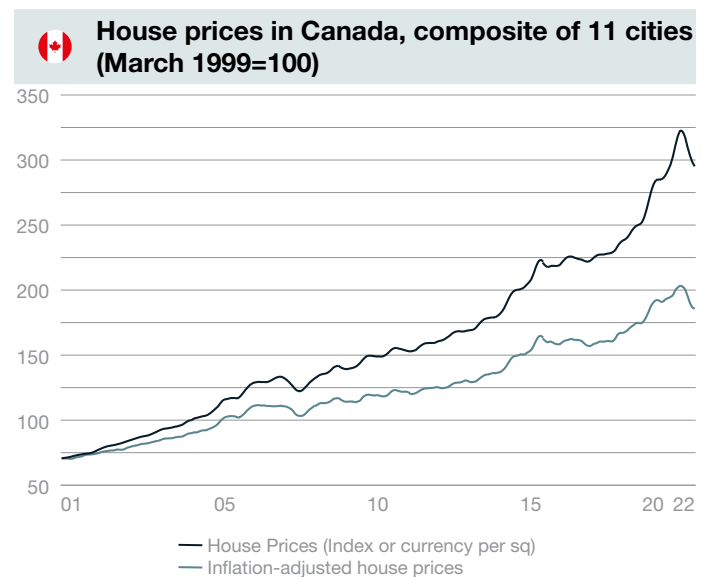
During 2022, the U.S. economy expanded by 2.1%, a slowdown from an annual growth of 5.9% in 2021, driven by increases in consumer spending, exports, private inventory investment and nonresidential fixed investment, according to figures released by the Bureau of Economic Analysis (BEA). The world's biggest economy will slow further in the medium term, with a projected real GDP growth rate of 0.7% in 2023 and 0.9% in 2024.



[Canada's](#) housing market is now losing steam, amidst declining demand. During 2022, inflation-adjusted house prices in the country's eleven major cities fell by 3.82% from a year earlier, in sharp contrast to a year-on-year price growth of 10.17% in 2021. Quarter-on-quarter, real house prices declined by 5.04% in Q4 2022.

Both demand and supply are now falling. During 2022, the actual number of sales transactions plunged by 25.2% to 498,269 units from a record high of 666,399 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. Likewise, housing starts fell modestly by 3.4% y-o-y to 261,849 units in 2022, in sharp contrast to a huge 24.5% increase in 2021.

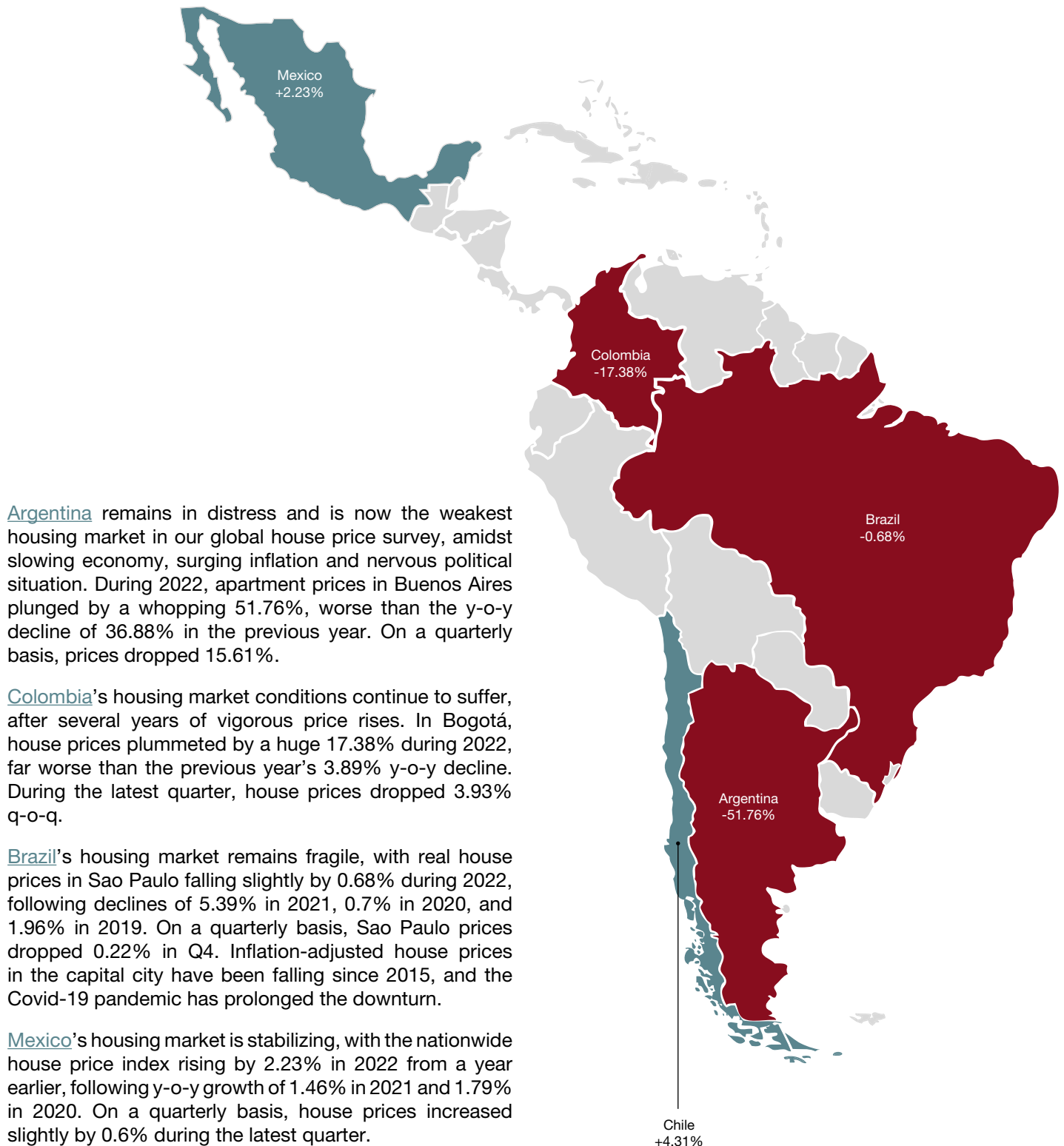
The Canadian economy grew by a modest 3.6% during 2022, following an expansion of 4.5% in 2021 and a contraction of 5.2% in 2020, according to the Bank of Canada. However economic outlook is now bleak, as higher borrowing costs adversely affect consumer spending and as export growth moderates. The central bank expects Canada's economy to grow by a meager 1% this year.





Latin America's housing markets still struggling.

The two of the three weakest housing markets in our global survey are in Latin America. Modest house price rises are seen in Chile and Mexico. On the other hand, Argentina, Colombia and Brazil remain depressed. All, except Brazil and Mexico, registered weaker performances in 2022 compared to a year earlier.



[Argentina](#) remains in distress and is now the weakest housing market in our global house price survey, amidst slowing economy, surging inflation and nervous political situation. During 2022, apartment prices in Buenos Aires plunged by a whopping 51.76%, worse than the y-o-y decline of 36.88% in the previous year. On a quarterly basis, prices dropped 15.61%.

[Colombia](#)'s housing market conditions continue to suffer, after several years of vigorous price rises. In Bogotá, house prices plummeted by a huge 17.38% during 2022, far worse than the previous year's 3.89% y-o-y decline. During the latest quarter, house prices dropped 3.93% q-o-q.

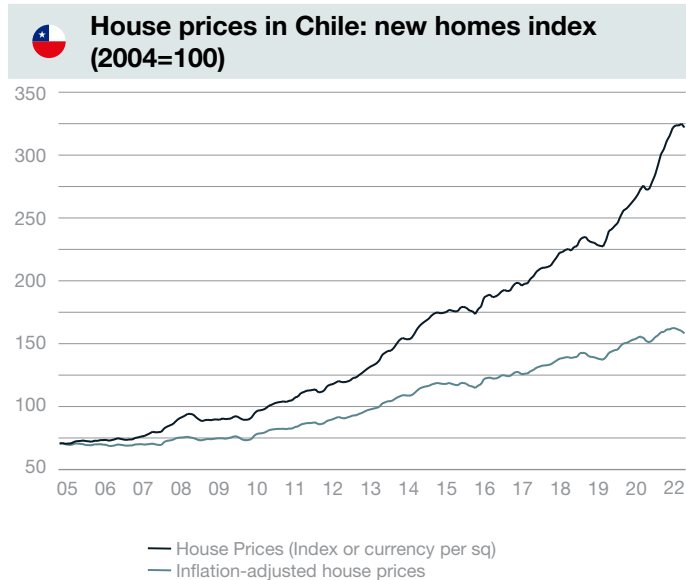
[Brazil](#)'s housing market remains fragile, with real house prices in Sao Paulo falling slightly by 0.68% during 2022, following declines of 5.39% in 2021, 0.7% in 2020, and 1.96% in 2019. On a quarterly basis, Sao Paulo prices dropped 0.22% in Q4. Inflation-adjusted house prices in the capital city have been falling since 2015, and the Covid-19 pandemic has prolonged the downturn.

[Mexico](#)'s housing market is stabilizing, with the nationwide house price index rising by 2.23% in 2022 from a year earlier, following y-o-y growth of 1.46% in 2021 and 1.79% in 2020. On a quarterly basis, house prices increased slightly by 0.6% during the latest quarter.

Figure 5. Change in real house prices (%) over 1 year to Q4 for countries which have released Q4 figures



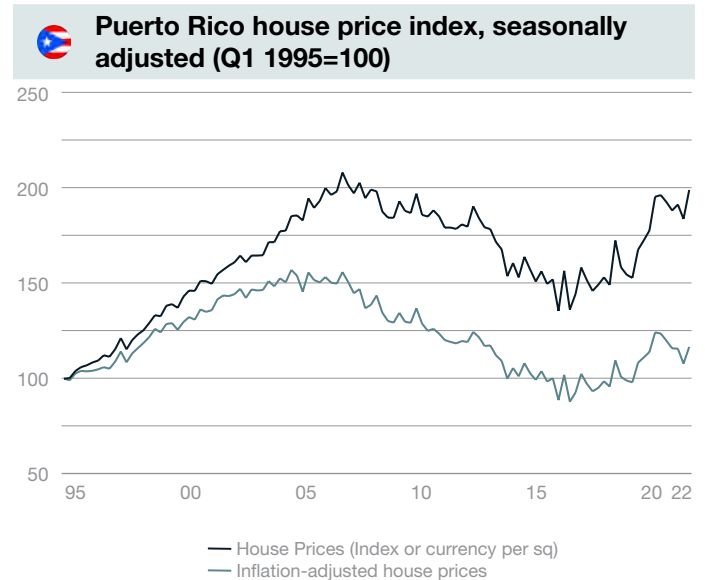
Chile's housing market remains stable, despite sharp economic slowdown. The nationwide average price of new apartments rose by 4.31% y-o-y in 2022, at par with the previous year's 4.79% growth. Though quarter-on-quarter, house prices fell by 2.28%.



Puerto Rico's housing market continues to recover

Puerto Rico's housing market continues to recover. The seasonally-adjusted purchase-only house price index rose by a modest 2.41% in 2022 from a year earlier, following a year-on-year increase of 4.16% in 2021. Quarter-on-quarter, house prices increased 4.86% 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. After expanding by 4.8% in 2022, economic growth is projected to slow again to 0.4% this year.





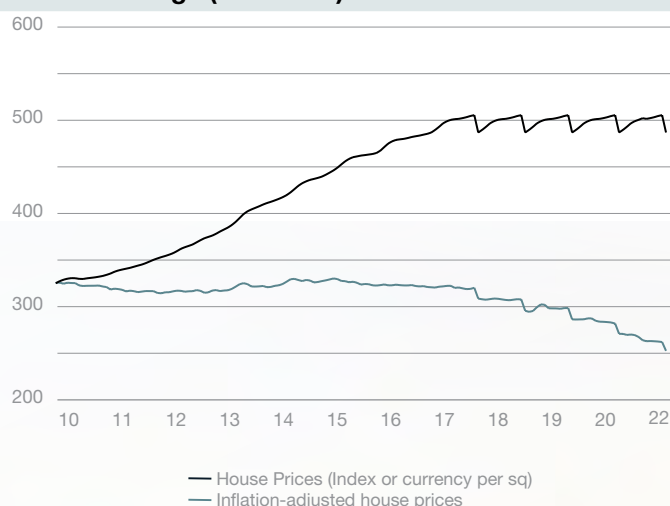
South Africa's housing market still gloomy

South Africa's housing market remains weak, having been depressed for most of the past seven years. The price index for medium-sized apartments fell by 4.28% during 2022, following a y-o-y decline of 2.06% in 2021 and a miniscule growth of 0.99% in 2020. On a quarterly basis, house prices fell slightly by 0.49% during the latest quarter.

After registering a post-pandemic growth of 4.9% in 2021, SA's economic growth slowed to 2.1% 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 0.3% this year, according to the South African Reserve Bank (SARB).



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





Global Property Guide

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